

Mary Taylor, CPA
Auditor of State

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Federal Awards Receipts and Expenditures Schedule	1
Notes to the Federal Awards Receipts and Expenditures Schedule.....	4
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	5
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	7
Schedule of Findings and Questioned Costs	9
Schedule of Prior Audit Findings and Questioned Costs	42
Corrective Action Plan.....	44

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**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007**

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-2006	10.553	\$ 727,674	\$ -	\$ 727,674	\$ -
	043802 05PU-2007	10.553	3,371,540	-	3,371,540	-
Total School Breakfast Program			4,099,214	-	4,099,214	-
National School Lunch Program	043802 LLP1 2007	10.555	16,925	-	16,925	-
	043802 LLP4-2006	10.555	1,943,597	-	1,943,597	-
	043802 LLP4-2007	10.555	10,909,364	-	10,909,364	-
Total National School Lunch Program			12,869,886	-	12,869,886	-
Summer Food Service Program	043802 24PU-2006	10.559	252,058	-	252,058	-
Total Nutrition Cluster:			17,221,158	-	17,221,158	-
Food Donation Program	043802	10.550	-	712,565	-	712,565
Fresh Fruit and Vegetable Program	043802	10.582	-	213,738	-	213,738
Child and Adult Care Food Program	043802 LUCP-2006	10.558	65	-	65	-
	043802 LUCP-2007	10.558	435	-	435	-
	043802 CCMO-2006	10.558	3,769	-	3,769	-
	043802 CCMO-2007	10.558	20,727	-	20,727	-
Total Child and Adult Care Food Program			24,996	-	24,996	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE:			17,246,154	926,303	17,246,154	926,303
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Special Education - Grants for Infants and Families with Disabilities		84.181	217,961	-	215,209	-
Safe and Drug Free Schools and Communities: National Programs		84.184	858,652	-	872,810	-
Fund for the Improvement of Education		84.215	683,188	-	728,441	-
State Grants for Innovative Programs		84.298	197,300	-	205,972	-
Teacher Quality Enhancement Grants		84.336	1,464,400	-	1,465,831	-
Total Direct Funding:			3,421,501	-	3,488,263	-
<i>Passed Through Ohio Department of Education:</i>						
Mathematics and Science Partnerships	MJOM-2006	84.366	131,458	-	317,995	-
Teacher Incentive Fund (TIF)	043802-TBTI-2007	84.374	265,673	-	12,195	-
Special Education Cluster:						
Special Education Grants to States	043802 6BSF-2006	84.027	201,603	-	299,559	-
	043802 6BSF-2007	84.027	14,640,475	-	14,420,379	-
	043802 6BS3-2005	84.027	(10,000)	-	-	-
	043802 6BST-2006	84.027	340,878	-	312,482	-
Total Special Education Grants to States			15,172,956	-	15,032,420	-
Special Education - Preschool Grant	043802 PGD0-2006	84.173	3,500	-	-	-
	043802 PGS1-2006	84.173	9,010	-	47,725	-
	043802 PGS1-2007	84.173	356,021	-	335,652	-
Total Special Education- Preschool Grant			368,531	-	383,377	-
Total Special Education Cluster:			15,541,487	-	15,415,797	-
Adult Education: State Grant Program	043802 ABS1-2007	84.002	531,943	-	531,943	-

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007
(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-2006	84.010	7,666	-	23,553	-
	043802 C1SD-2007	84.010	148,686	-	142,042	-
	043802 C1S1-2006	84.010	3,033,281	-	5,057,324	-
	043802 C1S1-2007	84.010	27,285,727	-	24,742,501	-
	043802 C1SN-2006	84.010	102,620	-	119,708	-
	043802 C1SN-2007	84.010	142,841	-	139,304	-
	043802 C1SK-2006	84.010	1,614,446	-	1,884,449	-
	043802 C1SK-2007	84.010	1,100,000	-	687,757	-
Total Title I - Grants to Local Educational Agencies			33,435,267	-	32,796,638	-
Vocational Education: Basic Grants to States	VECT-2006-70	84.048	41,416	-	58,193	-
	043802 20C1-2006	84.048	331,005	-	765,889	-
	043802 20C1-2007	84.048	2,326,831	-	1,575,606	-
	043802 20C2-2007	84.048	172,409	-	172,409	-
Total Vocational Education: Basic Grants to States			2,871,661	-	2,572,097	-
Safe and Drug Free Schools and Communities: State Grants	043802 DRS1-2006	84.186	10,004	-	79,221	-
Total Safe and Drug Free Schools and Communities: State Grants	043802 DRS1-2007	84.186	445,582	-	443,991	-
			455,586	-	523,212	-
Education for Homeless Children and Youth	043802 HCS1-2006	84.196	-	-	16,762	-
	043802 HCS1-2007	84.196	280,707	-	280,707	-
Total Education for Homeless Children and Youth			280,707	-	297,469	-
Javits Gifted and Talented Student Education Grant Program	043802 JGS1-2006	84.206	8,333	-	13,882	-
Fund for the Improvement of Education	043802 EMGR-2006	84.215	176,500	-	176,500	-
Twenty-First Century Community Learning Centers	043802 T1S1-2007	84.287	935,371	-	1,153,453	-
State Grants for Innovative Programs	043802 C2S1-2006	84.298	52,200	-	52,238	-
	043802 C2S1-2007	84.298	257,360	-	517,128	-
Total State Grants for Innovative Programs			309,560	-	569,366	-
Technology Literacy Challenge Fund Grant	043802 TJS1-2006	84.318	294,524	-	351,945	-
	043802 TJS1-2007	84.318	451,556	-	394,360	-
	043802 TJSL-2007	84.318	1,361,959	-	1,285,203	-
	043802 TJTI--2007	84.318	-	-	254,995	-
Total Technology Literacy Challenge Fund Grant			2,108,039	-	2,286,503	-
Comprehensive School Reform Demonstration	043802 RFCC-2006	84.332	1,653,985	-	1,795,538	-
	043802 RFCC-2007	84.332	1,032,168	-	747,346	-
	043802 RFCC-2005	84.332	-	-	31	-
	043802 RFK2-2003	84.332	-	-	201	-
	043802 RFK3-2005	84.332	66,242	-	62,270	-
Total Comprehensive School Reform Demonstration			2,752,395	-	2,605,386	-
Reading First State Grants	043802 RSS1-2006	84.357	581,820	-	542,982	-
	043802 RSS1-2007	84.357	3,009,204	-	2,666,025	-
Total Reading First State Grants			3,591,024	-	3,209,007	-
English Language Acquisition Grants	043802 T3S1-2006	84.365	163,529	-	102,980	-
	043802 T3S1-2007	84.365	1,008,950	-	913,852	-
	043802 T3S2-2006	84.365	39,882	-	59,322	-
	043802 T3S2-2007	84.365	206,957	-	162,455	-
Total English Language Acquisition Grants			1,419,318	-	1,238,609	-

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007
(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 TRS1-2006	84.367	2,088,963	-	1,469,616	-
	043802 TRS1-2007	84.367	5,092,471	-	4,717,559	-
	043802 TRS-2005	84.367	-	-	(7,272)	-
	043802 TRSP-2005	84.367	108,612	-	108,612	-
	043802 TRSP-2006	84.367	184,500	-	184,500	-
	043802 TRXX- 2007	84.367	(3,431)	-	20,569	-
Total Improving Teacher Quality State Grants			7,471,115	-	6,493,584	-
Hurricane Education Recovery	043802 HR01-2006	84.938	173,625	-	173,625	-
Total Passed Through Ohio Department of Education:			72,061,931	-	70,057,071	-
<i>Passed Through Columbus Urban League:</i>						
Parental Assistance Centers	043802	84.310	54,778	-	70,705	-
<i>Passed Through National Institute for Excellence in Teaching:</i>						
Fund for the Improvement of Education	043802	84.215	115,057	-	22,286	-
TOTAL U.S. DEPARTMENT OF EDUCATION:			75,653,267	-	73,638,325	-
<u>U.S. DEPARTMENT OF LABOR</u>						
<i>Passed Through Ohio Department of Job and Family Services:</i>						
<i>Passed Through Central Ohio Workforce Investment Corporation:</i>						
WIA Cluster:						
WIA Adult Program	043802	17.258	16,469	-	16,469	-
WIA Youth Activities	043802	17.259	103,400	-	66,396	-
Total WIA Cluster			119,869	-	82,865	-
TOTAL U.S. DEPARTMENT OF LABOR:			119,869	-	82,865	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Job and Family Services:</i>						
<i>Passed Through Franklin County Department of Job and Family Services:</i>						
Temporary Assistance for Needy Families	043802	93.558	1,465,556	-	1,669,470	-
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medical Assistance Program (Medicaid Title XIX)	2500823	93.778	30,139	-	-	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			1,495,695	-	1,669,470	-
<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	37,025	-	5,363	-
	043802 SVS1-2006	94.004	-	-	8,814	-
Total Learn and Serve American School and Community Based Programs			37,025	-	14,177	-
<u>NATIONAL SCIENCE FOUNDATION</u>						
Education and Human Resources		47.076	68,582	-	65,162	-
<u>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</u>						
Grants to States		45.310	24,000	-	749	-
Promotion of the Arts-Grants to Organizations and Individuals		45.024	6,410	-	3,051	-
Total National Foundation on the Arts and Humanities			\$ 30,410	\$ -	\$ 3,800	\$ -
Totals			\$ 95,048,133	\$ 926,303	\$ 93,050,143	\$ 926,303

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, 2007**

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.

NOTE E – COMMUNITY ALTERNATIVE FUNDING SYSTEM (CAFS)

The District received \$30,139 of CAFS funds during 2007. The funds relate to reimbursement for CAFS services provided during prior periods.

NOTE F – TEACHER ADVANCEMENT PROGRAM (TAP)

The District operates a Teacher Advancement Program (TAP) through the Ohio Department of Education. This program contains cash receipts from Improving Teacher Quality State Grants, #84.367, and the Fund for the Improvement of Education, #84.215, which are commingled together along with State grant funds. It is assumed federal monies are expended first.

NOTE G – TRANSFERS BETWEEN COST CENTERS

In 2003, the grant periods were modified by ODE to agree with the fiscal year of school districts. The grant periods changed from a 27-month period ending on September 30 to a 12-month period ending on June 30. Transfers were made between the 2006 and 2007 grant years for the following grants:

<u>Program Title</u>	<u>CFDA #</u>	<u>Amount</u>
Adult Education: State Grant Program	84.002	\$ 692
Special Education – Preschool Grant	84.173	23,366
English Language Acquisition Grants	84.365	123
Title I – Grants to Local Educational Agencies	84.010	299,596
Safe and Drug Free Schools and Communities	84.186	65,342



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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, 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, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 9, 2008, wherein we noted the District restated July 1, 2006 beginning net assets in the Governmental and Business Type Activities and the July 1, 2006 fund balances in the Food Service and Other Governmental Funds due to reclassification of several funds from Enterprise to Special Revenue. 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting: 2007-001, 2007-002, and 2007-008 through 2007-014.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe findings number 2007-001 and 2007-008 through 2007-010 are also material weaknesses.

We also noted certain internal control matters that we reported to the District's management in a separate letter dated January 9, 2008.

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, noncompliance 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 costs as items 2007-001 through 2007-007.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated January 9, 2008.

The District's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit the District's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

January 9, 2008



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON 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, 2007. 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 Columbus City School 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, 2007. 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 2007-015 through 2007-022. In a separate letter to the District's management dated January 9, 2008, 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 the 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as findings 2007-015 through 2007-018 and 2007-023 through 2007-026 to be significant deficiencies.

A material weakness is significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider findings 2007-015, 2007-016, 2007-023, and 2007-024 to be material weaknesses. We also noted matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated January 9, 2008.

The District's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit the District's responses and, accordingly, we express no opinion on them.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Columbus City School District as of and for the year ended June 30, 2007, and have issued our report thereon dated January 9, 2008, wherein we noted the District restated July 1, 2006 beginning net assets in the Governmental and Business Type Activities and the July 1, 2006 fund balances in the Food Service and Other Governmental Funds due to reclassification of several funds from Enterprise to Special Revenue. 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, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

February 20, 2008, except the Federal Awards Receipts and Expenditures Schedule dated January 9, 2008.

COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other significant deficiencies in internal control 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 # 10.533 National School Lunch Program CFDA #10.555 Summer Food Service Program CFDA #10.559 • <u>Special Education Cluster</u> IDEA Part B CFDA #84.027 Preschool Grant CFDA #84.173 • <u>Reading First State Grants</u> CFDA #84.357 • <u>Title II-A Improving Teacher Quality</u> CFDA #84.367 • <u>Title I</u> CFDA #84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 2,819,293 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, 2007**

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

Finding Number	2007-001
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Self Insurance Controls – Significant Deficiency / Material Weakness / Noncompliance Finding / Finding for Recovery

The District contracted with Aetna to be its third party administrator for health, dental, and vision claims processing. Total expenditures in fiscal year 2007 for self insurance were \$72,788,436.

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 receives a confirmation fax that listed the total of the check run that was withdrawn from the District's bank account due to blanket authorization to Aetna to withdraw funds as needed. The District performed monthly 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.

The results of our testing were:

- The number of ineligible claims paid for an individual included as insured was 55;
- The amount of claims paid for ineligible individuals included as insured was \$1,284.94 (see chart below);
- 2 percent 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; and
- Of the tested enrollment forms on file, 90 percent were over two years old, 73 percent were over five years old, and 45 percent were over seven years old.

Additionally, the District allows employees on leave of absence to pay the full premium to continue coverage during that period. However, there is no formal policy regarding the procedures and guidelines for paying the coverage.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-001 (Continued)
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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.

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.* (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; *State ex rel. Village of Linndale v. Masten* (1985), 18 Ohio St. 3d.228. Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att'y Gen. No. 80-074.

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.

Employee Name	Finding Amount
Medical Claims:	
Clark-Chambers, Rita	\$ 35.90
Galloway, Sheri	979.07
Prescription Claims:	
Clark-Chambers, Rita	81.08
Galloway, Sheri	62.38
Riley, Michael	126.51
Total	\$1,284.94

Craig Bickley, Director of Human Resources, and Michael Kinneer, Treasurer, shall be secondarily liable for such illegal expenditures to the extent that recovery or restitution is not obtained from those individuals listed in the chart above.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-001 (Continued)
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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 accompany the enrollment form for approval (ie marriage license, birth certificate, proof of dependency, etc.), documentation required to prove financial dependency for all dependents between the ages of 19 and 24, 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 of claims to ensure payments are made for only eligible employees and members;
- Blanket authorization of the TPA to withdraw funds should be removed;
- Establish a system to timely remove employees from being listed as an eligible member upon an event which deems them ineligible for coverage;
- Receive and maintain a copy of COBRA enrollment forms.

Finding Number	2007-002
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Food Service Point of Sale to Bank Reconciliation – Significant Deficiency / Noncompliance Finding / Finding for Recovery

The Treasurer's Office reconciles the Food Service Point of Sale (POS) System to the Food Service bank account on a monthly basis. An account clerk in the Treasure's Office sends any variances noted between the POS system and the bank account to the Food Service Director to resolve as part of the reconciliation process. Any variances noted between the POS System and the bank account are netted together with any deposits in transits to reach an "Outstanding Food Service Amount" that is included in the overall District monthly bank reconciliation.

Reconciliations throughout 2007 contained a total amount of \$2,477 which was listed as outstanding at month end when it cleared the bank earlier that month. Additionally, thirteen variances were identified which indicated that the amount stated to have been collected was greater than the amount which cleared the bank. These amounts ranged from \$10 through \$402 that were not investigated and addressed until audit request.

As a result, sixteen deposits at Windsor Academy Elementary School with a total of \$112.95 were not appropriately secured in the school office safe by the principal. Furthermore, a deposit at Indian Springs Elementary in the amount of \$63.20 was not appropriately submitted to the school principal's office or logged into the Brinks Armored Services (Brinks) log book by Food Service employee. As a result these deposits were never picked up by Brinks and delivered to the District's bank for deposit and were not deposited by any other means.

Additionally, a deposit of \$220.90 from East on Arcadia High School was collected by Brinks but was never deposited with the bank. Based on the District contract with Brinks notification of un-deposited monies picked up must be made within 30 days for Brinks to investigate and take responsibility for the monies. The District failed to provide notification making the District responsible for the un-deposited monies.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-002 (Continued)
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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. (1929), 12o Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State ex rel. Village of Linndale v. Masten (1985), 18 Ohio St. 3d.228. Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies collected but unaccounted for is hereby issued in favor of the Columbus City School District Food Service Fund individually against Margaret A. Taylor, Principal for Windsor Academy Elementary, for one hundred twelve dollars and ninety five cents (\$112.95) and against Michael Kinneer, Treasurer, in his supervisory capacity for assuring all funds are deposited, and his bonding company, Travelers Casualty and Surety Company of America, jointly and severally in the amount of two hundred eighty four dollars and ten cents (\$284.10).

On February 15, 2008, \$112.95 was repaid, by check, from Margaret Taylor and posted to the District’s Food Service Fund.

Further resulting from the reconciliation issues, the Food Service fund balance on the District’s accounting system was understated by \$100,627 at June 30, 2007, which consisted of unrecorded food service receipts of \$4,337 from 2007 and \$96,290 from 2006 that were carried on the bank to book reconciliation as deposits in transit when they should have been recorded as revenue. We further recommend the District record the amount of unrecorded food service deposits being carried as a reconciling item to the accounting records.

We recommend the District follow up on any variances between the POS system and the bank account at the point they are identified in the reconciliation process before the reconciliation is finalized to ensure all reconciling items are properly presented, investigated, and resolved in a timely manner to ensure the monthly bank reconciliations are complete and accurate. For fraud, thefts, or missing monies identified, the District should follow a formal reporting process of notifying the Treasurer’s office, internal audit, and potentially the police.

COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)

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

Finding Number	2007-003
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Unaccounted Gift Cards – Noncompliance Finding / Finding for Recovery

State ex rel. McClure v. Hagerman (1951), 155 Ohio St. 320, 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, 1982 Op. Att’y Gen. No. 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 District expended public funds in the amount of \$1,130 on student gift card incentives that can not be located or determined if they were provided to students. As a result, it could not be determined that the expenditures were for a proper public purpose of the District which met the goals and mission of the District.

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. (1929), 12o Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State ex rel. Village of Linndale v. Masten (1985), 18 Ohio St. 3d.228*. Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money collected but unaccounted for is hereby issued against Suzy Rhett, Middle and High School Curriculum Director in the amount of one thousand one hundred and thirty dollars (\$1,130), in favor of the Columbus City Schools Miscellaneous Federal Grant Fund (Temporary Assistance for Needy Families (TANF)/After School Readiness (SCC 9718)). We recommend gift cards purchased for distribution as part of student incentive programs have clear documentation and sign off as to the parties they are distributed to along with the reason for distribution. A tracking schedule of all undistributed gift cards should be performed to ensure what District management has possession of undistributed cards. Undistributed cards should additionally be secured to guard against potential theft or misuse.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-004
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Student Activity Receipts – Noncompliance Finding / Finding for Recovery

A pay-in of \$953 of student activities monies from May 31, 2007 was recorded to the District’s accounting system, but was not deposited into the District’s bank accounts. The monies were collected by Brink’s Armored Services. However, based on the District’s contract, they are not responsible for non-deposited monies if the District does not inform them within 30 days, which the District failed to do.

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.* (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; *State ex rel. Village of Linndale v. Masten* (1985), 18 Ohio St. 3d.228. Public officials controlling public funds or property are secondarily liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen. Public officials will be liable if and to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies collected but unaccounted for is hereby issued against Michael Kinner, Treasurer, in his supervisory capacity for assuring all funds are deposited; and his bonding company, Travelers Casualty and Surety Company of America, jointly and severally, in the amount of nine hundred and fifty three dollars (\$953) in favor of the Columbus City School District funds noted in the following table:

Fund	Special Cost Center	Finding Amount
District Managed Activities	902 E	\$ 28
Student Managed Activities	930 I	525
District Managed Activities	969 J	400
Total		\$ 953

We recommend the District ensure all funds are deposited on a timely basis. We further recommend monthly bank to book reconciliation procedures are performed on a timely basis and that outstanding items are identified, researched, and rectified to ensure all District funds are deposited and credited to the appropriate accounts.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-005
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Negative Fund Balances – Noncompliance Finding

Ohio Rev. Code Section 5705.10(H) 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.

Additionally, Ohio Rev. Code Section 3315.20 permits that a school district may have a deficit in any special fund of the district only if both of the following conditions are satisfied:

- A. The district has a request for payment pending with the state sufficient to cover the amount of the deficit and there is a reasonable likelihood that payment will be made.
- B. The unspent and unencumbered balance in the district’s general fund is greater than the aggregate of deficit amounts in all of the district’s special funds.

The District had negative fund balances throughout the year that did not qualify under permissible conditions as follows:

FUND	MONTH END	FUND BALANCE
006 Food Service	July 06	(865,050.24)
022 District Agency	July 06	(1,488,814.68)

All District fund cash balances at June 30, 2007 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.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-006
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Appropriation Amendments – Noncompliance Finding

Ohio Rev. Code Section 5705.40 states, in part, that any appropriation ordinance or measure may be amended or supplemented, provided that such amendment or supplement shall comply with all provisions of law governing the taxing authority in making an original appropriation and that no appropriation for any purpose shall be reduced below an amount sufficient to cover all unliquidated and outstanding contracts or obligations certified from or against the appropriation.

Ohio Rev. Code 5705.39 states that no appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. Therefore, the failure to submit approved appropriation amendments to the County Budget Commission resulted in ineffective appropriation measures until appropriations were submitted and certifications were obtained. If appropriations were set at a level exceeding estimated resources deficit spending may occur.

4 of the 10 Board approved amendments to the District's appropriations were not submitted to the County Budget Commission. The District's final appropriation amendment was submitted to the County Budget Commission.

We recommend the District submit all Board approved appropriations measures to the County Budget Commission for certification.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-007
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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.

The following funds had appropriations in excess of estimated resources at the time that original appropriations were adopted:

Fund Name	Original Estimated Resources	Original Appropriations	Variance
Debt Service Fund	\$ 31,315,580	\$ 32,706,000	(\$ 1,390,420)
Classroom Facilities Fund	199,695,950	285,500,000	(85,804,050)
Schoolnet Equipment Fund	125,003	575,000	(449,997)
School Building Assistance Limited Fund	21,235	200,000	(178,765)
Food Service Fund	23,711,955	24,865,000	(1,153,045)
Uniform School Supplies Fund	97,428	100,000	(2,572)
Adult Education Fund	2,147,604	2,500,000	(352,396)
WCBE Fund	930,023	1,359,721	(429,698)
Latchkey Fund	1,148,529	2,129,890	(981,361)
Other Grants Fund	2,045,729	5,500,000	(3,454,271)
Computer Network Class "A" Site Fund	90,170	200,000	(109,830)
District Managed Activities Funds	3,496,526	4,550,000	(1,053,474)
Auxiliary Services Fund	5,237,387	6,540,000	(1,302,613)
Post Secondary Vocational Education Fund	10,456	19,000	(8,544)
Management Information Systems Fund	287,850	300,000	(12,150)
Public School Preschool Fund	515,521	750,000	(234,479)
Data Communications Fund	882,696	1,550,000	(667,304)
Ohio Reads Fund	597,029	1,000,000	(402,971)
Vocational Educational Enhancements Fund	0	150,000	(150,000)
Miscellaneous State Grants Fund	916,060	1,730,000	(813,940)
Special Education Part B-IDEA Fund	9,000,000	16,800,000	(7,800,000)
Title III – Limited English Proficiency Fund	700,000	1,700,000	(1,000,000)
Transition Program for Refugee Children Fund	152,666	200,000	(47,334)
Title I Fund	28,512,629	42,750,000	(14,237,371)
Innovative Programs Title V Fund	850,000	1,700,000	(850,000)
Early Childhood Special Education – IDEA Fund	296,783	411,000	(114,217)
Improving Teacher Quality – Title II-A Fund	700,981	13,340,000	(12,639,019)
Miscellaneous Federal Grants Fund	12,472,407	24,300,000	(11,827,593)

Appropriations were set within the Estimated Resources limitation at June 30, 2007.

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, 2007
(Continued)**

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

Finding Number	2007-008
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Capital Assets – Significant Deficiency / Material Weakness

The District has developed and implemented procedures to track the movement of capital assets from department to department, retirement, sale, disposal and acquisition. Either an “Inventory Control Form” (the Form) or the Administrator’s Equipment Tracking Database 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 as well.

Annually, the Treasurer’s office distributes a complete inventory listing to each department which contains all capital assets (assets over \$1,000 for food service and over \$5,000 for the remaining assets) 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 performs an annual inventory, the inventories are received and performed on varying dates throughout the fiscal year. Discrepancies from listings to inventory results including additions, disposals, and 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:

- 10 percent of equipment tested could not be located, while 3 percent of equipment tested was located at a different location than that listed on the capital asset listing;
- 20 percent of equipment tested was not tagged by the District;
- 6 percent of asset additions tested did not have capital asset inventory control forms or similar documentation from the Administrator’s Equipment Tracking Database. While the database provides for an electronic tracking system, the field labeled “Date Entered into the EIS,” is inconsistently used, (i.e. not always completed or completed several months after the item was purchased);
- Inventory Control Forms, which serve as the evidentiary approval mechanism for disposals, were completed after the disposal of assets and performance of annual inventories at the completion of the fiscal year for 27 percent of disposals. Of these assets, 7 percent were disposed of due to being identified as missing during annual inventories with disposal details unattainable and 20 percent were disposed of due to having been auctioned off or traded in several months prior to the forms being completed. While auctioned assets were supported by auction listings and trade-in assets were supported by invoices, missing assets were evidenced only by the inventories which identified their missing status.
- 905 items or \$1,155,961 from all inventoried assets were determined to be missing from the departmental inventories. \$253,412 of which were capital assets above the District’s capitalization threshold of \$5,000, with a net value of \$35,895. In addition, \$196,033 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 21 items for a total of \$26,947 of assets that either remained at the identified school or had been transferred to another school and the new location of the asset had not yet been recorded in the system.
- 65 percent of vehicles and 27 percent of equipment assets, which represent \$13,834,285 and \$49,095,887 of original book value respectively, 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, 2007
(Continued)**

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

Finding Number	2007-008 (Continued)
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- Building improvements are consistently being depreciated over 25 years, regardless of the type of improvement being made, resulting in improvements being depreciated over a useful life beyond the life span of the building being improved.

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

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	2007-009
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Financial Reporting - Significant Deficiency / Material Weakness

Sound financial reporting is the responsibility of the District's Treasurer and Board of Education and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The District utilizes the Uniform School Accounting System and currently has monitoring controls over daily cash-basis transactions entered into the system. At year-end the cash basis information from the accounting system is converted into the financial statements reported under Accounting Principles Generally Accepted in the United States of America. Accrual information is prepared by the District and is submitted to an outside accounting firm to prepare the financial statements.

The following audit adjustments/reclassifications were made to the financial statements and, where applicable, to the District's accounting records:

Cash Adjustments:

- Overstatement of tax revenue and fund balance in the Classroom Facilities Maintenance Fund and understatement of those items in the Debt Service Fund by \$7,589,430 for tax advances improperly recorded.
- Overstatement of intergovernmental revenue and capital outlay expenditures by \$7,782,239 in the Classroom Facilities Fund.
- Reclassification of expenditures from payment to refunded bond escrow agent to debt service principal for \$499,820 in the Debt Service Fund.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-009 (Continued)
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GAAP Adjustments:

- Overstatement in long term liabilities – due within one year and overstatement in expenses for \$498,684 in Governmental Activities to properly record accretion of capital appreciation bonds.
- Understatement of \$24,713,618 in original budgeted revenues and other financing sources in the General Fund.
- Reclassification of original and final budgeted expenditures and other financing uses in the General Fund to agree to the appropriation measures adopted by the Board of Education. Additionally, overstatements of original and final budgeted expenditures and other financing uses of \$4,141,199 and \$10,875,291, respectively.
- The District does not budget for advances. However, the General Fund original and final budgeted amounts on budget vs. actual statements for advances-in were presented as \$19,892,936 and \$21,282,214, respectively. The General Fund final budgeted amounts for advances-out were presented as \$24,802,043. Additionally, the Food Service Fund original and final budgeted amounts for advances-in were \$5,883,070 and \$7,104,554, respectively.
- Understatement of Food Service Fund inventory of \$270,399.
- Reclassification of interfund payable/receivable to a transfer-out/in due to the Food Service Fund's inability to repay \$5,805,844 to the General Fund.
- Overstatement of intergovernmental revenue and intergovernmental receivable of \$12,697,989 in the General Fund and \$10,697,374 in the Classroom Facilities Fund which was deferred on the fund statements and became revenue for Governmental Activities.
- Understatement of interest and fiscal charges and increase in long-term liabilities for \$6,155,353 in Governmental Activities, due to error in calculation with loss on bond refunding.
- Reclassify long term liabilities-due within one year to long term liabilities-due in more than one year for \$4,998,756 for Governmental Activities.
- Reduce charge for service program revenue by \$5,594,940 and reclassify program revenues totaling \$5,400,304 for the Statement of Activities to allocate charges for services to the programs for which the revenues were derived.
- Overstatement of taxes receivables and understatement of tax revenues of \$71,629,591 in the General Fund; \$8,582,818 in the Debt Service fund; and \$864,693 in the Classroom Facilities Maintenance Fund, due to the property tax advance received not being removed from the receivable.
- Reclassification of \$23,649,744 of net asset components for the Statement of Net Assets to allocate net assets to the appropriate restrictions.
- Prior period restatement to add \$11,423,578 of assets previously paid for directly by the Ohio School Facilities Commission that were not recorded to the District's capital asset listing. This amount included \$7,782,239 from the cash overstatement of capital outlay as it was paid in a prior period.
- Prior period restatement due to overstatement of capital assets by \$19,953,056 due to incorrect acquisition dates being utilized for District buildings which depreciation was calculated upon. The use of incorrect dates for buildings also caused an overstatement of the current year depreciation expense on capital assets of \$2,535,293.
- Reclassification of charges for sales and services program revenues to various expenditure functions for a total amount of \$5,604,087 of Governmental Activities.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-009 (Continued)
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The following aggregated differences/reclassifications were immaterial to the overall financial statements of the District and were not posted to the June 30, 2007 Statement of Net Assets and Statement of Activities:

- Receivables and other current assets are overstated by \$2,343,012.
- Payables are understated by \$8,790,096.
- Revenues are understated by \$7,225,525.
- Expenses are understated by \$12,208,077.
- Net Assets are overstated by \$28,603,457.
- Capital Assets are overstated by \$9,432,957.
- Long Term Liabilities are understated by \$8,037,401.

The following aggregated differences/reclassifications were immaterial to the overall financial statements of the District and were not posted to the June 30, 2007 Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances:

- Receivables are overstated by \$2,106,751.
- Payables are understated by \$9,177,312.
- Revenues are understated by \$7,820,072.
- Expenditures are overstated by \$127,830.
- Fund Balances are overstated by \$11,284,053.

Lack or failure of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

We recommend the District develop policies and procedures to enhance its controls over recording of financial transactions and financial reporting to help ensure the information accurately reflects the activity of the District and thereby increasing the reliability of the financial data throughout the year. We also recommend the District implement additional procedures over the completeness and accuracy of financial information reported within the Comprehensive Annual Financial Report. Such procedures may include review of the financial statements and related components by a member of management with analytical comparisons of the current year annual report to the prior year reports for obvious errors or omissions.

Finding Number	2007-010
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Food Service Inventory – Significant Deficiency / Material Weakness

Written policies should be in place to provide instruction over the procedures that are to be performed over food service inventory counts. Those performing inventories should include persons able to identify the nature and quality of the items and persons from departments that have no responsibility for the custody, movement, or recording of inventory. All procedures performed by the inventory teams should be supervised and checked by proper personnel.

Written policies over inventories should also include: procedures for proper identification of inventoried items; an established inventory listing in a usable format that counts and discrepancies may be documented on; controls over count sheets or tags utilized during inventories; controls over the movement of inventories during counts; safeguards against access by unauthorized persons; procedures to identify and segregate scrap, obsolete, and damaged goods; and a system of tracking and identify goods owned by the District in the custody of others. In valuing inventory, unit prices should be determined by utilizing supplier invoices.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-010 (Continued)
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The District does not have a written policy that provides instruction for those persons performing inventories. For inventories performed the employees performing the count were responsible for the custody and movement of inventory, inventory tags were not used during physical counts, no procedures were in place to control movement of inventories during the count, physical counts were not performed under proper supervision, and no evidence existed of counts being checked by persons other than those performing the original counts.

For the inventory listing provided for June 30, 2007 to support the District's financial statement inventory amount the following conditions were noted:

- The listing did not identify and include inventory that was held by a third party on behalf of the District, which included more than 5,000 inventory cases totaling more than \$200,000 in inventory value.
- The listing did not include several goods received the week of 6/25/07 that were not used prior to the physical counts performed by employees on 6/29/07.
- The listing contained incorrect quantities of 2,100 items or 22 percent of items on hand.
- The listing initially provided for the financial statements did not include any inventory held at the secondary schools.
- Unit prices utilized did not agree with the unit price listed on the supplier invoices, bid sheets, or commodity worksheets for 47 percent of the unit prices tested.

Above noted issues with the inventory resulted in the following misstatement amounts that were required to be adjusted to the financial statements:

Description	Overstatement Amount	Understatement Amount
Quantity and Unit Price Variances	\$79,496	\$ 36,624
Goods Received the week of 6/25/07	-	36,537
Inventory in the Custody of a Third Party	-	211,653
Secondary School Inventory	-	65,081
Total	\$79,496	\$349,895

Additionally, 24 percent of Inventory Count Sheets for Secondary Schools that were completed contained errors of missing values or improper totals for an item when the sheets were manually updated following physical counts.

Deficiencies in controls and errors in inventories lead to misstated financial statements and improper reporting of inventories to Ohio Department of Education, as 37 percent of Inventory Count Sheets tested did not agree with the amounts reported on the MR30 report. Furthermore, a lack of policies and controls over inventory may result in inventory being misappropriated without timely detection by management.

We recommend the District establish a written policy including procedures and controls over the District's food service inventory and associated counts and reporting. Inventory counts should be monitored by appropriate personnel to ensure the accuracy of financial reporting for the District's financial statement and counts to the Ohio Department of Education.

COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)

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

Finding Number	2007-011
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Athletics Receipt Cycle – Significant Deficiency

Recognizing the risk associated with cash transactions, the Treasurer’s Office devised, adopted and implemented a policy and summarized its requirements in the Treasurer’s Office Handbook, (the Handbook) updated August, 2002. The policy governs cash handling, recording and depositing of athletic receipts and illustrates the required Ticket Sellers Report, in Appendix E, of the Handbook, (the Report) to document the collection activities. The Handbook sets forth the following guidelines for the preparation of the Report: “all ticket sales for athletic events should be documented on the Report; if tickets are distributed to several sellers, each should account for the number of tickets received for sale; all unused tickets should be secured by the designated employee; and, all ticket numbers must be accounted for as sold, given away, or on hand [remaining after the event]”. This information is summarized on the Report for reconciliation of the monies collected to the tickets accountable.

Of the Ticket Sellers Reports tested, 3 percent were not completed. An additional 5 percent of Financial Summary Reports (reports which document all receipt and expenditure activity related to the event) tested were not completed.

The athletic department uses the Ticket Inventory Control Log to reconcile the tickets issued throughout the year to the total collections of the corresponding year. This process enables the athletic department to account for all tickets used, assess whether all potential monies were collected and validate the individual Reports.

Of the Ticket Inventory Control Logs requested, 35 percent were not provided, so the completeness of the ticket usage could not be ascertained. Furthermore, of the Ticket Inventory Control Logs examined, complete sequences of a ticket roll from start to finish without unexplained gaps in ticket sequences were generally not maintained on the log, which further inhibits the ability to ensure the completeness of the ticket usage.

Currently, the District does not have any monitoring controls in place to ensure the completeness and accuracy of the Ticket Seller’s Reports and Ticket Inventory Control Logs. Both forms are to be completed by either the Athletic Director or Principal. No additional supervisory review is conducted to verify completeness and accuracy. Additional ticket rolls are also issued upon request with no control system as to accountability for tickets issued/used.

Failure to have appropriate monitoring controls inhibits management’s ability to ensure monies due and collected are receipted and reflected in the financial records of the District. Furthermore, without monitoring controls, management will not be able to timely identify the theft or misappropriation of receipts.

Additionally, \$200 of a deposit was taken from the Eastmoor Academy gate receipts and was utilized by the athletic director to purchase items for the school’s athletic department throughout the remainder of the school year, resulting in all funds not being deposited, funds being maintained in the possession of the athletic director for several months, and the District’s purchasing process not being observed.

We recommend the District emphasize the requirement to complete and file Ticket Seller’s Reports and Ticket Inventory Control Logs to individuals required to comply. The District should implement monitoring controls to ensure current policies are followed. As part of the monitoring controls, the District’s Internal Audit Department could periodically monitor these activities for compliance. We further recommend all District purchases be made through the District’s purchasing process and not withdrawn from funds received for purchases.

COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)

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

Finding Number	2007-012
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Student Activities – Significant Deficiency

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, 13 percent did not have completed Financial Report-Student Activities Fund-Raiser Project forms (which is to be used to reconcile the activity at completion). Furthermore, in 18 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. Additionally, we recommend the District adopt a 30 day submission requirement for Financial Report-Student Activities Fund-Raiser Project forms following completion of the fund raiser, in lieu of the current submission requirement of May 31st of the school year. 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, 2007
(Continued)**

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

Finding Number	2007-013
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Manual Point of Sale Records – Elementary School Food Services – Significant Deficiency

Classroom Teacher Lists (CTL's) and Cash Receipts Envelopes (CRE's) were the point of sale records used by each elementary classroom to record lunch counts and receipts. The CTL's were provided weekly and CRE's were provided monthly to the elementary classrooms by the Food Service Department. Procedures for completing the CTL's and CRE's were printed on the back side of the CRE's. The procedures were to help ensure the accuracy and completeness of cash receipts and meal counts by free, reduced, and full price meal categories. In testing the CTL's and CRE's, we noted the following control failures:

- 65 percent of the Classroom Teacher Lists did not record the daily total number of lunches ordered by free, reduced, and full price category.
- 58 percent of the Classroom Teacher Lists did not record the daily total of money received.
- 28 percent of the Classroom Teacher Lists did not indicate the amount of money received from each student on the day the money was received.
- 8 percent of Classroom Teacher Lists did not mark next to the student's name daily to indicate whether the student was eating a school lunch, packing, or absent.
- 6 percent of the Cash Receipts Envelopes were not initialed by the teacher or lunchroom monitor to indicate the student lunch count was verified when the lunches were served.

We further noted the manual system does not include formal procedures for teachers to track the running balance owed by each student. As a result, 33% of the CTL's that had reduced price and full price meals counted, with no corresponding receipts or credits for those meals, had no indication written on the CTL's for the amounts that the students owed for those meals.

As a result of these control failures, we noted several point of sale records that were unable to be recomputed. These deficiencies could result in inaccurate or incomplete food service receipts. Furthermore, the deficiencies may result in inaccurate free and reduced lunch counts to the federal government and improper free and reduced lunch reimbursements.

We recommend the District ensure existing procedures are followed to ensure that the elementary food service sales and meal counts are properly recorded. We further recommend the District implement procedures to be applied consistently among the schools to track amounts owed by students.

COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)

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

Finding Number	2007-014
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Latchkey Controls – Significant Deficiency

Cash control ledgers are given to each latchkey teacher with the registered students' names and type (i.e. full-time or part-time). The cash control ledgers were filled out each week by the latchkey teacher. The latchkey teachers were to denote the amount each student paid, the period the amount paid is to cover, over/underpayment, the check/money order number, and duplicate receipt numbers. However, the cash control ledgers inconsistently documented the period covered by payment and failed to track credit balances.

The lack of appropriate cash control ledgers inhibits the District from determining if appropriate payments were made and if receivables are owed to the District by the children's parents, so that collection procedures may be instituted as determined by the Board of Education.

We recommend procedures be established to ensure cash control ledgers are fully completed by latchkey teachers, such review and monitoring should be performed by latchkey administrative staff and/or internal audit. We further recommend cash control ledgers should be modified to ensure the following information is consistently captured and documented: date, duplicate receipt number, student's name and type (i.e. full-time or part-time), whether or not the student qualifies for Title XX, monthly fee not covered by Title XX, total amount due, amount paid, balance owed, period the amount covers, check/money order number, and date payment was made.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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Finding Number	2007-015
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

**Eligibility - Allocation of funds to schools - Title I
Significant Deficiency / Material Weakness / Noncompliance Finding / Questioned Cost**

34 C.F.R. Section 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 a private school that the District received an allocation of Title I funds for, overspent their Title I budgets for the fiscal year 2007 grant as a result of ineligible payroll costs being charged to the salary differential set aside under the Title I operational unit number 000. District schools, as well as a private school that the District received an allocation of Title I funds for, overspent their Title I budgets for the fiscal year 2006 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 2006 grant, overspending occurred in the following private school and District schools that received allocations under the Title I grant:

<u>School</u>	<u>Total Expenditures</u>	<u>Budgeted School Allocation</u>	<u>Variance</u>	<u>% of Allocation Spent</u>
Private School:				
Glenwood Center	\$ 2,217	\$ 1,267	\$ (950)	175%
Private School Subtotal	2,217	1,267	(950)	
Columbus City Schools:				
Liberty Elementary	129,383	129,132	(251)	100%
West Mound Street Elementary	259,612	258,808	(804)	100%
Main Street Elementary	116,240	115,280	(960)	101%
Northtowne Elementary	97,536	96,600	(936)	101%
Sherwood Middle	227,603	224,825	(2,778)	101%
Brentnell Elementary	101,108	98,900	(2,208)	102%

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-015 (Continued)
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

<u>School</u>	<u>Total Expenditures</u>	<u>Budgeted School Allocation</u>	<u>Variance</u>	<u>% of Allocation Spent</u>
Monroe Middle	121,451	118,779	(2,672)	102%
Alpine Elementary	115,172	112,614	(2,558)	102%
Second Avenue Elementary	143,820	140,476	(3,344)	102%
Hamilton Elementary	175,697	171,600	(4,097)	102%
Fairwood Alternative Elementary	280,511	273,780	(6,731)	102%
Medary Elementary	139,718	136,324	(3,394)	102%
Woodward Park Middle	244,565	239,202	(5,363)	102%
Siebert Elementary	109,229	106,375	(2,854)	103%
Valleyview Elementary	168,526	163,875	(4,651)	103%
Duxberry Park Elementary	94,980	92,000	(2,980)	103%
Maize Road Elementary	96,040	91,996	(4,044)	104%
Douglas Elementary	126,668	121,325	(5,343)	104%
Eakin Elementary	199,945	190,300	(9,645)	105%
Hiltonia Middle	311,175	294,975	(16,200)	105%
Gladstone Elementary	144,898	137,280	(7,618)	106%
Devonshire Elementary	133,781	125,766	(8,015)	106%
North Linden Elementary	179,940	169,050	(10,890)	106%
Shady Lane Elementary	121,261	113,850	(7,411)	107%
Lindbergh Elementary	168,289	157,550	(10,739)	107%
East Columbus Elementary	168,332	157,560	(10,772)	107%
Yorktown Middle	213,358	199,606	(13,752)	107%
Berwick Elementary	67,083	62,061	(5,022)	108%
Leawood Elementary	157,031	144,325	(12,706)	109%
Fairmoor Elementary	298,974	274,724	(24,250)	109%
Literature Based Alternative Elementary	129,233	118,332	(10,901)	109%
Buckeye Middle	210,557	192,672	(17,885)	109%
Arlington Park Elementary	202,627	184,896	(17,731)	110%
Valley Forge Elementary	117,716	107,136	(10,580)	110%
Maybury Elementary	178,551	161,000	(17,551)	111%

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-015 (Continued)
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

School	Total Expenditures	Budgeted School Allocation	Variance	% of Allocation Spent
East Linden Elementary	172,060	155,008	(17,052)	111%
Linden Elementary	351,399	315,552	(35,847)	111%
Beck Elementary	162,189	145,320	(16,869)	112%
Sullivant Elementary	146,070	130,788	(15,282)	112%
Como Elementary	186,340	166,750	(19,590)	112%
Ohio Avenue Elementary	230,400	204,930	(25,470)	112%
Fair Elementary	193,510	171,616	(21,894)	113%
Linmoor Middle	273,566	242,530	(31,036)	113%
Binns Elementary	74,496	65,760	(8,736)	113%
Dana Elementary	302,314	265,980	(36,334)	114%
Westgate Elementary	105,595	91,653	(13,942)	115%
Southwood Elementary	208,699	179,228	(29,471)	116%
Cassady Elementary	255,336	216,596	(38,740)	118%
Avondale Elementary	239,417	202,064	(37,353)	118%
Heyl Elementary	302,661	249,040	(53,621)	122%
Colerain-Dominion Elementary	42,745	34,113	(8,632)	125%
Columbus City Schools Subtotal	8,997,407	8,319,902	(677,505)	
2006 Grand Total	\$ 8,999,624	\$ 8,321,169	(\$678,455)	

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-015 (Continued)
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

For the fiscal year 2007 grant, overspending occurred in the following private school and District schools that received allocations under the Title I grant:

<u>School</u>	<u>Total Expenditures</u>	<u>Budgeted School Allocation</u>	<u>Variance</u>	<u>% of Allocation Spent</u>
Private School:				
Sonshine Academy	\$10,532	\$8,170	\$(2,362)	129%
Private School Subtotal	10,532	8,170	2,362	
Columbus City Schools:				
Forest Park Elementary	\$ 149,827	\$ 135,240	\$ (14,587)	111%
Shady Lane Elementary	111,758	102,000	(9,758)	110%
Cedarwood Elementary	130,898	120,600	(10,298)	109%
Avondale Elementary	185,739	177,590	(8,149)	105%
Olde Orchard Elementary	119,027	113,850	(5,177)	105%
Easthaven Elementary	170,873	165,550	(5,323)	103%
Duxberry Park Elementary	96,204	95,160	(1,044)	101%
Columbus City Schools Subtotal	964,326	909,990	(54,336)	
2007Grand Total	\$974,858	\$918,160	(\$56,698)	
2006 and 2007 Combined Total	\$9,974,482	\$9,239,329	(\$735,153)	

Total questioned costs for individual school expenditures that were in excess of allocated budgets are seven hundred thirty five thousand one hundred fifty three dollars (\$735,153) of the District's \$32,796,638 spent on the Title I program during fiscal year 2007.

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.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-016
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CFDA Title and Number	Food Donation Program, #10.550; Fresh Fruit and Vegetable Program, #10.582; School Breakfast Program; #10.553, National School Lunch Program, #10.555; Summer Food Service Program, #10.559; Medicaid Title XIX, #93.778; Temporary Assistance for Needy Families, #93.558; WIA Cluster, #17.258 and #17.259; Adult Education: State Grant Program, #84.002; Improving Teacher Quality State Grants, #84.367; Special Education - Grants for Infants and Families with Disabilities, #84.181; Safe and Drug Free Schools and Communities: National Program, #84.184; Fund for the Improvement of Education, #84.215; Mathematics and Science Partnerships, #84.366; Learn and Serve America School and Community Based Programs, #94.004; Parental Assistance Centers, #84.310; Reading First State Grants, #84.357; Javits Gifted and Talented Student Education Grant Program, #84.206; Grants to States, #45.310; Promotion of the Arts – Grants to Organizations and Individuals, #45.024; Hurricane Education Recovery, #84.938
Federal Award Number / Year	043802-2007; 043802-2007; 043802 05PU-2006, 043802 05PU-2007; 043802 LLP1-2007, 043802 LLP4-2006, 043802 LLP4-2007; 043802 24PU-2006; 2500823 – 2006; 043802-2007; 043802-2007; 043802 ABS1-2007; 043802 TRSP-2006; 043802-2007; 043802-2007; 043802-2007; MJOM-2006; 043802 SVS1-2005; 043802-2007; 043802 RSS1-2006; 043802 JGS1-2006; 043802-2007; 043802-2007; 043802 HR01-2006
Federal Agency	U.S. Department of Agriculture, U.S. Department of Health and Human Services, U.S. Department of Labor, U.S. Department of Education, Corporation for National and Community Service, National Foundation on the Arts and Humanities
Pass-Through Agency	Ohio Department of Education, State Department of Mental Retardation, Ohio Department of Job and Family Services, Franklin County Department of Job and Family Services, Central Ohio Workforce Investment Corporation, Columbus Urban League

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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Finding Number	2007-016 (Continued)
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Federal Award Receipts and Expenditures Schedule – Significant Deficiency / Material Weakness / Noncompliance Finding

OMB Circular A-133 Section __.300 (d) states that the auditee shall prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with Section __.310. OMB Circular A-133 Section __.310 (b) states that the auditee shall prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For Research and Development, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule.

During fiscal year 2007, the District received and spent federal grant monies relating to 38 federal programs. The following discrepancies existed on the 2007 District-prepared federal schedule:

- Federal receipts contained 3 federal programs with a total understatement of \$1,080,677 and 4 federal programs with a total overstatement of \$371,998 for a net understatement of \$708,679;
- Federal expenditures contained 5 federal programs with a total understatement of \$957,795 and 5 federal programs with a total overstatement of \$8,200,345 for a net overstatement of \$7,242,550;
- In addition to the over and understatements for reported programs, 10 federal programs were omitted from the federal schedule with a receipt total of \$3,847,154 and expenditure total of \$4,014,787.

Errors in the Federal Award Receipts and Expenditures Schedule resulted in inaccurate reporting of the federal awards under OMB Circular A-133 requiring audit adjustments to the federal schedule.

We recommend the District ensure proper reporting of federal receipts and expenditures, which includes reporting the proper amount of receipts and expenditures; federal awarding agencies; pass-through entity names and numbers (where applicable); and the Catalog of Federal Domestic Assistance (CFDA) numbers. Source documentation should additionally be maintained to support the District’s schedule.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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Finding Number	2007-017
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CFDA Title and Number	Improving Teacher Quality State Grants, #84.367 Fund for the Improvement of Education, #84.215
Federal Award Number / Year	043802 TRSP-2006; 043802 EMGR-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Allowable Cost/Cost Principles – Improving Teacher Quality State Grants and Fund for the Improvement of Education – Significant Deficiency / Noncompliance Finding

2 C.F.R. 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.

The District was unable to provide personnel activity reports/certification as required by 2 C.F.R. Part 225, Appendix B, paragraph 8.h.(3), although alternative measures were able to be performed determine the allowability of the costs of \$258,362 of salaries for the Teacher Advancement Program (TAP). The TAP is accounted for in a single account code, but is funded by State funds and two Federal programs. Based on the commingled nature of the funding, it was indeterminable as to which expenditures were made with State funds versus Federal funds. As such, all expenditures are subject to time and effort certification.

We recommend the District maintain personnel activity reports that reflect 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 the TAP 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 TAP. 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 TAP to ensure the completeness and accuracy of charges made to the program.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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Finding Number	2007-018
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2007
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Allowable Costs/Cost Principles – Salary Differential – Title I – Significant Deficiency / Noncompliance Finding

The Ohio Department of Education Comprehensive Continuous Improvement Plan 2007 Consolidated Application Title I set aside instructions state that salary differential allows the salary/benefit costs for teachers to be the same in all buildings even though actual individual teacher salaries may be different. With this option, the district includes pay or fringe benefit differentials (amounts above the minimal salary and benefit level) in the district administrative set-aside costs, rather than as part of the funds allocated to the individual schools. Only the minimal teacher salaries and fringe benefits are reported and paid from the school building allocation. This option must be applied consistently to the Title I staff serving both public and nonpublic school students.

During fiscal year 2007, the District implemented the salary differential option for the 2007 Title I grant. The District waited until year end to determine what amounts should be charged to the salary differential set aside. The costs moved from the individual buildings to the salary differential set aside were determined solely by comparing budgeted to actual amounts for salary and related benefit line items, with no individual calculations to determine specific costs to be moved by teacher or instructional assistant. For any line item where actual expenditures exceeded the budgeted amount, the overage in costs was moved to the salary differential set aside from the individual school building's charges. Additionally, budgeted amounts were not consistently set up with the proper base for the number of teachers and instructional assistants at the various schools to establish proper monitoring and identification where salaries were exceeding the base amount to indicate an individual who potentially qualified for the salary differential option.

The failure to properly budget, track, and charge salaries utilizing the salary differential option resulted in \$413,019 in salary differential payroll charges being ineligibly moved from the individual school building budgets to the salary differential set aside. This was a result of twenty eight schools moving \$585,700 too much and twenty schools moving \$ 172,763 too little.

We recommend the District establish a separate operational unit (OPU) to track the salary differential set aside. For teachers and instructional assistants whose salaries are greater than the base salary amount, they should have their salaries split between the salary differential OPU and the individual school building OPU. A trail documenting the salaries charged to the salary differential line should be kept by individual teacher / instructional assistant throughout the year to document the justification for amounts charged to the salary differential set aside.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-019
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CFDA Title and Number	Title I, #84.010
Federal Award Number / Year	043802 C1S1-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Period of Availability – Title I – Noncompliance Finding / Questioned Costs

34 C.F.R. Section 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 Title I grant defined the available period as July 1, 2005 to June 30, 2006. ODE Federal Fiscal Report Procedures #1 states that 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.

The District charged non-payroll related costs to the 2006 Title I grant after the September 30, 2006 liquidation period ending date in the amount of \$39,053.

Total questioned costs for expenditures that were liquidated outside the period of availability are thirty nine thousand fifty three dollars (\$39,053) of the District's \$32,796,638 spent on the Title I program during fiscal year 2007. We recommend the District implement procedures to ensure that costs charged to its grant awards only result from obligations incurred during the funding period and that expenditures are liquidated by the required deadline.

Finding Number	2007-020
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CFDA Title and Number	Title II-D, #84.318
Federal Award Number / Year	043802 TJS1-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Period of Availability – Title IID – Noncompliance Finding / Questioned Costs

34 C.F.R. Section 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) Competitive Application for the Title IID grant defined the available period as July 1, 2005 to June 30, 2006.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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Finding Number	2007-020 (Continued)
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CFDA Title and Number	Title II-D, #84.318
Federal Award Number / Year	043802 TJS1-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

The District entered into the obligation of an expenditure of \$71,533 in technology equipment for the 2006 Title IID grant after the period of availability.

Total questioned costs for expenditures that were obligated outside the period of availability are seventy-one thousand five hundred thirty-three dollars (\$71,533) of the District's \$2,286,503 spent on the Title IID program during fiscal year 2007. We recommend the District use grant funds only for expenditures obligated during the period of availability. We recommend the District implement procedures to ensure that costs charged to its grant awards only result from obligations incurred during the funding period.

Finding Number	2007-021
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CFDA Title and Number	Reading First State Grants, #84.357
Federal Award Number / Year	043802 RSS1-2006
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Period of Availability – Reading First State Grants – Noncompliance Finding / Questioned Costs

34 C.F.R. Section 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) Competitive Application for the Title IID grant defined the available period as July 1, 2005 to June 30, 2006. 34 C.F.R. Section 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 \$2,740 in payroll and related benefit costs for work performed after the period of availability and non-payroll expenditures of \$16,666 for expenditures that were obligated outside the period of availability, totaling \$19,406 that were charged to the 2006 Reading First grant.

Total questioned costs for expenditures that were obligated outside the period of availability are nineteen thousand, four hundred six dollars (\$19,406) of the District's \$3,209,007 spent on the Reading First program during fiscal year 2007. 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, 2007
(Continued)**

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

Finding Number	2007-022
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CFDA Title and Number	School Breakfast Program, #10.553 National School Lunch Program, #10.555
Federal Award Number / Year	043802 05PU-2006; 043802 05PU-2007; 043802 LLP1 2007; 043802 LLP4-2006; 043802 LLP4-2007
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Reporting – School Breakfast Program and National School Lunch Program – Noncompliance Finding / Questioned Costs

The Ohio Department of Education (ODE) Office of Child Nutrition Services School Lunch Program Daily Worksheet Instructions Manual states that receipts collected from the sale of student lunches should be recorded on the day they are collected. It further states that receipts for charged lunches should be recorded on the day they are collected (cash basis), not the day they are charged (accrual basis). This method of reporting receipts is the same for student extra milk receipts, a la carte receipts, and all adult receipts. Also, the monthly total of each aforementioned category should be used to complete the monthly Site Claim for reimbursement on the ODE’s Claims Reimbursement and Reporting System (CRRS).

7 C.F.R. Section 210.7(c) states that to be entitled to reimbursement under this part, each school food authority shall ensure that Claims for Reimbursement are limited to the number of free, reduced price and paid lunches and meal supplements that are served to children eligible for free, reduced price and paid lunches and meal supplements, respectively, for each day of operation.

The District incorrectly reported meal receipts to the ODE on an accrual basis of accounting, which overstated receipts by a projected amount of \$625,250. Additionally, the District’s supporting documentation did not match the number of meals served by category reported to the ODE for 16 percent of the Site Claims tested. This resulted in an overstatement of free and paid meals by the projected amounts of 8,644 and 1,262, respectively, while resulting in an understatement of reduced meals by the projected amount of 45,831. The misstatement of meal counts resulted in a net projected amount of \$71,344 not being received as reimbursement by the District.

Additionally, 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 2007. Of the 139 “non-pricing” schools, breakfasts were not counted by each student’s eligibility category as follows: 1 school for 3 months, 2 schools for 2 months, and 1 school for 1 month. 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. The total amount of reimbursement received for the months with untracked eligibility categories for these schools totaled \$43,364.

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

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

Finding Number	2007-022 (Continued)
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CFDA Title and Number	School Breakfast Program, #10.553 National School Lunch Program, #10.555
Federal Award Number / Year	043802 05PU-2006; 043802 05PU-2007; 043802 LLP1 2007; 043802 LLP4-2006; 043802 LLP4-2007
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

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.

Total questioned costs for School Breakfast Program counts being untracked by eligibility category are forty three thousand, three hundred sixty-four dollars (\$43,364) of the District's \$4,099,214 received on the School Breakfast Program during fiscal year 2007. We recommend the District ensure meal counts are tracked and reported by the appropriate eligibility categories and meal receipts are reported on a cash basis, in accordance with applicable State and Federal requirements.

Finding Number	2007-023
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CFDA Title and Number	School Breakfast Program, #10.553; National School Lunch Program, #10.555; Title I, #84.010; Special Education #84.027
Federal Award Number / Year	043802 05PU-2006; 043802 05PU-2007; 043802 LLP1 2007; 043802 LLP4-2006; 043802 LLP4-2007; 043802 C1SD-2006; 043802 C1SD-2007; 043802 C1S1-2006; 043802 C1S1-2007; 043802 C1SN-2006; 043802 C1SN-2007; 043802 C1SK-2006; 043802 C1SK-2007; 043802 6BSF-2006; 043802 6BSF-2007; 043802 6BST-2006
Federal Agency	U.S. Department of Agriculture U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Capital Assets – School Breakfast Program, National School Lunch Program, Title I, Special Education – Significant Deficiency / Material Weakness

See Findings Related to the Financial Statements Required to be reported under GAGAS number 2007-008. This finding is also required to be reported under OMB Circular A-133 § 510(a)(1).

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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Finding Number	2007-024
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CFDA Title and Number	Food Donation Program, #10.550
Federal Award Number / Year	043802 – 2007
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Food Service Inventory – Food Donation Program – Significant Deficiency / Material Weakness

See Findings Related to the Financial Statements Required to be reported under GAGAS number 2007-010. This finding is also required to be reported under OMB Circular A-133 § 510(a)(1).

Finding Number	2007-025
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CFDA Title and Number	National School Lunch Program, #10.555
Federal Award Number / Year	043802 LLP1 2007; 043802 LLP4-2006; 043802 LLP4-2007
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Manual Point of Sale Records – Elementary School Food Services – National School Lunch Program – Significant Deficiency

See Findings Related to the Financial Statements Required to be reported under GAGAS number 2007-013. This finding is also required to be reported under OMB Circular A-133 § 510(a)(1).

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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Finding Number	2007-026
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CFDA Title and Number	Fresh Fruit and Vegetable Program, #10.582
Federal Award Number / Year	043802 – 2007
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Fresh Fruit and Vegetable Program – Significant Deficiency

The District participates in the Fresh Fruit and Vegetable Program for which they are required to approve the entitlement expenditures for produce received on a monthly basis based on a report provided by the U.S. Department of Agriculture (USDA). The USDA, who pays the produce vendors, relies on the District to determine allowability of the expenditures based on the District’s reporting requirement to approve the entitlements received. For the District to ensure that the entitlement received during the month equals the reported amounts they approve, a reconciliation between the monthly entitlement amounts listed to underlying support documentation of goods received must be performed.

The District approved entitlement expenditures of \$213,738 for the Fresh Fruit and Vegetable Program; however, the expenditures were approved without reconciling the reports to the underlying packing slips and invoices. This could result in improper expenditures being authorized by the District and the District received less goods for their entitlement.

We recommend the District reconcile monthly the Fresh Fruit and Vegetable Program entitlement expenditures to packing slips and invoices prior to approving the expenditures to ensure that all charges represent goods actually received.

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, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2006-001	Finding for recovery repaid under audit for personal cell phone use	No	Partially Corrected – Reissued as Management Letter Recommendation
2006-002	Negative fund balances throughout the year.	No	Not Corrected – Reissued as 2007-005
2006-003	Appropriations exceeding Estimated Resources	No	Not Corrected – Reissued as 2007-007
2006-004	Finding for recovery partially repaid under audit for unallowable expenditures	No	Partially Corrected – Reissued as Management Letter Citation
2006-005	Finding for Recovery repaid under audit for overpayment on Limited Separation plan	Yes	
2006-006	Finding for Recovery partially paid under audit for unallowable insurance claims by employees and self-insurance deficiencies	No	Not Corrected – Reissued 2007-001
2006-007	Tracking and Reporting of Capital Assets	No	Not Corrected – Reissued 2007-008
2006-008	Policy on student activities adopted by the Board of Education is not being followed on a consistent basis.	No	Not Corrected – Reissued 2007-012
2006-009	Nutrition Cluster, Title I, and Special Education grants – Tracking and Reporting of Capital Assets (see finding 2006-007)	No	Not Corrected – Reissued 2007-023
2006-010	Nutrition Cluster, Title I, Improving Teacher Quality, and Title V grants – employee payroll certifications were not completed in accordance with allowable costs/cost principle requirements	No	Not Corrected – Reissued 2007-017 and Management Letter Citations
2006-011	Special Education grant – improper allocation of employee’s fringe benefits to the grant	Yes	
2006-012	Special Education grant – Period of Availability noncompliance	Yes	

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2007
(Continued)**

2006-013	Title I grant – Period of Availability noncompliance	No	Not Corrected – Reissued 2007-019
2006-014	Title I school allocations overspent resulting in schools being served outside of poverty rank with a corresponding questioned cost	No	Not Corrected – Reissued 2007-015
2006-015	“Non-Pricing” Breakfast program was not tracked by eligibility categories	No	Not Corrected – Reissued 2007-022

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2007**

REPORT PRESENTATION

Shaded areas indicate those finding which exerted effort should be exercised to ensure correction by next audit cycle.

Finding	Process Owner	Planned Corrective Action
<p>2007-001 Self Insurance Controls – Significant Deficiency / Material Weakness / Noncompliance Finding / Finding for Recovery*</p>	<p>Mr. Hoskins October 1, 2008</p> <p>Implement (mid –year, 2007)</p> <p>Implement March 30, 2007</p>	<p>The benefits department will initiate a re-enroll period of all employees which will require the submission of a new enrollment form with supporting documentation to substantiate guardianship, relationship, child dependency, etc</p> <p>The benefits department will implement a Benefits Change/Authorization Form. Employees wishing to enroll or change existing data will fill out the form with appropriate, acceptable substantiating documentation (i.e. guardianship letter, dependency evidence, etc.) From this Form the benefits department will enter data changes into the data base file. The form will be filed for audit.</p> <p>The benefits department in the audit period performed quarterly eligibility reviews -comparing employees on file with the eligibility file. Exceptions are identified. The benefits department will increase this review to monthly.</p> <p>Once exceptions are identified that require reimbursements 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 to reflect any reimbursements requested.</p> <p>Prior Year Finding 2006-006</p>

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2007**

REPORT PRESENTATION

Finding	Process Owner	Planned Corrective Action
<p>2007-002 Food Service Point of Sale to Bank Reconciliation – Significant Deficiency / Noncompliance Finding / Finding for Recovery*</p>	<p>Mr. Hoskins May 30, 2007</p> <p>Mr. Kinneer May 30, 2007</p>	<p>The Office of the Treasurer performs monthly reconciliations of actual receipts to recorded receipts. Exceptions are forwarded to Food Service for review and resolution. Starting in April, 2008 the Treasurer’s Office will be more proactive in trying to move this information from Food Services more timely. Items which have been outstanding for 30 days will be specifically addressed with Food Service management.</p> <p>The Office of the Treasurer continues to work with Brinks in attempt to get reimbursed for the missed deposit.</p> <p>Prior Year Finding ML-29</p>
<p>2007-003 Unaccounted Gift Cards – Noncompliance Finding / Finding for Recovery</p>	<p>Mr. Kinneer Implement March 30, 2008</p>	<p>Treasurer Update # 71 states, “Gift cards may be purchased for distribution to students in recognition of their success or achievement. The purchase of such gift cards must be consistent with the core mission of the district. Gift cards must be accounted for and safeguarded just as cash. The custodian of the cards must keep a log of the distribution. The student/parent must sign the log acknowledging receipt of the card if possible. Unused cards must be secured in a safe. “</p> <p>Distribution records and cards on-hand must be available for review by Internal Audits or other appropriate personnel.</p> <p>The Office of the Treasurer is having communication with Huntington Bank and Brinks to lengthen the period for remedy.</p>

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2007**

REPORT PRESENTATION

Finding	Process Owner	Planned Corrective Action
2007-004 Student Activity Receipts – Noncompliance Finding / Finding for Recovery	Mr. Kinneer Implement July 30, 2008	The Office of the Treasurer is still working with Brinks in attempt to recover the missing money and will work to identify these incidents sooner in the future, and collect from Brinks in accordance with the contract.
2007-005 Negative Fund Balances – Noncompliance Finding*	Mr. Kinneer Implement March 30, 2007	The Board of Education has granted the Treasurer prior authority to make necessary transfers and advances, as necessary, with the understanding the Board will be informed monthly of the transfers and advances made. The Board is informed at the monthly business meetings. Prior Year Finding 2006-002
2007-006 Appropriation Amendments – Noncompliance Finding*	Mr. Kinneer Implement March 30, 2007	Appropriations modifications (amendments) will be submitted to the Board of Education and the budget commission prior to updating the budget accounting control system to reflect such changes. Prior Year Finding ML-17
2007-007 Appropriations Exceeding Estimated Resources – Noncompliance Finding*	Mr. Kinneer Implement April 30, 2008	Effective April, 2008, an Amended certificate of Estimated Resources filing will occur monthly with the County Budget Commission and as Board of Education actions warrant. Prior Year Finding 2006-003

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2007**

REPORT PRESENTATION

Finding	Process Owner	Planned Corrective Action
<p>2007-008 Capital Assets – Significant Deficiency / Material Weakness*</p>	<p>Mr. Kinneer Implement June 30, 2008</p>	<p>a. <u>Management</u> will continue to provide <u>training for administrators</u> 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. MIS will assure that these removals are reported monthly to the Office of the Treasurer for entry into the fixed asset system</p> <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 2008 to determine if these need more adjustment. Additionally, each year the Office of the Treasurer will examine the</p>

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2007**

REPORT PRESENTATION

Finding	Process Owner	Planned Corrective Action
	Implement Sept. 30, 2008	<p>capitalized assets which are set to fully depreciate that fiscal year and determine whether their useful lives need lengthened 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 2008</p> <p>The District has begun the conversions to a upc code tracking of all District assets. Within in the next two years all capital assets in District buildings will be counted. The Office of the Treasurer has hired additional personnel to specifically monitor and update the capital asset system throughout the District.</p> <p>Prior Year Finding 2006-007 and 2006-009</p>
2007-009 Financial Reporting - Significant Deficiency / Material Weakness	Mr. Kinneer Implement June 30, 2009	It is imperative to note that due to the issuance of SAS #112, this is the first year that most of these matters have been reported. The district takes these matters very seriously and will work closely with all parties involved in 2008 to address and resolve them. The Office of the Treasurer will implement additional review procedures to be performed prior to finalizing of the financial statements.
2007-010 Food Service Inventory – Significant Deficiency / Material Weakness*	Mr. Hoskins Implement Sept., 30 2007 Implement May 30, 2008	<p>The food service department will prepare monthly inventory reports, as required. Management will select an individual to periodically review the monthly reports for accuracy and completeness.</p> <p>An electronic inventory program will also be implemented to manage product information. All locations receiving food and supplies are instructed to count item accurately on the last day of each month September through June. Reports are to be</p>

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2007**

REPORT PRESENTATION

Finding	Process Owner	Planned Corrective Action
	<p align="center">Implement April 30, 2008</p>	<p>immediately delivered to the central office within two working days; the report will be signed by the responsible party and will be review by a supervisor. The inventory will be documented on a form provided by Food Service Department. Prices will be included for accurate totals. In addition, the Food Service Management Staff will establish and document procedures for performing inventory counts.</p> <p>Written policy implemented Prior Year Finding ML-07</p>
<p>2007-011 Athletics Receipt Cycle – Significant Deficiency*</p>	<p>Mr. Kinneer</p> <p align="center">Implement March 30, 2006</p>	<p>The District implemented additional controls over athletic receipt reporting starting in fiscal 2006 and has continued to increase monitoring activities.</p> <p>Consequently, the District continues to improve in this area. The current efforts of training activity advisors and other staff on the proper accounting and monitoring activities have increased compliance.</p> <p>IA involvement will continue to enhance compliance.</p> <p>Prior Year Finding ML-37</p>
<p>2007-012 Student Activities – Significant Deficiency*</p>	<p>Mr. Kinneer</p> <p align="center">Implement March 30, 2006</p>	<p>In fiscal 2006 we increased our monitoring of student activity processes. The District also began reporting incidents of non-compliance to appropriate management on a quarterly basis. These changes have resulted in increased compliance as evidence by audit results.</p> <p>Prior Year Finding 2006-008</p>

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2007**

REPORT PRESENTATION

Finding	Process Owner	Planned Corrective Action
<p>2007-013 Manual Point of Sale Records – Elementary School Food Services – Significant Deficiency*</p>	<p>Mr. Hoskins Implement March 30, 2008</p>	<p>Food Service worker will review all submitted documentation coming from the individual teachers to ensure all information is recorded as required by food service policy. The satellite worker will review all documentation to ensure recording procedures are adhered to. Any discrepancies will be brought to the attention of the principal for correction.</p> <p>Workers will evidence their review by signing the documents reviewed.</p> <p>Prior Year Finding ML-27</p>
<p>2007-014 Latchkey Controls – Significant Deficiency*</p>	<p>Dr. Bosley Implement March 30, 2008</p>	<p>New cash control ledgers will have more detail to enable the reader to know the amount paid, for what period, and any remaining balance.</p> <p>Prior Year Finding ML-25</p>
<p>2007-015 Eligibility - Allocation of funds to schools - Title I - Significant Deficiency / Material Weakness / Noncompliance Finding / Questioned Cost*</p>	<p>Dr. Bosley Implement July 30, 2008</p>	<p>The District in conjunction with the Ohio Department of Education has identified a minimum amount and process to allocate expenditures incurred from federal activities and the manner in which payroll costs are allocated to salary differential.</p> <p>In prior years, there was limited guidance on how such activities were to be allocated.</p> <p>Prior Year Finding 2006-014</p>
<p>2007-016 Federal Award Receipts and Expenditures Schedule – Significant Deficiency /</p>	<p>Mr. Kinneer</p>	<p>The Office of the Treasurer’s management has corrected the 2007 federal schedule and will be mindful of the issues raised in this</p>

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2007**

REPORT PRESENTATION

Finding	Process Owner	Planned Corrective Action
Material Weakness / Noncompliance Finding	Implement June 30, 2008	finding in preparing the 2008 and future schedules.
2007-017 Allowable Cost/Cost Principles – Improving Teacher Quality State Grants and Fund for the Improvement of Education – Significant Deficiency / Noncompliance Finding*	Dr. Bosley Implement March 30, 2007 Imple Jan. 30, 2008	The grant coordinator will review the grant activity to ensure monies are spent in the appropriate period. Additional training will be provided by the Office of the Treasurer in January, 2008. Prior Year Finding 2006-010
2007-018 Allowable Costs/Cost Principles – Salary Differential – Title I – Significant Deficiency / Noncompliance Finding	Mr. Kinneer Implement Sept. 30, 2008	In 2008, and incorporated in the CCIP application, the District has established a threshold for salary differential.
2007-019 Period of Availability – Title I – Noncompliance Finding / Questioned Costs*	Mr. Kinneer Implement March 30, 2007	The grant coordinator will review the grant activity to ensure monies are spent in the appropriate period. Prior Year Finding 2006-013
2007-020 Period of Availability – Title IID – Noncompliance Finding / Questioned Costs*	Mr. Kinneer Implement March 30, 2007	The grant coordinator will review the grant activity to ensure monies are spent in the appropriate period. Prior Year Finding ML-03
2007-021 Period of Availability – Reading First	Mr. Kinneer	Treasurers Office retrained Grant Managers on January 29, 2008 of

**COLUMBUS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2007**

REPORT PRESENTATION

Finding	Process Owner	Planned Corrective Action
State Grants – Noncompliance Finding / Questioned Costs	Implement Jan. 30, 2008	the correct procedures for liquidating obligations.
2007-022 Reporting – School Breakfast Program and National School Lunch Program – Noncompliance Finding / Questioned Costs*	Mr. Hoskins Implement Feb. 28, 2008	Effective February 2008: "All schools are now on an electronic accounting system Meal accountability will be processed correctly at "the point of service." Prior Year Finding 2006-015
2007-023 Capital Assets – School Breakfast Program, National School Lunch Program, Title I, Special Education – Significant Deficiency / Material Weakness		See 2007-008
2007-024 Food Service Inventory – Food Donation Program – Significant Deficiency / Material Weakness		See 2007-010
2007-025 Manual Point of Sale Records – Elementary School Food Services – National School Lunch Program –Significant Deficiency		See 2007-013
2007-026 Fresh Fruit and Vegetable Program-Significant Deficiency	Mr. Hoskins Implement March 30, 2008	Food Services Department will reconcile the Fresh Fruit and Vegetable Program entitlement expenditures to packing slips and invoices prior to approving the expenditures to ensure that all charges represent goods actually received.



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2007

Issued by: Michael Kinneer, Treasurer & CFO - Columbus City Schools, Ohio



Learn.



Dream.



Succeed.

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

270 East State Street

Columbus, Ohio 43215

Fiscal Year Ended June 30, 2007

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

Columbus City School District
Board of Education

Columbus City School District
Board of Education
Fiscal Year 2007



Terry Boyd
President



Betty Drummond
Vice President



Shawna Gibbs



Jeff Cabot



W. Carlton Weddington



Carol Perkins



Stephanie Groce



Gene T. Harris
Superintendent



Michael Kinneer
Treasurer

COLUMBUS CITY SCHOOL DISTRICT

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>PAGE</u>
Letter of Transmittal	I-01
Appointed Officials	I-17
Organization Chart	I-18
G.F.O.A. Certificate of Achievement for Excellence In Financial Reporting	I-19
A.S.B.O. Certificate of Excellence in Financial Reporting	I-20
 <u>FINANCIAL SECTION</u>	
Independent Accountants' Report	F-01
Management's Discussion and Analysis	F-03
Basic Financial Statements	
Statement of Net Assets	F-13
Statement of Activities	F-14
Balance Sheet - Governmental Funds	F-15
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	F-16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	F-17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F-18
Statement of Fiduciary Assets and Liabilities	F-19
Notes to the Basic Financial Statements	F-20

..continued

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>
Required Supplementary Information	F-52
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis):	
General Fund	F-53
Food Service Fund	F-54
Notes to the Required Supplementary Information	F-55
Combining and Individual Fund Financial Statements and Individual Fund Schedules	F-56
Description of Nonmajor Funds	F-57
Combining Balance Sheet - Nonmajor Governmental Funds (By Fund Type)	F-63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds (By Fund Type)	F-64
Page Intentionally Left Blank	F-65
Combining Balance Sheet - Nonmajor Special Revenue Funds	F-66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	F-74
Combining Balance Sheet - Nonmajor Capital Projects Funds	F-82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	F-84
Balance Sheet - Nonmajor Permanent Fund	F-86
Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Permanent Fund	F-87
Combining Statement of Changes in Assets and Liabilities - Agency Funds	F-88
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balances/Fund Equity - Budget (Non-GAAP Basis) and Actual	F-89
General Fund	F-90
Food Service Fund	F-91
Uniform School Supplies Fund	F-91
Rotary-Special Services Fund	F-91
Adult Education Fund	F-92
Public School Support Fund	F-92
Other Grants Fund	F-92
WCBE Fund	F-93
Latchkey Fund	F-93
Computer Network Class "A" Site Fund	F-93

..continued

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>
Classroom Facilities Maintenance Fund	F-94
District Managed Activities Fund	F-94
Auxiliary Services Fund	F-94
Post Secondary Vocational Fund	F-95
Teacher Development Fund	F-95
Gifted Education Fund	F-95
Management Information Systems Fund	F-96
Public School Preschool Fund	F-96
Entry Year Programs Fund	F-96
DPIA Fund	F-97
Data Communication Fund	F-97
Schoolnet Professional Development Fund	F-97
Ohio Reads Fund	F-98
Summer Intervention Fund	F-98
Vocational Educational Enhancements Fund	F-98
Alternative Schools Fund	F-99
Poverty Based Aid Fund	F-99
Miscellaneous State Grants Fund	F-99
Adult Basic Education Fund	F-100
Special Education Part B - IDEA Fund	F-100
Vocational Education Fund	F-100
Indian Education Grants Fund	F-101
Title III – Limited English Proficiency Fund	F-101
Transition Program for Refugee Children Fund	F-101
Title I Fund	F-102
Innovative Programs - Title V Fund	F-102
Safe and Drug-Free Schools Grant Title IV-A Fund	F-102
Early Childhood Special Education, IDEA Fund	F-103
Improving Teacher Quality – Title II-A Fund	F-103
Miscellaneous Federal Grants Fund	F-103
Debt Service Fund	F-104
Permanent Improvement Fund	F-105
Building Fund	F- 105
Replacement Fund	F-105
Classroom Facilities Fund	F-106
Schoolnet Equipment Fund	F-106
School Building Assistance Limited Fund	F-106
Permanent Fund	F-107

..continued

TABLE OF CONTENTS
(Concluded)

	<u>PAGE</u>
<u>STATISTICAL SECTION</u>	
Statistical Section Contents	S-01
Net Assets by Component – Last Six Fiscal Years	S-03
Changes in Net Assets – Last Six Fiscal Years	S-04
Fund Balances – Governmental Funds - Last Nine Fiscal Years	S-06
Changes in Fund Balances – Governmental Funds - Last Nine Fiscal Years	S-08
Assessed and Estimated Actual Value of Taxable Property - Last Ten Collection (Calendar) Years	S-10
Principal Property Taxpayers – Fiscal Years 2007 and 1998	S-12
Property Tax Rates - Direct and Overlapping Governments - Last Ten Collection (Calendar) Years	S-14
Property Tax Levies and Collections - Last Ten Collection (Calendar) Years	S-16
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Collection (Calendar) Years	S-18
Computation of Legal Debt Margin – Last Ten Fiscal Years	S-20
Ratio of Outstanding Debt By Type – Last Ten Fiscal Years	S-22
Computation of Direct and Overlapping Debt – For Fiscal Year 2007	S-23
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures - Last Nine Fiscal Years	S-24
Principal Employers	S-25
Demographic Statistics - Last Ten Fiscal Years	S-26
Number of Employees By Function – Governmental and Business-Type Activities – Last Six Fiscal Years	S-27
Building Statistics – Last Two Fiscal Years	S-28
Operating Indicators by Function – Last Two Fiscal Years	S-31
Operating Statistics – Last Six Fiscal Years	S-32
Staff Level by Race and Sex in Full Time Equivalents – As of June 30, 2007	S-33
Miscellaneous Statistical Data – As of June 30, 2007	S-34

INTRODUCTORY SECTION



Columbus City Schools

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

January 9, 2008

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, 2007 is hereby submitted. This report was prepared by the Treasurer's Office, and includes the Independent Accountants' Report from Mary Taylor, 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.

Generally Accepted Accounting Principles (GAAP) 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.

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, 2007 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
Shawna Gibbs (1)	01/09/07	12/31/07
Jeff Cabot	01/01/04	12/31/07
Carol Perkins (2)	02/06/07	12/31/07
Stephanie Groce (3)	01/01/07	12/31/07

(1) Elected to one year term to complete Karen Schwarzwalder's original term effective January 9, 2007

(2) Replaced Andrew Ginther effective February 6, 2007

(3) Elected to one year term to complete Stephanie Hightower's original term effective January 1, 2007

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 first term on July 18, 2001. Dr. Harris's contract was renewed effective August 1, 2006 for another four year term. 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 768,804 for 2006 (the latest available data).

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

The District and Its Facilities – Continued

During 2007, the District's average daily membership was 53,194. Of the total membership, 25,111 students reported to 77 regular elementary schools, 2,013 students reported to K-6, K-8 or K-12 schools, 11,528 students reported to 23 middle schools, 14,132 students reported to 17 high schools, 177 students reported to 3 career centers, and 233 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 7,378 full-time equivalent employees. During fiscal 2007, the District paid (determined on a cash basis) from its General Fund approximately \$341.7 million in salaries and wages and \$111.9 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, 4,255 are professionals serving as teachers, all of whom have at least a bachelor's degree. The 2007-2008 starting salary for a teacher with a bachelor's degree is \$36,779; the maximum teacher salary (for a teacher with a Ph.D. degree and 30 years' experience) is \$81,899.

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	4.2%
Manufacturing	8.3%
Transportation, Warehousing and Utilities	4.8%
Wholesale and Retail Trade	15.7%
Information	2.0%
Financial Activities	7.9%
Professional and Business Services	15.3%
Educational and Health Services	11.6%
Leisure and Hospitality Services	9.5%
Other Services	3.9%
Government	16.8%

Source: Ohio Department of Jobs and Family Services, Labor Market Information (LMI) – Average for calendar year 2006

The City's average annual unemployment rates (4.7%) for 2006 continued to be below the State of Ohio (5.5%) and is comparable to the United States (4.6%) rate. Columbus has grown to an area covering 226.1 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 2006, 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 four years reveals the fiscal year 2008 ending projected General Fund cash balance to be approximately \$32.2 million in unencumbered cash. The District's fiscal year 2009 ending General fund cash balance is projected to be approximately \$5.0 million. A negative ending cash balance is projected to occur in fiscal year 2010. The declining projected 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 19th Superintendent Gene T. Harris, Ph.D., the Columbus City School District (now known as the Columbus City Schools) continues to make measurable progress in increasing student academic achievement, the District's prime goal. On December 19, 2006, the Columbus Board of Education adopted Policy Governance, a framework for setting and evaluating District policy and evaluating the employees who report directly to the board: the superintendent, the treasurer, and the internal auditor.

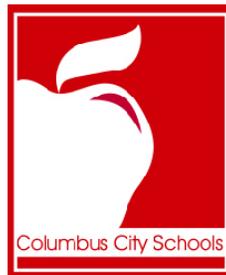
The four ends of Policy Governance with regard to the education of students in the Columbus City Schools are as follows:

1. The Mission Statement: Each student is highly educated, prepared for leadership and service, and empowered for success as a citizen in a global community.
2. Academic Achievement: Students will achieve individually established academic goals so that they are prepared for their next level of learning, and will graduate prepared for the college of their choice and the workforce. Accordingly, students will demonstrate proficiency in:
 - a. Arts
 - b. Foreign language
 - c. Health and physical education
 - d. Mathematics
 - e. Reading
 - f. Science
 - g. Social studies
 - h. Technology
 - i. Writing
3. Citizenship: Students will contribute to their community, be sustainers of democracy and citizens of the world. Accordingly, within the context of home, school, state, country and world, students will:
 - a. Demonstrate cultural competence
 - i. Value and respect diversity
 - ii. Value different points of view
 - b. Demonstrate civic responsibility
 - i. Volunteer their time and talents for the common good
 - ii. Understand and participate in the political process
 - iii. Understand and participate in government
 - iv. Understand the role and the impact of our actions on a global scale

CURRENT INITIATIVES (Continued)

4. Life and Work Skills: Students will be life long learners, able to acquire the knowledge and skills necessary to achieve productive, healthy and balanced lives.
 - a. Display critical thinking skills
 - b. Set, plan and achieve goals
 - c. Effectively manage time, money and other resources
 - d. Communicate effectively
 - e. Adapt to change
 - f. Make informed choices and take personal responsibility for their actions
 - g. Address conflicts in a productive and civil manner
 - h. Value and practice teamwork
 - i. Demonstrate the ability to overcome barriers
 - j. Appreciate the arts
 - k. Understand and practice wellness
 - l. Be leaders and self-empowered citizens

To represent the continued academic gains throughout the District, Dr. Harris moved the District to its formal legal name (Columbus City Schools) and introduced a new District symbol and logo in August 2007. The new name and logo will be phased in gradually in an efficient and cost-effective manner. It is represented below:



The major work of the District continues to be 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 in 2004, 2005, 2006, and 2007.

CURRENT INITIATIVES (Continued)

Other state report card results for the 2005-06 and 2006-07 school years 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), to 79.2 (2005-06) and to 80.5 on the most recent report card (2006-07).

A Performance Index score of 80.5 earned the District the Continuous Improvement rating, the second of Dr. Harris' major short-term goals.

Columbus and Cleveland are the only two school districts in Ohio that have student bodies so numerous and diverse that, to achieve Adequate Yearly Progress (or AYP) goals, they have to meet all 42 categories and sub-categories on the report card. Columbus City Schools accomplished that as well. 'All Does Mean All' in Columbus City Schools!

Four years ago was the first time District students took the Ohio Graduation Test, and 61.0 percent passed the reading section of the test, while 42.0 percent passed the math section of the test. On the most recent report card, 84.9 percent passed reading and 71.2 percent passed math.

In moving from Academic Watch to Continuous Improvement, the District has achieved "delay" status on the No Child Left Behind (NCLB) rating system for school improvement. When the District maintains its "Continuous Improvement" designation for two consecutive years, it will no longer be in "School Improvement" status in reading and math.

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 and a variety of other assessments over the past four years. This measured year-to-year improvement takes on greater importance when one knows the Columbus City 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/ families 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 legislated voucher program.

The Ohio Achievement Tests in grades 3-8 are given according to the students' current grade levels, so most students taking the test one year would take a different set of tests the next year as required. The Ohio Graduation Test is designed in such a way that questions do not repeat from year to year, so maintaining a gain in most to all subject areas from year to year is a significant achievement.

The District's major long-term academic goal is Project 2012. In addition to focusing on the higher designation of "Effective" on the District report card, all staff members are working with students from pre-kindergarten 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 eighth 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 all teaching and support 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. Further, achieving the high school diploma is becoming a shared expectation and next step toward higher education.

The District's 2007 graduation rate, as computed on the state report card, is 72.9 percent, a 16.9 percent gain since 2001. The District has four years to achieve a similar-sized gain, achieve this long-term goal and surpass the state standard of a 90-percent graduation rate!

CURRENT INITIATIVES (Continued)

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 21st Century students will need to live successful, productive adult lives.

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

- The Class of 2007 earned a District record of \$45.8 million in grant and scholarship awards, topping the previous District record set by the Class of 2006, whose members collectively earned \$40.7 million.
- Graduates at 16 of the 18 District high schools earned more than \$1 million per school in scholarships and grants, with Class of 2007 graduates at Columbus Alternative High School, Eastmoor Academy, and Northland earning more than \$5 million per school. Once again, more than half the graduates declared their intentions of continuing school in the fall or entering military service.
- In the 2008 competition conducted by the National Merit Scholarship Corporation, three Columbus City Schools seniors have been named National Merit Semifinalists and three others National Merit Commended Scholars; one CCS senior was named a National Achievement Semifinalist and two others have been named National Achievement Commended Scholars.
- For the third 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 2007 salute to the nation’s top black high school seniors. CCS students have been chosen by *Ebony* magazine in five of the past six years.
- A 2007 Eastmoor Academy HS graduate earned an eight-year scholarship to Purdue that will pay for his undergraduate studies through earning his Ph.D. degree.
- The Department of Early Childhood Education’s pre-kindergarten programs at four Columbus City Schools were recently recognized and awarded accreditation through the National Association for the Education of Young Children;
- CCS has expanded its pre-kindergarten program to include 27 sites around the city.
- The new REACH (Research-based Education for Autistic CHildren) program was begun in August 2006 and serves 24 children with autism spectrum disorder (ages 3-7) at Sullivant Elementary School. A trans-disciplinary team of teachers, related services staff and paraprofessionals work with parents and community partners to provide instruction, therapies, and behavioral support to children with autism spectrum disorder.
- A CCS teacher has been selected as one of only five national 2008 recipients of the Horace Mann Awards for Teaching Excellence.
- The District has more than 100 National Board Certified Teachers.
- In two of the past five years, a Columbus City Schools teacher has earned the Ohio Teacher of the Year Award.
- During the 2006-07 school year, a fourth-grade student at Medary Elementary School was named the 2007 Central Ohio Regional Award Winner for the “Ohio Yes I Can” Award for Outstanding Student Achievement for his success on the 3rd Grade Reading Ohio Achievement Test and for overcoming English language barriers and learning disabilities.
- All District students must now take the PSAT, which qualifies more District students for the National Merit and National Achievement scholarship competitions.
- A Chinese exchange teacher is on staff at Columbus Alternative HS and will introduce students to Chinese language and culture.
- Thanks to Big Brothers Big Sisters of Central Ohio and Nationwide Insurance, Project Mentor began this school year with plans for more than 1,000 Columbus middle-school students being paired with an academic mentor. In October 2007, 800 potential mentors had volunteered, many from businesses and organizations with whom the District has collaborative programs or formal Partners in Education collaborations.
- More than one in five Columbus City Schools students are identified under state standards as Gifted and Talented. The District offers Gifted and Talented services, using the Cluster Model, in all schools and at all grade levels.

CURRENT INITIATIVES (Continued)

- In the fall of 2007, eight Columbus City Schools (of 194 schools throughout the state) received designation from the Ohio Department of Education as Schools of Promise. These schools met or exceeded state standards in reading and/or mathematics for all groups of students while serving significant populations of families living in poverty. The eight Columbus schools are: Beechcroft High School, Centennial High School, Colerain Elementary School, Columbus Alternative High School, Eastmoor Academy (HS), Fort Hayes Arts and Academic High School, Maize Road Elementary School and Northland High School.
- CCS has expanded its Columbus Virtual HS, a technology-based, on-line program that allows students to earn credits toward graduation. It has approximately 520 students enrolled for the 2007-08 school year.
- CCS offers a free breakfast to all students regardless of income to ensure that every student starts the school day off right.

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.

Responding to continuing declines in student enrollment and demographic changes in the city, the District has continued to align student population and effective use of facilities by closing 20 schools since 2003, including three at the end of the 2006-07 school year.

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. Moving from academic watch to continuous improvement on the state report card for 2006-07 and again meeting the state attendance standard this past school year are two strong examples of the continuing impact of this strategy.

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.

Complementing Dr. Harris's vision are changes that have been made in the Treasurer's Office. The 2006 annual state audit continued to note no material 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.

Key District initiatives that support academic targets and the Columbus Board of Education's Ends Policies this school year (2007-08) include:

- Providing more support to CCS elementary teachers for literacy instruction through the Harcourt Brace textbook adoption;
- Departmentalizing grades 4 and 5 districtwide through use of a math/science specialist and a reading/social studies specialist;
- Expanding and continuing to grow the effectiveness of professional learning teams (PLTs) throughout the District;
- Institutionalizing the use of data to drive the improvement of student achievement; and
- Implementing a standards-based report card in grades K-5 in schools during the 2007-2008 school year.

CURRENT INITIATIVES (Continued)

2007-08 planning for implementation in 2008-09, in priority order, includes:

- 1) Researching and determining the appropriate reconfiguration of schools to meet the needs of students and local communities. Review school choice in terms of cost, effectiveness, advantages, and disadvantages;
- 2) Determining effective educational designs that the District should implement such as replication of the Harlem Children's Zone and other programs;
- 3) Conducting an analysis concerning the scope, capacity and cost of a districtwide Pre-K/Preschool Program;
- 4) Implementing the requirements of the Ohio CORE high school curriculum;
- 5) Enhancing the quality and effectiveness of District marketing and customer service; and
- 6) Determining ways to continue to enhance the quality of school climate and increase school safety.

Other recent major initiatives of the District under the leadership of Dr. Gene T. Harris include:

- **The Academic Acceleration Academy (AAA)**, which is the first charter school sponsored by the District and which opened last school year (2006-07). The AAA is a high school designed to serve eighth- through twelfth-grade over-aged students. The school specifically targets students who are at risk for not completing high school in a traditional setting, and it provides an intensive program to accelerate graduation from high school.
- **The SuccessWorks Academy**, an alternative education program. It serves the needs of students with chronic/intense behavior problems whose actions account for over half of all discipline-related statistics in the District. The academy accepted its first students in early 2007.
- **Metro High School**, a small learning community operated by the Educational Council. Open to students in Columbus City Schools and the 15 other school districts in Franklin County, Metro's 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 last school year and is adding a class each year. Recurrent funding comes from districts whose students attend the school with some of those districts requiring parents to pay all or part of the cost, but Columbus City Schools' students and their families do not pay to attend this school. All Metro students remain enrolled in their home high schools and may continue extracurricular activities.
- **The Columbus Teaching Academy**, a partnership with Ohio State's College of Arts and Sciences that is now in its second year. Fourteen young women and men considering a career in education meet with their Columbus City Schools teacher every afternoon in the Frank W. Hale Jr. Black Cultural Center. Throughout the school year, they meet at different sites across campus. In addition to studying education as a career, students serve internships in Columbus elementary and middle schools and work with Ohio State Arts and Sciences faculty, staff, and students in pre-college enrichment 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 occurred last school year and training in CHAMPS, the classroom management component, is underway this school year. 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.
- **The DeVry Advantage Academy**, through which 24 juniors and 22 seniors from the Columbus City Schools are attending DeVry University and simultaneously earning their high school diplomas and associate-level degrees in Network Systems Administration from DeVry. Students in the program are fully integrated into campus life, services, academic supports and extracurricular activities. Columbus City Schools pays tuition and purchases books; DeVry, in turn, has substantially discounted tuition and waived student fees.
- The **International Baccalaureate** diploma program at Columbus Alternative High School, preparing Columbus students for higher education opportunities worldwide.

CURRENT INITIATIVES (Continued)

- 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. During the 2006-07 school year, 1,299 students earned 1,891 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 2007, 520 students were enrolled. That number is expected to increase, with the number of students allowed to participate in the program capped at 800 this school year.
- 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 (*provided above*) 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.

II. Committed Leadership

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

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 allocate 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.

CURRENT INITIATIVES (Continued)

III. Opportunity to Learn

All students will be given equitable opportunities for learning.

Accomplishing this goal requires the identification of 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.

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.

V. Efficient, Equitable Operations

The District will operate more efficiently and equitably.

At the heart of equity is a system that allocates appropriate resources to schools on an equitable basis, including allocation of people: counselors, nurses, secretaries, etc., and things: computers, library books, facilities, etc. Additionally, the District must adopt effective operational practices that will improve delivery of services to schools and reduce the waste of valuable resources.

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.

FINANCIAL INFORMATION

Fiscal Management

Michael Kinneer was appointed treasurer on September 12, 2005. 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 three assistant treasurers and supervises 58 employees.

FINANCIAL INFORMATION- (Continued)

Financial Condition

This is the sixth 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.

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. 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 2007.

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 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 State of Ohio 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.

FINANCIAL INFORMATION (Continued)

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 Capital Projects Fund, Building Capital Projects Fund, the Endowment Permanent Fund, and the Miscellaneous Federal Grants Special Revenue 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 \$6,791,000 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 2006 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 \$17,649,504.

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, 2007. A new policy was entered into on September 1, 2007 with Illinois National.

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, 2007.

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 to be counted towards the deductible. The deductible, if needed, will be paid from the Replacement Fund (Capital Projects). The renewal date was September 1, 2007.

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, 2007. This policy was renewed on July 1, 2007.

Builder's Risk Insurance

The District carries builders risk insurance with Chubb Insurance Company in amounts equal to the value of the construction with a limit to claims of \$4,000,000. This policy was issued May 1, 2007 and expires May 1, 2008.

Boiler and Machinery Coverage

The District is insured for boiler and machinery coverage with \$30,000,000 limit with Federal Insurance Company. Effective September 1, 2007, the District obtained a policy with Chubb 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, Mary Taylor, 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, 2006. This was the seventh 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, 2006, 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

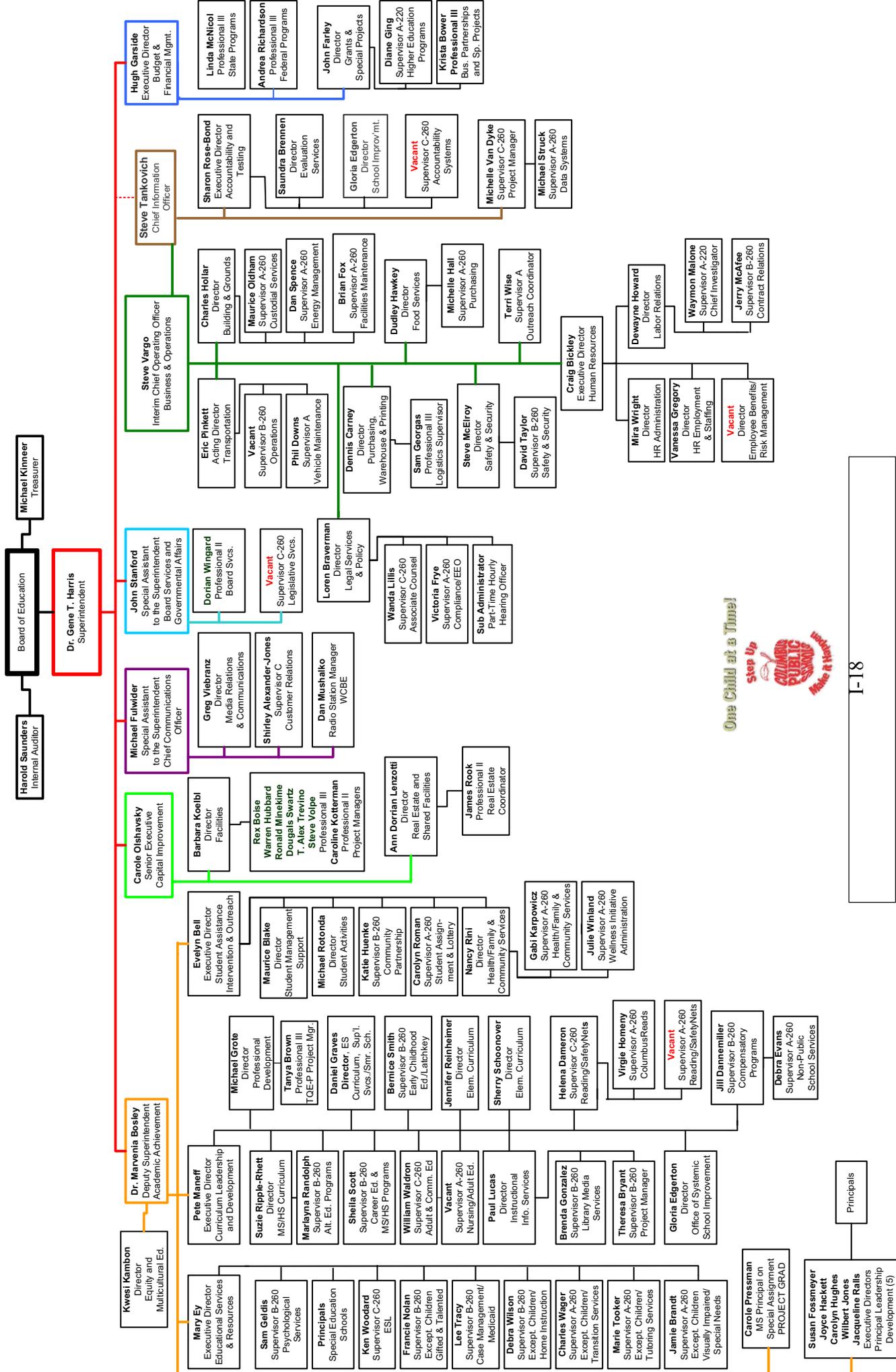
**COLUMBUS CITY SCHOOL DISTRICT
APPOINTED OFFICIALS
JUNE 30, 2007**

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, 2006

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, 2006

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



President



Executive Director

FINANCIAL SECTION

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Mary Taylor, CPA

Auditor of State

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, 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, 2007, 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, each major fund, and the aggregate remaining fund information of Columbus City School District, Franklin County, Ohio, as of June 30, 2007, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 4 to the financial statements, the District restated July 1, 2006 beginning net assets in the Governmental and Business Type Activities and the July 1, 2006 fund balances in the Food Service and Other Governmental Funds due to reclassification of several funds from Enterprise to Special Revenue.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2008, 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.

88 E. Broad St. / Tenth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

Management's Discussion and Analysis and the budgetary comparisons for the General Fund and Food Service 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.

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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 9, 2008

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
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, 2007. 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 2007 are as follows:

Overall:

Total net assets increased \$136.6 million during 2007.

Total revenue was \$909.2 million in 2007.

Total program expenses were \$772.6 million in 2007. Program expenses were primarily composed of Instruction with expenses of \$409.8 million in 2007 and Pupil and Instructional Support Services with expenses of \$110.3 million in 2007.

Long term debt and other obligations decreased to \$479.4 million in 2007 from \$498.3 million in 2006.

Liabilities decreased \$76.0 million from 2006, while total assets increased by \$60.7 million from 2006.

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 Fund, 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, 2007
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 2007?" 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 only has one distinct kind of activity:

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.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page F-15. 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, the Food Service Fund, and the Classroom Facilities 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.

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
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 2007 compared to the prior year:

Table 1
Net Assets
(In Millions)

	<i>Governmental Activities</i>	
<i>Assets</i>	2007	2006*
Current and Other Assets	\$ 904.8	\$ 950.5
Capital Assets	333.3	226.9
<i>Total Assets</i>	1,238.1	1,177.4
<i>Liabilities</i>		
Long Term Liabilities	479.4	498.3
Current and Other Liabilities	349.0	406.1
<i>Total Liabilities</i>	828.4	904.4
<i>Net Assets</i>		
Invested in Capital Assets		
Net of Debt	157.0	77.9
Restricted	179.1	218.0
Unrestricted (deficit)	73.6	(22.9)
<i>Total Net Assets</i>	\$ 409.7	\$ 273.0

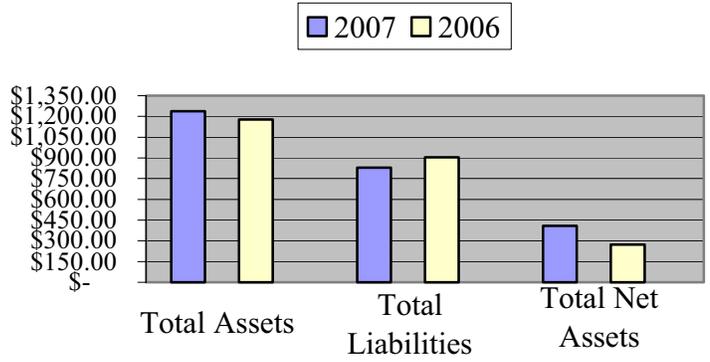
* Effective July 1, 2006, the Business-Type Activities were eliminated and combined with the Governmental Activities. The debt balance was restated which resulted in an increase in net assets of \$10.1 million due to a re-evaluation of accretion. The capital asset balance was restated due to a reassessment of acquisition years for buildings and unrecorded classroom facilities program assets paid directly to vendors which resulted in a decrease in net assets of \$8.6 million. Fiscal year 2006 has been restated to reflect these changes.

Total assets increased by \$60.7 million. The increase in equity in pooled cash and cash equivalents of \$51.6 million was primarily due to a tax advance of \$80.9 million received that resulted in a decrease in taxes receivable of \$51.2 million. One reason for the increase in total assets is that capital assets increased by \$106.4 million from 2006 to 2007 predominately as a result of new construction being placed in service during the fiscal year, which was partially offset by depreciation expense. In addition, this increase was offset due to intergovernmental receivables declining \$40.6 million, primarily due to the collection of receivables on the Classroom Facilities project. However, this decline was partially offset by increases in receivables in several federal grant programs attributable to program timing.

Total liabilities decreased \$76.0 million. One reason for this decrease is that long term liabilities decreased \$18.9 million due to an \$11.4 million decline in ESP/LSP programs relating to scheduled payments and restructuring of debt issues along with current year debt payments. An additional reason for the decrease is that unearned revenue decreased \$47.3 million, primarily due to a corresponding decrease with the intergovernmental receivables mentioned above. The net impact was an increase in net assets of \$136.6 million.

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Graph 1
Net Assets Governmental Activities
(In Millions)



Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

The District as a Whole – Continued

Table 2 shows the comparative changes in net assets for fiscal years 2007 and 2006.

Table 2.
 Changes in Net Assets for Governmental Activities
 (In Millions)

	Governmental Activities	
	2007	2006*
Revenues		
<i>Program Revenues:</i>		
Charges for Services and Sales	\$ 15.6	\$ 15.8
Operating Grants and Contributions	212.0	198.0
Capital Grants and Contributions	0.1	-
Total Program Revenues	227.7	213.8
<i>General Revenues</i>		
Property Taxes	455.8	402.0
Grants and Entitlements Not Restricted to Specific Programs	186.1	194.6
Other	39.6	37.6
Total General Revenues	681.5	634.2
Total Revenues	909.2	848.0
Program Expenses		
Instruction	409.8	402.5
Support Services:		
Pupils and Instructional Support Services	110.3	129.2
Administration, Business and Fiscal	65.2	59.2
Operation and Maintenance of Plant	63.2	60.5
Pupil Transportation	44.9	36.6
Other Support Services	25.1	23.7
Operation of Non-Instructional Services	34.3	37.0
Extracurricular Services	7.5	7.7
Interest and Fiscal Changes	12.3	20.6
Total Expenses	772.6	777.0
Increase In Net Assets	136.6	71.0
Net Assets - July 1 (As restated - See Note 4)	273.1	202.1
Net Assets - June 30	\$ 409.7	\$ 273.1

* Effective July 1, 2006, the Business-Type Activities were eliminated and combined with the Governmental Activities. The debt balance was restated which resulted in an increase in net assets of \$10.1 million. The capital asset balance was restated which resulted in a decrease in net assets of \$8.6 million. Fiscal year 2006 has been restated to reflect these changes.

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
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 50 percent of revenues for Governmental Activities for the District in fiscal year 2007. Grants and entitlements not restricted to specific programs made up 20 percent of revenues for Governmental Activities while operating grants and contributions made up 23 percent of revenues for Governmental Activities.

The most significant increase in revenues from 2006 to 2007 was property taxes increase of \$53.8 million. The increase was primarily due to an increase in the property tax valuation the District receives taxes on.

Expenses decreased \$4.4 million from 2006 to 2007 due to primarily stable levels of spending by the District.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for Governmental 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 74 percent of instruction activities are supported through taxes, intergovernmental foundation monies and other general revenues; for all Governmental Activities, general revenue support is 71 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.

Table 3
 Total Cost of Program Services
 Governmental Activities
 (In Thousands)

	2007		2006*	
	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>	<u>Total Cost of Service</u>	<u>Net Cost of Service</u>
Instruction	\$ 409,829	\$ 301,673	\$ 402,477	\$ 312,289
Support Services:				
Pupil and Instructional Support Services	110,262	60,293	129,182	77,033
Administration, Business, and				
Fiscal	65,227	59,712	59,255	53,534
Operation and Maintenance of Plant	63,191	56,669	60,514	57,132
Pupil Transportation	44,887	30,446	36,604	21,573
Other	25,132	15,289	23,709	13,040
Operation of Non-instructional Services	34,257	2,770	37,049	2,167
Extracurricular Activities	7,531	5,785	7,719	5,888
Interest and Fiscal Charges	<u>12,257</u>	<u>12,257</u>	<u>20,536</u>	<u>20,536</u>
Total Expenses	<u>\$ 772,573</u>	<u>\$ 544,894</u>	<u>\$ 777,045</u>	<u>\$ 563,192</u>

* Effective July 1, 2006, the Business-Type Activities were eliminated and combined with the Governmental Activities. Fiscal year 2006 has been restated to reflect this change.

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

The District's Funds

Information about the District's major Governmental Funds starts on page F-15. The Governmental Funds are accounted for using the modified accrual basis of accounting. All Governmental Funds had total revenues of \$933.6 million and expenditures of \$904.0 million. The General Fund had total revenues of \$644.9 million and expenditures of \$563.3 million. The net change in fund balance in the General Fund was \$74.0 million, which was primarily due to increased tax revenues of \$37.7 million for fiscal year 2007 due to an increase in the property tax valuation the District receives taxes on coupled with consistent levels of spending with 2006. The Debt Service Fund had revenues of \$41.2 million and expenditures of \$28.8 million. The net change in fund balance in the Debt Service Fund was \$15.9 million, which was primarily due to increased tax revenues of \$11.8 million for fiscal year 2007 due to an increase in the property tax valuation the District receives in conjunction with the partial refunding of the 2003 and 2004 bond issuances which re-structured debt payments in 2007. The Food Service Fund had revenues of \$22.4 million and expenditures of \$25.0 million. The net change in fund balance in the Food Service Fund was an increase of \$3.2 million, due to the accumulation of advances from the General Fund being converted to a transfer. The net change in fund balance for the year decreased \$42.0 million in the Classroom Facilities Fund, where the fund balance went from \$280.8 million in 2006 to \$238.9 million in 2007. The primary reason for this decrease was due to monies being used for building the Classroom Facilities projects.

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 2007 the District amended its General Fund budget numerous times, some of which were significant.

For the General Fund, budget basis revenue was \$663.1 million, below original budget estimates of \$666.6 million and final budget estimates of \$686.7 million. Of these \$3.5 million and \$23.6 million respective differences, tax revenue was \$2.1 million below original estimates and \$14.8 million below final estimates and intergovernmental revenue was \$1.2 million below original estimates and \$7.9 million below final estimates. Final budgeted revenue estimates were \$686.7 million, an increase of \$20.1 million from original budgeted revenue, primarily due to anticipated revenue in the tax and intergovernmental factors noted that was not realized.

The District had a decrease in their appropriations of \$0.5 million from original to final. This was primarily due to the District trying to contain costs. Actual expenditures were within original estimates of \$586.7 million and final estimates of \$586.2 million by \$6.0 million and \$5.5 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 \$580.7 million, \$79.0 less than revenues.

Columbus City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2007 the District had \$333.3 million invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and construction in progress. Table 4 shows fiscal year 2007 and 2006 balances for Governmental Activities:

Table 4
 Capital Assets At June 30
 (Net of Depreciation-In Millions)
 Governmental Activity

	<u>2007</u>	<u>2006*</u>
Land	\$ 29.28	\$ 27.63
Land Improvements	7.27	7.29
Buildings & Improvements	139.48	97.63
Furniture & Equipment	8.85	11.09
Vehicles	7.41	8.44
Construction in Progress	<u>140.98</u>	<u>74.84</u>
Total	<u>\$ 333.27</u>	<u>\$ 226.92</u>

* As restated, see Note 4

The increase in Capital Assets is due to recognizing \$124.5 million in acquisitions (net of completed projects) offset by \$14.1 million in depreciation expense for 2007 and \$4.0 million in disposals (net of accumulated depreciation). The acquisitions were distributed among land, land improvements, buildings and improvements, furniture and equipment, vehicles, and construction in progress. However, the largest increases were in buildings and improvements of \$41.9 million and construction in progress of \$66.1 million due to ongoing construction and repair of District buildings through the Classroom Facilities program. 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 2007, this amounted to \$9.2 million for each set-aside. For fiscal year 2007 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, 2007
Unaudited

Capital Assets and Debt Administration - Continued

Debt

At June 30, 2007 the District had \$404.6 million in bonds outstanding (including premiums, loss on refunding, and related items) with \$19.2 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>2007</u>	<u>2006*</u>
General Obligation Bonds	\$ 397.88	\$ 407.23
Energy Conservation Bonds	<u>6.68</u>	<u>7.35</u>
Total	<u>\$ 404.56</u>	<u>\$ 414.58</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.

In October 2006 the District issued \$282,864,897 in School Facilities Construction and Improvement Refunding Bonds which are considered General Obligation Bonds. These bonds were issued to advance refund \$156,105,000 of Series 2003 Bonds and \$134,085,000 of Series 2004 Bonds. This was a partial refunding as there are still outstanding balances of Series 2003 Bonds and Series 2004 Bonds.

At June 30, 2007, the District's overall legal debt margin was \$586.57 million with an unvoted debt margin of \$10.17 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, 2007
Unaudited

Capital Assets and Debt Administration - Continued

Capital Lease Obligations

The District had no new capital leases during fiscal year 2007. The District had previous capital leases, which were being paid for out of the General Fund. The total capital lease obligations outstanding as of June 30, 2007 were \$296,964 in the General Fund. Of these balances \$96,033 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, 2006, 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, 2006, 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

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Columbus City School District

Statement of Net Assets

As of June 30, 2007

	Governmental Activities
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 463,450,740
Cash and Cash Equivalents with Escrow Agent	1,987,258
Receivables	
Taxes	361,099,651
Intergovernmental	70,635,189
Accounts	2,839,984
Interest	1,382,986
Materials and Supplies Inventory	635,280
Unamortized Financing Costs	2,849,853
Nondepreciable Capital Assets	170,264,660
Depreciable Capital Assets, Net	163,004,176
<i>Total Assets</i>	<u>1,238,149,777</u>
Liabilities	
Accounts Payable	11,741,890
Accrued Wages and Benefits	51,750,223
Claims Payable	6,791,000
Accrued Interest Payable	1,339,646
Matured Compensated Absences Payable	478,604
Retainage Payable	1,987,258
Unearned Revenue	256,308,672
Due to Other Governments	18,666,795
Long-Term Liabilities:	
Due Within One Year	23,607,019
Due In More Than One Year	455,771,807
<i>Total Liabilities</i>	<u>828,442,914</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	157,028,996
Restricted for:	
Debt Service	29,510,707
Capital Projects	102,131,178
Permanent Fund	
Expendable	212,400
Nonexpendable	673,401
Classroom Facilities Maintenance	21,307,998
Title I Program	7,193,579
Improving Teacher Quality Program	3,859,409
Other Purposes	14,169,434
Unrestricted	73,619,761
<i>Total Net Assets</i>	<u>\$ 409,706,863</u>

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

Columbus City School District

**Balance Sheet
Governmental Funds**

As of June 30, 2007

	General	Debt Service	Food Service	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 120,264,864	\$ 20,160,083	\$ 534,673	\$ 241,650,117	\$ 80,841,003	\$ 463,450,740
Cash and Cash Equivalents with Escrow Agents	-	-	-	1,987,258	-	1,987,258
Receivables						
Taxes	325,039,582	32,571,518	-	-	3,488,551	361,099,651
Accounts	2,839,984	-	-	-	-	2,839,984
Interest	456,385	-	-	926,601	-	1,382,986
Due from Other Governments	61,547	-	939,343	46,116,689	23,517,610	70,635,189
Interfund Loans Receivable	3,523,798	4,185,000	-	-	-	7,708,798
Materials and Supplies Inventory	151,224	-	484,056	-	-	635,280
Total Assets	\$ 452,337,384	\$ 56,916,601	\$ 1,958,072	\$ 290,680,665	\$ 107,847,164	\$ 909,739,886
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 2,999,376	\$ -	\$ 125,549	\$ 2,967,506	\$ 5,649,459	\$ 11,741,890
Accrued Wages and Benefits	45,546,436	-	537,794	-	5,665,993	51,750,223
Matured Compensated Absences	466,044	-	12,560	-	-	478,604
Claims Payable	6,791,000	-	-	-	-	6,791,000
Deferred Revenues	273,988,441	27,418,424	-	46,870,455	15,677,118	363,954,438
Retainage Payable	-	-	-	1,987,258	-	1,987,258
Interfund Loans Payable	4,185,000	-	534,672	-	2,989,126	7,708,798
Due to Other Governments	18,588,861	-	6,243	-	71,691	18,666,795
Total Liabilities	352,565,158	27,418,424	1,216,818	51,825,219	30,053,387	463,079,006
Fund Balances						
Reserved for Encumbrances	12,631,301	-	485,059	127,467,251	20,409,391	160,993,002
Reserved for Property Taxes	51,422,398	5,153,094	-	-	554,158	57,129,650
Reserved for Endowment	-	-	-	-	673,401	673,401
Unreserved						
Undesignated - Reported In						
General Fund	35,718,527	-	-	-	-	35,718,527
Special Revenue Funds	-	-	256,195	-	29,949,177	30,205,372
Capital Projects Funds	-	-	-	111,388,195	25,995,250	137,383,445
Debt Service Fund	-	24,345,083	-	-	-	24,345,083
Permanent Fund	-	-	-	-	212,400	212,400
Total Fund Balances	99,772,226	29,498,177	741,254	238,855,446	77,793,777	446,660,880
Total Liabilities and Fund Balances	\$ 452,337,384	\$ 56,916,601	\$ 1,958,072	\$ 290,680,665	\$ 107,847,164	\$ 909,739,886

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, 2007

Total Governmental Fund Balances		\$	446,660,880
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.			333,268,836
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.			
Taxes	47,664,964		
Intergovernmental	58,855,779		
Interest	1,125,023		
Total	107,645,766		107,645,766
Unamortized issuance costs represent deferred charges on refundings that do not provide current financial resources and, therefore, are not reported in the funds.			2,849,853
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.			
Accrued Interest Payable	(1,339,646)		
Early Retirement Incentive Payable	(5,197,724)		
Compensated Absences	(51,680,950)		
Workers Compensation	(17,649,504)		
Capital Lease Obligations	(296,964)		
General Obligation and Energy Conservation Bonds	(404,553,684)		
Total	(480,718,472)		(480,718,472)
Net Assets of Governmental Activities		\$	409,706,863

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 Balance:
Governmental Funds**

For the Fiscal Year Ended June 30, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Food Service</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues						
Taxes	\$ 402,976,160	\$ 38,828,716	\$ -	\$ -	\$ 5,615,533	\$ 447,420,409
Tuition and Fees	6,523,390	-	-	-	1,650,908	8,174,298
Earnings on Investments	7,696,456	-	-	13,397,123	2,446,783	23,540,362
Intergovernmental	213,954,931	2,334,798	18,548,971	36,939,353	157,327,427	429,105,480
Extracurricular	-	-	-	-	1,650,912	1,650,912
Donations	1,169	-	-	-	2,514,065	2,515,234
Payments in Lieu of Taxes	7,447,169	-	-	-	-	7,447,169
Customer Sales and Service	-	-	3,777,934	-	2,006,691	5,784,625
Other	6,297,805	-	78,709	184,465	1,427,991	7,988,970
Total Revenues	644,897,080	41,163,514	22,405,614	50,520,941	174,640,310	933,627,459
Expenditures						
Current Operating						
Instruction						
Regular	254,479,067	-	-	-	38,431,968	292,911,035
Special	61,208,629	-	-	-	27,470,336	88,678,965
Vocational	9,166,825	-	-	-	830,725	9,997,550
Other	15,223	-	-	-	16,401,054	16,416,277
Pupil Support Services	35,063,321	-	-	-	10,026,432	45,089,753
Instructional Support Services	26,598,544	-	-	-	37,889,125	64,487,669
Administration	42,926,595	-	-	-	4,575,357	47,501,952
Business and Fiscal Services	14,785,613	426,907	-	-	1,625,038	16,837,558
Operation and Maintenance of						
Plant Services	54,065,592	-	-	3,370,148	3,578,510	61,014,250
Transportation Services-Pupils	43,279,603	-	-	-	656,881	43,936,484
Other Support Services	16,509,826	-	-	-	9,837,358	26,347,184
Operation of Non-Instructional Services	-	-	25,048,065	-	8,691,503	33,739,568
Extracurricular Activities	5,135,480	-	-	-	2,215,748	7,351,228
Debt Service						
Principal	90,454	14,295,000	-	-	-	14,385,454
Interest	20,785	11,687,359	-	-	-	11,708,144
Issuance Costs	-	2,396,095	-	-	-	2,396,095
Capital Outlay	586	-	-	108,258,450	12,950,224	121,209,260
Total Expenditures	563,346,143	28,805,361	25,048,065	111,628,598	175,180,259	904,008,426
Excess (Deficiency) of Revenues Over (Under) Expenditures	81,550,937	12,358,153	(2,642,451)	(61,107,657)	(539,949)	29,619,033
Other Financing Sources (Uses)						
Transfers In	-	1,193,914	5,805,844	22,823,260	4,244,159	34,067,177
Transfers Out	(7,540,237)	-	-	(3,690,290)	(22,836,650)	(34,067,177)
Refunding Bonds Issued	-	282,864,897	-	-	-	282,864,897
Premium on Refunding Bonds Issued	-	29,696,676	-	-	-	29,696,676
Payment to Refunded Bond Escrow Agent	-	(310,165,477)	-	-	-	(310,165,477)
Proceeds from the Sale of Assets	3,698	-	-	-	-	3,698
Total Other Financing Sources (Uses)	(7,536,539)	3,590,010	5,805,844	19,132,970	(18,592,491)	2,399,794
Net Changes in Fund Balances	74,014,398	15,948,163	3,163,393	(41,974,687)	(19,132,440)	32,018,827
Fund Balances at Beginning of Year - As Restated - See Note 4	25,757,828	13,550,014	(2,422,139)	280,830,133	96,926,217	414,642,053
Fund Balances at End of Year	\$ 99,772,226	\$ 29,498,177	\$ 741,254	\$ 238,855,446	\$ 77,793,777	\$ 446,660,880

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, 2007

Net Change in Fund Balances- Total Governmental Funds	\$	32,018,827
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	124,508,178	
Current Year Depreciation	<u>(14,119,824)</u>	
Total		110,388,354
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	(3,698)	
Loss on Disposal of Capital Assets	<u>(4,038,433)</u>	
Total		(4,042,131)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	8,408,508	
Intergovernmental	<u>(33,493,608)</u>	
Interest	668,775	
Total		(24,416,325)
The amortization of debt issuance costs are reported in the statement of activities but are not reported as expenditures in the governmental funds.		
		(2,443,219)
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.		
		14,295,000
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.		
		90,454
Bond issuance costs are recorded as an expenditure in the governmental funds, but are recognized as an asset and are not recorded in the statement of activities.		
		2,396,095
Proceeds from the sale of bonds and notes are recorded as other financing sources in the governmental funds, but the proceeds are recorded as a liability and therefore are not recorded in the statement of activities.		
		(282,864,897)
Payment to refunded escrow agent is shown as another financing use 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.		
		290,435,714
Premiums on issuance of bonds are recorded as an other financing source in the governmental funds but are recognized as a liability and not recorded on the statement of activities.		
		(29,696,676)
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.		
		9,389,780
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.		
		3,768,508
The accounting loss on refunded debt is amortized over the life of the new debt on the statement of activities.		
		(2,764,226)
The accounting loss on refunded debt is reported as an expenditure at the time of refunding.		
		13,820,124
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	(1,964,825)	
Early Retirement Incentive Payable	11,401,350	
Workers Compensation Claims Payable	<u>(583,454)</u>	
Capital Bond Accretion	<u>(2,590,373)</u>	
Total		6,262,698
Net Change in Net Assets of Governmental Activities	\$	<u>136,638,080</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, 2007

	<u>Agency</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ <u>606,141</u>
Total Assets	\$ <u>606,141</u>
 LIABILITIES	
Due to Students	\$ 579,896
Due to Other Governments	<u>26,245</u>
Total Liabilities	\$ <u>606,141</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, 2007

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 2007.

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, 2007

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, long-term debt principal, interest, and related costs.

Food Service Fund

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

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.

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.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 Statement of Net Assets presents the financial condition of Governmental 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. Direct expenses are those that are specifically associated with a service, program or department and therefore are 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 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 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, 2007

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.

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 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 expenditure 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, 2007

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, 2007, but which were levied to finance fiscal year 2008 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, 2007

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 schedules reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The final amounts reported in the budgetary schedules 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, 2007.

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 \$7,696,456, \$13,397,123, \$2,396,879, \$49,026, and \$878 in the General Fund, Classroom Facilities Fund (Major Capital Projects Fund), the Building Fund (Non-major Capital Projects Fund), the Endowment Fund (Non-major Permanent Fund), and the Miscellaneous Federal Grants Fund (Non-major Special Revenue Fund), respectively. Of the \$7,696,456 of interest accrued in the General Fund, \$882,912 was assigned from other funds. 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, 2007

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 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 2007. 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, 2007. The District has also invested in repurchase agreements, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds and Notes, Federal National Mortgage Association 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, 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. For governmental 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.

Capital Assets and Depreciation

General capital assets are those assets used for governmental activities. 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.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

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, except for food service assets, which have a capitalization threshold of \$1,000. 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.

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>	Governmental Activities <u>Estimated Lives</u>
Land improvements	10-25 years
Buildings and improvements	5-60 years
Furniture and equipment	5-15 years
Vehicles	3-20 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 Activities column of the Statement of Net Assets.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

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, 2007 and the amounts have matured. The noncurrent portion of this liability is not reported in the Fund Financial Statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the Government-Wide 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, Permanent Fund, 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 Permanent Fund 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.

Of the District's \$179,058,106 restricted net assets, \$0 is restricted by enabling legislation.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

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, 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 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.

Interfund Transactions

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 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. Repayments from funds responsible for particular expenditures 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 Parents as Teachers, Innovative Programs – Title V, Safe and Drug Free Schools – Title IV-A, and Early Childhood Special Education - IDEA Non-major Special Revenue Funds had the following deficit fund balances: \$5,650, \$266,067, \$20,971, and \$16,982, respectively. The Power Up Technologies and School Building Assistance Limited Non-major Capital Projects Funds had deficit fund balances of \$721,000 and \$1,189,021, respectively. The General Fund provides transfers when cash is required, not when expenditures are incurred.

The Food Service Fund had a negative cash fund balance of \$865,050 at July 31, 2006. Also at July 31, 2006, the District Agency Fund had a negative cash fund balance of \$1,488,815. Both of these negative balances were due to timing differences of the program funding.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

3. COMPLIANCE AND ACCOUNTABILITY - Continued

The following funds had original appropriations in excess of original estimated resources:

Fund Name	Amount
Debt Service Fund	\$ 1,390,420
Classroom Facilities Fund	85,804,050
Schoolnet Equipment Fund	449,997
School Building Assistance Limited Fund	178,765
Food Service Fund	1,153,045
Uniform School Supplies Fund	2,572
Adult Education Fund	352,396
WCBE Fund	429,698
Latchkey Fund	981,361
Other Grants Fund	3,454,271
Computer Network Class "A" Site Fund	109,830
District Managed Activities Fund	1,053,474
Auxiliary Services Fund	1,302,613
Post Secondary Vocational Education Fund	8,544
Management Information Systems Fund	12,150
Public School Preschool Fund	234,479
Data Communications Fund	667,304
Ohio Reads Fund	402,971
Vocational Educational Enhancements Fund	150,000
Miscellaneous State Grants Fund	813,940
Special Education Part B-IDEA Fund	7,800,000
Title III - Limited English Proficiency Fund	1,000,000
Transition Program for Refugee Children Fund	47,334
Title I Fund	14,237,371
Innovative Programs Title V Fund	850,000
Early Childhood Special Education - IDEA Fund	114,217
Improving Teacher Quality - Title II-A Fund	12,639,019
Miscellaneous Federal Grants Fund	11,827,593

Contrary to Ohio Revised Code Section 5705.39, the Latchkey Fund had final appropriations in excess of final estimated resources by \$60,336.

The Vocational Education Fund and Early Childhood Special Education - IDEA Fund had expenditures in excess of appropriations by the following amounts: \$443,238, and \$7,840.

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

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

4. RESTATEMENT OF FUND BALANCES/NET ASSETS

As of July 1, 2006, the District reclassified several funds from Enterprise Funds to Special Revenue Funds. The District restated its debt balance as of July 1, 2006, due to re-evaluation of accretion in future years for the Series 1993 general obligation bonds. The District also restated prior year net assets to reflect a reassessment of acquisition years for capital asset buildings. Additionally, the District restated prior year net assets to recognize monies paid on behalf of the District by the Ohio School Facilities Commission to its construction manager, Smoot. These restatements had the following effects on fund balances/net assets as previously stated:

Governmental Funds						
	General Fund	Debt Service Fund	Food Service Fund	Classroom Facilities Fund	Other Governmental Funds	Total
Fund Balances, July 1, 2006	\$ 25,757,828	\$ 13,550,014	\$ -	\$ 280,830,133	\$ 96,357,654	\$416,495,629
Reclassification of Funds	-	-	(2,422,139)	-	568,563	(1,853,576)
Restated Fund Balances, July 1, 2006	<u>\$ 25,757,828</u>	<u>\$ 13,550,014</u>	<u>\$ (2,422,139)</u>	<u>\$ 280,830,133</u>	<u>\$ 96,926,217</u>	<u>\$414,642,053</u>

Enterprise Funds			
	Food Service Fund	All Other Enterprise Funds	Total
Fund Balances, July 1, 2006	\$ (469,255)	\$ 376,614	\$ (92,641)
Reclassification of Funds	2,422,139	(568,563)	1,853,576
Restatement of Capital Assets & Compensated Absences	(1,952,884)	191,949	(1,760,935)
Restated Fund Balances, July 1, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Governmental Net Assets	Business-Type Net Assets
Beginning Balances, July 1, 2006	\$ 271,559,066	\$ (92,641)
Restatement of Long Term Liabilities Debt Balance	10,131,836	-
Restatement of Capital Assets	(8,529,478)	-
Relclassification of Enterprise Fund to Special Revenue Funds	(92,641)	92,641
Restated Balance, July 1, 2006	<u>\$ 273,068,783</u>	<u>\$ -</u>

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

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, 2007 the District's fair value for investments exceeded cost by \$1,493,285.

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 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, 2007

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 a bank failure, the School District's deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency of instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The School District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, 2007, \$7,004,219 of the School District's bank balance of \$7,234,219 and \$74,066,709 of the governmental money market funds balance of \$74,166,709 held by the District 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.

Investments

As of June 30, 2007, the District had the following investments and maturities:

Description	Fair Value	Investment Maturities (in years)			Concentration of Credit Risk
		Less than 1	1-2	3-5	
June 30, 2007:					
Star Ohio	\$ 34,914,628	\$ 34,914,628	\$ -	\$ -	8.89%
Repurchase Agreements	142,563,113	142,563,113	-	-	36.32%
Federal Home Loan Bank Bonds	3,988,750	-	3,988,750	-	1.02%
Federal Home Loan Bank Notes	50,921,825	35,168,007	14,757,258	996,560	12.97%
Federal Home Loan Mortgage Discount Notes	71,513,218	68,521,648	-	2,991,570	18.22%
Federal National Mortgage Association Notes	71,703,263	63,226,043	6,479,720	1,997,500	18.27%
U.S. Treasuries	5,957,820	5,957,820	-	-	1.52%
Federal Farm Credit Notes	5,999,760	-	5,999,760	-	1.53%
Greenwich CPL HLDGFDG Discount Commercial Paper	1,965,000	1,965,000	-	-	0.50%
Societe General Northern America Discount Commercial Paper	2,998,200	2,998,200	-	-	0.76%
Total Investments	<u>\$ 392,525,577</u>	<u>\$ 355,314,459</u>	<u>\$ 31,225,488</u>	<u>\$ 5,985,630</u>	<u>100.00%</u>

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

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. The Federal Home Loan Mortgage Corporation Discount Notes long term securities are rated AAA by Standard & Poors and Aaa by Moody's. The Federal Home Loan Mortgage Corporation Discount Notes short term securities are rated A-1+ by Standard & Poors and Prime-1 by Moody's. The Federal Home Loan Bank Bonds long term securities are rated AAA by Standard & Poors and Aa1 by Moody's. The Federal Home Loan Bank Notes long term securities are rated AAA by Standard & Poors and Aaa by Moody's. The Federal Home Loan Bank Notes short term securities are rated A-1+ by Standard & Poors and Prime-1 by Moody's. The Federal National Mortgage Association Discount Notes long term securities are rated AAA by Standard & Poors and Aaa by Moody's. The Federal National Mortgage Association Discount Notes short term securities are 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 Greenwich CPL Discount Commercial Paper is rated A-1+ by Standard & Poors and Prime-1 by Moody's. The Societe Generate North American Discount Commercial Paper is rated A-1+ by Standard & Poors and Aa2/B+ by Moody's. ORC 135.14(B)(7)(a) limits commercial paper purchases to those assigned the highest credit rating by two nationally recognized rating services. 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-33 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, 2007

6. PROPERTY TAXES - Continued

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Ohio House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces revenue lost by the District due to the phasing out of the tax. In calendar years 2006-2010, the District will be fully reimbursed at the level of calendar year 2004 assessed values for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from Franklin County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2007 are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent. Accrued property taxes receivable represents real property, tangible personal property, and public utility taxes, which became measurable as of June 30, 2007 and delinquent taxes outstanding. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2007, was \$51,422,398 in the General Fund, \$5,153,094 in the Debt Service Fund, and \$554,158 in the Classroom Facilities Maintenance Non-Major Special Revenue Fund. The assessed values upon which the fiscal year 2007 taxes were collected are as follows:

	2006 Second- Half Collections	2007 First- Half Collections
Real Property		
Residential/Agricultural	\$ 5,433,800,560	\$ 5,589,997,460
Commercial/Industrial	3,701,926,230	3,833,953,470
Public Utilities	5,971,490	6,755,750
Tangible Personal Property Taxes		
General	655,192,751	453,358,094
Public Utilities	289,096,620	283,009,390
	<u>\$ 10,085,987,651</u>	<u>\$ 10,167,074,164</u>
Tax rate per \$1,000 of assessed valuation	\$66.47	\$67.65

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2007, is as follows:

	Balance 6/30/2006*	Additions	Deductions	Balance 6/30/2007
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 27,631,688	\$ 1,650,118	\$ -	\$ 29,281,806
Construction in Progress	<u>74,844,753</u>	<u>119,218,250</u>	<u>(53,080,149)</u>	<u>140,982,854</u>
Total Capital Assets, not being depreciated	<u>102,476,441</u>	<u>120,868,368</u>	<u>(53,080,149)</u>	<u>170,264,660</u>
Capital Assets, being depreciated:				
Land Improvements	21,721,429	643,888	(562,155)	21,803,162
Buildings and Improvements	361,594,689	52,436,261	(11,642,452)	402,388,498
Furniture and Equipment	81,685,716	3,501,967	(6,478,092)	78,709,591
Vehicles	<u>27,241,822</u>	<u>137,843</u>	<u>(200,079)</u>	<u>27,179,586</u>
Total Capital Assets, being depreciated	<u>492,243,656</u>	<u>56,719,959</u>	<u>(18,882,778)</u>	<u>530,080,837</u>
Less Accumulated Depreciation:				
Land Improvements	(14,428,868)	(591,521)	484,826	(14,535,563)
Buildings and Improvements	(263,969,532)	(7,602,507)	8,659,929	(262,912,110)
Furniture and Equipment	(70,597,599)	(4,817,795)	5,552,286	(69,863,108)
Vehicles	<u>(18,801,484)</u>	<u>(1,108,001)</u>	<u>143,605</u>	<u>(19,765,880)</u>
Total Accumulated Depreciation	<u>(367,797,483)</u>	<u>(14,119,824)</u>	<u>14,840,646</u>	<u>(367,076,661)</u>
Total Capital Assets, being depreciated, net	<u>124,446,173</u>	<u>42,600,135</u>	<u>(4,042,132)</u>	<u>163,004,176</u>
Governmental Activities Capital Assets Net	<u>\$ 226,922,614</u>	<u>\$ 163,468,503</u>	<u>\$ (57,122,281)</u>	<u>\$ 333,268,836</u>

* - As Restated - See Note 4

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 8,809,112
Special Instruction	351,998
Vocational Instruction	754,006
Adult/Continuing Instruction	11,871
Pupil Support Services	877,424
Instructional Support Services	137,835
Administration	521,662
Operation and Maint. of Plant Serv.	1,012,188
Pupil Transportation	964,612
Other Support Services	211,291
Operation of Non-Instructional Services	399,588
Extracurricular Activities	<u>68,237</u>
Total Depreciation Expense - 2007	<u>\$ 14,119,824</u>

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

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, 2007 was \$28,025,000.

On October 11, 2006, the District advance refunded \$156,105,000 of Series 2003 Bonds and \$134,085,000 of Series 2004 Bonds. This was a partial refunding as there are still outstanding balances of Series 2003 Bonds and Series 2004 Bonds. The above amounts of refunded bonds are considered defeased and are not reported in the accompanying basic financial statements. The remaining balance on these refunded bonds as of June 30, 2007 was \$286,240,000.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

9. LONG-TERM DEBT AND OTHER OBLIGATIONS

Long-term debt and other obligations at June 30, 2007 and the related transactions for the year then ended are summarized below:

Issue Date	Interest Rate	Maturity Date Through	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007	Amounts Due Within One Year
<u>Governmental Activities:</u>							
General Obligation Bonds							
05/15/93	3 1/2 - 8 1/4	12/01/11	\$ 32,945,607 *	\$ 2,260,236	\$ 8,460,000	\$ 26,745,843	\$ 8,465,000
Original Issue Amount			\$86,012,613				
11/21/01	3 - 5 1/2	12/01/28	7,080,000	-	185,000	6,895,000	190,000
Original Issue Amount			\$7,760,000				
05/01/03	2 - 5	12/01/31	195,855,714	-	156,350,714	39,505,000	4,325,000
Original Issue Amount			\$206,879,996				
Premium on Bonds Issued			6,103,540	-	4,906,274	1,197,266	-
07/07/04	3 - 5	12/01/32	160,900,000	-	138,115,000	22,785,000	4,130,000
Original Issue Amount			\$168,682,750				
Premium on Bonds Issued			4,348,269	-	3,694,005	654,264	-
10/11/06	5 1/4 - 6 3/4	12/01/32	-	283,195,034	950,000	282,245,034	1,430,000
Original Issue Amount			\$282,864,897				
Accounting Loss			-	(13,820,124)	(2,764,226)	(11,055,898)	-
Premium on Bonds Issued			-	29,696,676	789,501	28,907,175	-
Energy Conservation Bonds							
10/01/00	5 1/4 - 6 3/4	06/01/15	7,345,000	-	670,000	6,675,000	700,000
Original Issue Amount			\$10,380,000				
Compensated Absences Payable			49,716,125 *	3,768,630	1,803,805	51,680,950	1,672,124
**ESP/LSP Programs			16,599,074	-	11,401,350	5,197,724	2,598,862
Obligations Under Capital Leases			387,418	-	90,454	296,964	96,033
Bureau of Workers Compensation							
Retro-active Plan Claims - Payable			17,066,050	3,849,571	3,266,117	17,649,504	-
Total Governmental Activities			\$ 498,346,797	\$ 308,950,023	\$ 327,917,994	\$ 479,378,826	\$ 23,607,019

*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 were contracted out with EPC (Educator's Preferred Corporation). The District pays a set fee each year to EPC, and EPC manages the contracts with the employees electing the ESP or LSP Plans. The employees are paid according to their contracts, in monthly installments determined at the commencement of the contract. As of January 2007, there were 272 participants involved in these programs. 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, 2007

9. LONG-TERM DEBT AND OTHER OBLIGATIONS - Continued

In October 2006 the District issued \$282,864,897 in School Facilities Construction and Improvement Refunding Bonds which are considered General Obligation Bonds. These bonds were issued to advance refund \$156,105,000 of Series 2003 Bonds and \$134,085,000 of Series 2004 Bonds. This was a partial refunding as there are still outstanding balances of Series 2003 Bonds and Series 2004 Bonds. The above amounts of refunded bonds are considered defeased and are not reported in the accompanying basic financial statements. The net premium of \$29,696,676 has been recorded as an addition to the 2006 Bonds and is being amortized over the life of the bonds. The bond issuance costs of \$2,396,095 were capitalized as an asset and are being amortized over the life of the bonds. The net loss on the refunding of the bonds in the amount of \$13,820,124 was recorded as a reduction of the bonds and will be amortized (added to) the bond liability over the life of the refunded 2003 and 2004 Series Bonds. The refunding resulted in the District restructuring its debt service payments with a cash flow difference of (\$50,988,615) over the life of the bonds and an economic loss (difference between the present values of the old and new debt service payments) of (\$28,477,063).

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 Special Revenue 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 \$10.17 million in additional unvoted general obligation debt and \$586.57 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, 2007 follows:

Year of Funding	General Obligation Bonds		Energy Conservation Bonds	
	Principal	Interest	Principal	Interest
2008	12,124,292	15,856,939	700,000	337,955
2009	9,493,745	15,577,368	735,000	304,355
2010	8,934,183	15,323,188	770,000	268,708
2011	9,072,272	15,014,816	810,000	230,978
2012	9,178,650	14,657,054	850,000	190,478
2013-2017	61,360,000	65,431,217	2,810,000	300,626
2018-2022	77,875,000	48,437,656	-	-
2023-2027	99,200,000	26,652,116	-	-
2028-2032	59,579,897	11,185,600	-	-
2033	11,150,000	238,588	-	-
Totals	\$ 357,968,039	\$ 228,374,542	\$ 6,675,000	\$ 1,633,100

The above amortization schedule (principal payments) does not agree to the bonds payable amount on page F-38 because it does not include the \$1,197,266 in unamortized premium on the 2003 bond issue, \$654,264 in unamortized premium on the 2004 bond issue and \$28,907,175 in unamortized premium on the 2006 bond issue. The above amortization schedule also does not include \$11,055,898 in unamortized loss on the refunding of a portion of the 2003 and 2004 bonds which is being amortized over the remaining life of the refunded bonds and added back to the principal balance of the 2006 bonds. This amortization schedule also does not include the unaccreted portion of the 2006 Capital Appreciation Bonds in the amount of \$54,730,103, of which \$330,137 has been accreted as of June 30, 2007. The amortization schedule also does not include the accreted portion of the 1993 Capital Appreciation bonds in the amount of \$30,325,000 of which \$26,745,843 has been

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

9. LONG-TERM DEBT AND OTHER OBLIGATIONS - Continued

accrued as of June 30, 2007. Capital Appreciation Bonds were accrued in the amount of \$2,590,373 for fiscal year June 30, 2007.

Capital Lease Obligations

During fiscal year 2007 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.

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, 2007 are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities Capital Leases</u>
2008	111,239
2009	111,239
2010	<u>101,969</u>
Total minimum lease payments	324,447
Less: amount representing interest	<u>27,483</u>
Present value of minimum lease payments	<u>\$296,964</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.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

10. DEFINED BENEFIT PENSION PLANS - Continued

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 2007, 10.68% 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, 2007, 2006, and 2005 were \$11.7 million, \$11.1 million, and \$11.2 million, respectively. 44.5% has been contributed for fiscal year 2007 and 100% for the fiscal years 2006 and 2005. \$6,503,864 represents the unpaid contribution for fiscal year 2007.

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, 2007

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 2007, 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, 2007, 2006, and 2005 were \$40.2 million, \$41.5 million, and \$43.4 million, respectively; 81.5% has been contributed for fiscal year 2007 and 100% for fiscal years 2006 and 2005. \$6,887,545 represents the unpaid contribution for fiscal year 2007 and is recorded as a liability within the respective funds.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's 2007 *Comprehensive Annual Financial Report* will be available after January 1, 2008. Additional copies or copies of STRS Ohio's 2007 *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, 2007, two 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, 2007

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 2007, the STRS Board allocated employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$3,092,479 for fiscal year 2007.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006, (the latest information available) the balance in the Fund was \$3.5 billion. For the year ended June 30, 2006 (the latest information available), net health care costs paid by STRS were \$282,743,000 and STRS had 119,184 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, 2007, employer contributions to fund health care benefits were 3.32 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 2007, 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 2007 fiscal year equaled \$2,860,671. 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, 2006 (the latest information available), were \$158,751,207. At June 30, 2006 (the latest information available), SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has approximately 59,492 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, 2007

12. INTERFUND TRANSACTIONS

Interfund balances at June 30, 2007, consist of the following individual fund receivables and payables, which are expected to be repaid during the 2008 fiscal year:

<u>Interfund Loans</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 3,523,798	4,185,000
Debt Service Major Fund	4,185,000	-
Food Service Major Special Revenue Fund		534,672
Non-Major Special Revenue Funds		
Teacher Development	-	9,056
Parents As Teachers	-	5,650
ECIA Title I	-	143,684
Drug Free Grant Title IV	-	24,208
Special Education Part B - IDEA	-	8,506
Title V	-	367,256
Miscellaneous Federal Grants	-	509,766
Total Non-Major Special Revenue Funds	<u>-</u>	<u>1,068,126</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>-</u>	<u>1,921,000</u>
Total Governmental Funds	<u>7,708,798</u>	<u>7,708,798</u>
 Total Interfund Receivables/Payables	 <u>\$ 7,708,798</u>	 <u>\$ 7,708,798</u>

All of the above interfund receivables except for the Debt Service Major Fund relate to advances from the General Fund in anticipation of the receipt of grant monies. 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.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

12. INTERFUND TRANSACTIONS (Continued)

<u>Interfund Transfers</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ (7,540,237)
Debt Service Major Fund	1,193,914	
Food Service Major Fund	5,805,844	
Classroom Facilities Major Capital Projects Fund	22,823,260	(3,690,290)
Permanent Improvement Non-Major Capital Projects Fund	3,690,291	(22,823,259)
Non-Major Special Revenue Funds		
Public School Support	3,192	(4,951)
Other Grants	19,421	-
District Managed Activities	530,805	(6,194)
Miscellaneous State Grants	450	-
Miscellaneous Federal Grants	-	(2,246)
Total Non-Major Special Revenue Funds	<u>553,868</u>	<u>(13,391)</u>
Total Transfers In/Out	<u>\$ 34,067,177</u>	<u>\$ (34,067,177)</u>

General Fund (a major fund) transfers were made to the District Managed Activities Fund, and other grants 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 \$1,193,914 to the Debt Service Major Fund which represents interest on the interfund loan from the Debt Service Major Fund to the General Fund. Due to the Food Service Fund's inability to repay advances from the General Fund, the advances were converted to a transfer in the amount of \$5,805,844 from the General Fund to the Food Service Fund for fiscal year 2007. In addition, the District Managed Activities Fund made transfers to the Public School Support Fund and the Other Grants Fund (all of which are Non-Major Special Revenue Funds). The Public School Support Fund transferred monies to the Other Grants Fund and the Miscellaneous State Grants Fund (all of which are Non-Major Special Revenue Funds). Transfers between the Classroom Facilities Fund and Permanent Improvement Fund are due to changes with the Classroom Facilities Program by the Ohio School Facilities commission (OSFC).

All interfund transfers were eliminated for purposes of reporting in the District-Wide Financial Statements since they were between Governmental 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 Illinois National and the remaining \$5,000,000 in claims payable is covered by RSUI Indemnity Company. The renewal date is September 1, 2007. A new policy was entered into on September 1, 2007.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

13. RISK MANAGEMENT - Continued

The District has general liability insurance with Genesis Insurance Company in the amount of \$6,000,000 per occurrence, and \$5,000,000 aggregate. The renewal date is September 1, 2007.

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, 2007.

The District also carries insurance on leased modular units with Travelers Property Casualty 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, 2007. This policy was renewed on July 1, 2007.

Builder's Risk Insurance

The District carries builders risk insurance with Chubb Insurance Company in amounts equal to the value of the construction with an aggregate limit to claims of \$4,000,000. This policy expires May 2008.

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, 2007 the estimate was \$6,791,000 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 2007 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, 2006, total \$16,218,974 and are recorded in addition to an estimate for incurred but not reported (IBNR) claims totaling \$1,430,530, 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 \$17,649,504.

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

13. RISK MANAGEMENT - Continued

The total claims liability of \$24,440,504 is reported as follows in the District-Wide Financial Statements: \$6,791,000 relates to the health care liability and is reported in the liability category claims payable; \$17,649,504 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, 2007, 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 based upon an independent actuarial evaluation of claims payable. 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 2004-2005</u>	<u>FY 2005-2006</u>	<u>FY 2006-2007</u>
Balance at beginning of year	\$ 26,712,584	\$ 28,227,329	\$ 24,581,950
Estimated current years claims	67,235,802	64,392,486	67,448,560
Paid claims - current and prior year	<u>(65,721,057)</u>	<u>(68,037,865)</u>	<u>(67,590,006)</u>
 Balance at end of year	 <u>\$ 28,227,329</u>	 <u>\$ 24,581,950</u>	 <u>\$ 24,440,504</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>
Carryover balance as of June 30, 2006	\$ (16,062,184)	\$ -	\$ (16,062,184)
Current year set-aside requirements	9,225,687	9,225,687	18,451,374
Qualifying disbursements	<u>(5,423,686)</u>	<u>(62,967,300)</u>	<u>(68,390,986)</u>
Totals	\$ (12,260,183)	\$ (53,741,613)	\$ (66,001,796)
 Set-aside balance at June 30, 2007	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>
Carry forward balance	\$ (12,260,183)	\$ -	\$ (12,260,183)

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

15. RECEIVABLES

Receivables at June 30, 2007 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>
General Fund - Major Fund	\$ 61,547
Classroom Facilities - Major Capital Projects Fund	46,116,689
Food Service - Major Special Revenue Fund	939,343
Non-Major Special Revenue Funds:	
Adult Education	71,294
Other Grants	864,240
Teacher Development	9,056
Public School Preschool	2,457
Alternative Schools	76,681
Miscellaneous State Grants	128,386
Special Education Part B - IDEA	1,788,118
Vocational Education	13,714
Title III - Limited English Proficiency	358,490
Title I	9,989,977
Innovative Programs - Title V	170,131
Safe and Drug Free Schools Grant - Title IV-A	196,133
Improving Teacher Quality - Title II-A	3,945,003
Miscellaneous Federal Grants	5,903,930
Total Non-Major Special Revenue Funds	<u>23,517,610</u>
Total All Funds	<u>\$ 70,635,189</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 funds included herein or on the overall financial position of the District at June 30, 2007.

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, 2007

16. CONTINGENT LIABILITIES - Continued

Contractual Commitments

The District has been and will continue to undertake a number of new construction projects as parts of the Ohio's School Facilities Program. The following is a list of significant outstanding contractual commitments as of year end:

Contractual Commitments

	Contract Amount	Amount Paid FY 07	Balance at 06/30/07
Abbot & Abbot Architects, PLL	\$ 472,564	\$ 455,299	\$ 17,265
Accurate Electric	6,627,080	1,453,421	5,173,659
Adena Corporation	20,223,398	2,083,298	18,140,100
Aggressive Mechanical	6,918,193	6,010,471	907,722
AH Sturgill Roofing	1,280,915	67,372	1,213,543
Albert M Higley Company	7,287,149	6,193,359	1,093,790
Altman Company	4,485,595	4,289,047	196,548
ATD American Company	66,773	-	66,773
Bogden Architects, Inc.	457,446	453,062	4,384
Braun & Steidl Architects	480,600	458,240	22,360
Capital City Electric	121,718	-	121,718
Capitol Aluminum & Glass	180,548	173,650	6,898
Cardinal Environmental Service	102,955	97,596	5,359
Casagrande Masonry	1,744,341	1,587,545	156,796
Central Fire Protection Co, Inc.	243,581	235,280	8,301
Central Ohio Building	5,460,613	4,777,132	683,481
Charter Hill Construction	9,177,405	3,050,838	6,126,567
Chryatech, Inc.	14,688	12,219	2,469
Claypool Electric	3,661,983	1,929,439	1,732,544
Colvin Gravel Company, Inc.	879,568	267,124	612,444
Consortium Communication	171,073	144,353	26,720
Continental Office Furniture	333,566	157,637	175,929
Crawford Mechanical Services, Inc.	317,856	308,907	8,949
D.E. Huddleston, Inc.	13,251,382	7,367,897	5,883,485
Dalmatian Fire Inc.	229,034	217,508	11,526
Dorsey Construction	3,467,580	3,260,094	207,486
ECONCO, Inc.	1,538,065	1,336,505	201,560
Eluster L. Fields & Associates	157,761	120,761	37,000
Exterior Systems, Inc.	581,816	335,116	246,700
Farber Corporation	1,009,251	912,775	96,476
Feinknopf Macloche Schappa Architects	928,740	300,348	628,392
FH Martin Constructors	8,497,002	-	8,497,002
FMJ Architects/TMP Architecture	989,114	930,709	58,405
Foreman Davis, Ltd	408,783	383,931	24,852
Fox Mechanical Co, Inc.	904,046	640,894	263,152
Gandee & Associates, Inc.	32,420	31,355	1,065
General Temperature Control, Inc.	2,180,240	186,887	1,993,353
Gutknecht Construction	37,783,731	19,588,950	18,194,781

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

16. CONTINGENT LIABILITIES - Continued

Contractual Commitments - Continued

	Contract Amount	Amount Paid FY 07	Balance at 06/30/07
Gutridge Plumbing	1,511,791	1,496,532	15,259
H&A Mechanical, Inc.	3,025,565	1,578,535	1,447,030
HKI Associates, Inc.	448,722	433,502	15,220
Holdridge Mechanical, Inc.	590,627	581,145	9,482
Howards Sheet Metal	2,611,495	2,420,046	191,449
International Masonry, Inc.	2,671,611	1,153,895	1,517,716
JA Guy, Inc.	1,708,310	1,458,762	249,548
Jess Howard Electric Company	3,926,284	3,418,600	507,684
Karisberger Cuningham	670,391	645,185	25,206
Knight Electric, Inc.	7,139,092	6,874,353	264,739
Lepi Enterprises, Inc.	685,092	371,968	313,124
Loewendick & Sons, Inc.	1,132,422	1,076,770	55,652
Louis R. Polster Co.	218,868	-	218,868
LVI Environmental Services, Inc.	37,775	14,788	22,987
Moody Nolan	2,054,792	1,682,617	372,175
Ohio Electric Services of Dayton, Inc.	150,602	141,663	8,939
Ohio Technical Services	361,967	350,257	11,710
Performance Site Management	2,581,812	2,482,407	99,405
Phillip Markwood Architects	456,826	349,926	106,900
Riccluti-Balog-Harris	506,547	434,035	72,512
Robert E. Euans, Architects	534,605	406,720	127,885
Royal Electric Construction Corp.	4,116,753	3,931,351	185,402
RW Setterlin Building Company	24,948,551	19,798,505	5,150,046
S.E.M. Partners, Inc.	735,508	685,449	50,059
Schooley Caldwell Associates	1,397,347	480,889	916,458
SEM-Machisa Design Associates	566,586	424,562	142,024
Settle Muter Electric	12,590,010	3,871,634	8,718,376
Simplex Grinnell LLP	922,820	796,617	126,203
Smith Roofing	1,041,143	658,663	382,480
Southern Cabinetry, Inc.	170,379	156,599	13,780
Speer Mechanical	5,165,872	3,747,141	1,418,731
SS Kemp & Co	221,143	89,268	131,875
Steed/Hammond/Paul	1,166,121	1,003,260	162,861
Stonecreek Interior Systems LLC	357,327	154,802	202,525
Team Fishel Company	407,680	340,058	67,622
The Superior Group	1,224,516	205,628	1,018,888
Tom Sexton and Associates	179,245	117,110	62,135
TP Mechanical	9,311,135	4,240,191	5,070,944
Trucco Construction Company, Inc.	636,757	573,372	63,385
Weller's Plumbing & Heating, Inc.	386,861	377,492	9,369
Winchester Mechanical	903,874	899,133	4,741
	<u>\$242,143,397</u>	<u>\$139,742,449</u>	<u>\$102,400,948</u>

COLUMBUS CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED

For the Fiscal Year Ended June 30, 2007

NOTE 17 –SUBSEQUENT EVENTS

On July 24, 2007, the District issued bond anticipation notes in the amount of \$26,987,599 to provide additional funding for the Classroom Facilities Projects. These bond anticipation notes were issued at an interest rate of 4.35% and with a maturity date of December 13, 2007.

In order to repay the aforementioned notes, the District made two additional debt issuances. The District issued School Facilities Construction and Improvement Bonds on November 29, 2007 in the amount of \$6,895,000 and an interest rate of 4.5%, which mature on December 1, 2028. The District also issued bond anticipation notes on December 13, 2007 in the amount of \$20,092,599. These notes have an interest rate of 3.75% and will mature on December 11, 2008.

**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, 2007

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 417,941,712	\$ 430,552,871	\$ 415,748,382	\$ (14,804,489)
Tuition and Fees	6,474,823	6,670,198	6,440,844	(229,354)
Earnings on Investments	7,205,394	7,422,813	7,167,581	(255,232)
Intergovernmental	222,307,553	229,015,560	221,140,898	(7,874,662)
Donations	1,175	1,211	1,169	(42)
Payments in Lieu of Taxes	6,372,280	6,564,560	6,338,839	(225,721)
Other	6,296,484	6,486,476	6,263,440	(223,036)
Total Revenues	666,599,421	686,713,689	663,101,153	(23,612,536)
Expenditures				
Current Operating				
Instruction:				
Regular	261,468,238	260,956,527	257,953,088	3,003,439
Special	62,014,688	62,014,688	61,380,925	633,763
Vocational	9,611,168	9,611,168	9,498,584	112,584
Adult/Continuing	10,000	10,000	9,815	185
Support Services:				
Pupils	36,737,991	36,737,991	36,540,056	197,935
Instructional Support Services	28,589,777	28,589,777	28,472,611	117,166
Board of Education	194,345	194,345	193,741	604
Administration	44,305,894	44,305,894	43,562,540	743,354
Fiscal	13,881,262	13,881,262	13,824,425	56,837
Business	4,052,876	4,052,876	4,051,052	1,824
Operation and Maintenance of Plant	56,619,361	56,619,361	56,343,072	276,289
Pupil Transportation	43,211,876	43,211,876	42,902,015	309,861
Other	18,117,131	18,117,131	17,898,894	218,237
Operation of Non-Instructional Services:				
Food Service	1,000	1,000	550	450
Extracurricular Activities:				
Academic Oriented Activities	261,000	261,000	295,210	(34,210)
Sport Oriented Activities	4,714,513	4,714,513	4,778,175	(63,662)
School and Public Service Co-Curricular Activities	169,000	169,000	213,357	(44,357)
Capital Outlay:				
Building Improvement	591	591	586	5
Total Expenditures	583,960,711	583,449,000	577,918,696	5,530,304
Excess of Revenues Over (Under) Expenditures	82,638,710	103,264,689	85,182,457	(18,082,232)
Other Financing Sources (Uses)				
Advances In	-	-	20,949,687	20,949,687
Advances Out	-	-	(24,376,979)	(24,376,979)
Transfers In	-	-	-	-
Refund of Prior Years Expenditures	9,756	10,438	10,483	45
Refund of Prior Years Receipts	(18,756)	(18,756)	(18,756)	-
Transfers Out	(2,664,799)	(2,664,799)	(2,664,389)	410
Other Financing Uses	(93,321)	(93,321)	(93,092)	229
Proceeds from the Sale of Assets	25,668	27,461	27,580	119
Total Other Financing Sources (Uses)	(2,741,452)	(2,738,977)	(6,165,466)	(3,426,489)
Net Change in Fund Balance	79,897,258	100,525,712	79,016,991	(21,508,721)
Fund Balance at Beginning of Year	16,522,581	16,522,581	16,522,581	-
Prior Year Encumbrances Appropriated	14,704,297	14,704,297	14,704,297	-
Fund Balance at End of Year	\$ 111,124,136	\$ 131,752,590	\$ 110,243,869	\$ (21,508,721)

Columbus City School District

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

Year Ended June 30, 2007

	Food Service Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 19,461,673	\$ 23,502,443	\$ 18,127,589	\$ (5,374,854)
Customer Sales and Services	4,055,967	4,898,097	3,777,934	(1,120,163)
Other	75,916	91,678	70,712	(20,966)
Total Revenues	<u>23,593,556</u>	<u>28,492,218</u>	<u>21,976,235</u>	<u>(6,515,983)</u>
Expenditures				
Current Operating				
Operation of Non-Instructional Services				
Food Service	24,881,985	25,732,785	25,545,040	187,745
Total Expenditures	<u>24,881,985</u>	<u>25,732,785</u>	<u>25,545,040</u>	<u>187,745</u>
Excess of Revenues Over (Under) Expenditure:	(1,288,429)	2,759,433	(3,568,805)	(6,328,238)
Other Financing Sources (Uses)				
Advances In	-	-	7,300,066	7,300,066
Advances Out	-	-	(3,868,197)	(3,868,197)
Refund of Prior Years Expenditures:	6,444	7,782	7,996	214
Total Other Financing Sources (Uses)	<u>6,444</u>	<u>7,782</u>	<u>3,439,865</u>	<u>3,432,083</u>
Net Change in Fund Balance:	(1,281,985)	2,767,215	(128,940)	(2,896,155)
Fund Balance at Beginning of Year	111,955	111,955	111,955	-
Prior Year Encumbrances Appropriated	16,985	16,985	16,985	-
Fund Balance at End of Year	<u>\$ (1,153,045)</u>	<u>\$ 2,896,155</u>	<u>\$ -</u>	<u>\$ (2,896,155)</u>

Columbus City School District

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2007

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:

	<u>General Fund</u>	<u>Food Service Fund</u>
Net Change in Fund Balance per the Budgetary Schedule	\$ 79,016,991	\$ (128,940)
Net revenue accruals	(18,238,438)	6,227,227
Net expenditures	1,029,584	(37,696)
Advances in	(20,949,687)	(7,300,066)
Advances out	24,376,979	3,868,197
Encumbrances	<u>8,778,969</u>	<u>534,671</u>
Net Change in Fund Balance per the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 74,014,398</u>	<u>\$ 3,163,393</u>

**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:

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.

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.

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.

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.

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.

Columbus City School District

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

Nonmajor Special Revenue Funds - Continued

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.)

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.

Columbus City School District

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

Nonmajor Special Revenue Funds - Continued

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.

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.

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)

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**

As of June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 37,961,842	\$ 41,993,360	\$ 885,801	\$ 80,841,003
Receivables				
Taxes	3,488,551	-	-	3,488,551
Due from Other Governments	23,517,610	-	-	23,517,610
Total Assets	\$ 64,968,003	\$ 41,993,360	\$ 885,801	\$ 107,847,164
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 4,890,410	\$ 759,049	\$ -	\$ 5,649,459
Accrued Wages and Benefits	5,665,993	-	-	5,665,993
Deferred Revenues	15,677,118	-	-	15,677,118
Interfund Loans Payable	1,068,126	1,921,000	-	2,989,126
Due to Other Governments	71,691	-	-	71,691
Total Liabilities	27,373,338	2,680,049	-	30,053,387
Fund Balances				
Reserved for Encumbrances	7,091,330	13,318,061	-	20,409,391
Reserved for Property Taxes	554,158	-	-	554,158
Reserved for Endowment	-	-	673,401	673,401
Unreserved, Undesignated, Reported In				
Special Revenue Funds	29,949,177	-	-	29,949,177
Capital Projects Funds	-	25,995,250	-	25,995,250
Permanent Fund	-	-	212,400	212,400
Total Fund Balances	37,594,665	39,313,311	885,801	77,793,777
Total Liabilities and Fund Balances	\$ 64,968,003	\$ 41,993,360	\$ 885,801	\$ 107,847,164

Columbus City School District

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

For the Fiscal Year Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 5,615,533	\$ -	\$ -	\$ 5,615,533
Tuition and Fees	1,650,908	-	-	1,650,908
Earnings on Investments	878	2,396,879	49,026	2,446,783
Intergovernmental	157,202,427	125,000	-	157,327,427
Extracurricular	1,650,912	-	-	1,650,912
Donations	2,514,065	-	-	2,514,065
Customer Sales and Service	2,006,691	-	-	2,006,691
Other	1,382,484	45,507	-	1,427,991
Total Revenues	172,023,898	2,567,386	49,026	174,640,310
Expenditures				
Current Operating				
Instruction				
Regular	38,431,968	-	-	38,431,968
Special	27,470,336	-	-	27,470,336
Vocational	830,725	-	-	830,725
Other	16,401,054	-	-	16,401,054
Pupil Support Services	10,026,291	-	141	10,026,432
Instructional Support Services	37,874,125	15,000	-	37,889,125
Administration	4,575,357	-	-	4,575,357
Business and Fiscal Services	1,625,038	-	-	1,625,038
Operation and Maintenance of				
Plant Services	3,522,341	56,169	-	3,578,510
Transportation Services-Pupils	656,881	-	-	656,881
Other Support Services	9,837,358	-	-	9,837,358
Operation of Non-Instructional Services	8,691,503	-	-	8,691,503
Extracurricular Activities	2,215,748	-	-	2,215,748
Capital Outlay	-	12,950,224	-	12,950,224
Total Expenditures	162,158,725	13,021,393	141	175,180,259
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,865,173	(10,454,007)	48,885	(539,949)
Other Financing Sources (Uses)				
Transfers In	553,868	3,690,291	-	4,244,159
Transfers Out	(13,391)	(22,823,259)	-	(22,836,650)
Total Other Financing Sources (Uses)	540,477	(19,132,968)	-	(18,592,491)
Net Changes in Fund Balances	10,405,650	(29,586,975)	48,885	(19,132,440)
Fund Balances at Beginning of Year	27,189,015	68,900,286	836,916	96,926,217
Fund Balances at End of Year	\$ 37,594,665	\$ 39,313,311	\$ 885,801	\$ 77,793,777

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Columbus City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds

As of June 30, 2007

	Uniform School Supplies	Rotary Special Services	Adult Education	Public School Support	Other Grants	WCBE
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 76,569	\$ 637	\$ 429,610	\$ 1,435,038	\$ 803,469	\$ 347,340
Taxes Receivable	-	-	-	-	-	-
Due from Other Governments	-	-	71,294	-	864,240	-
Total Assets	\$ 76,569	\$ 637	\$ 500,904	\$ 1,435,038	\$ 1,667,709	\$ 347,340
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 1,137	\$ -	\$ 10,733	\$ 87,361	\$ 95,086	\$ 2,653
Accrued Wages and Benefits	-	-	5,678	-	62,609	64,566
Deferred Revenues	-	-	-	-	464,142	-
Interfund Loans Payable	-	-	-	-	-	-
Due to Other Governments	-	-	83	-	908	936
Total Liabilities	1,137	-	16,494	87,361	622,745	68,155
Fund Balances						
Reserved for Encumbrances	3,557	-	47,094	184,422	327,158	88,307
Reserved for Property Taxes	-	-	-	-	-	-
Unreserved, Undesignated	71,875	637	437,316	1,163,255	717,806	190,878
Total Fund Balances	75,432	637	484,410	1,347,677	1,044,964	279,185
Total Liabilities and Fund Balances	\$ 76,569	\$ 637	\$ 500,904	\$ 1,435,038	\$ 1,667,709	\$ 347,340

<u>Latchkey</u>	<u>Classroom Facilities Maintenance</u>	<u>District Managed Activities</u>	<u>Auxiliary Services</u>	<u>Post Secondary Vocational Education</u>	<u>Teacher Development</u>
\$ 78,634	\$ 20,291,490	\$ 1,285,788	\$ 2,255,780	\$ 1,044	\$ 6
-	3,488,551	-	-	-	-
-	-	-	-	-	9,056
<u>\$ 78,634</u>	<u>\$ 23,780,041</u>	<u>\$ 1,285,788</u>	<u>\$ 2,255,780</u>	<u>\$ 1,044</u>	<u>\$ 9,062</u>
\$ -	\$ -	\$ 121,202	\$ 505,390	\$ 973	\$ -
-	-	-	265,796	-	-
-	2,934,393	-	-	-	-
-	-	-	-	-	9,056
-	-	-	3,090	-	-
-	2,934,393	121,202	774,276	973	9,056
4,326	-	280,927	296,189	61	-
-	554,158	-	-	-	-
<u>74,308</u>	<u>20,291,490</u>	<u>883,659</u>	<u>1,185,315</u>	<u>10</u>	<u>6</u>
<u>78,634</u>	<u>20,845,648</u>	<u>1,164,586</u>	<u>1,481,504</u>	<u>71</u>	<u>6</u>
<u>\$ 78,634</u>	<u>\$ 23,780,041</u>	<u>\$ 1,285,788</u>	<u>\$ 2,255,780</u>	<u>\$ 1,044</u>	<u>\$ 9,062</u>

continued.....

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

As of June 30, 2007

	<u>Parents as Teachers</u>	<u>Gifted Education</u>	<u>Management Information Systems</u>	<u>Public School Preschool</u>	<u>Entry Year Programs</u>
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 34,953	\$ 3,857	\$ 169,182	\$ 11,065
Taxes Receivable	-	-	-	-	-
Due from Other Governments	-	-	-	2,457	-
Total Assets	<u>\$ -</u>	<u>\$ 34,953</u>	<u>\$ 3,857</u>	<u>\$ 171,639</u>	<u>\$ 11,065</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ -	\$ 29,056	\$ -	\$ 3,481	\$ -
Accrued Wages and Benefits	-	-	-	80,491	-
Deferred Revenues	-	-	-	-	-
Interfund Loans Payable	5,650	-	-	-	-
Due to Other Governments	-	-	-	1,167	-
Total Liabilities	5,650	29,056	-	85,139	-
Fund Balances					
Reserved for Encumbrances	-	5,897	-	372	11,454
Reserved for Property Taxes	-	-	-	-	-
Unreserved, Undesignated	(5,650)	-	3,857	86,128	(389)
Total Fund Balances	<u>(5,650)</u>	<u>5,897</u>	<u>3,857</u>	<u>86,500</u>	<u>11,065</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 34,953</u>	<u>\$ 3,857</u>	<u>\$ 171,639</u>	<u>\$ 11,065</u>

Schoolnet Professional Development	Ohio Reads	Alternative Schools	Misc. State Grants	Adult Basic Education
\$ 3,510	\$ 85,380	\$ 3,624	\$ 815,501	\$ 55,768
-	-	-	-	-
-	-	76,681	128,386	-
<u>\$ 3,510</u>	<u>\$ 85,380</u>	<u>\$ 80,305</u>	<u>\$ 943,887</u>	<u>\$ 55,768</u>
\$ -	\$ 20,861	\$ 270	\$ 145,406	\$ 5,400
-	-	-	50,877	1,074
-	-	76,681	128,386	-
-	-	-	-	-
-	-	-	525	16
-	20,861	76,951	325,194	6,490
-	16,378	-	478,734	859
-	-	-	-	-
3,510	48,141	3,354	139,959	48,419
3,510	64,519	3,354	618,693	49,278
<u>\$ 3,510</u>	<u>\$ 85,380</u>	<u>\$ 80,305</u>	<u>\$ 943,887</u>	<u>\$ 55,768</u>

continued....

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

As of June 30, 2007

	Special Education Part B - IDEA	Vocational Education	Indian Education Grants	Title III Limited English Proficiency	Transition Program for Refugee Children
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 217,696	\$ 798,371	\$ 3,634	\$ 194,472	\$ 3,755
Taxes Receivable	-	-	-	-	-
Due from Other Governments	1,788,118	13,714	-	358,490	-
Total Assets	<u>\$ 2,005,814</u>	<u>\$ 812,085</u>	<u>\$ 3,634</u>	<u>\$ 552,962</u>	<u>\$ 3,755</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 22,171	\$ 442,147	\$ -	\$ 76,565	\$ -
Accrued Wages and Benefits	1,346,027	114,310	-	15,563	-
Deferred Revenues	-	13,714	3,634	92,989	-
Interfund Loans Payable	8,506	-	-	-	-
Due to Other Governments	18,067	963	-	226	-
Total Liabilities	1,394,771	571,134	3,634	185,343	-
Fund Balances					
Reserved for Encumbrances	195,527	88,648	-	68,849	-
Reserved for Property Taxes	-	-	-	-	-
Unreserved, Undesignated	415,516	152,303	-	298,770	3,755
Total Fund Balances	<u>611,043</u>	<u>240,951</u>	<u>-</u>	<u>367,619</u>	<u>3,755</u>
Total Liabilities and Fund Balances	<u>\$ 2,005,814</u>	<u>\$ 812,085</u>	<u>\$ 3,634</u>	<u>\$ 552,962</u>	<u>\$ 3,755</u>

Title I	Innovative Programs- Title V	Safe and Drug Free Schools Grant- Title IV-A	Early Childhood Special Education, IDEA	Improving Teacher Quality- Title II-A
\$ 3,345,674	\$ 126,343	\$ 25,794	\$ 32,170	\$ 748,047
-	-	-	-	-
9,989,977	170,131	196,133	-	3,945,003
<u>\$ 13,335,651</u>	<u>\$ 296,474</u>	<u>\$ 221,927</u>	<u>\$ 32,170</u>	<u>\$ 4,693,050</u>
\$ 1,196,779	\$ 37,254	\$ 12,417	\$ -	\$ 37,156
2,662,271	-	9,995	48,449	529,296
4,456,585	158,031	196,133	-	2,647,614
143,684	367,256	24,208	-	-
32,937	-	145	703	6,823
8,492,256	562,541	242,898	49,152	3,220,889
2,150,185	91,590	13,445	342	494,740
-	-	-	-	-
2,693,210	(357,657)	(34,416)	(17,324)	977,421
4,843,395	(266,067)	(20,971)	(16,982)	1,472,161
<u>\$ 13,335,651</u>	<u>\$ 296,474</u>	<u>\$ 221,927</u>	<u>\$ 32,170</u>	<u>\$ 4,693,050</u>

continued.....

Columbus City School District

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

As of June 30, 2007

	<u>Misc Federal Grants</u>	<u>Totals</u>
ASSETS		
Equity in Pooled Cash and Cash Equivalents	\$ 4,277,641	\$ 37,961,842
Taxes Receivable	-	3,488,551
Due from Other Governments	<u>5,903,930</u>	<u>23,517,610</u>
Total Assets	<u>\$ 10,181,571</u>	<u>\$ 64,968,003</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 2,036,912	\$ 4,890,410
Accrued Wages and Benefits	408,991	5,665,993
Deferred Revenues	4,504,816	15,677,118
Interfund Loans Payable	509,766	1,068,126
Due to Other Governments	<u>5,102</u>	<u>71,691</u>
Total Liabilities	7,465,587	27,373,338
Fund Balances		
Reserved for Encumbrances	2,242,269	7,091,330
Reserved for Property Taxes	-	554,158
Unreserved, Undesignated	<u>473,715</u>	<u>29,949,177</u>
Total Fund Balances	<u>2,715,984</u>	<u>37,594,665</u>
Total Liabilities and Fund Balances	<u>\$ 10,181,571</u>	<u>\$ 64,968,003</u>

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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, 2007

	Uniform School Supplies	Rotary Special Services	Adult Education	Public School Support	Other Grants	WCBE
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition and Fees	-	-	989,498	300,047	-	-
Earnings on Investments	-	-	-	-	-	-
Intergovernmental	-	-	1,061,588	-	1,623,370	-
Extracurricular	31,309	-	-	426,609	-	43
Donations	-	-	-	179,399	1,541,798	652,530
Customer Sales and Service	-	-	640	8,587	-	-
Other	-	-	-	312,865	430,287	479,779
Total Revenues	31,309	-	2,051,726	1,227,507	3,595,455	1,132,352
Expenditures						
Current Operating						
Instruction						
Regular	-	-	-	1,244	613,943	-
Special	-	-	-	-	102,489	-
Vocational	-	-	-	-	28,368	-
Other	-	-	1,582,743	-	-	-
Pupil Support Services	-	-	78,992	1,986	716,098	-
Instructional Support Services	-	-	2,702	-	734,746	1,098,239
Administration	-	-	219,960	1,333,783	213,354	-
Business and Fiscal Services	-	-	-	-	16,917	6,400
Operation and Maintenance of						
Plant Services	455	-	-	1,130	422,949	-
Transportation Services-Pupils	-	-	-	-	193,279	-
Other Support Services	-	-	-	-	2,896	-
Operation of Non-Instructional Services	23,970	-	-	10,144	13,187	65,502
Extracurricular Activities	-	-	-	126,143	-	-
Total Expenditures	24,425	-	1,884,397	1,474,430	3,058,226	1,170,141
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,884	-	167,329	(246,923)	537,229	(37,789)
Other Financing Sources (Uses)						
Transfers In	-	-	-	3,192	19,421	-
Transfers Out	-	-	-	(4,951)	-	-
Total Other Financing Sources (Uses)	-	-	-	(1,759)	19,421	-
Net Changes in Fund Balances	6,884	-	167,329	(248,682)	556,650	(37,789)
Fund Balances at Beginning of Year	68,548	637	317,081	1,596,359	488,314	316,974
Fund Balances at End of Year	\$ 75,432	\$ 637	\$ 484,410	\$ 1,347,677	\$ 1,044,964	\$ 279,185

Latchkey	Computer Network Class A Site	Classroom Facilities Maintenance	District Managed Activities	Auxiliary Services	Post Secondary Vocational Education	Teacher Development
\$ -	\$ -	\$ 5,615,533	\$ -	\$ -	\$ -	\$ -
-	-	-	238,010	-	-	-
-	-	-	-	-	-	-
247,406	41,583	404,988	-	6,292,015	18,000	25,425
1,092	-	-	1,191,859	-	-	-
-	-	-	131,338	-	-	-
1,932,686	-	-	64,778	-	-	-
-	-	-	91,940	-	-	-
2,181,184	41,583	6,020,521	1,717,925	6,292,015	18,000	25,425
-	-	-	10,746	-	-	-
-	-	-	385	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	150	-	-	-
-	-	-	-	-	18,386	12,122
-	-	-	-	235,851	-	-
-	-	397,729	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	121,751	-	-	-	-	-
1,967,873	-	-	156,115	5,793,083	-	-
-	-	-	2,089,605	-	-	-
1,967,873	121,751	397,729	2,257,001	6,028,934	18,386	12,122
213,311	(80,168)	5,622,792	(539,076)	263,081	(386)	13,303
-	-	-	530,805	-	-	-
-	-	-	(6,194)	-	-	-
-	-	-	524,611	-	-	-
213,311	(80,168)	5,622,792	(14,465)	263,081	(386)	13,303
(134,677)	80,168	15,222,856	1,179,051	1,218,423	457	(13,297)
\$ 78,634	\$ -	\$ 20,845,648	\$ 1,164,586	\$ 1,481,504	\$ 71	\$ 6

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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, 2007

	Parents as Teachers	Gifted Education	Management Information Systems	Public School Preschool	Entry Year Programs
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition and Fees	-	-	-	123,353	-
Earnings on Investments	-	-	-	-	-
Intergovernmental	-	151,674	195,022	536,943	53,300
Extracurricular	-	-	-	-	-
Donations	-	-	-	9,000	-
Customer Sales and Service	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	-	151,674	195,022	669,296	53,300
Expenditures					
Current Operating					
Instruction					
Regular	-	-	-	-	-
Special	-	-	-	395,379	-
Vocational	-	-	-	-	-
Other	-	-	-	-	-
Pupil Support Services	-	171,195	-	113,423	-
Instructional Support Services	-	18,387	-	181,543	49,116
Administration	-	-	-	3,900	-
Business and Fiscal Services	-	-	-	9,120	-
Operation and Maintenance of					
Plant Services	-	-	-	-	-
Transportation Services-Pupils	-	-	-	-	-
Other Support Services	-	-	198,994	-	-
Operation of Non-Instructional Services	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Total Expenditures	-	189,582	198,994	703,365	49,116
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(37,908)	(3,972)	(34,069)	4,184
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	(37,908)	(3,972)	(34,069)	4,184
Fund Balances at Beginning of Year	(5,650)	43,805	7,829	120,569	6,881
Fund Balances at End of Year	\$ (5,650)	\$ 5,897	\$ 3,857	\$ 86,500	\$ 11,065

DPIA	Data Communication	Schoolnet Professional Development	Ohio Reads	Vocational Educational Enhancements	Alternative Schools
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	473,900	13,500	748,598	-	518,200
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	473,900	13,500	748,598	-	518,200
3,985	-	-	246,111	-	-
-	-	-	-	30,000	-
-	-	-	-	-	-
-	-	-	501,095	-	472,471
-	-	19,111	-	-	-
-	-	-	-	-	-
-	-	-	-	-	10,648
-	-	-	-	-	-
-	-	-	-	-	-
-	1,107,267	-	48,374	-	15,500
-	-	-	-	-	-
-	-	-	-	-	-
3,985	1,107,267	19,111	795,580	30,000	498,619
(3,985)	(633,367)	(5,611)	(46,982)	(30,000)	19,581
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(3,985)	(633,367)	(5,611)	(46,982)	(30,000)	19,581
3,985	633,367	9,121	111,501	30,000	(16,227)
\$ -	\$ -	\$ 3,510	\$ 64,519	\$ -	\$ 3,354

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, 2007

	Poverty Based Aid	Misc. State Grants	Adult Basic Education	Special Education Part B - IDEA	Vocational Education	Title III Limited English Proficiency
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition and Fees	-	-	-	-	-	-
Earnings on Investments	-	-	-	-	-	-
Intergovernmental	56,959,648	1,998,453	865,602	16,666,663	2,871,661	1,481,162
Extracurricular	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Customer Sales and Service	-	-	-	-	-	-
Other	-	4,468	-	-	-	-
Total Revenues	56,959,648	2,002,921	865,602	16,666,663	2,871,661	1,481,162
Expenditures						
Current Operating						
Instruction						-
Regular	30,954,293	668,607	-	709,333	67,153	-
Special	3,368,145	-	-	2,261,055	-	346,464
Vocational	-	12,564	-	-	759,793	-
Other	14,136,826	-	681,485	-	-	-
Pupil Support Services	90,678	194,600	33,820	574,923	1,185,293	411,811
Instructional Support Services	4,970,790	659,779	96,041	10,216,248	530,709	502,932
Administration	109,238	-	45,178	596,792	-	-
Business and Fiscal Services	-	18,859	15,494	294,072	-	25,768
Operation and Maintenance of						
Plant Services	2,945,483	1,541	-	-	-	-
Transportation Services-Pupils	-	109,959	-	-	175,327	-
Other Support Services	384,195	25,000	-	-	-	-
Operation of Non-Instructional Services	-	-	-	469,924	-	10,436
Extracurricular Activities	-	-	-	-	-	-
Total Expenditures	56,959,648	1,690,909	872,018	15,122,347	2,718,275	1,297,411
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	312,012	(6,416)	1,544,316	153,386	183,751
Other Financing Sources (Uses)						
Transfers In	-	450	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	450	-	-	-	-
Net Change in Fund Balances	-	312,462	(6,416)	1,544,316	153,386	183,751
Fund Balances at Beginning of Year	-	306,231	55,694	(933,273)	87,565	183,868
Fund Balances at End of Year	\$ -	\$ 618,693	\$ 49,278	\$ 611,043	\$ 240,951	\$ 367,619

Transition Program for Refugee Children	Title I	Innovative Programs- Title V	Safe and Drug Free Schools Grant- Title IV-A	Early Child- hood Special Education, IDEA	Improving Teacher Quality- Title II-A
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
73,138	38,041,765	518,960	380,240	336,155	8,584,004
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,095	-	-	-	-	7,272
74,233	38,041,765	518,960	380,240	336,155	8,591,276
-	32,801	1,161	22,855	-	2,719,569
-	19,636,465	-	-	402,275	-
-	-	-	-	-	-
-	-	-	-	-	-
61,388	3,212,595	156,720	85,468	2,066	37,156
-	9,884,045	538,166	388,809	-	3,155,606
-	1,125,344	35,161	-	-	294,453
1,450	631,304	5,559	8,954	5,345	99,983
-	1,554	1,335	-	-	5,255
-	47,982	-	19,721	-	-
-	1,088	17,072	-	-	-
-	170,803	6,309	2,057	-	2,100
-	-	-	-	-	-
62,838	34,743,981	761,483	527,864	409,686	6,314,122
11,395	3,297,784	(242,523)	(147,624)	(73,531)	2,277,154
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,395	3,297,784	(242,523)	(147,624)	(73,531)	2,277,154
(7,640)	1,545,611	(23,544)	126,653	56,549	(804,993)
\$ 3,755	\$ 4,843,395	\$ (266,067)	\$ (20,971)	\$ (16,982)	\$ 1,472,161

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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, 2007

	Misc Federal Grants	Totals
Revenues		
Taxes	\$ -	\$ 5,615,533
Tuition and Fees	-	1,650,908
Earnings on Investments	878	878
Intergovernmental	16,019,464	157,202,427
Extracurricular	-	1,650,912
Donations	-	2,514,065
Customer Sales and Service	-	2,006,691
Other	54,778	1,382,484
Total Revenues	16,075,120	172,023,898
Expenditures		
Current Operating		
Instruction		
Regular	2,380,167	38,431,968
Special	957,679	27,470,336
Vocational	-	830,725
Other	-	16,401,054
Pupil Support Services	1,924,363	10,026,291
Instructional Support Services	4,796,648	37,874,125
Administration	362,343	4,575,357
Business and Fiscal Services	77,436	1,625,038
Operation and Maintenance of		
Plant Services	142,639	3,522,341
Transportation Services-Pupils	110,613	656,881
Other Support Services	7,915,221	9,837,358
Operation of Non-Instructional Services	-	8,691,503
Extracurricular Activities	-	2,215,748
Total Expenditures	18,667,109	162,158,725
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,591,989)	9,865,173
Other Financing Sources (Uses)		
Transfers In	-	553,868
Transfers Out	(2,246)	(13,391)
Total Other Financing Sources (Uses)	(2,246)	540,477
Net Change in Fund Balances	(2,594,235)	10,405,650
Fund Balances at Beginning of Year	5,310,219	27,189,015
Fund Balances at End of Year	\$ 2,715,984	\$ 37,594,665

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Columbus City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds

As of June 30, 2007

	Permanent Improvement	Building	Replacement
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 1,466,782	\$ 38,721,746	\$ 1,683,851
Total Assets	\$ 1,466,782	\$ 38,721,746	\$ 1,683,851
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ -	\$ 759,049	\$ -
Interfund Loans Payable	-	-	-
Total Liabilities	-	759,049	-
Fund Balances			
Reserved for Encumbrances	750	13,317,311	-
Unreserved	1,466,032	24,645,386	1,683,851
Total Fund Balances	1,466,782	37,962,697	1,683,851
Total Liabilities and Fund Balances	\$ 1,466,782	\$ 38,721,746	\$ 1,683,851

<u>Schoolnet Equipment</u>	<u>Power Up Technologies</u>	<u>School Building Assistance Limited</u>	<u>Total</u>
\$ 110,002	\$ -	\$ 10,979	\$ 41,993,360
<u>\$ 110,002</u>	<u>\$ -</u>	<u>\$ 10,979</u>	<u>\$ 41,993,360</u>
\$ -	\$ -	\$ -	\$ 759,049
-	721,000	1,200,000	1,921,000
-	721,000	1,200,000	2,680,049
-	-	-	13,318,061
110,002	(721,000)	(1,189,021)	25,995,250
<u>110,002</u>	<u>(721,000)</u>	<u>(1,189,021)</u>	<u>39,313,311</u>
<u>\$ 110,002</u>	<u>\$ -</u>	<u>\$ 10,979</u>	<u>\$ 41,993,360</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, 2007

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Replacement</u>
Revenues			
Earnings on Investments	\$ -	\$ 2,396,879	\$ -
Intergovernmental	-	-	-
Other	17,911	27,596	-
	<hr/>	<hr/>	<hr/>
Total Revenues	17,911	2,424,475	-
Expenditures			
Instructional Support Services	-	-	-
Operation & Maintenance of Plant Services	-	-	56,169
Capital Outlay	143,426	12,758,108	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	143,426	12,758,108	56,169
Excess of Revenues Over (Under) Expenditures	(125,515)	(10,333,633)	(56,169)
Other Financing Sources (Uses)			
Transfers In	-	3,690,291	-
Transfers Out	-	(22,823,259)	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	(19,132,968)	-
Net Change in Fund Balances	(125,515)	(29,466,601)	(56,169)
Fund Balances at Beginning of Year	1,592,297	67,429,298	1,740,020
	<hr/>	<hr/>	<hr/>
Fund Balances at End of Year	<u>\$ 1,466,782</u>	<u>\$ 37,962,697</u>	<u>\$ 1,683,851</u>

<u>Schoolnet Equipment</u>	<u>Power Up Technologies</u>	<u>School Building Assistance Limited</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 2,396,879
125,000	-	-	125,000
-	-	-	45,507
<u>125,000</u>	<u>-</u>	<u>-</u>	<u>2,567,386</u>
15,000	-	-	15,000
-	-	-	56,169
-	-	48,690	12,950,224
<u>15,000</u>	<u>-</u>	<u>48,690</u>	<u>13,021,393</u>
110,000	-	(48,690)	(10,454,007)
-	-	-	3,690,291
<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,823,259)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,132,968)</u>
110,000	-	(48,690)	(29,586,975)
<u>2</u>	<u>(721,000)</u>	<u>(1,140,331)</u>	<u>68,900,286</u>
<u>\$ 110,002</u>	<u>\$ (721,000)</u>	<u>\$ (1,189,021)</u>	<u>\$ 39,313,311</u>

Columbus City School District

**Balance Sheet
Nonmajor Permanent Fund**

As of June 30, 2007

ASSETS

Equity in Pooled Cash and Cash Equivalents	<u>\$ 885,801</u>
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Total Assets	<u><u>\$ 885,801</u></u>
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LIABILITIES AND FUND BALANCES

Fund Balance	
Reserved for Endowment	673,401
Unreserved - Reported in Permanent Fund	<u>212,400</u>
Total Fund Balance	<u>885,801</u>

Total Liabilities and Fund Balance	<u><u>\$ 885,801</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, 2007

Revenues	
Earnings on Investments	\$ 49,026
Total Revenues	49,026
Expenditures	
Pupil Support Services	141
Total Expenditures	141
Net Change in Fund Balances	48,885
Fund Balance at Beginning of Year	836,916
Fund Balance at End of Year	\$ 885,801

Columbus City School District

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

For the Fiscal Year Ended June 30, 2007

	<u>Balance 7/1/2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2007</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	\$ 575,638	\$ 704,151	\$ 699,893	\$ 579,896
Total Assets	<u>\$ 575,638</u>	<u>\$ 704,151</u>	<u>\$ 699,893</u>	<u>\$ 579,896</u>
Liabilities				
Due to Students	\$ 575,638	\$ 704,151	\$ 699,893	\$ 579,896
Total Liabilities	<u>\$ 575,638</u>	<u>\$ 704,151</u>	<u>\$ 699,893</u>	<u>\$ 579,896</u>
TOTAL-ALL AGENCY FUNDS				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 601,883	\$ 704,151	\$ 699,893	\$ 606,141
Total Assets	<u>\$ 601,883</u>	<u>\$ 704,151</u>	<u>\$ 699,893</u>	<u>\$ 606,141</u>
Liabilities				
Due to Students	\$ 575,638	\$ 704,151	\$ 699,893	\$ 579,896
Due to Other Governments	26,245	-	-	26,245
Total Liabilities	<u>\$ 601,883</u>	<u>\$ 704,151</u>	<u>\$ 699,893</u>	<u>\$ 606,141</u>

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

Columbus City School District

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

Year Ended June 30, 2007

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 417,941,712	\$ 430,552,871	\$ 415,748,382	\$ (14,804,489)
Tuition and Fees	6,474,823	6,670,198	6,440,844	(229,354)
Earnings on Investments	7,205,394	7,422,813	7,167,581	(255,232)
Intergovernmental	222,307,553	229,015,560	221,140,898	(7,874,662)
Donations	1,175	1,211	1,169	(42)
Payments in Lieu of Taxes	6,372,280	6,564,560	6,338,839	(225,721)
Other	6,296,484	6,486,476	6,263,440	(223,036)
Total Revenues	666,599,421	686,713,689	663,101,153	(23,612,536)
Expenditures				
Current Operating				
Instruction:				
Regular	261,468,238	260,956,527	257,953,088	3,003,439
Special	62,014,688	62,014,688	61,380,925	633,763
Vocational	9,611,168	9,611,168	9,498,584	112,584
Adult/Continuing	10,000	10,000	9,815	185
Support Services:				
Pupils	36,737,991	36,737,991	36,540,056	197,935
Instructional Support Services	28,589,777	28,589,777	28,472,611	117,166
Board of Education	194,345	194,345	193,741	604
Administration	44,305,894	44,305,894	43,562,540	743,354
Fiscal	13,881,262	13,881,262	13,824,425	56,837
Business	4,052,876	4,052,876	4,051,052	1,824
Operation and Maintenance of Plant	56,619,361	56,619,361	56,343,072	276,289
Pupil Transportation	43,211,876	43,211,876	42,902,015	309,861
Other	18,117,131	18,117,131	17,898,894	218,237
Operation of Non-Instructional Services:				
Food Service	1,000	1,000	550	450
Extracurricular Activities:				
Academic Oriented Activities	261,000	261,000	295,210	(34,210)
Sport Oriented Activities	4,714,513	4,714,513	4,778,175	(63,662)
School and Public Service Co-Curricular Activities	169,000	169,000	213,357	(44,357)
Capital Outlay:				
Building Improvement	591	591	586	5
Total Expenditures	583,960,711	583,449,000	577,918,696	5,530,304
Excess of Revenues Over (Under) Expenditures	82,638,710	103,264,689	85,182,457	(18,082,232)
Other Financing Sources (Uses)				
Advances In	-	-	20,949,687	20,949,687
Advances Out	-	-	(24,376,979)	(24,376,979)
Transfers In	-	-	-	-
Refund of Prior Years Expenditures	9,756	10,438	10,483	45
Refund of Prior Years Receipts	(18,756)	(18,756)	(18,756)	-
Transfers Out	(2,664,799)	(2,664,799)	(2,664,389)	410
Other Financing Uses	(93,321)	(93,321)	(93,092)	229
Proceeds from the Sale of Assets	25,668	27,461	27,580	119
Total Other Financing Sources (Uses)	(2,741,452)	(2,738,977)	(6,165,466)	(3,426,489)
Net Change in Fund Balance	79,897,258	100,525,712	79,016,991	(21,508,721)
Fund Balance at Beginning of Year	16,522,581	16,522,581	16,522,581	-
Prior Year Encumbrances Appropriated	14,704,297	14,704,297	14,704,297	-
Fund Balance at End of Year	\$ 111,124,136	\$ 131,752,590	\$ 110,243,869	\$ (21,508,721)

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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Food Service Fund</i>				
Total Revenues and Other Sources	\$ 23,600,000	\$ 28,500,000	\$ 21,984,231	\$ (6,515,769)
Advances In	-	-	7,300,066	7,300,066
Total Expenditures and Other Uses	24,881,985	25,732,785	25,545,040	187,745
Advances Out	-	-	3,868,197	(3,868,197)
Net Change in Fund Balance	(1,281,985)	2,767,215	(128,940)	(2,896,155)
Fund Balance at Beginning of Year	111,955	111,955	111,955	-
Prior Year Encumbrances Appropriated	16,985	16,985	16,985	-
Fund Balance at End of Year	<u>\$ (1,153,045)</u>	<u>\$ 2,896,155</u>	<u>\$ -</u>	<u>\$ (2,896,155)</u>
<i>Uniform School Supplies Fund</i>				
Total Revenues and Other Sources	\$ 35,000	\$ 32,400	\$ 32,584	\$ 184
Total Expenditures and Other Uses	106,388	60,554	29,534	31,020
Net Change in Fund Balance	(71,388)	(28,154)	3,050	31,204
Fund Balance at Beginning of Year	62,428	62,428	62,428	-
Prior Year Encumbrances Appropriated	6,388	6,388	6,388	-
Fund Balance at End of Year	<u>\$ (2,572)</u>	<u>\$ 40,662</u>	<u>\$ 71,866</u>	<u>\$ 31,204</u>
<i>Rotary-Special Services Fund</i>				
Total Revenues and Other Sources	\$ 3,000	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	1,000	-	-	-
Net Change in Fund Balance	2,000	-	-	-
Fund Balance at Beginning of Year	635	635	635	-
Fund Balance at End of Year	<u>\$ 2,635</u>	<u>\$ 635</u>	<u>\$ 635</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Adult Education Fund</i>				
Total Revenues and Other Sources	\$ 2,000,000	\$ 2,120,000	\$ 2,134,769	\$ 14,769
Total Expenditures and Other Uses	2,539,568	2,070,567	1,950,163	120,404
Net Change in Fund Balance	(539,568)	49,433	184,606	135,173
Fund Balance at Beginning of Year	147,604	147,604	147,604	-
Prior Year Encumbrances Appropriated	39,568	39,568	39,568	-
Fund Balance at End of Year	<u>\$ (352,396)</u>	<u>\$ 236,605</u>	<u>\$ 371,778</u>	<u>\$ 135,173</u>
<i>Public School Support Fund</i>				
Total Revenues and Other Sources	\$ 1,250,000	\$ 1,250,000	\$ 1,243,337	\$ (6,663)
Total Expenditures and Other Uses	2,839,455	2,655,683	1,807,460	848,223
Net Change in Fund Balance	(1,589,455)	(1,405,683)	(564,123)	841,560
Fund Balance at Beginning of Year	1,386,588	1,386,588	1,386,588	-
Prior Year Encumbrances Appropriated	339,455	339,455	339,455	-
Fund Balance at End of Year	<u>\$ 136,588</u>	<u>\$ 320,360</u>	<u>\$ 1,161,920</u>	<u>\$ 841,560</u>
<i>Other Grant Funds</i>				
Total Revenues and Other Sources	\$ 2,000,000	\$ 5,000,000	\$ 3,647,524	\$ (1,352,476)
Total Expenditures and Other Uses	6,007,725	5,543,936	3,814,301	1,729,635
Net Change in Fund Balance	(4,007,725)	(543,936)	(166,777)	377,159
Fund Balance at Beginning of Year	45,729	45,729	45,729	-
Prior Year Encumbrances Appropriated	507,725	507,725	507,725	-
Fund Balance at End of Year	<u>\$ (3,454,271)</u>	<u>\$ 9,518</u>	<u>\$ 386,677</u>	<u>\$ 377,159</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, 2007

<i>WCBE Fund</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Sources	\$ 711,728	\$ 1,267,232	\$ 1,205,033	\$ (62,199)
Total Expenditures and Other Uses	<u>1,460,282</u>	<u>1,514,570</u>	<u>1,267,506</u>	<u>247,064</u>
Net Change in Fund Balance	(748,554)	(247,338)	(62,473)	184,865
Fund Balance at Beginning of Year	218,295	218,295	218,295	-
Prior Year Encumbrances Appropriated	<u>100,561</u>	<u>100,561</u>	<u>100,561</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (429,698)</u>	<u>\$ 71,518</u>	<u>\$ 256,383</u>	<u>\$ 184,865</u>
<i>Latchkey Fund</i>				
Total Revenues and Other Sources	\$ 1,288,272	\$ 2,293,768	\$ 2,181,184	\$ (112,584)
Total Expenditures and Other Uses	<u>2,135,004</u>	<u>2,219,475</u>	<u>1,972,251</u>	<u>247,224</u>
Net Change in Fund Balance	(846,732)	74,293	208,933	134,640
Fund Balance at Beginning of Year	(139,743)	(139,743)	(139,743)	-
Prior Year Encumbrances Appropriated	<u>5,114</u>	<u>5,114</u>	<u>5,114</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (981,361)</u>	<u>\$ (60,336)</u>	<u>\$ 74,304</u>	<u>\$ 134,640</u>
<i>Computer Network Class "A" Site Fund</i>				
Total Revenues and Other Sources	\$ 10,000	\$ 42,500	\$ 41,583	\$ (917)
Total Expenditures and Other Uses	<u>200,000</u>	<u>122,583</u>	<u>121,753</u>	<u>830</u>
Net Change in Fund Balance	(190,000)	(80,083)	(80,170)	(87)
Fund Balance at Beginning of Year	80,170	80,170	80,170	-
Fund Balance at End of Year	<u>\$ (109,830)</u>	<u>\$ 87</u>	<u>\$ -</u>	<u>\$ (87)</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Classroom Facilities Maintenance Fund</i>				
Total Revenues and Other Sources	\$ 4,201,397	\$ 4,663,319	\$ 6,168,209	\$ 1,504,890
Total Expenditures and Other Uses	100,000	444,000	397,729	46,271
Net Change in Fund Balance	4,101,397	4,219,319	5,770,480	1,551,161
Fund Balance at Beginning of Year	14,521,009	14,521,009	14,521,009	-
Fund Balance at End of Year	<u>\$ 18,622,406</u>	<u>\$ 18,740,328</u>	<u>\$ 20,291,489</u>	<u>\$ 1,551,161</u>
<i>District Managed Activities Fund</i>				
Total Revenues and Other Sources	\$ 2,600,000	\$ 2,250,000	\$ 2,258,370	\$ 8,370
Total Expenditures and Other Uses	4,974,389	3,524,389	2,693,952	830,437
Net Change in Fund Balance	(2,374,389)	(1,274,389)	(435,582)	838,807
Fund Balance at Beginning of Year	896,526	896,526	896,526	-
Prior Year Encumbrances Appropriated	424,389	424,389	424,389	-
Fund Balance at End of Year	<u>\$ (1,053,474)</u>	<u>\$ 46,526</u>	<u>\$ 885,333</u>	<u>\$ 838,807</u>
<i>Auxiliary Services Fund</i>				
Total Revenues and Other Sources	\$ 4,000,000	\$ 6,400,000	\$ 6,432,687	\$ 32,687
Total Expenditures and Other Uses	7,183,854	7,757,823	6,859,247	898,576
Net Change in Fund Balance	(3,183,854)	(1,357,823)	(426,560)	931,263
Fund Balance at Beginning of Year	1,237,387	1,237,387	1,237,387	-
Prior Year Encumbrances Appropriated	643,854	643,854	643,854	-
Fund Balance at End of Year	<u>\$ (1,302,613)</u>	<u>\$ 523,418</u>	<u>\$ 1,454,681</u>	<u>\$ 931,263</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Post Secondary Vocational Education Fund</i>				
Total Revenues and Other Sources	\$ 10,000	\$ 27,000	\$ 18,000	\$ (9,000)
Advances In	-	-	9,205	9,205
Total Expenditures and Other Uses	19,000	18,457	18,447	10
Advances Out	-	-	9,205	(9,205)
Net Change in Fund Balance	(9,000)	8,543	(447)	(8,990)
Fund Balance at Beginning of Year	456	456	456	-
Fund Balance at End of Year	<u>\$ (8,544)</u>	<u>\$ 8,999</u>	<u>\$ 9</u>	<u>\$ (8,990)</u>
<i>Teacher Development Fund</i>				
Total Revenues and Other Sources	\$ 1,425,000	\$ 27,500	\$ 16,368	\$ (11,132)
Advances In	-	-	11,116	11,116
Total Expenditures and Other Uses	1,425,000	16,797	16,797	-
Advances Out	-	-	10,776	(10,776)
Net Change in Fund Balance	-	10,703	(89)	(10,792)
Fund Balance at Beginning of Year	89	89	89	-
Fund Balance at End of Year	<u>\$ 89</u>	<u>\$ 10,792</u>	<u>\$ -</u>	<u>\$ (10,792)</u>
<i>Gifted Education Fund</i>				
Total Revenues and Other Sources	\$ 175,000	\$ 152,000	\$ 151,674	\$ (326)
Total Expenditures and Other Uses	214,986	203,170	203,170	-
Net Change in Fund Balance	(39,986)	(51,170)	(51,496)	(326)
Fund Balance at Beginning of Year	36,510	36,510	36,510	-
Prior Year Encumbrances Appropriated	14,986	14,986	14,986	-
Fund Balance at End of Year	<u>\$ 11,510</u>	<u>\$ 326</u>	<u>\$ -</u>	<u>\$ (326)</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, 2007

<i>Management Information Systems Fund</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Sources	\$ 200,000	\$ 369,000	\$ 195,022	\$ (173,978)
Advances In	-	-	173,256	173,256
Total Expenditures and Other Uses	300,000	282,873	198,996	83,877
Advances Out	-	-	253,274	(253,274)
Net Change in Fund Balance	(100,000)	86,127	(83,992)	(170,119)
Fund Balance at Beginning of Year	87,850	87,850	87,850	-
Fund Balance at End of Year	<u>\$ (12,150)</u>	<u>\$ 173,977</u>	<u>\$ 3,858</u>	<u>\$ (170,119)</u>
<i>Public School Preschool Fund</i>				
Total Revenues and Other Sources	\$ 350,000	\$ 660,000	\$ 666,839	\$ 6,839
Total Expenditures and Other Uses	770,293	831,262	698,406	132,856
Net Change in Fund Balance	(420,293)	(171,262)	(31,567)	139,695
Fund Balance at Beginning of Year	165,521	165,521	165,521	-
Prior Year Encumbrances Appropriated	20,293	20,293	20,293	-
Fund Balance at End of Year	<u>\$ (234,479)</u>	<u>\$ 14,552</u>	<u>\$ 154,247</u>	<u>\$ 139,695</u>
<i>Entry Year Programs Fund</i>				
Total Revenues and Other Sources	\$ 116,000	\$ 55,000	\$ 53,300	\$ (1,700)
Total Expenditures and Other Uses	122,000	53,300	49,487	3,813
Net Change in Fund Balance	(6,000)	1,700	3,813	2,113
Fund Balance at Beginning of Year	6,880	6,880	6,880	-
Fund Balance at End of Year	<u>\$ 880</u>	<u>\$ 8,580</u>	<u>\$ 10,693</u>	<u>\$ 2,113</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>DPIA Fund</i>				
Total Expenditures and Other Uses	\$ -	\$ 3,985	\$ 3,985	\$ -
Net Change in Fund Balance	-	(3,985)	(3,985)	-
Fund Balance at Beginning of Year	3,985	3,985	3,985	-
Fund Balance at End of Year	<u>\$ 3,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Data Communication Fund</i>				
Total Revenues and Other Sources	\$ 500,000	\$ 475,000	\$ 473,900	\$ (1,100)
Total Expenditures and Other Uses	<u>1,833,274</u>	<u>1,139,870</u>	<u>1,139,870</u>	<u>-</u>
Net Change in Fund Balance	(1,333,274)	(664,870)	(665,970)	(1,100)
Fund Balance at Beginning of Year	382,696	382,696	382,696	-
Prior Year Encumbrances Appropriated	<u>283,274</u>	<u>283,274</u>	<u>283,274</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (667,304)</u>	<u>\$ 1,100</u>	<u>\$ -</u>	<u>\$ (1,100)</u>
<i>Schoolnet Professional Development Fund</i>				
Total Revenues and Other Sources	\$ 41,300	\$ 13,500	\$ 13,500	\$ -
Total Expenditures and Other Uses	<u>53,443</u>	<u>25,719</u>	<u>22,209</u>	<u>3,510</u>
Net Change in Fund Balance	(12,143)	(12,219)	(8,709)	3,510
Fund Balance at Beginning of Year	8,776	8,776	8,776	-
Prior Year Encumbrances Appropriated	<u>3,443</u>	<u>3,443</u>	<u>3,443</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 76</u>	<u>\$ -</u>	<u>\$ 3,510</u>	<u>\$ 3,510</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Ohio Reads Fund</i>				
Total Revenues and Other Sources	\$ 500,000	\$ 750,000	\$ 748,598	\$ (1,402)
Total Expenditures and Other Uses	1,024,236	826,994	821,717	5,277
Net Change in Fund Balance	(524,236)	(76,994)	(73,119)	3,875
Fund Balance at Beginning of Year	97,029	97,029	97,029	-
Prior Year Encumbrances Appropriated	24,236	24,236	24,236	-
Fund Balance at End of Year	<u>\$ (402,971)</u>	<u>\$ 44,271</u>	<u>\$ 48,146</u>	<u>\$ 3,875</u>
<i>Summer Intervention Fund</i>				
Advances Out	\$ -	\$ -	\$ 858	\$ (858)
Net Change in Fund Balance	-	-	(858)	(858)
Fund Balance at Beginning of Year	858	858	858	-
Fund Balance at End of Year	<u>\$ 858</u>	<u>\$ 858</u>	<u>\$ -</u>	<u>\$ (858)</u>
<i>Vocational Educational Enhancements Fund</i>				
Total Expenditures and Other Uses	\$ 150,000	\$ -	\$ -	\$ -
Net Change in Fund Balance	(150,000)	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ (150,000)</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Alternative Schools Fund</i>				
Total Revenues and Other Sources	\$ 700,000	\$ 660,000	\$ 518,200	\$ (141,800)
Advances In	-	-	138,475	138,475
Total Expenditures and Other Uses	717,254	628,160	547,992	80,168
Advances Out	-	-	170,496	(170,496)
Net Change in Fund Balance	(17,254)	31,840	(61,813)	(93,653)
Fund Balance at Beginning of Year	48,045	48,045	48,045	-
Prior Year Encumbrances Appropriated	17,254	17,254	17,254	-
Fund Balance at End of Year	<u>\$ 48,045</u>	<u>\$ 97,139</u>	<u>\$ 3,486</u>	<u>\$ (93,653)</u>
<i>Poverty Based Aid Fund</i>				
Total Revenues and Other Sources	\$ 56,982,000	\$ 56,982,000	\$ 56,959,643	\$ (22,357)
Total Expenditures and Other Uses	56,000,000	56,959,643	56,959,643	-
Net Change in Fund Balance	982,000	22,357	-	(22,357)
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ 982,000</u>	<u>\$ 22,357</u>	<u>\$ -</u>	<u>\$ (22,357)</u>
<i>Miscellaneous State Grants Fund</i>				
Total Revenues and Other Sources	\$ 700,000	\$ 2,090,000	\$ 2,082,967	\$ (7,033)
Total Expenditures and Other Uses	1,836,914	2,379,967	2,212,938	167,029
Net Change in Fund Balance	(1,136,914)	(289,967)	(129,971)	159,996
Fund Balance at Beginning of Year	216,060	216,060	216,060	-
Prior Year Encumbrances Appropriated	106,914	106,914	106,914	-
Fund Balance at End of Year	<u>\$ (813,940)</u>	<u>\$ 33,007</u>	<u>\$ 193,003</u>	<u>\$ 159,996</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Adult Basic Education Fund</i>				
Total Revenues and Other Sources	\$ 1,200,000	\$ 1,125,000	\$ 866,294	\$ (258,706)
Advances In	-	-	239,186	239,186
Total Expenditures and Other Uses	925,922	926,331	877,514	48,817
Advances Out	-	-	239,186	(239,186)
Net Change in Fund Balance	274,078	198,669	(11,220)	(209,889)
Fund Balance at Beginning of Year	59,807	59,807	59,807	-
Prior Year Encumbrances Appropriated	922	922	922	-
Fund Balance at End of Year	<u>\$ 334,807</u>	<u>\$ 259,398</u>	<u>\$ 49,509</u>	<u>\$ (209,889)</u>
<i>Special Education Part B - IDEA Fund</i>				
Total Revenues and Other Sources	\$ 9,000,000	\$ 21,900,000	\$ 15,182,955	\$ (6,717,045)
Advances In	-	-	6,728,244	6,728,244
Total Expenditures and Other Uses	17,099,559	17,084,439	15,260,116	1,824,323
Advances Out	-	-	6,950,642	(6,950,642)
Net Change in Fund Balance	(8,099,559)	4,815,561	(299,559)	(5,115,120)
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	299,559	299,559	299,559	-
Fund Balance at End of Year	<u>\$ (7,800,000)</u>	<u>\$ 5,115,120</u>	<u>\$ -</u>	<u>\$ (5,115,120)</u>
<i>Vocational Education Fund</i>				
Total Revenues and Other Sources	\$ 2,800,000	\$ 3,900,000	\$ 2,871,660	\$ (1,028,340)
Advances In	-	-	1,044,896	1,044,896
Total Expenditures and Other Uses	2,795,609	2,659,653	3,102,891	(443,238)
Advances Out	-	-	1,044,896	(1,044,896)
Net Change in Fund Balance	4,391	1,240,347	(231,231)	(1,471,578)
Fund Balance at Beginning of Year	483,208	483,208	483,208	-
Prior Year Encumbrances Appropriated	15,609	15,609	15,609	-
Fund Balance at End of Year	<u>\$ 503,208</u>	<u>\$ 1,739,164</u>	<u>\$ 267,586</u>	<u>\$ (1,471,578)</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Indian Education Grants Fund</i>				
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>
<i>Title III - Limited English Proficiency Fund</i>				
Total Revenues and Other Sources	\$ 700,000	\$ 1,800,000	\$ 1,419,441	\$ (380,559)
Advances In	-	-	283,815	283,815
Total Expenditures and Other Uses	1,736,975	1,804,993	1,384,145	420,848
Advances Out	-	-	307,023	(307,023)
Net Change in Fund Balance	(1,036,975)	(4,993)	12,088	17,081
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	36,975	36,975	36,975	-
Fund Balance at End of Year	<u>\$ (1,000,000)</u>	<u>\$ 31,982</u>	<u>\$ 49,063</u>	<u>\$ 17,081</u>
<i>Transition Program for Refugee Children Fund</i>				
Total Revenues and Other Sources	\$ 150,000	\$ 165,000	\$ 74,233	\$ (90,767)
Advances In	-	-	88,148	88,148
Total Expenditures and Other Uses	200,000	81,000	73,138	7,862
Advances Out	-	-	88,148	(88,148)
Net Change in Fund Balance	(50,000)	84,000	1,095	(82,905)
Fund Balance at Beginning of Year	2,666	2,666	2,666	-
Fund Balance at End of Year	<u>\$ (47,334)</u>	<u>\$ 86,666</u>	<u>\$ 3,761</u>	<u>\$ (82,905)</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, 2007

<i>Title I Fund</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Sources	\$ 28,500,000	\$ 46,600,000	\$ 36,767,865	\$ (9,832,135)
Advances In	-	-	3,634,134	3,634,134
Total Expenditures and Other Uses	45,170,575	48,999,777	39,344,753	9,655,024
Advances Out	-	-	3,490,450	(3,490,450)
Net Change in Fund Balance	(16,670,575)	(2,399,777)	(2,433,204)	(33,427)
Fund Balance at Beginning of Year	12,629	12,629	12,629	-
Prior Year Encumbrances Appropriated	2,420,575	2,420,575	2,420,575	-
Fund Balance at End of Year	<u>\$ (14,237,371)</u>	<u>\$ 33,427</u>	<u>\$ -</u>	<u>\$ (33,427)</u>
 <i>Innovative Programs - Title V Fund</i>				
Total Revenues and Other Sources	\$ 850,000	\$ 1,700,000	\$ 506,860	\$ (1,193,140)
Advances In	-	-	620,828	620,828
Total Expenditures and Other Uses	1,729,628	1,712,710	901,682	811,028
Advances Out	-	-	255,634	(255,634)
Net Change in Fund Balance	(879,628)	(12,710)	(29,628)	(16,918)
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	29,628	29,628	29,628	-
Fund Balance at End of Year	<u>\$ (850,000)</u>	<u>\$ 16,918</u>	<u>\$ -</u>	<u>\$ (16,918)</u>
 <i>Safe and Drug-Free Schools Grant - Title IV-A Fund</i>				
Total Revenues and Other Sources	\$ 1,000,000	\$ 680,000	\$ 520,928	\$ (159,072)
Advances In	-	-	180,015	180,015
Total Expenditures and Other Uses	1,032,748	720,936	614,351	106,585
Advances Out	-	-	155,809	(155,809)
Net Change in Fund Balance	(32,748)	(40,936)	(69,217)	(28,281)
Fund Balance at Beginning of Year	26,469	26,469	26,469	-
Prior Year Encumbrances Appropriated	42,748	42,748	42,748	-
Fund Balance at End of Year	<u>\$ 36,469</u>	<u>\$ 28,281</u>	<u>\$ -</u>	<u>\$ (28,281)</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Early Childhood Special Education, IDEA Fund</i>				
Total Revenues and Other Sources	\$ 250,000	\$ 456,000	\$ 391,897	\$ (64,103)
Advances In	-	-	68,375	68,375
Total Expenditures and Other Uses	411,236	399,246	407,086	(7,840)
Advances Out	-	-	68,375	(68,375)
Net Change in Fund Balance	(161,236)	56,754	(15,189)	(71,943)
Fund Balance at Beginning of Year	46,783	46,783	46,783	-
Prior Year Encumbrances Appropriated	236	236	236	-
Fund Balance at End of Year	<u>\$ (114,217)</u>	<u>\$ 103,773</u>	<u>\$ 31,830</u>	<u>\$ (71,943)</u>
<i>Improving Teacher Quality - Title II-A Fund</i>				
Total Revenues and Other Sources	\$ 700,000	\$ 11,800,000	\$ 7,293,887	\$ (4,506,113)
Advances In	-	-	3,347,451	3,347,451
Total Expenditures and Other Uses	13,798,805	12,253,562	6,848,252	5,405,310
Advances Out	-	-	4,036,718	(4,036,718)
Net Change in Fund Balance	(13,098,805)	(453,562)	(243,632)	209,930
Fund Balance at Beginning of Year	981	981	981	-
Prior Year Encumbrances Appropriated	458,805	458,805	458,805	-
Fund Balance at End of Year	<u>\$ (12,639,019)</u>	<u>\$ 6,224</u>	<u>\$ 216,154</u>	<u>\$ 209,930</u>
<i>Miscellaneous Federal Grants Fund</i>				
Total Revenues and Other Sources	\$ 10,000,000	\$ 23,650,000	\$ 16,264,345	\$ (7,385,655)
Advances In	-	-	509,766	509,766
Total Expenditures and Other Uses	27,211,532	29,018,778	22,158,050	6,860,728
Net Change in Fund Balance	(17,211,532)	(5,368,778)	(5,383,939)	(15,161)
Fund Balance at Beginning of Year	2,472,407	2,472,407	2,472,407	-
Prior Year Encumbrances Appropriated	2,911,532	2,911,532	2,911,532	-
Fund Balance at End of Year	<u>\$ (11,827,593)</u>	<u>\$ 15,161</u>	<u>\$ -</u>	<u>\$ (15,161)</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, 2007

<i>Debt Service Fund</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Sources	27,473,839	354,282,745	355,289,178	1,006,433
Total Expenditures and Other Uses	<u>32,706,000</u>	<u>345,267,573</u>	<u>338,970,838</u>	<u>6,296,735</u>
Net Change in Fund Balance	(5,232,161)	9,015,172	16,318,340	7,303,168
Fund Balance at Beginning of Year	<u>3,841,741</u>	<u>3,841,741</u>	<u>3,841,741</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (1,390,420)</u>	<u>\$ 12,856,913</u>	<u>\$ 20,160,081</u>	<u>\$ 7,303,168</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, 2007

<u><i>Permanent Improvement 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	\$ 4,201,397	\$ 17,000	\$ 17,911	\$ 911
Total Expenditures and Other Uses	1,110,620	1,110,620	144,176	966,444
Net Change in Fund Balance	3,090,777	(1,093,620)	(126,265)	967,355
Fund Balance at Beginning of Year	1,481,676	1,481,676	1,481,676	-
Prior Year Encumbrances Appropriated	110,620	110,620	110,620	-
Fund Balance at End of Year	<u>\$ 4,683,073</u>	<u>\$ 498,676</u>	<u>\$ 1,466,031</u>	<u>\$ 967,355</u>
<u><i>Building Fund</i></u>				
Total Revenues and Other Sources	\$ 750,000	\$ 6,000,000	\$ 6,114,766	\$ 114,766
Total Expenditures and Other Uses	56,594,832	63,423,311	49,107,847	14,315,464
Net Change in Fund Balance	(55,844,832)	(57,423,311)	(42,993,081)	14,430,230
Fund Balance at Beginning of Year	56,148,594	56,148,594	56,148,594	-
Prior Year Encumbrances Appropriated	11,594,832	11,594,832	11,594,832	-
Fund Balance at End of Year	<u>\$ 11,898,594</u>	<u>\$ 10,320,115</u>	<u>\$ 24,750,345</u>	<u>\$ 14,430,230</u>
<u><i>Replacement Fund</i></u>				
Total Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	300,000	300,000	56,169	243,831
Net Change in Fund Balance	(300,000)	(300,000)	(56,169)	243,831
Fund Balance at Beginning of Year	1,740,021	1,740,021	1,740,021	-
Fund Balance at End of Year	<u>\$ 1,440,021</u>	<u>\$ 1,440,021</u>	<u>\$ 1,683,852</u>	<u>\$ 243,831</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget
<i>Classroom Facilities Fund</i>				
Total Revenues and Other Sources	\$ 25,000,000	\$ 152,217,761	\$ 154,550,197	\$ 2,332,436
Total Expenditures and Other Uses	<u>384,735,205</u>	<u>368,931,155</u>	<u>325,876,807</u>	<u>43,054,348</u>
Net Change in Fund Balance	(359,735,205)	(216,713,394)	(171,326,610)	45,386,784
Fund Balance at Beginning of Year	174,695,950	174,695,950	174,695,950	-
Prior Year Encumbrances Appropriated	<u>99,235,205</u>	<u>99,235,205</u>	<u>99,235,205</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (85,804,050)</u>	<u>\$ 57,217,761</u>	<u>\$ 102,604,545</u>	<u>\$ 45,386,784</u>
<i>Schoolnet Equipment Fund</i>				
Total Revenues and Other Sources	\$ 125,000	\$ 125,000	\$ 125,000	\$ -
Total Expenditures and Other Uses	<u>575,000</u>	<u>125,003</u>	<u>15,000</u>	<u>110,003</u>
Net Change in Fund Balance	(450,000)	(3)	110,000	110,003
Fund Balance at Beginning of Year	3	3	3	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (449,997)</u>	<u>\$ -</u>	<u>\$ 110,003</u>	<u>\$ 110,003</u>
<i>School Building Assistance Limited Fund</i>				
Total Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>238,434</u>	<u>59,669</u>	<u>48,690</u>	<u>10,979</u>
Net Change in Fund Balance	(238,434)	(59,669)	(48,690)	10,979
Fund Balance at Beginning of Year	21,235	21,235	21,235	-
Prior Year Encumbrances Appropriated	<u>38,434</u>	<u>38,434</u>	<u>38,434</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (178,765)</u>	<u>\$ -</u>	<u>\$ 10,979</u>	<u>\$ 10,979</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, 2007

<i>Permanent Fund</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Sources:	\$ 10,000	\$ 23,000	\$ 49,027	\$ 26,027
Total Expenditures and Other Uses:	1,500	1,500	141	1,359
Net Change in Fund Balance:	8,500	21,500	48,886	27,386
Fund Balance at Beginning of Year:	836,916	836,916	836,916	-
Fund Balance at End of Year:	<u>\$ 845,416</u>	<u>\$ 858,416</u>	<u>\$ 885,802</u>	<u>\$ 27,386</u>

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**STATISTICAL
SECTION**

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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="padding-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="padding-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="padding-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="padding-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="padding-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="padding-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 was 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 Six Fiscal Years
Accrual Basis of Accounting

Fiscal Year (1)	2007	2006	2005	2004	2003	2002
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$ 157,028,996	\$ 78,012,508	(5) \$ 98,439,316	(4) \$ 135,742,271	\$ 161,112,744	\$ 155,470,922
Restricted for:						
Debt Service	29,510,707	13,933,689	12,064,763	15,904,608	7,868,465	4,241,122
Capital Projects	102,131,178	166,021,389	125,487,284	262,393,282	274,385,253	(3) 10,108,099
Permanent Fund						
Expendable	212,400	163,515	163,815	140,787	141,716	186,792
Nonexpendable	673,401	673,401	673,401	673,401	673,401	673,401
Classroom Facilities Maintenance	21,307,998	15,619,346	(2)	(2)	(2)	(2)
Title I Program	7,193,579	5,890,037	(2)	(2)	(2)	(2)
Improving Teacher Quality Program	3,859,409	3,965,396	(2)	(2)	(2)	(2)
Other Purposes	14,169,434	11,698,102	33,172,167	31,904,733	32,655,053	15,330,234
Unrestricted	73,619,761	(22,908,600)	(71,248,736)	(307,386,051)	(240,363,631)	1,499,844
Total Net Assets - Governmental Activities	<u>409,706,863</u>	<u>273,068,783</u>	<u>198,752,010</u>	(4) <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	(5)	(5)	3,044,469	3,169,057	3,008,821	2,929,440
Unrestricted	(5)	(5)	(1,346,793)	660,256	4,430,999	6,639,195
Total Net Assets - Business-type Activities	<u>-</u>	<u>-</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	157,028,996	78,012,508	101,483,785	138,911,328	164,121,565	158,400,362
Restricted						
Debt Service	29,510,707	13,933,689	12,064,763	15,904,608	7,868,465	4,241,122
Capital Projects	102,131,178	166,021,389	125,487,284	262,393,282	274,385,253	10,108,099
Permanent Fund						
Expendable	212,400	163,515	163,815	140,787	141,716	186,792
Nonexpendable	673,401	673,401	673,401	673,401	673,401	673,401
Classroom Facilities Maintenance	21,307,998	15,619,346	(2)	(2)	(2)	(2)
Title I Program	7,193,579	5,890,037	(2)	(2)	(2)	(2)
Improving Teacher Quality Program	3,859,409	3,965,396	(2)	(2)	(2)	(2)
Other Purposes	14,169,434	11,698,102	33,172,167	31,904,733	32,655,053	15,330,234
Unrestricted	73,619,761	(22,908,600)	(72,595,529)	(306,725,795)	(235,932,632)	8,139,039
Total Net Assets - Primary Government	<u>\$ 409,706,863</u>	<u>\$ 273,068,783</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 four 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.
(5) As restated in fiscal year 2007 CAFR, note 4. Enterprise Funds are now reported as part of the Special Revenue Funds.
Fiscal Years 2007 and 2006 were restated to reflect these changes; however, years prior to 2006 were not restated.

Columbus City School District
Changes in Net Assets
Last Six Fiscal Years
Accrual Basis of Accounting

Fiscal Year (1)	2007	2006	2005	2004	2003	2002
Expenses						
Governmental Activities:						
Instruction						
Regular	293,469,060	303,818,223	297,804,126	278,118,279	281,964,404	256,444,114
Special	89,524,013	78,504,191	85,413,229	80,535,499	72,484,995	73,439,876
Vocational	10,445,182	10,736,361	14,040,774	21,114,819	21,987,545	25,256,824
Other	16,390,385	11,023,931	1,137,104	2,846,109	2,143,723	2,653,726
Support Services						
Pupils	45,843,170	47,931,201	47,790,920	53,188,569	49,792,142	40,121,652
Instructional Support Services	64,418,757	82,164,176	76,705,011	67,934,149	52,285,197	62,492,058
Administration	48,374,370	41,098,112	51,450,000	53,056,148	62,026,022	41,998,634
Business & Fiscal	16,852,559	18,156,667	15,048,909	22,593,436	9,528,287	25,320,785
Operation of Maintenance of Plant	63,191,116	60,513,709	56,317,813	61,823,222	65,304,673	60,639,039
Pupil Transportation	44,886,806	36,604,349	32,673,761	29,611,211	29,595,632	30,200,073
Other	25,132,427	23,708,882	26,991,245	26,790,621	25,740,780	27,404,953
Operation of Non-Instructional Services (3)	34,256,509	34,530,084	174,340	206,457	169,317	150,978
Extracurricular Activities	7,531,387	7,718,721	7,729,840	8,650,003	8,427,562	8,250,527
Community Services (3)	-	-	7,262,356	5,672,603	6,211,707	6,696,640
Interest and Fiscal Charges	12,257,313	20,535,843	25,802,812	15,072,633	3,594,662	2,978,738
Total Governmental Activities Expenses	772,573,054	777,044,450	746,342,240	727,213,758	691,256,648	664,048,617
Business-type Activities:						
Food Service	(2)	(2)	25,616,720	23,695,554	24,823,678	23,164,041
Adult and Community Education	(2)	(2)	1,933,925	2,406,708	2,768,309	3,295,582
WCBE Radio	(2)	(2)	1,212,142	1,007,607	1,000,474	954,682
Latchkey	(2)	(2)	2,625,028	2,562,084	2,468,644	2,377,587
Rotary - Special Services	(2)	(2)	808	-	-	-
Uniform School Supplies	(2)	(2)	23,395	27,240	44,947	57,781
Total Business-type Activities Expenses	-	-	31,412,018	29,699,193	31,106,052	29,849,673
Total Primary Government Expenses	772,573,054	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	3,543,413	2,795,914	2,046,144	2,293,253	2,245,228	2,173,426
Special	2,377,476	577,543	642,641	498,407	437,077	482,317
Vocational	430,544	97,425	98,950	169,545	168,547	214,804
Other	884,849	1,080,362	2,105	11,512	10,971	17,967
Support Services						
Pupils	86,847	387,769	378,788	378,917	466,404	295,209
Instructional Support Services	34,357	423,509	478,610	375,753	354,247	435,525
Administration	788,928	918,723	998,883	1,277,087	1,501,093	1,283,707
Business & Fiscal	1,612	365,793	105,022	210,299	46,908	183,182
Operation of Maintenance of Plant	1,146	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
Operation of Non-Instructional Services (3)	5,850,882	6,517,142	68,733	70,434	56,060	60,023
Extracurricular Activities	1,609,781	1,632,185	1,716,611	1,702,455	1,653,380	1,828,418
Community Services (3)	-	-	10,699	5,943	15,036	11,774
Operating Grants and Contributions	211,944,571	197,960,513	161,156,341	147,214,669	145,161,832	99,435,969
Capital Grants and Contributions	125,000	15,000	553,035	15,000	68,190,609	424,171
Total Governmental Activities Program Revenues	227,679,406	213,852,430	169,067,065	155,149,664	221,277,460	107,854,949
Business Type Activities:						
Charges for Services and Sales						
Food Service	(2)	(2)	4,691,007	4,840,687	4,989,699	5,212,307
Adult and Community Education	(2)	(2)	975,799	1,315,229	1,688,509	2,264,556
WCBE Radio	(2)	(2)	-	-	-	-
Latchkey	(2)	(2)	2,340,729	2,435,727	2,534,688	2,351,209
Rotary - Special Services	(2)	(2)	-	-	-	-
Uniform School Supplies	(2)	(2)	28,157	24,549	31,275	57,461
Operating Grants and Contributions	(2)	(2)	21,245,805	17,100,518	19,697,016	18,638,391
Total Business-type Activities Program Revenues	-	-	29,281,497	25,716,710	28,941,187	28,523,924
Total Primary Government Program Revenues	227,679,406	213,852,430	198,348,562	180,866,374	250,218,647	136,378,873
Net (Expense)/Revenue						
Governmental Activities	(544,893,648)	(563,192,020)	(577,275,175)	(572,064,094)	(469,979,188)	(556,193,668)
Business-type Activities	(2)	(2)	(2,130,521)	(3,982,483)	(2,164,865)	(1,325,749)
Total Primary Government Net (Expense)/Revenue	(544,893,648)	(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 Six Fiscal Years
Accrual Basis of Accounting
(Continued)

Fiscal Year (1)	2007	2006	2005	2004	2003	2002
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Property Taxes	455,828,917	401,981,401	387,673,016	309,551,034	324,895,494	296,202,763
Grants and Entitlements Not Restricted to Specific Programs	186,057,536	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	24,209,137	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	7,447,169	7,119,921	4,606,016	-	-	-
Miscellaneous	7,988,969	5,784,331	4,648,881	5,385,350	3,627,487	4,062,809
Transfers	-	-	1,116	-	-	-
Total Governmental Activities	681,531,728	634,208,759	652,941,917	505,068,809	518,941,775	510,768,130
Business-type Activities:						
Investment Earnings	(2)	(2)	-	-	32,487	86,157
Miscellaneous	(2)	(2)	-	371,976	3,563	8,797
Transfers	(2)	(2)	(1,116)	-	-	-
Total Business-type Activities	-	-	(1,116)	371,976	36,050	94,954
Total Primary Government General Revenues and Other Changes in Net Assets	681,531,728	634,208,759	652,940,801	505,440,785	518,977,825	510,863,084
Change in Net Assets						
Governmental Activities	136,638,080	71,016,739	75,666,742	(66,995,285)	48,962,587	(45,425,538)
Business-type Activities	(2)	(2)	(2,131,637)	(3,610,507)	(2,128,815)	(1,230,795)
Total Primary Government Change in Net Assets	\$ 136,638,080	\$ 71,016,739	\$ 73,535,105	\$ (70,605,792)	\$ 46,833,772	\$ (46,656,333)

- (1) Fiscal year 2002 is the first year reported in accordance with GASB Statement No. 34. The other remaining four years are not presented for that reason.
- (2) As restated in fiscal year 2007 CAFR, note 4. Enterprise Funds are now reported as part of the Special Revenue Funds. Fiscal Years 2007 and 2006 were restated to reflect these changes; however, years prior to 2006 were not restated.
- (3) Prior to fiscal year 2006, Enterprise Operations and Community Services were listed separately; however, both are currently presented under the line item, "Operation of Non-Instructional Services."

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

<u>Fiscal Year (1)</u>	<u>2007 (7)</u>	<u>2006 (7)</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund					
Reserved	\$ 64,053,699	\$ 76,499,114	\$ 10,232,117	\$ 26,916,482	\$ 21,375,943
Unreserved	35,718,527	(50,741,286)	(30,859,351) (3)	(58,264,215)	(15,925,554)
Total General Fund	99,772,226	25,757,828	(20,627,234)	(31,347,733)	5,450,389
All Other Governmental Funds					
Reserved	154,742,354	116,855,704	25,559,562	13,313,796	14,019,040
Unreserved, Reported in:					
Special Revenue Funds	30,205,372	18,911,457	23,130,096	11,647,877	13,828,200
Debt Service Fund	24,345,083	8,956,742	17,747,947	12,127,248	13,631,320
Capital Projects Funds	137,383,445	243,996,807	344,437,816 (2)	190,398,554	200,597,272 (2)
Permanent Fund	212,400	163,515	163,815	140,787	141,407
Total All Other Governmental Funds	346,888,654	388,884,225	411,039,236	227,628,262	242,217,239
Total Governmental Funds	<u>\$ 446,660,880</u>	<u>\$ 414,642,053</u>	<u>\$ 390,412,002</u>	<u>\$ 196,280,529</u>	<u>\$ 247,667,628</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 year 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.

(7) As restated in fiscal year 2007 CAFR, note 4. Enterprise Funds are now reported as part of the Special Revenue Funds. Fiscal Years 2007 and 2006 were restated to reflect these changes; however, years prior to 2006 were not restated.

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 23,939,323	\$ 29,072,117	\$ 27,290,630	\$ 20,429,104 (6)
27,178,654	52,805,115	33,033,921	41,010,349
51,117,977	81,877,232	60,324,551	61,439,453
9,991,188	17,205,977	23,121,471	19,663,127
12,231,439	15,699,573	8,612,083 (5)	7,933,830
-	-	-	-
8,154,413	4,288,065 (4)	10,034,634	13,439,753
186,792	-	-	-
30,563,832	37,193,615	41,768,188	41,036,710
<u>\$ 81,681,809</u>	<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 Nine Fiscal Years
Modified Accrual Basis of Accounting

Fiscal Year (1)	2007 (4)	2006 (4)	2005	2004	2003
Revenues:					
Taxes	\$ 447,420,409	\$ 396,067,777	\$ 376,823,691	\$ 326,624,650	\$ 320,641,959
Tuition and Fees	8,174,298	9,857,750	5,473,329	5,772,014	5,869,257
Earnings on Investments	23,540,362	17,004,766	9,283,751	1,800,749	4,313,492
Intergovernmental	429,105,480	414,763,503	372,657,266	324,813,059	316,697,580
Payments in Lieu of Taxes	7,447,169	7,119,921	4,606,016	-	-
Customer Sales and Service	5,784,625	4,367,330	-	-	-
Other	12,155,116	12,166,261	9,120,319	8,299,479	6,698,387
Total Revenues	933,627,459	861,347,308	777,964,372	667,309,951	654,220,675
Expenditures:					
Instruction	408,003,827	396,100,567	381,929,727	365,811,673	361,272,869
Pupil Support Services	45,089,753	48,851,702	46,705,565	51,059,717	48,731,883
Instructional Support Services	64,487,669	81,041,154	76,278,185	66,627,988	52,284,232
Administration	47,501,952	43,892,349	49,805,790	48,959,987	61,093,212
Business and Fiscal Services	16,837,558	18,524,606	17,796,461	22,004,251	8,881,965
Operation and Maintenance of Plant Services	61,014,250	62,427,678	55,461,480	62,412,038	64,273,776
Transportation Services - Pupils	43,936,484	36,646,705	33,364,648	28,915,014	29,733,508
Other Support Services	26,347,184	24,177,711	26,861,677	24,107,348	25,782,742
Extracurricular Activities	7,351,228	7,755,402	7,771,183	10,138,959	8,380,438
Operation of Non-Instructional Services (5)	33,739,568	34,362,888	7,262,205	5,698,663	6,331,243
Capital Outlay	121,209,260	58,861,401	17,317,200	10,716,011	5,734,941
Debt Service:					
Principal	14,385,454	16,275,025	72,956,927	10,512,362	17,723,967
Interest	11,708,144	18,176,894	18,077,980	11,785,384	3,253,958
Bond Issuance Costs	2,396,095	-	1,423,174	-	1,695,364
Total Expenditures	904,008,426	847,094,082	813,012,202	718,749,395	695,174,098
Excess of Revenues Over (Under) Expenditures	29,619,033	14,253,226	(35,047,830)	(51,439,444)	(40,953,423)
Other Financing Sources (Uses)					
Bonds Issued	-	-	164,000,000	-	200,000,000
Notes Issued	-	-	60,000,000 (3)	-	-
Refunding Bonds Issued	282,864,897	-	-	-	-
Premium on Debt Issuance	29,696,676	-	4,682,751	-	6,879,996
Proceeds from Sale of Assets	3,698	9,904,601	15,946	52,345	97,888
Inception of Capital Lease	-	-	479,490	-	-
Payment to Refunded Bond Escrow Agent	(310,165,477)	-	-	-	-
Transfers In	34,067,177	746,167	823,156	437,323	2,317,446
Transfers Out	(34,067,177)	(746,167)	(822,040)	(437,323)	(2,317,446)
Total Other Financing Sources (Uses)	2,399,794	9,904,601	229,179,303	52,345	206,977,884
Net Changes in Fund Balances	\$ 32,018,827	\$ 24,157,827	\$ 194,131,473	\$ (51,387,099)	\$ 166,024,461
Debt Service as a Percentage of Noncapital Expenditures - (2)					
	3.65%	4.38%	11.62%	3.15%	3.29%

- (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 year 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.
- (4) As restated in fiscal year 2007 CAFR, note 4. Enterprise Funds are now reported as part of the Special Revenue Funds. Fiscal Years 2007 and 2006 were restated to reflect these changes; however, years prior to 2006 were not restated.
- (5) Prior to fiscal year 2006, the "Operation of Non-Instructional Services" line was divided among the classifications of Enterprise Operations and Community Services.

2002	2001	2000	1999
\$ 294,263,353	\$ 293,373,583	\$ 266,540,853	\$ 265,476,295
6,382,502	5,520,683	6,527,380	6,469,954
6,073,034	12,772,332	11,572,552	8,202,994
301,745,514	294,846,306	262,379,531	248,554,740
-	-	-	-
-	-	-	-
6,465,330	7,383,039	5,286,229	5,422,509
<u>614,929,733</u>	<u>613,895,943</u>	<u>552,306,545</u>	<u>534,126,492</u>
332,672,514	304,257,966	282,710,143	260,410,295
44,128,214	39,640,897	34,635,749	27,914,476
62,917,855	53,258,590	55,442,755	39,913,636
41,780,024	37,301,844	38,800,902	36,970,817
21,824,688	9,932,415	13,612,464	13,258,456
55,703,874	54,817,653	47,824,785	44,550,169
29,268,144	28,676,965	26,533,969	22,307,591
26,957,345	15,878,244	13,103,694	14,862,109
8,059,074	8,295,890	7,336,262	5,094,836
6,777,812	5,110,900	5,943,998	7,237,598
11,835,837	29,365,872	45,209,750	16,668,314
18,905,020	20,638,941	12,673,415	10,425,000
2,991,985	3,760,570	2,668,776	3,109,076
-	-	-	-
<u>663,822,386</u>	<u>610,936,747</u>	<u>586,496,662</u>	<u>502,722,373</u>
(48,892,653)	2,959,196	(34,190,117)	31,404,119
7,760,000	10,208,688	-	-
-	-	-	-
-	-	-	-
-	-	-	-
928,234	360,521	3,545,416	198,637
2,235,256	257,304	30,291,029	-
-	-	-	-
1,947,227	8,051,135	4,357,461	19,018,157
<u>(1,947,227)</u>	<u>(8,513,892)</u>	<u>(4,700,863)</u>	<u>(19,357,616)</u>
<u>10,923,490</u>	<u>10,363,756</u>	<u>33,493,043</u>	<u>(140,822)</u>
<u>\$ (37,969,163)</u>	<u>\$ 13,322,952</u>	<u>\$ (697,074)</u>	<u>\$ 31,263,297</u>
3.36%	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
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
2007	5,589,997,460	3,840,709,220	26,944,876,229	453,358,094	3,626,864,752

Source: Franklin County Auditor

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

Notes:

Real Property: Real property assessed valuation is based upon 35% of estimated true value set by county appraisal.

Personal Property: Prior to 2006, the assessed valuation for personal property was based on varying percentages of true value (we used 25 percent in the assessed valuations above). House Bill 66 (the State's biennial budget for fiscal years 2006-2007) phases out the tax on the tangible personal property of general businesses, telephone and telecommunications, and railroads. The tax on general business and railroad property (which is public utility property) will be eliminated by 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. At the same time, the bill replaces the revenue lost due to phasing out the tax. This replacement revenue is recorded on the financial statements as intergovernmental revenue. In the first five years, local governments are reimbursed full for the lost revenue (based on 2004 values); in the following seven years, the reimbursements are phased out.

To reflect this phase out of certain personal property taxes, the 2006 assessed valuation is 74.38% of the 2005 actual assessed value, and the 2007 assessed valuation is 67% of the 2006 actual assessed 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	
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
283,009,390	808,598,257	10,167,074,164	31,380,339,238	67.65

Columbus City School District
Principal Property Taxpayers
Fiscal Years 2007 and 1998

	2007		
	Total Assessed	Rank	% of Total Assessed
	Valuation (1)		Valuation
Public Utilities			
Columbus Southern Power Company	\$ 153,043,820	1	1.51%
Ohio Bell Telephone Co.	56,944,430	2	0.56%
Columbia Gas of Ohio Inc	30,775,140	3	0.30%
New Par	18,066,600	4	0.18%
All Others	<u>24,179,400</u>		<u>0.25%</u>
Subtotal Assessed Valuation - Public Utilities	283,009,390		2.80%
Real Estate			
Nationwide Mutual Insurance Co.	86,749,190	1	0.85%
Huntington Center	58,100,000	2	0.57%
OhioHealth Corp.	32,642,330	3	0.32%
Capitol South Community Urban	28,542,320	4	0.28%
American Electric Power	23,820,160	5	0.23%
Equitable Life Assurance	23,727,480	6	0.23%
Duke Realty	20,105,770	7	0.20%
Battelle Memorial	19,487,810	8	0.19%
Olentangy Commons LP	14,735,030	9	0.14%
Grant/Riverside Methodist	14,586,250	10	0.14%
State Teachers Retirement Board of Ohio	0		0.00%
ZML - One Columbus LP	0		0.00%
RB-3 Associates & Stephen B Goodman	0		0.00%
Huntington National Bank	0		0.00%
Capital South Community Urban Redevelopment	0		0.00%
All Others	<u>9,108,210,340</u>		<u>89.59%</u>
Subtotal Assessed Valuation - Real Estate	9,430,706,680		92.74%
Tangible Personal Property			
Abbott Laboratories	11,746,500	1	0.12%
Insight Communications of Central Ohio	6,459,899	2	0.07%
ISG Columbus Coatings LLC	6,359,982	3	0.06%
J C Penney Company Inc.	6,097,442	4	0.06%
Crane Plastics Company LLC	5,940,964	5	0.06%
Kroger Company	5,882,855	6	0.06%
Time Warner Entertainment Company LP	5,447,442	7	0.05%
Battelle Memorial Institute	5,438,859	8	0.05%
Metal Container Corp.	4,619,362	9	0.05%
Sterling Commerce America Inc.	4,574,586	10	0.04%
Techneglas, Inc.	0		
Victoria's Secret Catalogue, Inc.	0		
Borden Inc.	0		
Banc One Corporation	0		
Amerisource Corporation	0		
Value City Department Stores, Inc.	0		
Sun Television & Appliances of Ohio, Inc.	0		
All Others	<u>390,790,203</u>		<u>3.84%</u>
Subtotal Assessed Valuation - Tangible Personal Property	<u>453,358,094</u>		<u>4.46%</u>
Total Assessed Valuation	<u>\$ 10,167,074,164</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.

1998		
Total Assessed Valuation	Rank	% of Total Assessed Valuation
\$ 179,473,810	1	2.66%
124,797,150	2	1.85%
81,448,950	3	1.21%
<u>14,454,550</u>		<u>0.21%</u>
400,174,460		5.93%
60,008,660	1	0.89%
50,232,340	2	0.74%
0		
0		
31,826,510	3	0.47%
14,700,000	7	0.22%
16,930,070	6	0.25%
17,540,170	5	0.26%
0		
0		
19,880,570	4	0.29%
0		
14,170,760	8	0.21%
13,413,890	9	0.20%
12,925,900	10	0.19%
<u>5,158,251,490</u>		<u>76.37%</u>
5,409,880,360		80.09%
11,180,750	7	0.17%
0		
0		
23,116,940	2	0.34%
9,842,620	10	0.15%
11,631,310	5	0.17%
11,189,310	6	0.17%
0		
0		
0		
26,644,100	1	0.39%
15,789,950	3	0.23%
10,641,310	9	0.16%
12,997,430	4	0.19%
10,781,400	8	0.16%
0		
0		
<u>800,388,165</u>		<u>11.85%</u>
<u>944,203,285</u>		<u>2.13%</u>
<u>\$ 6,754,258,105</u>		<u>88.15%</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
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
2007	63.25	3.90	0.50	67.65	3.14	2.40	22.53	26.55	31.14

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.

(1) Source: Franklin County Auditor

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	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
21.31	10.70	22.80	21.20	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>
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
2006	417,264,411	387,176,261	92.79%	21,851,526

Source: Franklin County Auditor

2007 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>
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%
409,027,787	98.03%	47,664,964	11.42%

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>
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	414,578,130	13,550,014
2007	576,603	10,167,074	404,553,684	29,498,177

Sources: (1) Based on 75% of City of Columbus population as estimated by the Mid-Ohio Regional Planning Commission for the calendar years 1997 through 1999, but reported for fiscal years 1998 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 2001-2006, but reported for fiscal years 2002-2007.

(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>
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
401,028,116	3.98%	700
375,055,507	3.69%	650

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Overall Direct Debt Limitation</u>				
Direct debt limitation				
9% of assessed valuation	\$ 915,036,675	\$ 907,738,889	\$ 816,151,883	\$ 808,348,777
Amount available in Debt Service Fund	<u>29,498,177</u>	<u>13,550,014</u>	<u>18,073,538</u>	<u>12,903,977</u>
Total overall debt limitation	<u>944,534,852</u>	<u>921,288,903</u>	<u>834,225,421</u>	<u>821,252,754</u>
Gross indebtedness	364,643,039	380,061,116	390,067,613	238,372,613
Less: debt exempt from limitation	<u>(6,675,000)</u>	<u>(7,345,000)</u>	<u>(9,430,000)</u>	<u>(11,295,000)</u>
Debt subject to 9% limitation	<u>357,968,039</u>	<u>372,716,116</u>	<u>380,637,613</u>	<u>227,077,613</u>
Legal debt margin within 9% limitation	<u>\$ 586,566,813</u>	<u>\$ 548,572,787</u>	<u>\$ 453,587,808</u>	<u>\$ 594,175,141</u>
Total net debt applicable to the limit as a percentage of debt limit	37.9%	40.5%	45.6%	27.7%
<u>Unvoted Direct Debt Limitation</u>				
Unvoted debt limitation				
0.1% of assessed valuation	\$ 10,167,074	\$ 10,085,988	\$ 9,068,354	\$ 8,981,653
Amount available in Debt Service Fund related to unvoted debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total unvoted debt limitation	<u>10,167,074</u>	<u>10,085,988</u>	<u>9,068,354</u>	<u>8,981,653</u>
Gross indebtedness authorized by the Board	6,675,000	7,345,000	9,430,000	11,295,000
Less: debt exempt from limitation	<u>(6,675,000)</u>	<u>(7,345,000)</u>	<u>(9,430,000)</u>	<u>(11,295,000)</u>
Debt subject to 0.1% limitation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin within 0.1% limitation	<u>\$ 10,167,074</u>	<u>\$ 10,085,988</u>	<u>\$ 9,068,354</u>	<u>\$ 8,981,653</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	\$ 91,503,667	\$ 90,773,889	\$ 81,615,188	\$ 80,834,878
Energy Conservation Bonds authorized by the Board	<u>(6,675,000)</u>	<u>(7,345,000)</u>	<u>(9,430,000)</u>	<u>(11,295,000)</u>
Legal debt margin within 0.9% limitation	<u>\$ 84,828,667</u>	<u>\$ 83,428,889</u>	<u>\$ 72,185,188</u>	<u>\$ 69,539,878</u>
Total net debt applicable to the limit as a percentage of debt limit	7.3%	8.1%	11.6%	14.0%

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.

2003	2002	2001	2000	1999	1998
\$ 806,589,254	\$ 734,263,667	\$ 725,287,185	\$ 708,757,973	\$ 634,055,693	\$ 607,883,229
<u>13,889,450</u>	<u>3,427,618</u>	<u>5,323,552</u>	<u>7,684,268</u>	<u>9,751,530</u>	<u>10,697,836</u>
<u>820,478,704</u>	<u>737,691,285</u>	<u>730,610,737</u>	<u>716,442,241</u>	<u>643,807,223</u>	<u>618,581,065</u>
247,952,612	57,057,612	58,917,612	58,242,612	68,767,612	79,072,612
<u>(13,075,000)</u>	<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>234,877,612</u>	<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>\$ 585,601,092</u>	<u>\$ 695,393,673</u>	<u>\$ 689,153,125</u>	<u>\$ 667,284,629</u>	<u>\$ 585,774,611</u>	<u>\$ 551,938,453</u>
28.6%	5.7%	5.7%	6.9%	9.0%	10.8%
\$ 8,962,103	\$ 8,158,485	\$ 8,058,747	\$ 7,875,089	\$ 7,045,063	\$ 6,754,258
-	-	-	-	-	-
<u>8,962,103</u>	<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>
13,075,000	14,760,000	17,460,000	9,085,000	10,735,000	12,430,000
<u>(13,075,000)</u>	<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>\$ 8,962,103</u>	<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>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$ 80,658,925	\$ 73,426,367	\$ 72,528,719	\$ 70,875,797	\$ 63,405,569	\$ 60,788,323
<u>(13,075,000)</u>	<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>\$ 67,583,925</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>
16.2%	20.1%	24.1%	12.8%	16.9%	20.4%

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					
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
2007	397,878,684	6,675,000	296,964	-	404,850,648	576,603	21,950,699,607	1.84%	702

(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, accretion on bonds, and loss on refunding of 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 2007

<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	\$ 404,553,684 (2)	100.000%	\$ 404,553,684
Overlapping:			
Franklin County	149,431,221 (1)	35.920%	53,675,695
City of Columbus	1,652,178,946 (1)	98.100%	1,620,787,546
City of Gahanna	15,706,321 (1)	0.050%	7,853
Village of New Albany	24,497,456 (1)	0.002%	490
Blendon Township	377,400 (1)	0.030%	113
Plain Township	1,969,998 (1)	0.180%	3,546
Washington Township	<u>210,000 (1)</u>	0.050%	<u>105</u>
Total overlapping	<u>1,844,371,342 (1)</u>		<u>1,674,475,348</u>
	<u>\$ 2,248,925,026</u>		<u>\$ 2,079,029,032</u>

Source: Franklin County Auditor

(1) Determined as of December 31, 2006

(2) Determined as of June 30, 2007

Columbus City School District
Ratio of Annual Debt Service Expenditures
for General Bonded Debt to Total Governmental Expenditures
Last Nine 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	847,094,082	(4) 4.03%
2007	14,295,000	11,687,359	25,982,359	904,008,426	(4) 2.87%

(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 year 1998 was not available.

(4) As restated in fiscal year 2007 CAFR, note 4. Enterprise Funds are now reported as part of the Special Revenue Funds. Fiscal Years 2007 and 2006 were restated to reflect these changes; however, years prior to 2006 were not restated.

Columbus City School District
Principal Employers
 Fiscal Year 2007 and Nine Years Prior

<u>Employer</u>	<u>Fiscal Year 2007</u>			<u>Fiscal Year 1998</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	6.78%	28,015	1	7.60%
The Ohio State University	19,919	2	5.08%	15,707	2	4.26%
Federal Government	15,146	3	3.86%	12,135	4	3.29%
J.P. Morgan Chase & Co.	14,276	4	3.64%			
Nationwide	11,834	5	3.02%	8,640	7	2.34%
Ohio Health	9,413	6	2.40%			
City of Columbus	8,106	7	2.07%	8,518	8	2.31%
Columbus Public Schools	7,432	8	1.89%	7,557	9	2.05%
Limited Brands	7,200	9	1.84%	10,000	6	2.71%
Honda of America Mfg. Inc.	6,900	10	1.76%	12,500	3	3.39%
Kroger Company				7,500	10	2.03%
Banc One Corporation				10,992	5	2.98%
Total employees from top ten employers	126,839		32.34%	121,564		32.97%
All other employees	265,461		67.66%	247,136		67.03%
Total employees	392,300	(1)		368,700	(1)	

2007 Source: Business First of Columbus, Inc.

1998 Source: City of Columbus 2006 Comprehensive Annual Financial Report

(1) - Information taken from Ohio Workforce Informer website as of December 2006 and December 1997, respectively. Web site sponsored by Ohio Department of Job 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>
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	59,621	5.30%
2007	576,603	38,069	56,019	4.70%

- Sources:
- (1) Based on 75% of City of Columbus population as estimated by the Mid-Ohio Regional Planning Commission for the calendar years 1997 through 1999, but reported for fiscal years 1998 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 2001-2006 reported for fiscal years 2002-2007.
 - (2) Per capita income information is reported for calendar years 1997 through 2006 reported as fiscal years 1998 through 2007 using data provided in Franklin County's 2006 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 Six Fiscal Years

Fiscal Year (1)	2007	2006	2005	2004	2003
Governmental Activities:					
Instruction					
Regular	2,577	2,948	3,116	3,343	3,457
Special	1,155	1,121	1,101	1,046	1,034
Vocational	152	200	154	242	272
Support Services					
Pupils	626	657	688	838	841
Instructional Support Services	1,212	1,406	1,383	1,414	1,327
Administration	542	574	573	630	642
Business & Fiscal	98	129	128	136	134
Operation of Maintenance of Plant	605	621	636	696	698
Pupil Transportation	592	603	586	637	609
Other Support Services	122	125	123	114	124
Operation of Non-Instructional Services (3)	508	615	-	-	-
Extracurricular Activities	28	36	38	41	40
Construction	17	18	14	7	-
Other	24	18	56	84	71
Community Services (3)	-	-	72	76	82
Total Governmental Activities Employees	<u>8,258</u>	<u>9,071</u>	<u>8,668</u>	<u>9,304</u>	<u>9,331</u>
Business-type Activities:					
Food Service	(2)	(2)	425	530	851
Adult and Community Education	(2)	(2)	134	135	146
WCBE Radio	(2)	(2)	17	16	14
Latchkey	(2)	(2)	112	120	126
Total Business-type Activities Employees	<u>-</u>	<u>-</u>	<u>688</u>	<u>801</u>	<u>1,137</u>
Total Primary Government Employees	<u>8,258</u>	<u>9,071</u>	<u>9,356</u>	<u>10,105</u>	<u>10,468</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 four years are not included.
- (2) As restated in fiscal year 2007 CAFR, note 4. Enterprise Funds are now reported as part of the Special Revenue Funds. Fiscal Years 2007 and 2006 were restated to reflect these changes; however, years prior to 2006 were not restated.
- (3) Prior to fiscal year 2006, Enterprise Operations and Community Services were listed separately; however, both are currently presented under the line item, "Operation of Non-Instructional Services."

Columbus City School District
Building Statistics
Last Two Fiscal Years

Building	Primary Use of Building	Year Built/ Renovated	2007 Average Daily Membership	2006 Average Daily Membership
Alpine	Elementary School	1967	529	510
Arlington Park	Elementary School	1963	313	367
Avalon	Elementary School	1977	529	530
Avondale	Elementary School	1895	270	318
Beatty Park @ Eastgate	Elementary School	1954	113	107
Beck Urban Academy	Elementary School	1884	0	208
Berwick	Elementary School	1956	382	361
Binns	Elementary School	1957	212	284
Brentnell Alternative	Elementary School	1962	0	258
Broadleigh	Elementary School	1952	302	384
Burroughs	Elementary School	1921	452	483
Cassady	Elementary School	1964	349	362
Cedarwood	Elementary School	1965	429	438
Clarfield	Elementary School	1938	331	0
Clinton	Elementary School	1922	325	311
Colerain	Elementary School	1975	181	175
Como	Elementary School	1954	340	360
Cranbrook	Elementary School	1957	292	315
Dana	Elementary School	1911	403	362
Deshler	Elementary School	1953	340	400
Devonshire	Elementary School	1963	497	513
Douglas	Elementary School	1976	269	257
Duxberry Park	Elementary School	1959	237	225
Eakin	Elementary School	1922	329	330
East Columbus	Elementary School	1920	290	224
East Linden	Elementary School	1911	235	224
East Pilgrim @ Pilgrim	Elementary School	1960	326	244
Easthaven	Elementary School	1968	265	341
Fair Alternative	Elementary School	1890	259	300
Fairmoor	Elementary School	1950	468	426
Fairwood	Elementary School	1924	480	473
Fifth Avenue Alternative	Elementary School	1976	208	258
Forest Park	Elementary School	1962	376	391
Gables	Elementary School	1976	279	290
Georgian Heights	Elementary School	1959	430	423
Gladstone	Elementary School	1965	0	189
Hamilton Alternative	Elementary School	1953	356	193
Heyl Avenue	Elementary School	1910	296	301
Highland	Elementary School	1894	396	398
Huy	Elementary School	1955	202	297
Indian Springs	Elementary School	1950	407	404
Innis	Elementary School	1975	354	368
Koebel	Elementary School	1964	0	215
Leawood	Elementary School	1960	263	334
Liberty	Elementary School	1975	420	541
Lincoln Park	Elementary School	1924	327	321
Lindbergh	Elementary School	1958	338	369
Linden	Elementary School	2004	516	537
Literature Based Alt @ Hubbard	Elementary School	1894	140	155
Linden Park	Elementary School	1975	182	208
Livingston	Elementary School	1890	213	246
Main Street	Elementary School	1960	0	158
Maize	Elementary School	1960	357	358
Maybury	Elementary School	1964	438	383
McGuffey	Elementary School	1963	0	238
Medary	Elementary School	1892	135	224
Moler	Elementary School	1963	193	177
North Linden	Elementary School	1950	316	323
Northtowne	Elementary School	1968	223	199
Oakland Park	Elementary School	1952	273	288
Oakmont	Elementary School	1966	340	313
Ohio @ Kent	Elementary School	1960	361	239
Olde Orchard	Elementary School	1960	483	451
Parkmoor Urban Academy	Elementary School	1966	259	259
Parsons	Elementary School	2007	368	0
Reeb	Elementary School	1908	0	246
Salem	Elementary School	1962	321	361

Columbus City School District
Building Statistics
Current and Prior Fiscal Years - continued

Building	Primary Use of Building	Year Built/ Renovated	2007 Average Daily Membership	2006 Average Daily Membership
Scioto Trail	Elementary School	1927	0	274
Scottwood	Elementary School	1957	342	360
Second Avenue	Elementary School	1874	0	244
Shady Lane	Elementary School	1956	275	258
Siebert	Elementary School	1976	279	243
South Mifflin	Elementary School	1952	310	272
Southwood	Elementary School	1894	373	268
Stewart	Elementary School	1874	299	278
Stockbridge	Elementary School	1959	0	229
Sullivant @ Franklinton	Elementary School	1952	219	225
Trevitt	Elementary School	1964	178	220
Valley Forge	Elementary School	1963	340	393
Valleyview	Elementary School	1957	354	365
Watkins @ Clarfield	Elementary School	1927	0	217
Weinland Park @ Hudson	Elementary School	1966	303	185
West Broad	Elementary School	1910	493	468
West Mound @ Watkins	Elementary School	1952	335	371
Westgate	Elementary School	1961	412	426
Windsor Academy	Elementary School	1959	384	296
Winterset	Elementary School	1968	261	269
Woodcrest	Elementary School	1961	437	409
AIMS @ Everett	Middle School	1898	482	572
Barrett	Middle School	1898	0	344
Beery	Middle School	1957	367	431
Buckeye	Middle School	1962	620	659
Champion	Middle School	1909	313	284
Clinton MS	Middle School	1954	513	613
Crestview	Middle School	1914	0	398
Dominion	Middle School	1955	545	537
Eastmoor	Middle School	1962	501	572
Franklin Alt	Middle School	1975	544	583
Hilltonia	Middle School	1956	597	631
Indianola MS	Middle School	1927	546	369
Johnson Park	Middle School	1959	535	570
Linmoor	Middle School	1957	208	264
Medina	Middle School	1959	495	613
Mifflin MS (includes Welcome Center)	Middle School/ESL	1935	442	687
Monroe	Middle School	1963	507	520
Ridgeview	Middle School	1966	520	523
Sherwood	Middle School	1966	456	504
Southmoor	Middle School	1967	408	321
Starling	Middle School	1917	387	480
Wedgewood	Middle School	1965	545	614
Westmoor	Middle School	1958	528	586
Woodward Park	Middle School	1966	884	884
Yorktown	Middle School	1967	585	623
Beechcroft	High School	1974	856	822
Briggs	High School	1974	928	932
Brookhaven	High School	1961	979	960
Centennial	High School	1975	826	797
Columbus Alternative	High School	1926	715	611
East	High School	1922	754	826
Eastmoor Academy	High School	1954	785	763
Fort Hayes	High School	1976	563	605
Independence	High School	1975	909	937
Linden-McKinley	High School	1924	559	682
Marion-Franklin	High School	1951	1025	1027
Mifflin	High School	1977	663	702
North (includes Welcome Center)	High School/ESL	1922	0	212
Northland	High School	1965	1158	1203
South	High School	1922	550	639
Walnut Ridge	High School	1961	860	950
West	High School	1927	982	1030
Whetstone	High School	1961	1020	1046
Africentric (K8/HS)	Kindergarten through 12th Grade	1952	909	781

**Columbus City School District
Building Statistics
Current and Prior Fiscal Years - continued**

Building	Primary Use of Building	Year Built/ Renovated	2007 Average Daily Membership	2006 Average Daily Membership
Ecole Kenwood	Kindergarten through 8th Grade	1962	336	361
Indianola ES	Kindergarten through 8th Grade	1908	394	354
Spanish Immersion (Beaumont)	Kindergarten through 8th Grade	1957	374	348
AG Bell	Elementary School - Special Programs	1967	48	57
Alum Crest HS	High School - Special Programs	1961	108	121
Clearbrook	Special Programs School	1957	77	92
North Education Center	Adult Education/Career Center	1922	0	339
North East Career Center	Career Center	1977	53	26
North West Career Center	Career Center	1977	40	24
Southeast (includes Welcome Center)	Career Center/ESL	1974	84	88
Kingswood Data Processing Center	Administration - Data Processing	1964	N/A	N/A
Neil Avenue Center	Administration	1941	N/A	N/A
Columbus Education Center	Administration	1974	N/A	N/A
Fifth Street Annex	Administration	1974	N/A	N/A
Hudson Street Distribution Center	Administration	1990	N/A	N/A
Northgate Center	Administration	1976	N/A	N/A
Shepard Service Center	Administration	1937	N/A	N/A
Sixth Street Annex	Administration	1968	N/A	N/A
Trades and Industry Center	Administration	1974	N/A	N/A
Maryland Park Center	Administration	1969	N/A	N/A
17th Avenue Service Center	Operation & Maintenance of Plant	1974	N/A	N/A
Smith Road Garage	Operation & Maintenance of Plant	1974	N/A	N/A
Scarboro Bus Compound	Pupil Transportation	1974	N/A	N/A
Morse Road Bus Compound	Pupil Transportation	1974	N/A	N/A
Fort Hayes Bus Compound	Pupil Transportation	1978	N/A	N/A

Note: Average daily membership is only provided for 2006 and 2007. Information on fiscal years 1998 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
 Last Two Fiscal Years

Function	2007	2006
Governmental Activities		
Instruction		
Enrollment (Students)	56,019	59,621 (1)
Graduation Rate (2005/2006 Most Recent Available)	72.9%	68.6% (2)
% of Students with Disabilities	15.6%	14.6% (2)
% of Limited English Proficient Students	7.7%	7.2% (2)
School Administration		
Student Attendance Rate	94.0%	93.5% (2)
Business and Fiscal		
Nonpayroll Checks Issued	31,331	32,522 (3)
Payroll Checks Issued	4,656	3,829 (3)
Payroll ACHs and EFTs Issued	225,123	243,488 (3)
Operation and Maintenance of Plant		
District Acreage Maintained by Grounds Staff	120	120 (4)
Pupil Transportation (7)		
Public School Students Transported	25,592	25,743 (2)
Non-Public School Students Transported	1,180	797 (2)
Community School Students Transported	1,511	2,080 (2)
Daily Bus Fleet Mileage	45,171	42,835 (2)
Latchkey		
Average Number of Students Enrolled	1,100	1,200 (5)
Food Service Operations		
Free Breakfasts Served	2,713,060	2,881,474 (6)
Reduced Price Breakfasts Served	226,422	232,915 (6)
Paid Breakfasts Served	742,054	646,444 (6)
Free Lunches Served	4,833,275	5,058,873 (6)
Reduced Price Lunches Served	419,976	486,993 (6)
Paid Lunches Served	1,182,798	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
- (7) Based on the process for reporting this data to ODE, transportation numbers are based on prior year fiscal figures.

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 Six 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	777,044,450	59,621	13,033	5.51%	4,324	13.9
2007	772,573,054	56,019	13,791	5.82%	4,322	13.0

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 four years are not included.

Columbus City School District
Staff Level by Race and Sex in Full Time Equivalents
As of June 30, 2007

	Male		Female		Total	
	No.	%	No.	%	No.	%
Administration						
White	61.60	20.7	95.98	32.3	157.58	53.0
Black	51.99	17.5	86.00	28.9	137.99	46.4
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>114.59</u>	<u>38.5</u>	<u>182.98</u>	<u>61.5</u>	<u>297.57</u>	<u>100.0</u>
Teachers						
White	731.50	17.2	2,476.95	58.2	3,208.45	75.4
Black	211.00	4.9	761.00	17.9	972.00	22.8
Spanish	12.00	0.3	28.00	0.6	40.00	0.9
Asian	7.00	0.2	22.00	0.5	29.00	0.7
Indian	3.00	0.1	3.00	0.1	6.00	0.2
	<u>964.50</u>	<u>22.7</u>	<u>3,290.95</u>	<u>77.3</u>	<u>4,255.45</u>	<u>100.0</u>
Classified						
White	292.87	15.3	550.91	28.8	843.78	44.1
Black	463.83	24.3	584.09	30.7	1,047.92	55.0
Spanish	0.71	0.0	1.71	0.1	2.42	0.1
Asian	5.50	0.3	6.49	0.3	11.99	0.6
Indian	1.71	0.1	2.00	0.1	3.71	0.2
	<u>764.62</u>	<u>40.0</u>	<u>1,145.20</u>	<u>60.0</u>	<u>1,909.82</u>	<u>100.0</u>
Educational Aides						
White	28.71	3.1	414.61	45.3	443.32	48.4
Black	106.56	11.7	317.87	34.7	424.43	46.4
Spanish	5.00	0.6	27.00	3.0	32.00	3.6
Asian	2.00	0.2	12.00	1.3	14.00	1.5
Indian	1.00	0.1	0.00	0.0	1.00	0.1
	<u>143.27</u>	<u>15.7</u>	<u>771.48</u>	<u>84.3</u>	<u>914.75</u>	<u>100.0</u>
Total						
White	1,114.68	15.1	3,538.45	47.9	4,653.13	63.0
Black	833.38	11.3	1,748.96	23.7	2,582.34	35.0
Spanish	18.71	0.3	57.71	0.8	76.42	1.1
Asian	14.50	0.2	40.49	0.5	54.99	0.7
Indian	5.71	0.1	5.00	0.1	10.71	0.2
	<u>1,986.98</u>	<u>27.0</u>	<u>5,390.61</u>	<u>73.0</u>	<u>7,377.59</u>	<u>100.0</u>

Source: School District personnel records.

Columbus City School District

Miscellaneous Statistical Data

As of June 30, 2007

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

Population: 576,603

<u>Number of Schools</u>		<u>Average Daily Membership (1)</u>	
Elementary	77	Elementary	25,111
K - 8	3	K - 8	1,104
K - 12	1	K - 12	909
Middle	23	Middle	11,528
High	17	High	14,132
Career Centers	3	Other	410
Special Schools	3		<u>53,194</u>
	<u>127</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	31	0.72%
Bachelor of Arts	615	14.23%
Bachelor's + 30	1,046	24.20%
Master's	1,990	46.04%
Master's + 30	590	13.65%
Doctorate	50	1.16%
TOTAL	<u>4,322 (2)</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Experience</u>	
	<u>Number of Teachers</u>	<u>% of Total</u>
0 - 5	1,263	29.22%
6 - 10	1,271	29.41%
11 - 15	522	12.08%
16 - 20	632	14.62%
21 - 25	209	4.84%
26 - over	425	9.83%
TOTAL	<u>4,322 (2)</u>	<u>100.00%</u>

(1) This schedule reflects average daily membership, while the amounts on pages S-26, S-31, and S-32 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
APRIL 22, 2008**