

**NEW ISSUE
BOOK-ENTRY ONLY**

RATING: Moody's Rated: "Aa1"
See "MISCELLANEOUS-Bond Rating" herein

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), (1) the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (2) the interest on the Bonds is exempt from Missouri income taxation by the State of Missouri and (3) the Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" in this Official Statement.

**\$10,000,000
THE SCHOOL DISTRICT OF COLUMBIA,
BOONE COUNTY, STATE OF MISSOURI
GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2017**

Dated: Date of Delivery

Due: March 1, as shown below

The General Obligation Improvement Bonds, Series 2017 (the "Bonds"), will be issued as fully registered bonds and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. The Bonds will be available for purchase in denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. DTC will receive all payments with respect to the Bonds from UMB Bank, N.A., Kansas City, Missouri, as paying agent for the Bonds. DTC is required to remit such payments to DTC Participants (hereinafter defined) for subsequent disbursement to the beneficial owners of the Bonds. Semiannual interest will be payable on March 1 and September 1, beginning on September 1, 2017.

The Bonds and the interest thereon will constitute general obligations of the District, payable from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District. See the section "THE BONDS – Security and Sources of Payment for the Bonds" herein.

The Bonds are subject to optional redemption and payment prior to maturity as set forth herein. See the section "THE BONDS – Redemption Provisions" herein.

MATURITY SCHEDULE

Base CUSIP: 198037

Serial Bonds

<u>Maturity March 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u>	<u>Maturity March 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u>
2022	\$240,000	4.000%	110.738%	BW2	2031	\$ 345,000	3.000%	98.876%	CF8
2023	250,000	4.000	111.522	BX0	2032	355,000	3.125	99.115	CG6
2024	260,000	5.000	118.289	BY8	2033	370,000	3.250	99.383	CH4
2025	270,000	5.000	119.369	BZ5	2034	385,000	3.250	98.715	CJ0
2026	280,000	5.000	120.515	CA9	2035	1,900,000	3.375	99.664	CK7
2027	295,000	2.500	100.000	CB7	2036	2,000,000	3.375	98.962	CL5
2028	305,000	3.000	101.957	CC5	2037	2,100,000	3.500	100.000	CM3

Term Bonds

\$645,000 Term Bonds due March 1, 2030; Interest Rate 3.000%; Price 100.000%; CUSIP 198037 CE1

The Bonds are offered when, as and if issued by the District, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. It is expected that the Bonds will be available for delivery in book-entry form through DTC, New York, New York, on or about April 12, 2017.

Baird

The date of this Official Statement is March 13, 2017.

**THE SCHOOL DISTRICT OF COLUMBIA,
BOONE COUNTY, STATE OF MISSOURI**

ADMINISTRATIVE OFFICES

1818 West Worley
Columbia, Missouri 65203
(573) 214-3400

ELECTED OFFICIALS

BOARD OF EDUCATION

Mr. James Whitt, President and Member
Mr. Jonathan Sessions, Vice President and Member
Mr. Paul Cushing, Member
Ms. Christine King, Member
Ms. Janis Mees, Member
Mr. Darin Preis, Member
Ms. Helen Wade, Member

Ms. Tracy Davenport, Board Secretary

ADMINISTRATION

Dr. Peter Stiepleman, Superintendent of Schools
Ms. Linda Quinley, Board Treasurer and Chief Financial Officer/Chief Operations Officer

BOND COUNSEL

Gilmore & Bell, P.C.
Kansas City, Missouri

FINANCIAL ADVISOR

Piper Jaffray & Co.
Leawood, Kansas

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or others since the date hereof.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of that information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOTT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "projected," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS, INCLUDING THOSE DESCRIBED UNDER THE SECTION "RISK FACTORS" HEREIN, WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE DISTRICT NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

District:	The School District of Columbia, Boone County, State of Missouri.
Issue:	\$10,000,000 General Obligation Improvement Bonds, Series 2017.
Dated Date:	Date of Delivery.
Interest Date:	March 1 and September 1, commencing September 1, 2017.
Principal Due:	Annually on March 1, as detailed on the front page of this Official Statement.
Redemption:	The Bonds are subject to optional and mandatory redemption prior to their Stated Maturity. See the section captioned “ THE BONDS – Redemption Provisions ” herein.
Authorization:	The Bonds are authorized by a resolution of the Board of Education of the District pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 26 of the Missouri Constitution and Chapters 108 and 164 of the Revised Statutes of Missouri, as amended.
Security:	The Bonds will be general obligations of the District and will be payable from ad valorem taxes which may be levied without limitations as to rate or amount upon all taxable property, real and personal, within the territorial limits of the District. See also the section “ THE BONDS – Security and Sources of Payment For The Bonds ” herein.
Credit Rating:	Moody’s Investors Service, Inc. (“ Moody’s ”) has assigned the Bonds the rating shown on the cover page, based on Moody’s evaluation of the credit worthiness of the District. See the section “ RATINGS ” herein.
Purpose:	The Bonds are being issued for the purpose of (1) paying costs of capital expenditures, and (2) paying costs of issuing the Bonds. See the section “ PLAN OF FINANCING ” herein.
Tax Exemption:	Gilmore & Bell, P.C., Bond Counsel, will provide an opinion as to the tax exemption of the Bonds as discussed under the section “ TAX MATTERS ” herein.
Paying Agent	UMB Bank, N.A., Kansas City, Missouri (the “ Paying Agent ”).
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“ DTC ”), New York, New York. DTC will act as securities depository of the Bonds. See <i>Appendix D</i> attached hereto.

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OFFICIAL STATEMENT

\$10,000,000
THE SCHOOL DISTRICT OF COLUMBIA,
BOONE COUNTY, STATE OF MISSOURI
GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2017

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) The School District of Columbia, Boone County, State of Missouri (the “**District**”), and (2) the General Obligation Improvement Bonds, Series 2017 (the “**Bonds**”) of the District, dated the date of delivery, to be issued in the principal amount of \$10,000,000.

The District

The District is a school district and political subdivision organized and existing under the laws of the State of Missouri. For information about the District, see *Appendix A* attached hereto.

Purpose of the Bonds

The Bonds represent the second installment of \$50,000,000 in general obligation bonds authorized by the required majority of the qualified voters of the District at an election held on April 8, 2014 (the “**2014 Election**”). The first installment of the \$50,000,000 in general obligation bonds authorized at the 2014 Election were issued by the District on April 28, 2016, in the principal amount of \$35,000,000. The Bonds are being issued pursuant to a resolution expected to be adopted by the District’s Board of Education on March 13, 2017 (the “**Bond Resolution**”). See the sections “**PLAN OF FINANCING**” and “**THE BONDS**” herein.

Security and Source of Payment

The Bonds will be general obligations of the District and will be payable from ad valorem taxes which may be levied without limitations as to rate or amount upon all taxable property, real and personal, within the territorial limits of the District. See also the section “**THE BONDS – Security and Sources of Payment for the Bonds**” herein.

Other Outstanding Obligations Payable

In addition to the Bonds, the District is obligated to meet from ad valorem taxes the principal and interest requirements on the District’s other general obligation bonds as set forth in “*Appendix A - DEBT STRUCTURE OF THE DISTRICT – Current Long-Term Indebtedness*” attached hereto. The District is also obligated on an annually renewable basis to make certain lease payments under lease purchase financings described under “*Appendix A - DEBT STRUCTURE OF THE DISTRICT – Other Obligations of the District*” attached hereto. The lease payments are payable solely from available money in the District’s

Capital Projects Fund and not from moneys in the District's Debt Service Fund, which is available solely to make payments on the District's general obligation bonds.

Financial Statements

Audited financial statements of the District, as of and for the year ended June 30, 2016, are included in *Appendix B* attached hereto. These financial statements have been audited by Marr and Company, P.C., Certified Public Accountants, to the extent and for the period indicated in their report which is also included in *Appendix B* attached hereto.

Continuing Disclosure Information

The District has agreed to provide certain annual financial information and notices of certain events to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system ("EMMA"), in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the section "MISCELLANEOUS – Continuing Disclosure" herein and *Appendix C: "Form of Continuing Disclosure Undertaking"* attached hereto.

Bond Rating

The District has received the rating set forth on the cover page from Moody's Investors Service on this issue. See the section "RATINGS" herein.

PLAN OF FINANCING

Authorization and Purpose of Bonds

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 26 of the Missouri Constitution and Chapters 108 and 164 of the Revised Statutes of Missouri, as amended, and are being issued pursuant to the 2014 Election and the Bond Resolution for the purpose of (1) paying costs of various capital expenditures, as described below under "Project Improvements," and (2) paying the costs of issuing the Bonds.

Project Improvements

The Bonds to be issued represents the second installment of \$50,000,000 general obligation bonds authorized at the 2014 Election, at which 64% (7,123 to 4,094) of the qualified voters of the District approved the bond proposition for the purpose of acquiring and developing sites for school buildings and acquiring, constructing, improving, extending, repairing, remodeling, renovating, furnishing and equipping new and existing school facilities.

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Sources and Uses of Funds

The following table summarizes the estimated sources of funds, including the proceeds from the sale of the Bonds, and the expected uses of such funds, in connection with the plan of financing:

Sources of Funds:

Proceeds of the Bonds	\$10,000,000.00
Net original issue premium	<u>176,441.05</u>
Total	<u>\$10,176,441.05</u>

Uses of Funds:

Deposit to Capital Projects Fund to pay costs of the Project	\$ 9,973,753.55
Costs of issuance for the Bonds, including Underwriter's discount	<u>202,687.50</u>
Total	<u>\$10,176,441.05</u>

THE BONDS

The following is a summary of certain terms and provisions of the Bonds. Reference is hereby made to the Bonds and the provisions with respect thereto in the Bond Resolution for the detailed terms and provisions thereof.

General Description

The Bonds will be issued in the principal amount shown on the cover page, will be dated the date of delivery, and will consist of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The Bonds will mature, subject to redemption as described below under the section **“Redemption Provisions,”** on March 1 in the years and in the principal amounts shown on the cover page of this Official Statement. Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year, beginning on September 1, 2017. While the Bonds remain in book-entry only form, payments to Beneficial Owners (as defined herein) are governed by the rules of DTC as described in **Appendix D** attached hereto. If DTC ceases to act as securities depository for the Bonds, payment may be made as described in the Bond Resolution.

Security and Sources of Payment for the Bonds

The Bonds will constitute general obligations of the District and will be payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District.

Redemption Provisions

Optional Redemption. At the option of the District, the Bonds or portions thereof maturing on March 1, 2027, and thereafter may be called for redemption and payment prior to maturity on March 1, 2026, and thereafter, in whole or in part, at any time at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date. When less than all Bonds are to be redeemed, such Bonds shall be redeemed from maturities selected by the District, and Bonds of less than a full maturity shall be selected by the Paying Agent in multiples of \$5,000 principal amount.

Mandatory Redemption. The Bonds maturing on March 1, 2030 (the **“Term Bonds”**), are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of

the Bond Resolution at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. The payments specified in Bond Resolution which are to be deposited into the debt service fund shall be sufficient to redeem, and the District shall redeem on March 1 in each year, the following principal amounts of such Bonds:

<u>Term Bonds Maturing on March 1, 2030</u>	
<u>Year</u>	<u>Principal Amount</u>
2029	\$315,000
2030 ⁺	330,000
<hr style="width: 20%; margin: 0 auto;"/> ⁺ Final Maturity	

Notice and Effect of Call for Redemption. In the event of a redemption, the Paying Agent will give written notice of the District’s intention to redeem and pay the Bonds by first-class mail to the State Auditor of Missouri, and to the Registered Owner of each Bond, such notice to be mailed not less than 30 days nor more than 60 days prior to the redemption date. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed will become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the District defaults in the payment of the redemption price) such Bonds or portion of Bonds shall cease to bear interest.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent will provide the notices of Bonds to be redeemed to DTC. It is expected that DTC will, in turn, notify the DTC Participants and that the DTC Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a DTC Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Paying Agent, a DTC Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, will not affect the validity of the redemption of such Bond.

Book-Entry Only System

Ownership interests in the Bonds will be available to purchasers only through a book-entry only system (the “**Book-Entry Only System**”) described in *Appendix D* attached hereto.

Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System

If the Book-Entry Only System is discontinued the following provisions would apply: Each Bond when issued will be registered by the Paying Agent in the name of the owner thereof on the Bond Register. Bonds are transferable only upon the Bond Register upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, subject to the terms, conditions and limitations set forth in the Bond Resolution and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, transfer or exchange.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds, nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and payment for any Bonds.

RISK FACTORS

The following is a discussion of certain risks that could affect the payments to be made by the District with respect to the Bonds. Prospective purchasers of the Bonds should consider carefully all possible factors

that may result in a default in the payment of the Bonds, the redemption of the Bonds prior to maturity or a determination that the interest on the Bonds might be deemed taxable for purposes of federal income taxation. This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.

Ad Valorem Property Taxes

The Bond Resolution levies a direct annual tax on all taxable tangible property within the District sufficient to produce amounts necessary for the payment of the principal of and interest on the Bonds each year. Declining property values in the District, whether caused by national or global financial crises, natural disasters, local economic downturns, or other reasons, may require higher levy rates which may increase the burden on local taxpayers and affect certain taxpayers' willingness or ability to continue timely paying property taxes. See the section captioned "**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – History of Property Valuations**" in *Appendix A* attached to this Official Statement. In addition, the issuance of additional general obligation bonds by the District or other indebtedness by other political subdivisions in the District would increase the tax burden on taxpayers in the District. See the section captioned "**DEBT STRUCTURE OF THE DISTRICT – Overlapping or Underlying General Obligation Indebtedness**" in *Appendix A* attached to this Official Statement. Missouri law limits the amount of general obligation debt issuable by the District to 15% of the assessed valuation of taxable tangible property in the District. See the section captioned "**DEBT STRUCTURE OF THE DISTRICT – Legal Debt Capacity**" in *Appendix A* attached to this Official Statement. Other political subdivisions in the District are subject to similar limitations on general obligation debt imposed by Missouri law, including cities and counties, which are limited to general obligation debt to 20% and 10% of assessed valuation of taxable tangible property, respectively.

Concentration of property ownership in the District would expose the District's ability to collect ad valorem property taxes to the financial strength and ability and willingness of major taxpayers to pay property taxes. For information relating to major property taxpayers located within the District, see the section captioned "**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Major Property Taxpayers**" in *Appendix A* attached to this Official Statement.

Secondary Market Prices and Liquidity

The Underwriter will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance is given that any secondary market will develop following the completion of the offering of the Bonds and no assurance is given that the initial offering price for the Bonds will continue for any period of time.

Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in the operating performance or tax collection patterns of issuers. Particularly, prices of outstanding municipal securities should be expected to decline if prevailing market interest rates rise. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's or the issuer's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

No Reserve Fund or Credit Enhancement

No debt service reserve fund will be funded and no financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to insure payment of the Bonds. Accordingly, any potential purchaser of the Bonds should consider the financial ability of the District to pay the Bonds. As described under "**THE BONDS – Security and Sources of Payment for the Bonds**" in this Official Statement, the District has irrevocably pledged its full faith, credit and resources for the prompt payment of the Bonds and levied a direct annual tax, without limitation, sufficient to pay principal and interest on the Bonds on all taxable tangible property in the District.

Rating

Moody's Investors Service, Inc. ("**Moody's**") has assigned the Bonds the rating set forth on the cover page of this Official Statement. Such rating reflects only the views of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. There is no assurance that the rating will remain in effect for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely, by said rating agency if, in their judgment, circumstances warrant. Any such downward revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Bankruptcy

In addition to the limitations on remedies contained in the Bond Resolution, the rights and remedies provided by the Bonds may be limited by and are subject to (i) bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, (ii) the application of equitable principles, and (iii) the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against political subdivisions in the State of Missouri. The District, like all other Missouri political subdivisions, is specifically authorized by Missouri law to institute proceedings under Chapter 9 of the Federal Bankruptcy Code. Such proceedings, if commenced, are likely to have an adverse effect on the market price of the Bonds.

Amendment of the Bond Resolution

Certain amendments, effected by resolution of the District, to the Bonds and the Bond Resolution may be made with consent of the owners of not less than a majority in principal amount of the Bonds then outstanding. Such amendments may adversely affect the security of the owners of the Bonds.

Loss of Premium from Redemption

Any person who purchases the Bonds at a price in excess of their principal amount or who holds such Bonds trading at a price in excess of par should consider the fact that the Bonds are subject to redemption prior to maturity at the redemption prices described herein in the event such Bonds are redeemed prior to maturity. See the section captioned "**THE BONDS – Redemption Provisions**" herein.

Tax-Exempt Status and Risk of Audit

The failure of the District to comply with certain covenants set forth in the Bond Resolution could cause the interest on the Bonds to become included in federal gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bond Resolution does not provide for the payment of any additional interest, redemption premium or penalty if the interest on the Bonds becomes included in gross income for federal income tax purposes. See the section captioned "**TAX MATTERS**" herein.

The Internal Revenue Service (the "**IRS**") has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, the IRS, in accordance with its current published procedures, is likely to treat the District as the taxpayer, and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Defeasance Risks

When all Bonds are deemed paid and discharged as provided in the Bond Resolution, the requirements contained in the Bond Resolution and the pledge of the District's faith and credit thereunder and all other rights granted thereby will terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company moneys and/or Defeasance Obligations (as defined in the Bond Resolution) that, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the Bonds to the stated maturity or prior redemption date. There is no legal requirement in the Bond Resolution that Defeasance Obligations be rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets, and that could include the rating of Bonds defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

LEGAL MATTERS

Legal Proceedings

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the District or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act in connection with the authorization, issuance and sale of the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof, or which might affect the District's ability to meet its obligations to pay the Bonds.

Approval of Legality

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. Bond Counsel will also pass upon certain matters relating to this Official Statement.

TAX MATTERS

The following is a summary of the material Federal and State of Missouri income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of Federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the Federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding Federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Bonds:

Federal and Missouri Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Bonds are not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Bond counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the heading “**TAX MATTERS.**”

Other Tax Consequences

Original Issue Premium. If a Bond is issued at a price that exceeds the stated redemption price at maturity of the Bond, the excess of the purchase price over the stated redemption price at maturity constitutes “premium” on that Bond. Under Section 171 of the Code, the purchaser of that Bond must amortize the premium over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for Federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner’s basis is reduced, no Federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Original Issue Discount. For Federal income tax purposes, original issue discount (“OID”) is the excess of the stated redemption price at maturity of an OID Certificate over its issue price. The issue price of an OID Certificate is the first price at which a substantial amount of the OID Certificates have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of an OID Certificate during any accrual period generally equals (1) the issue price of such OID Certificate, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on such OID Certificate (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on such OID Certificate during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for Federal income tax purposes, and will increase the owner’s tax basis in that OID Certificate. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

MISCELLANEOUS

Bond Rating

Moody's Investors Service, Inc. ("**Moody's**") has assigned the Bonds the rating set forth on the cover page of this Official Statement. Such rating reflects only the view of Moody's at the time the rating is given, and the District and the Underwriter make no representation as to the appropriateness of the rating or that the rating will not be changed, suspended or withdrawn.

The District has furnished Moody's with certain information and materials relating to the Bonds and the District that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. The Underwriter has not undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such revision or withdrawal of the rating could have an adverse effect on the market price and marketability of the Bonds.

Underwriting

Based upon bids received by the District on March 13, 2017, the Bonds were awarded to Robert W. Baird & Co. Inc., Red Bank, New Jersey (the "**Underwriter**"). The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the District at a purchase price of \$10,034,453.55 (equal to the par

amount of the Bonds plus a net original issue premium of \$176,441.05, less an underwriting discount of \$141,987.50). The Underwriter is purchasing the Bonds from the District for resale in the normal course of the Underwriter's business activities. The Underwriter may sell certain of the Bonds at a price greater than such purchase price, as shown on the inside cover page hereof. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

Financial Advisor

Piper Jaffray & Co., Leawood, Kansas, is employed as financial advisor to the District to render certain professional services, including advising the District on a plan of financing in connection with the issuance of the Bonds (the "**Financial Advisor**"). The Financial Advisor has read and participated in the preparation of certain portions of this Official Statement and has supervised the compilation and editing thereof. The Financial Advisor has not, however, independently verified the factual and financial information contained in this Official Statement and, accordingly, expresses no view as to the sufficiency or accuracy thereof.

Certain Relationships

Gilmore & Bell, P.C., Bond Counsel, has represented the Financial Advisor in transactions unrelated to the issuance of the Bonds, but is not representing the Financial Advisor in connection with the issuance of the Bonds.

Certification and Other Matters Regarding Official Statement

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the District, certified public accountants, and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized.

Simultaneously with the delivery of the Bonds, the President of the Board of Education, acting on behalf of the District, will furnish to the purchaser of the Bonds a certificate which shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

The form of this Official Statement, and its distribution and use by the purchaser of the Bonds has been approved by the District. Neither the District nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the District or the District's ability to make payments required of it; and further, neither the District nor its officers, directors or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the District by the Bond Resolution.

Continuing Disclosure

Pursuant to a Continuing Disclosure Undertaking, the District has agreed to provide to the Municipal Securities Rulemaking Board (the "**MSRB**"), *via* the EMMA system, not later than 180 days after the end of each fiscal year, beginning with the District's fiscal year ending June 30, 2017, (1) the audited financial statements of the District for that fiscal year and (2) certain operating data of the District (the "**Annual**

Report”). The financial statements of the District are audited by the District’s independent certified public accountants. The District has also agreed to provide prompt notice of the occurrence of certain material events with respect to the Bonds. See *Appendix C: “Form of Continuing Disclosure Undertaking.”*

The District has entered into prior undertakings under Rule 15c2-12 (the “**Rule**”). The District believes it has complied during the past five years with its prior undertakings under the Rule, except as follows:

The District did not file a notice of bond insurer rating change related to its General Obligation School Building Bonds, Series 2007A; however, the District believes this information was disseminated or publicly available through other sources.

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APPENDIX A

**THE SCHOOL DISTRICT OF COLUMBIA,
BOONE COUNTY, STATE OF MISSOURI**

GENERAL, ECONOMIC AND FINANCIAL INFORMATION

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GENERAL AND ECONOMIC INFORMATION CONCERNING THE DISTRICT

Location and Size

The District is located in Boone County, Missouri, and encompasses approximately 303 square miles. Most of the residents of the District reside within the City of Columbia (highlighted in map at right). The District also includes surrounding unincorporated areas in Boone County.



Population

	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2015</u>
District	80,456	94,307	112,803	145,307
Columbia	62,061	69,101	84,531	119,108
Boone County	100,376	112,379	135,454	174,974
State of Missouri	4,916,766	5,117,073	5,595,211	6,083,672

Source: U.S. Census Bureau, American Community Survey.

Government and Organization

The District is a seven-director school district formed pursuant to Chapter 162 of the Revised Statutes of Missouri. The District is governed by a seven-member Board of Education. The members of the Board are elected by the voters of the District for three-year staggered terms. All Board members are elected at-large and serve without compensation. The Board is responsible for all policy decisions. The President of the Board is elected by the Board from among its members for a term of one year and has no regular administrative duties. The Secretary and Treasurer are appointed by the Board and may or may not be members of the Board.

The Board of Education appoints the Superintendent of Schools who is the chief administrative officer of the District responsible for carrying out the policies set by the Board. Additional members of the administrative staff are appointed by the Board of Education upon recommendation by the Superintendent.

The current members and officers of the Board of Education are:

<u>Name</u>	<u>Office</u>	<u>First Elected or Appointed</u>	<u>Current Term Began</u>	<u>Current Term Expires</u>
Mr. James Whitt	President and Member	6/2009	4/2016	4/2019
Mr. Jonathan Sessions	Vice President and Member	4/2010	4/2014	4/2017
Mr. Paul Cushing	Member	4/2014	4/2014	4/2017
Ms. Christine King	Member	4/2009	4/2015	4/2018
Ms. Janis Mees	Member	4/2007	4/2016	4/2019
Mr. Darin Preis	Member	4/2012	4/2015	4/2018
Ms. Helen Wade	Member	4/2011	4/2014	4/2017

The Board has appointed Tracy Davenport, as Secretary of the Board of Education. Ms. Davenport is also employed by the District as Executive Assistant to the Chief Financial Officer and Chief Operations Officer. Ms. Linda D. Quinley is the District's Chief Financial Officer and Chief Operations Officer. She also serves as the Treasurer of the Board of Education.

The Superintendent of Schools is Dr. Peter Stiepleman. He has served as an educator and an administrator for approximately 18 years. Prior to his appointment in 2014, Dr. Stiepleman served as Assistant

Superintendent for Elementary Education at the District from 2010 to 2014. Dr. Stiepleman holds a Bachelor of Arts in Spanish from Skidmore College in Saratoga Springs, New York, and a Master of Education and an Education Doctorate from Mills College in Oakland, California.

Educational Facilities

The following table contains descriptive information on the various schools and sites owned by the District. Beginning in the fall of 2013, all secondary schools were reorganized. All schools serving grades 6 through 9 became middle schools for grades 6 through 8. All four high schools now serve grades 9 through 12.

<u>Name of School</u>	<u>Grades Served</u>
Battle High School 7575 St. Charles Road	PS/9-12
Hickman High School 1104 North Providence Road	PS/9-12
Rock Bridge Senior High School 4303 South Providence Road	PS/9-12
Frederick Douglass High School 310 North Providence Road	PS/6-12
Jefferson Middle School 713 Rogers Street	6-8
Oakland Middle School 3405 Oakland Place	6-8
West Middle School 401 Clinkscapes Road	6-8
Ann Hawkins Gentry Middle School 4200 Bethel Street	6-8
John B. Lange Middle School 2201 E. Smiley Lane	6-8
Smithton Middle School 3600 West Worley Street	6-8
Benton Elementary School 1410 Hinkson Avenue	K-5
Blue Ridge Elementary School 2801 Leeway Drive	PS-5
Cedar Ridge Elementary School 1100 Roseta Avenue	K-5
Derby Ridge Elementary School 4000 Derby Ridge Drive	PS-5
Fairview Elementary School 909 Fairview Road	PS-5
Alpha Hart Lewis Elementary School 5801 Arbor Pointe Parkway	K-5
Grant Elementary School 10 East Broadway	PK/PS-5
Robert E. Lee Elementary School 1208 Locust	K-5
Midway Heights Elementary School 8130 West Highway 40	K-5

<u>Name of School</u>	<u>Grades Served</u>
Mill Creek Elementary School 2200 Nifong Blvd. West	K-5
New Haven Elementary School 3301 New Haven Road	K-5
Parkade Elementary School 111 Parkade Boulevard	PS-5
Mary Paxton Keeley Elementary School 201 Park DeVille	K-5
John Ridgeway Elementary School 107 East Sexton Road	K-5
Rock Bridge Elementary School 5151 S. Highway 163	PS-5
Russell Boulevard Elementary School 1800 West Rollins Road	PS-5
Shepard Boulevard Elementary School 2616 Shepard Boulevard	PS-5
Two Mile Prairie Elementary School 5450 North Highway Z	K-5
West Boulevard Elementary School 319 West Boulevard North	PS-5
Eliot Battle Elementary 2500 Battle Avenue	PS-5
Beulah Ralph Elementary 5801 South Highway KK	K-5
Center for Gifted Education (Field School) 1010 Range Line	2-5
Title I Preschool (Field School) 1010 Rangeline Street	PS/PK
Early Childhood Education Center 4001 Waco Road	PS/PK
Early Childhood Discovery Center 901 Rainforest Parkway	PS/PK
Center for Early Learning – North 2191 E. Smiley Lane	PS/PK
Center for Responsive Education (CORE) 4600 Bethel Road	--

History of Enrollment

The following table shows student enrollment in the District as of the last Wednesday in September, for each of the last four completed school years and the current school year.

	<u>2012-13</u>		<u>2013-14⁽¹⁾</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Preschool (PK)	733	Preschool (PK/PS)	668	686	750	788
Elementary (K-5)	8,091	Elementary (K-5)	8,331	8,403	8,315	8,287
Middle (6-7)	2,594	Middle (6-8)	3,849	3,784	3,864	3,983
Junior High (8-9)	2,512		-	-	-	-
Senior High (10-12)	<u>3,792</u>	Senior High (9-12)	<u>5,057</u>	<u>5,100</u>	<u>5,039</u>	<u>5,112</u>
Total	17,722	Total	17,905	17,973	17,968	18,170

Source: Missouri Department of Elementary and Secondary Education for fiscal years ended June 30, 2013 through 2016; District for fiscal year ending June 30, 2017.

⁽¹⁾ Secondary schools reorganized in the fall of 2013.

Other District Statistics

The following table shows additional information about the District compiled by the Department of Elementary and Secondary Education for the last five completed fiscal years for which such information is available.

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Avg. Daily Attendance (ADA)	16,183	16,311	16,649	16,671	16,689
Rate of Attendance	94.4%	94.6%	94.7%	94.3%	94.8%
Current Expenditures per ADA	\$9,419	\$9,922	\$10,488	\$10,698	\$10,942
Students per Teacher	13	13	13	13	13
Students per Classroom Teacher	20	19	18	18	17

Source: Missouri Department of Elementary and Secondary Education.

School Rating and Accreditation

DESE administers the Missouri School Improvement Program (“MSIP”) the state’s school accountability system for reviewing and accrediting public school districts in Missouri. Since MSIP was established in 1990, four review cycles have been completed, each cycle lasting from five to six years. The fifth cycle, referred to as MSIP 5, began in the 2012-13 school year.

DESE computes an Annual Performance Report (APR) for every public school district and charter local education agency and for each school. This overall score is comprised of scores for each of the MSIP 5 performance standards: (1) Academic Achievement (percent proficient or advanced in English language arts, mathematics, science and social studies), (2) Subgroup Achievement (percent proficient or advanced in English language arts, mathematics, science and social studies for students in certain super subgroups (Hispanic, Black, FRL (free/reduced price lunch eligible), IEP (Individualized Education Program for child with disability), ELL (English Language Learners)), (3) High School Readiness (K-8 districts) or College and Career Readiness (K-12 districts) based on certain test scores, (4) Attendance Rate, and (5) Graduation Rate (K-12 districts). Status, progress and growth (where applicable) are used to calculate a comprehensive score used to determine the accreditation level of a school district.

Under MSIP 5, there are four levels of school accreditation: (1) Accredited With Distinction, for districts with equal to or greater than 90% of the points possible on the APR and meeting other criteria yet to be determined by the State Board of Education, (2) Accredited, for districts with scoring equal to or greater than 70% of the points possible on the APR, (3) Provisional, for districts with equal to or greater than 50% but

less than 70% of the points possible on the APR, and (4) Unaccredited, for districts scoring less than 50% of the points possible on the APR. In the District's 2016 APR, the District earned 86.8% of the points possible, placing the District in the "Accredited" category.

The MSIP classification is not a bond or debt rating, but is solely an evaluation made by DESE.

Municipal Services and Utilities

The City of Columbia provides the normal range of governmental services for facilities within the city limits, maintenance, police protection, fire protection, street and bridges, civil defense and joint communications, code enforcement, building inspections, health services, animal control and parks.

In addition, the City of Columbia owns and operates several enterprise operations. Enterprise operations include electric (generation and distribution), water, sewer, refuse collection, airport, transit system, and recreation services. Enterprise operations derive their revenues entirely from user fees, with the exception of the airport, transit system and recreation services, which receive operating subsidies from the City of Columbia's General Fund.

Medical and Health Facilities

There are approximately 1,700 hospital beds and approximately 800 doctors in Columbia including specialists in every field. Columbia has been chosen by various levels of government as a regional and statewide focal point for medical services. Columbia's medical facilities are comparable to those found in a city of nearly half a million population.

Three of Columbia's six hospitals specialize in the care of general acute illnesses: Boone Hospital Center, University Women's and Children's Hospital and University Hospital, which is a teaching hospital. The Eye Research Foundation of Missouri, sponsored by the Lions Club, is also located in Columbia. The Mid-Missouri Mental Health Center is a short-term intensive treatment facility for children and adults. The Harry S. Truman Memorial Veterans Hospital serves the needs of veterans in the central Missouri area. Two medical facilities specializing in cancer research and patient care are the Ellis Fischel Cancer Center and the Cancer Research Center.

Charter Behavioral Health System of Columbia, a psychiatric hospital with 96 beds, provides general psychiatric services to both youth and adults.

Special services for persons with mental retardation and developmental disabilities are offered by the Woodhaven Learning Center, which offers vocational and self-development training programs.

A variety of retirement and nursing facilities provide Columbia's older citizens with care and medical assistance. Several retirement homes are also located in Columbia.

Transportation and Communications Facilities

Columbia is located in the center of Missouri and serves as a crossroads for travelers going east and west on Interstate 70, and north and south on U.S. 63.

Sixteen motor carriers provide full truck freight service to Kansas City, St. Louis, Chicago and other midwestern markets. Branch lines of the Norfolk & Southern Railway make daily freight stops in Columbia. In addition, United Parcel Service, Federal Express and DHL offer delivery services from Columbia to most states in the nation.

American Airlines services Columbia Regional Airport located eleven miles southeast of Columbia. The airport serves both Columbia and Jefferson City, the state capital of Missouri, which is located 30 miles southeast of Columbia. Private flying service and charter flights are also available at the Columbia Regional Airport.

The City-operated transit system runs scheduled routes throughout the City on Monday through Saturday with special routes serving morning and evening commuters.

Media coverage is provided by two local daily newspapers, six television stations and fifteen local radio stations. The *Columbia Missourian*, a morning newspaper, is written and edited by students under the supervision of professionals at the University of Missouri School of Journalism. The evening newspaper, the *Columbia Daily Tribune*, is locally owned and independent. Television programming is available from the major networks through four local stations and two in Jefferson City. Mediacom Cable Service and Charter Communications Capital Cable television services offer viewers additional channel capacity for broadcasts.

Recreational and Cultural Facilities

Year-round activity programs are sponsored by the City of Columbia's Parks and Recreation Department, which maintains various recreational centers and more than 40 city and neighborhood parks. Park facilities in Columbia include nature trails, fishing lakes, picnic areas, playgrounds, year-round swimming facilities, lighted tennis courts and golf courses.

Two major state parks are within a few miles of Columbia's city limits. The Lake of the Ozarks, a popular recreational resort area, is located approximately eighty miles southwest of Columbia.

Private clubs and commercial enterprises offer dance, roller skating, bowling, gymnastics, tennis, handball, golf and swimming. College and University facilities are also open to the public when classes are not in session.

Because it is the site of a major university and two progressive liberal arts colleges, Columbia has cultural activities that are rare for a community of its size. The stars of theater and music, rock and folk bands, symphony orchestras and dance groups regularly schedule appearances in Columbia. Columbia offers a civic band, community summer theater and radio drama programs for local participation. The Columbia Art League, in conjunction with the University, exhibits and promotes student and local artwork.

The Daniel Boone Regional Library is located in Columbia and serves other areas of Boone County with a traveling bookmobile. The library is an active focal point for children's organized programs, exhibits for local artists and meeting rooms for community groups. Other major library resources in Columbia include the University's Ellis Library, the State Historical Society of Missouri and the Western Historical Manuscript Collection.

Columbia has become a regional shopping center for the central Missouri area. Specialty shops, department stores and discount centers are located in the downtown shopping area, as well as the Columbia Mall and numerous shopping plazas in the City's suburban areas. Three multi-story parking garages are located one-half block from the City's downtown area, and downtown shops are within walking distance of the college campuses.

Economy

The City of Columbia is located midway between St. Louis and Kansas City at the crossroads of Interstate 70 and U.S. Highway 63. Medical and research facilities form a major portion of the City of Columbia's economic base. Six major hospitals employ a significant portion of the area work force in medically related occupations. In addition, the City of Columbia serves as the home of several major insurance companies and many light industrial facilities.

Education is also a major employer in the area due to the University of Missouri, Columbia College and Stephens College, as well as the Columbia School District, being located in the City of Columbia.

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

Employment

Listed below are the major employers located in the District and the approximate number of employed by each:

<u>Major Employers</u>	<u>Type of Business</u>	<u>Number of Employees</u>
University of Missouri-Columbia	Education	8,740
University Hospital and Clinics	Medical/Education	4,502
Columbia Public Schools	Education	2,524
Boone Hospital Center	Medical	2,000
Veterans United Home Loans	Veterans Home Loans	1,442
Harry S Truman Veterans Hospital	Medical	1,400
City of Columbia	City Government	1,360
Shelter Insurance Companies	Insurance	1,128
MBS Textbook Exchange, Inc.	Distribution of Textbooks	851
State Farm Insurance Companies	Insurance	850
Joe Machens Dealerships	Automobile Dealer	711
Columbia College	Education	676
Hubbell Power Systems, Inc.	Electric Utility Equipment	580
Kraft Foods Columbia	Food Processing	550
State of Missouri (excludes MU)	State Government	503
Boone County Government	County Government	448
ABC Laboratories, Inc.	Analytical Services	388
MidwayUSA	Hunting & Gun-Related Products	321
Boyce and Bynum Pathology Labs	Medical Laboratory	310
US Postal Service	Government Mail Delivery	303
IBM	Information Technology	287
Central Bank of Boone County	Financial Institution	286
Missouri Employers Mutual Insurance	Insurance	270

Source: Columbia Regional Economic Development, Inc., Columbia/Boone County, Missouri FACTS 2016.

The following tables set forth unofficial employment figures for Boone County for the last five years:

<u>Average for Year</u>	<u>Total Labor Force</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2016 ⁽¹⁾	101,943	3,275	3.2%
2015	100,284	3,491	3.5
2014	98,216	4,060	4.1
2013	97,264	4,377	4.5
2012	96,158	4,379	4.6

Source: MERIC (Missouri Economic Research and Information Center – *Local Area Unemployment Statistics*).

⁽¹⁾ Average of January through December.

Agriculture

The agricultural industry in Boone County consists of farming, food processing, wholesaling, storage and retailing. Major livestock includes cattle, hogs and horses. Dairying and poultry production are limited.

Building Construction

The following table indicates the number of building permits and total estimated valuation of these permits issued within the City of Columbia over a five-year period and 2016 to date. These numbers reflect permits issued either for new construction or for major renovation.

<u>Year</u>	<u>Number of Permits Issued</u>			<u>Estimated Valuation</u>		
	<u>Residential</u>	<u>Non-Residential</u>	<u>Total</u>	<u>Residential</u>	<u>Non-Residential</u>	<u>Total</u>
2016 ⁽¹⁾	1,036	236	1,315	\$199,235,378	\$111,980,844	\$311,216,222
2015	1,178	271	1,449	218,812,104	121,687,541	340,499,645
2014	1,052	265	1,317	227,367,340	120,071,137	347,438,477
2013	1,571	286	1,857	198,235,099	97,428,318	295,663,417
2012	1,471	250	1,721	161,252,258	108,524,793	269,777,051
2011	707	236	943	165,156,293	90,542,865	255,699,158

Source: City of Columbia, Department of Public Works.

⁽¹⁾ December 2016 calendar year to date.

Other Statistics

Income.

The following table shows certain per capita personal income for Boone County and the State of Missouri:

<u>Year</u>	<u>Boone County</u>	<u>State of Missouri</u>
2015	\$42,302	\$42,300
2014	41,035	41,107
2013	40,309	39,847

Source: U.S. Department of Commerce - Bureau of Economic Analysis.

⁽¹⁾ Per Capita Personal Income is the annual total personal income of residents divided by resident population as of July 1. **“Personal Income”** is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and transfer payments. **“Net Earnings”** is earnings by place of work — the sum of wage and salary disbursements (payrolls), other labor income, and proprietors’ income — less personal contributions for social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal Income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

Housing.

Median Housing Value of Owner-Occupied Housing Units

District	\$173,700
Boone County	181,000
City of Columbia	177,400
State of Missouri	147,800

Sources: U.S. Census Bureau, American Community Survey, 2015.

DEBT STRUCTURE OF THE DISTRICT

Overview

The following table summarizes certain financial information concerning the District. This information should be reviewed in conjunction with the information contained in this section and the financial statements of the District in *Appendix B* hereto.

2016 Assessed Valuation ⁽¹⁾	\$2,327,173,948
2016 Estimated Actual Valuation ⁽²⁾	\$10,217,071,517
Outstanding General Obligation Bonds (“ Direct Debt ”)	\$270,232,000
Estimated Population (2015)	145,307
Per Capita Direct Debt	\$1,889.73
Ratio of Direct Debt to Assessed Valuation	11.61%
Ratio of Direct Debt to Estimated Actual Valuation	2.64%
Overlapping and Underlying General Obligation Debt (“ Indirect Debt ”) ⁽³⁾	\$10,697,234
Total Direct and Indirect Debt	\$280,929,234
Per Capita Direct and Indirect Debt	\$1,933.35
Ratio of Direct and Indirect Debt to Assessed Valuation	12.07%
Ratio of Direct and Indirect Debt to Estimated Actual Valuation	2.75%

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- (1) Includes 2016 real and personal property certified by the Boone County Clerk, excluding state assessed railroad and utility property located within the District. For further details see the section “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT**” herein.
- (2) Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ratio. For a detail of these different classes and ratios see the section “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT**” herein.
- (3) For further details see the section “**DEBT STRUCTURE OF THE DISTRICT – Overlapping or Underlying Indebtedness**” herein.

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Current Long-Term General Obligation Indebtedness

The following table sets forth all of the outstanding general obligation indebtedness of the District following issuance of the Bonds. The amounts outstanding shown below exclude principal of bonds either refunded or defeased for which the District has funds deposited with escrow agents under escrow trust agreements in such amounts to be sufficient, together with the interest to accrue thereon, to pay such bonds.

<u>Category of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Amount Outstanding</u> ⁽¹⁾
General Obligation Qualified School Construction Bonds, Series 2009B (Tax Credit Bonds)	November 19, 2009	\$ 9,187,000
General Obligation Refunding Bonds, Series 2010B	October 12, 2010	1,925,000
General Obligation Qualified School Construction Bonds, Series 2010C (Direct-Pay Bonds)	November 18, 2010	6,465,000
General Obligation Refunding & Improvement Bonds, Series 2011	June 1, 2011	42,750,000
General Obligation Refunding and Improvement Bonds, Series 2012	April 4, 2012	38,655,000
General Obligation Refunding and Improvement Bonds, Series 2013	May 1, 2013	9,065,000
General Obligation Bonds, Series 2014	March 5, 2014	49,480,000
General Obligation Refunding and Improvement Bonds, Series 2015	April 22, 2015	67,555,000
General Obligation Refunding and Improvement Bonds, Series 2016	April 28, 2016	35,150,000
General Obligation School Building Bonds, Series 2017	April 12, 2017	<u>10,000,000</u>
TOTAL		<u>\$270,232,000</u>

⁽¹⁾ Excludes principal payments on outstanding bonds made on March 1, 2017.

History of General Obligation Indebtedness

The following table sets forth debt information pertaining to the District as of the end of each of the following fiscal years:

<u>As of June 30</u>	<u>Total Outstanding Debt</u> ⁽¹⁾	<u>Debt as % of Assessed Value</u> ⁽²⁾
2016	\$298,732,000	12.00%
2015	274,392,000	12.49
2014	225,302,000	10.57
2013	189,402,000	9.06
2012	210,472,000	10.29

Source: CAFR Fiscal Years Ended June 30, 2012 through 2016.

⁽¹⁾ Includes bonds that have been advance refunded and will be paid and redeemed pursuant to an escrow trust agreement.

⁽²⁾ Excludes state assessed railroad and utility property; if state assessed railroad and utility property were taken into account, the net debt as a percentage of total assessed valuation would be lower than 15%, the maximum percentage allowed by the Missouri Constitution. For more information see the section “**Legal Debt Capacity**” herein.

The District has never defaulted on the payment of any of its debt obligations.

Debt Service Requirements

The following schedule shows the yearly principal and interest requirements for all general obligation bonds of the District that will be outstanding after the issuance of the Bonds.

Fiscal Year Ended <u>June 30</u>	All Outstanding Bonds ⁽¹⁾		Bonds Being Offered		<u>Total</u>
	<u>Principal</u>	<u>Interest</u> ⁽²⁾	<u>Principal</u>	<u>Interest</u>	
2017	\$ 11,200,000.00 ⁽³⁾	\$ 10,310,617.00 ⁽³⁾	-	-	\$ 21,510,617.00
2018	11,505,000.00	10,235,876.00	-	\$ 307,552.56	22,048,428.56
2019	10,360,000.00	9,922,476.00	-	347,081.26	20,629,557.26
2020	11,275,000.00	9,590,076.00	-	347,081.26	21,212,157.26
2021	5,645,000.00	9,202,276.00	-	347,081.26	15,194,357.26
2022	19,727,000.00	9,003,415.00	\$ 240,000.00	347,081.26	29,317,496.26
2023	10,060,000.00	8,509,206.00	250,000.00	337,481.26	19,156,687.26
2024	10,475,000.00	8,062,656.00	260,000.00	327,481.26	19,125,137.26
2025	10,855,000.00	7,592,406.00	270,000.00	314,481.26	19,031,887.26
2026	12,150,000.00	7,088,906.00	280,000.00	300,981.26	19,819,887.26
2027	13,190,000.00	6,531,586.00	295,000.00	286,981.26	20,303,567.26
2028	14,280,000.00	5,975,636.00	305,000.00	279,606.26	20,840,242.26
2029	8,895,000.00	5,393,594.00	315,000.00	270,456.26	14,874,050.26
2030	22,965,000.00	5,002,300.00	330,000.00	261,006.26	28,558,306.26
2031	18,065,000.00	4,228,850.00	345,000.00	251,106.26	22,889,956.26
2032	19,805,000.00	3,376,726.00	355,000.00	240,756.26	23,777,482.26
2033	20,595,000.00	2,538,676.00	370,000.00	229,662.50	23,733,338.50
2034	19,320,000.00	1,684,100.00	385,000.00	217,637.50	21,606,737.50
2035	12,065,000.00	837,200.00	1,900,000.00	205,125.00	15,007,325.00
2036	<u>9,000,000.00</u>	<u>400,000.00</u>	2,000,000.00	141,000.00	11,541,000.00
2037			<u>2,100,000.00</u>	<u>73,500.00</u>	<u>2,173,500.00</u>
TOTAL	<u>\$271,432,000.00</u>	<u>\$125,486,578.00</u>	<u>\$10,000,000.00</u>	<u>\$5,433,140.20</u>	<u>\$412,351,718.20</u>

⁽¹⁾ Excludes bonds that have been advance refunded and will be paid and redeemed pursuant to an escrow trust agreement.

⁽²⁾ Interest requirements during fiscal years ending June 30, 2017 through 2030 assumes the IRS 2016 sequestration rate of 6.8% for the District's outstanding General Obligation Qualified School Construction Bonds, Series 2010C, remains in place until the final maturity of the Series 2010C Bonds on September 1, 2029.

⁽³⁾ Totals include debt service payments that have been made on September 1, 2016, and March 1, 2017, respectively, during the District's current fiscal year ending June 30, 2017.

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Overlapping or Underlying General Obligation Indebtedness

The following table sets forth overlapping and underlying general obligations indebtedness of political subdivisions with boundaries overlapping the District or lying within the District following the issuance of the Bonds, and the percent attributable (on the basis of assessed valuation) to the District, based on information furnished by the jurisdictions responsible for the debt. The District has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time. The general obligation indebtedness is as of April 1, 2017.

<u>Jurisdiction</u>	<u>Obligations Outstanding</u>	<u>Percent Attributable to the District</u>	<u>Amount Attributable to the District</u>
Boone County	\$ 1,684,400	86.0%	\$ 1,448,584
Boone County Fire Protection District	11,085,000	69.0	7,648,650
Columbia Library District	1,600,000	100.0	<u>1,600,000</u>
Total			<u>\$10,697,234</u>

Source: CAFR Fiscal Year Ended June 30, 2016; Missouri State Auditor Bond Registration Reports.

Legal Debt Capacity

Under Article VI, Section 26(b) of the Constitution of Missouri, the District may incur indebtedness for authorized school district purposes not to exceed 15% of the valuation of taxable tangible property in the District according to the last completed assessment upon the approval of four-sevenths of the qualified voters in the District voting on the proposition at any municipal, primary or general election or four-sevenths voter approval on any other election date.

The legal debt limitation and debt margin of the District are as follows:

Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b) (15% of 2016 assessed valuation)	\$349,076,092
General Obligation Bonds Outstanding, including the Bonds	<u>270,232,000</u>
Legal Debt Margin under Article VI, Sections 26(b)	<u>\$ 78,844,092</u>

The District’s debt margin would actually be greater if the value attributable to state assessed railroad and utility property were included in the calculation. Because of the manner in which tax collections are distributed to school districts from assessments of state assessed railroad and utility property (see the section “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT–Property Valuations–Current Assessed Valuation**” herein), the cumbersome task of determining the valuation of such property physically located within a school district is not normally undertaken unless, without the value of such property included in the calculation, the district would exceed its legal debt limit. It was not necessary to determine the value of state assessed railroad and utility property within the District because, even excluding such value, the principal amount of all of the District’s general obligation bonds outstanding is well below the constitutional limitation of 15% of the valuation of all other taxable tangible property within the District.

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Other Obligations of the District

Series 2011A and Series 2011B Certificates. On October 6, 2011, the District approved the delivery of (i) its Certificates of Participation (School District Administration Building Project), Series 2011A, in the original principal amount of \$8,120,000 (the “**Series 2011A Certificates**”) for the purpose of constructing an approximately 40,000 square foot addition to an existing building on the Administration Building site, as well as energy-efficiency improvements and other improvements to the existing Administration Building and (ii) its Certificates of Participation (Early Childhood Special Education Building Project), Series 2011B, in the original principal amount of \$895,000 (the “**Series 2011B Certificates**”) for the purpose of acquiring the Early Childhood Special Education Building site and improving the building currently located on the site to result in five classrooms and an indoor activity area for occupational therapy, physical therapy and gross motor-skill development. The District received approval for a multi-year federal grant administered by the Missouri Department of Elementary and Secondary Education to pay the costs of the EC-SPED Project. The grant is expected to be sufficient to reimburse the District for that portion of the Rental Payments distributable to Owners of the Series 2011B Certificates.

The following schedule shows the yearly Rental Payments that are payable by the District under the Lease, subject to annual appropriation, and that is distributable to owners of the Series 2011A Certificates and the Series 2011B Certificates:

Fiscal Year Ended June 30	Series 2011A Rental Payments			Series 2011B Rental Payments			TOTAL BASIC RENT
	Principal Portion	Interest Portion	Total	Principal Portion	Interest Portion	Total	
2017	\$ 210,000.00	\$ 295,402.00	\$ 505,402.00	\$110,000.00	\$ 9,457.50	\$119,457.50	\$ 624,859.50
2018	215,000.00	291,095.75	506,095.75	115,000.00	7,176.25	122,176.25	628,272.00
2019	225,000.00	286,084.50	511,084.50	115,000.00	4,560.00	119,560.00	630,644.50
2020	235,000.00	280,270.75	515,270.75	<u>120,000.00</u>	<u>1,590.00</u>	<u>121,590.00</u>	636,860.75
2021	245,000.00	273,604.50	518,604.50				518,604.50
2022	255,000.00	266,099.50	521,099.50				521,099.50
2023	270,000.00	257,624.50	527,624.50				527,624.50
2024	280,000.00	248,062.00	528,062.00				528,062.00
2025	295,000.00	237,490.75	532,490.75				532,490.75
2026	310,000.00	225,992.00	535,992.00				535,992.00
2027	330,000.00	213,342.00	543,342.00				543,342.00
2028	345,000.00	199,587.00	544,587.00				544,587.00
2029	365,000.00	184,849.50	549,849.50				549,849.50
2030	385,000.00	168,907.00	553,907.00				553,907.00
2031	405,000.00	151,820.75	556,820.75				556,820.75
2032	430,000.00	133,337.00	563,337.00				563,337.00
2033	455,000.00	112,651.00	567,651.00				567,651.00
2034	480,000.00	90,024.00	570,024.00				570,024.00
2035	510,000.00	66,066.00	576,066.00				576,066.00
2036	540,000.00	40,656.00	580,656.00				580,656.00
2037	<u>570,000.00</u>	<u>13,794.00</u>	<u>583,794.00</u>				<u>583,794.00</u>
Total	<u>\$7,355,000.00</u>	<u>\$4,036,760.50</u>	<u>\$11,391,760.50</u>	<u>\$460,000.00</u>	<u>\$22,783.75</u>	<u>\$482,783.75</u>	<u>\$11,874,544.25</u>

2009 Energy Savings Lease Purchase Agreement. In November, 2009, the District entered into an annually renewable Lease Purchase Agreement with The Bank of New York Mellon Trust Company, N.A., as trustee, in order to pay the costs of acquiring and installing certain equipment to be added to or used in the District's buildings and facilities and designed to reduce energy consumption or operating costs, including heating and air conditioning equipment and energy-efficient lighting. In order to provide funds to pay the costs of the Project, the trustee delivered \$2,690,000 principal amount of Certificates of Participation (School District of Columbia Energy Improvements Project), Series 2009 (the "**Certificates**"), pursuant to a Declaration of Trust made by the trustee.

The District has given notice to the trustee of its intention to exercise the option to purchase the trustee's interest in the leased property on March 1, 2017, at a prepayment price equal to the outstanding principal of the Certificates, using available cash of the District.

Other Capital Lease Obligations. The District does not currently have any capital leases outstanding. However, the District is considering entering into a lease purchase financing during calendar year ending December 31, 2017 as more fully described in the section "**Anticipated Issuance of Additional Long-Term Obligations – Capital Lease Obligations**" below.

Anticipated Issuance of Additional Long-Term Obligations

General Obligation Bonds. Following the issuance of the Bonds, the District will have \$5,000,000 in remaining voter authorized general obligation bonds, authorized at an election held April 8, 2014. At the April 5, 2016 election, the District's voters approved a proposition to authorize an additional \$30,000,000 of general obligation bonds to be issued by the District for the purpose of, among other things, constructing and improving new and existing school facilities, acquiring land and developing plans for a new middle school and improving technology. The District plans to issue the remaining voter-authorized general obligation bonds over the next three years. The District expects no increase in the debt service levy will be required in connection with the future issuance of these voter-authorized bonds.

Capital Lease Obligations. Currently, the District is planning to enter into an equipment lease purchase financing prior to fiscal year ending June 30, 2017, in the approximate amount of \$3,250,000 in order to finance the acquisition of laptop computers for each of the District's high school students as part of the implementation of the District's "1:1 Program."

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

The District follows a modified accrual basis of accounting in conformity with the requirements of Missouri law and the Department of Elementary and Secondary Education of the State of Missouri. Under this system, financial data is recorded on a modified accrual basis with revenues recorded when measurable and available and expenses being recognized in the period liquidated. Transactions are recorded in the following funds that the District is required to maintain for the accounting of all school moneys:

General (Incidental) Fund
Special Revenue (Teachers') Fund
Debt Service Fund
Capital Projects Fund

The Treasurer of the District is responsible for handling all moneys of the District and administering the above funds. All moneys received by the District from whatever source are credited to the appropriate fund.

Moneys may be disbursed from such funds by the Treasurer only for the purpose for which they are levied, collected or received and all checks must be signed by the President of the Board of Education and the Treasurer.

An annual budget of estimated receipts and disbursements for the coming fiscal year is prepared by the Superintendent and is presented to the Board of Education for approval, after a public hearing, prior to July 1. Once the budget is adopted and approved by the Board, the budget may be amended at the function and fund level only by approval of a majority of the members of the Board of Education. The District’s fiscal year is July 1 through June 30. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes and includes a statement of the rate of levy per hundred dollars of assessed valuation required to raise each amount shown on the budget as coming from District taxes.

The financial records of the District are audited annually by a firm of independent certified public accountants in accordance with generally accepted accounting standards. In recent years, the annual audit has been performed by Gerding, Korte & Chitwood; however, the annual audit for the fiscal years ended June 30, 2016, was completed by Marr and Company, P.C., Certified Public Accountants. A copy of the annual audit for the fiscal year ended June 30, 2016, is included in this Official Statement in *Appendix B*. A summary of significant accounting policies of the District is contained in the Notes accompanying the financial statements in *Appendix B*. Financial statements for earlier years are available for examination in the District’s office.

The School District of Columbia has been awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials (since fiscal year 1981) and the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting (since fiscal year 1982). The District was recognized by the GFOA as a 25-year recipient for the 2010 year. These awards are made only to governmental units, which publish a comprehensive annual financial report that is easily readable, efficiently organized and that conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. Receiving these awards is recognition that the District has met the highest standards of excellence in school financial reporting. The District submitted its annual report for the period ended June 30, 2016, for consideration in the awards programs.

Sources of Revenue

The District finances its operations through the local property tax levy, state sales tax, State Aid, federal grant programs and miscellaneous sources. Debt service on general obligation bonds is paid from amounts in the District’s Debt Service Fund. The primary source of money in the Debt Service Fund is local property taxes derived from a debt service levy. However, the Debt Service Fund may also contain money derived from transfers from the Incidental Fund described under the section “*Missouri School Finance Laws – Transfers from Incidental Fund to Debt Service Fund and/or Capital Projects Fund*,” from State Aid in the Classroom Trust Fund (discussed below), and from certain other taxes or payments-in-lieu-of-taxes which may be placed in the Debt Service Fund at the discretion of the Board of Education.

For the 2016-17 fiscal year, the District’s budgeted sources of revenue are as follows:

<u>Revenue Source</u>	<u>Amount</u>	<u>% of Total</u>
Local Revenue	\$132,521,138	63.3%
County and Utility Revenue	1,869,113	0.9
State Revenue	62,253,217	29.7
Federal Revenue	9,590,111	4.6
Other Revenue	<u>3,109,601</u>	<u>1.5</u>
Total	<u>\$209,343,180</u>	<u>100.0%</u>

Source: District’s 2016-17 Budget.

The table below shows the allocation of revenues received by the District for the past five fiscal years:

<u>Source</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Local Revenue ⁽¹⁾	\$133,288,435	\$142,813,125	\$143,965,043	\$156,109,721	\$158,724,797
State Revenue	53,237,292	55,896,664	56,634,476	60,051,646	62,639,289
Federal Revenue	16,843,071	15,791,959	15,517,090	15,939,055	15,658,146
Other Revenue ⁽²⁾	<u>289,959</u>	<u>1,025,581</u>	<u>458,296</u>	<u>345,178</u>	<u>220,377</u>
Total ⁽³⁾	<u>\$203,658,757</u>	<u>\$215,527,329</u>	<u>\$216,574,905</u>	<u>\$232,445,600</u>	<u>237,242,609</u>

Source: "Schedule of Revenues Classified By Source" in the District's CAFR for fiscal years ended 2012-2016.

(1) Includes County sources of revenue.

(2) Includes area vocational school fees, tuition from other districts, and proceeds from net insurance recovery.

(3) Revenues do not include bond proceeds or bond premiums.

Local Revenue

The primary sources of "local revenue" are (1) taxes upon real and personal property within a district, excluding railroad and utility property taxes, which are more fully described below under the caption "**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT**," and (2) receipts from a 1% state sales tax (commonly referred to as "**Proposition C revenues**") approved by the voters in 1982.

Proposition C sales tax proceeds are deemed to be "local" revenues for school district accounting purposes. Proposition C revenues are distributed to each school district on a per-pupil basis utilizing the district's weighted average daily attendance (see "**Weighted ADA**" under "**Missouri School Finance Laws**" below). For the 2015-2016 fiscal year, each school district received approximately \$948 per pupil from Proposition C revenues based upon the 2014-2015 Weighed ADA.

County Revenue

For school taxation purposes, all state assessed railroad and utility property within a county is taxed uniformly at a rate determined by averaging the tax rates of all school districts in the county. No determination is made of the assessed value of the railroad and utility property that is physically located within the boundaries of each school district. Such tax collections for each county are distributed to the school districts within that county according to a formula based in part on total student enrollments in each district and in part on the taxes levied by each district. County revenue also includes certain fines and forfeitures collected with respect to violations within the boundaries of the school district.

State Revenue

The primary source of state revenue or "State Aid" is provided under a formula enacted under Chapter 163 of the Revised Statutes of Missouri, as amended. In its 2005 regular session, the Missouri General Assembly approved significant changes to the formula by adoption of Senate Bill 287 ("**SB 287**"), which became effective July 1, 2006. The changes to State Aid distribution laws are more fully described below under "**Missouri School Finance Laws.**"

Federal Revenue

School districts receive certain grants and other revenue from the federal government, which are usually required to be used for the specified purposes of the grant or funding program.

Missouri School Finance Laws

State Aid. The amount of State Aid for school districts in Missouri has typically been calculated using a complex formula. The impact of SB 287 was to transition the State away from a local-tax-rate-based formula to a formula that is primarily student-needs based. The formula was phased in over a seven-year period, which began in the 2006-07 fiscal year and ended with the 2012-13 school year. Since the 2013-2014 school year, State Aid has been calculated solely using the student-needs-based formula.

Property Tax Levy Requirements. The sum of a district's local property tax levies in its Incidental and Teachers' Funds must be at least \$2.75 per \$100 assessed valuation in order for the district to receive increases in State Aid above the level of State Aid it received in the 2005-06 fiscal year. Levy reductions required as a result of a "Hancock rollback" (See "**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Rates – Tax Limitations Provisions**" below) will not affect a district's eligibility for State Aid increases.

The Formula. A district's State Aid is determined by first multiplying the district's weighted average daily attendance ("**ADA**") by the state adequacy target (discussed below). This figure may be adjusted upward by a dollar value modifier (discussed below). The product of the weighted ADA multiplied by the state adequacy target multiplied by the dollar value modifier is then reduced by a district's "local effort" (discussed below) to calculate a district's final State Aid amount.

Weighted ADA. Weighted ADA is based upon regular term ADA plus summer school ADA, with additional weight assigned in certain circumstances for students who qualify for free and reduced lunch, receive special education services, or possess limited English language proficiency. Students receive additional weighted treatment if, categorically, they exceed certain thresholds (based on the percentage of students in each of the categories in certain high performing districts known as "**Performance Districts**"), which thresholds can change every two years. The District's State Aid revenues would be adversely affected by decreases in its weighted ADA resulting from decreased enrollment generally and, specifically, decreased enrollment of students eligible for free and reduced lunch, special education students, or students with limited English language proficiency.

State Adequacy Target. The State Aid formula requires DESE to calculate a "State Adequacy Target," which is intended to be the minimum amount of funds a school district needs in order to educate each student. DESE's calculation of the State Adequacy Target is based upon amounts spent, excluding federal and State transportation revenues, by Performance Districts. Every two years, using the most current list of Performance Districts, DESE will recalculate the State Adequacy Target. The recalculation is not supposed to result in a decrease from the previous State Adequacy Target, but the 2015-2016 fiscal year was the first calculation year the State Adequacy Target had to be adjusted for underfunding. In May 2016, the Missouri General Assembly overrode the Governor's veto of Senate Bill 586 ("**SB 586**"), which restored a five percent cap on growth per the recalculation of the State Adequacy Target that was removed in 2009. SB 586 had an emergency clause and became effective July 1, 2016. For fiscal years 2017 and 2018, the State Adequacy Target is \$6,241 per pupil, however, because education funding is not expected to be fully funded, the State Adequacy Target will be at an adjusted level. A reasonably accurate prediction for the State Adequacy Target is usually not available until early fall because of factors such as determining what will actually be available for distribution (the Governor can restrict certain appropriations) and determining summer school ADA.

Dollar Value Modifier. The dollar value multiplier ("**DVM**") is an index of the relative purchasing power of a dollar, calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the state median wage per job) minus one. The law provides that the DVM can never be less than 1.0. DESE revises the DVM for each district on an annual basis. DESE's calculation for 2016-17 for the District is 1.034.

Local Effort. For the 2006-07 fiscal year, the “local effort” figure utilized in a district’s State Aid calculation was the amount of locally generated revenue that the district would have received in the 2004-05 fiscal year if its operating levy was set at \$3.43. The \$3.43 amount is called the “performance levy.” Since the 2006-07 fiscal year, a district’s “local effort” amount has been frozen at the 2006-07 amount, except for adjustments due to increased locally collected fines or decreased assessed valuation in the district. Growth in assessed valuation and operating levy increases will result in additional local revenue to the district, without affecting State Aid payments.

Categorical-Source Add-Ons. In addition to State Aid distributed pursuant to the formula as described above, the formula provides for the distribution of certain categorical sources of State Aid to school districts. These include (1) 75% of allowable transportation costs, (2) the vocational education entitlement, and (3) educational and screening program entitlements.

Classroom Trust Fund (Gambling Revenue) Distribution. A portion of the state aid received under the formula will be in the form of a distribution from the “Classroom Trust Fund” in the state treasury containing a portion of the State’s gambling revenues. This money is distributed to school districts on the basis of average daily attendance (versus weighted ADA, which applies to the basic formula distribution). The funds deposited into the Classroom Trust Fund are not earmarked for a particular fund or expense and shall be spent at the discretion of the local school district, except that, beginning with the 2010-11 fiscal year, all proceeds of the Classroom Trust Fund in excess of amounts received in the 2009-10 fiscal year must be placed in the Teachers’ or Incidental Funds. Classroom Trust Fund dollars do not increase the amount of State Aid.

Mandatory Deposit and Expenditures of Certain Amounts in the Teachers’ Fund. The following state and local revenues must be deposited in the Teachers’ Fund: (1) 75% of basic formula State Aid, excluding State Aid distributed from the Classroom Trust Fund (gambling revenues); (2) 75% of one-half of the district’s local share of Proposition C revenues; and (3) 100% of local revenue from fines and escheats based on violations or abandoned property within the district’s boundaries.

In addition to these mandatory deposits, school districts are also required to spend for certificated staff compensation and tuition expenditures each year the amounts described in clauses (1) and (2) of the preceding paragraph. Beginning in the 2007-08 fiscal year, school districts were further required to spend for certificated staff compensation and tuition expenditures each year, per the second preceding year’s weighted ADA, as much as was spent in the previous year from local and county tax revenues deposited in the Teachers’ Fund, plus the amount of any transfers from the Incidental Fund to the Teachers’ Fund that are calculated to be local and county tax sources. This amount is to be determined by dividing local and county tax sources in the Incidental Fund by total revenue in the Incidental Fund. Commencing with the 2006-07 fiscal year, the formula provides that certificated staff compensation now includes the costs of public school retirement and Medicare for those staff members. These items were previously paid from the Incidental Fund.

Failure to satisfy the deposit and expenditure requirements applicable to the Teachers’ Fund will result in a deduction of the amount of the expenditure shortfall from a district’s basic formula State Aid for the following year, unless the district receives an exemption from the State Board of Education. In fiscal years 2010-11 through 2012-13, under certain circumstances, school districts were excused from compliance with certain spending requirements for professional development, as well as certain of these fund placement and expenditure requirements.

A school board may transfer any portion of the unrestricted balance remaining in the Incidental Fund to the Teachers’ Fund. Any district that uses a transfer from the Incidental Fund to pay for more than 25% of the annual certificated compensation obligation of the district, and has an Incidental Fund balance on June 30 in any year in excess of 50% of the combined Incidental and Teachers’ Fund expenditures for the fiscal year just ended, will be required to transfer the excess from the Incidental Fund to the Teachers’ Fund.

Limited Sources of Funds for Capital Expenditures. School districts may only pay for capital outlays from the Capital Projects Fund. Sources of revenues in the Capital Projects Fund are limited to: (i) proceeds of general obligation bonds (which are repaid from a Debt Service Fund levy), (ii) revenue from the school district's local property tax levy for the Capital Projects Fund; (iii) certain permitted transfers from the Incidental Fund, and (iv) a portion of the funds distributed to school districts from the Classroom Trust Fund.

Capital Projects Fund Levy. Prior to setting tax rates for the Teachers' and Incidental Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except that the tax rate set for the Capital Projects Fund may not be in an amount that would result in the reduction of the equalized combined tax rates for the Teachers and Incidental Funds to an amount below \$2.75.

Transfers from Incidental Fund to Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund for certain purposes. Among these purposes are the purchase of kitchen/food service-related equipment. Other additional purposes for which transfers are permitted include:

- (1) The amount to be expended for transportation equipment that is considered an allowable cost under the state board of education rules for transportation reimbursements during the current year;
- (2) Current year obligations for lease-purchase obligations entered into prior to January 1, 1997;
- (3) The amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided that the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and
- (4) To satisfy current year capital project expenditures, an amount not to exceed the greater of (a) \$162,326; or (b) seven percent (7%) of the state adequacy target (which DESE has temporarily frozen at \$6,131) times the district's weighted ADA.

Transfers from Incidental Fund to Debt Service Fund and/or Capital Projects Fund. If a school district is not using the seven percent (7%) or the \$162,326 transfer (as discussed above) and is not making payments on lease purchases pursuant to Section 177.088, Revised Statutes of Missouri, then the school district may transfer from the Incidental Fund to the Debt Service and/or the Capital Projects Fund the greater of:

- (1) The State Aid received in the 2005-2006 school year as a result of no more than eighteen (18) cents of the sum of the Debt Service Fund levy and Capital Projects Fund levy used in the foundation formula and placed in the Capital Projects Fund or Debt Service Fund; or
- (2) Five percent (5%) of the state adequacy target (which DESE has temporarily frozen at \$6,131) times the district's weighted ADA.

Fund Balances Summary

The following Summary Statement of Revenues, Expenditures and Changes in Fund Balances was prepared from the audited financial statements of the District. The statement set forth below should be read in conjunction with the financial statements and notes appertaining hereto set forth in **Appendix B** of this Official Statement and the financial statements on file at the District's office.

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Summary Statement of Revenues, Expenditures and Changes in Fund Balances ⁽¹⁾

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>General (Incidental) Fund</u>					
Balance--Beginning of Year	\$ 34,953,950	\$ 40,274,962	\$ 44,040,595	\$40,668,940	\$43,418,645
Revenues	60,455,910	64,866,884	66,859,540	74,363,624	79,237,825
Expenditures	52,533,007	59,972,306	69,415,145	70,235,800	72,367,880
Transfers In (Out)	<u>(2,601,891)</u>	<u>(1,128,945)</u>	<u>(816,050)</u>	<u>(1,378,119)</u>	<u>(1,538,888)</u>
Balance--End of Year	\$ 40,274,962	\$ 44,040,595	\$ 40,668,940	\$43,418,645	\$48,749,702
<u>Special Revenue (Teachers) Fund</u>					
Balance--Beginning of Year	\$ 0	\$ 0	\$ 1,694,749	\$ 4,130,237	\$ 4,692,787
Revenues	102,669,503	106,821,811	109,072,247	110,540,541	111,850,818
Expenditures	103,131,997	105,127,062	106,636,759	109,977,991	112,860,109
Transfers In (Out)	<u>462,494</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance--End of Year	\$ 0	\$ 1,694,749	\$ 4,130,237	\$ 4,692,787	\$ 3,683,496
<u>Debt Service Fund</u>					
Balance--Beginning of Year	\$ 32,400,994	\$ 31,365,695	\$ 19,613,748	\$20,346,256	\$ 45,481,106
Revenues	19,192,141	21,628,906	22,063,294	22,587,838	23,431,933
Expenditures	48,229,993	38,171,344	21,330,786	31,586,946	22,836,279
Transfers In (Out) ⁽²⁾	<u>28,002,553</u>	<u>4,790,491</u>	<u>0</u>	<u>34,133,958</u>	<u>1,768,088</u>
Balance--End of Year	\$ 31,365,695	\$ 19,613,748	\$ 20,346,256	\$ 45,481,106	\$ 47,844,848
<u>Capital Projects Fund</u>					
Balance--Beginning of Year	\$ 45,770,724	\$ 39,023,189	\$ 13,426,372	\$ 33,862,123	\$ 47,863,154
Revenues	2,892,460	5,679,620	2,896,575	2,534,718	2,548,082
Expenditures	55,126,978	38,464,259	36,723,130	33,155,601	37,728,437
Transfers In (Out) ⁽²⁾	<u>45,486,983</u>	<u>7,187,822</u>	<u>54,262,306</u>	<u>44,621,914</u>	<u>39,009,336</u>
Balance--End of Year	\$ 39,023,189	\$ 13,426,372	\$ 33,862,123	\$ 47,863,154	\$ 51,692,135 ⁽³⁾
<u>Other Funds – Nonmajor Governmental Funds</u>					
Balance--Beginning of Year	\$ 820,736	\$ 2,589,159	\$ 1,696,630	\$ 2,069,803	\$ 2,448,796
Revenues	3,306,044	3,558,283	4,040,442	4,294,611	4,152,300
Expenditures	2,934,345	3,582,370	4,217,842	4,535,226	4,616,609
Transfers In (Out)	<u>1,396,724</u>	<u>(868,442)</u>	<u>550,573</u>	<u>619,608</u>	<u>620,220</u>
Balance--End of Year	\$ 2,589,159	\$ 1,696,630	\$ 2,069,803	\$ 2,448,796	\$ 2,604,707
<u>Total Funds</u>					
Balance--Beginning of Year	\$113,946,404	\$113,253,005	\$ 80,472,094	\$101,077,359	\$143,904,488
Revenues	188,516,058	202,555,504	204,932,098	214,321,332	221,220,958
Expenditures	261,956,320	245,317,341	238,323,662	249,491,564	250,409,314
Transfers In (Out)	<u>72,746,863</u>	<u>9,980,926</u>	<u>53,996,829</u>	<u>77,997,361</u>	<u>39,858,756</u>
Balance--End of Year	\$113,253,005	\$ 80,472,094	\$101,077,359	\$143,904,488	\$154,574,888
Ending General and Special Revenue Fund Balances as Percentage of Disbursements					
	25.87%	27.70%	25.45%	26.70%	28.31%

Source: CAFR for fiscal years ended June 30, 2012 to 2016.

(1) See Note 1 of Notes to the Basic Financial Statements contained in **Appendix B** for a Summary of Significant Accounting Policies followed by the District.

(2) Includes proceeds from capital leases and bonds net of issuance costs.

(3) On March 1, 2017, the District intends to prepay, from available funds in the Capital Projects Fund, all outstanding Certificates of Participation (School District of Columbia Energy Improvements Project), Series 2009, in the amount of \$1,820,000. For further details see “**DEBT STRUCTURE OF THE DISTRICT – Other Obligations of the District – 2009 Energy Savings Lease Purchase Agreement**” herein.

Risk Management

The District purchases insurance coverage for bodily injury and property damage liability in accordance with the statutory limit of \$2,000,000 per occurrence, \$300,000 per person, school leaders errors and omissions (includes all employees and volunteers) \$2,000,000 per occurrence, \$2,000,000 annual aggregate, vehicle insurance, and blanket building and contents coverage (\$25,000 deductible; \$250,000 wind and hail deductible) with a statement of values of approximately \$535,000,000 and growing.

The District purchases fidelity bonds for the Treasurer and Secretary of the Board of Education.

The District self-funds the medical, dental and workers' compensation benefit programs of the District. The District is covered by an excess stop-loss contract for the medical (\$350,000) and workers' compensation (\$400,000) programs.

Pension and Employee Retirement Plans

The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (i) The Public School Retirement System of Missouri (“**PSRS**”), which provides retirement, disability and death benefits to full-time (and certain part-time) certificated employees of school districts and certain other educational entities in Missouri and employees of certain related employers; and (ii) The Public Education Employee Retirement System of Missouri (“**PEERS**”), which provides retirement and disability benefits to employees of school districts and certain other educational entities in Missouri and of certain related employers who work 20 or more hours per week and do not contribute to PSRS. Benefit provisions relating to both PSRS and PEERS are set forth in Chapter 169 of the Revised Statutes of Missouri, as amended. The statutes assign responsibility for the administration of both plans to a seven member Board of Trustees of PSRS (the “**PSRS Board**”). PSRS and PEERS had 534 and 530 contributing employers, respectively, during the fiscal year ended June 30, 2016.

PSRS and PEERS issue a publicly available financial report that includes financial statements and required supplementary information. The PSRS/PEERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016 (the “**2016 PSRS/PEERS CAFR**”), the comprehensive financial report for the plans, is available at www.psr-peers.org/Investments/Annual-Report.html. The link to the 2016 PSRS/PEERS CAFR is provided for general background information only, and the information in the 2016 PSRS/PEERS CAFR is not incorporated by reference herein. The 2016 PSRS/PEERS CAFR provides detailed information about PSRS and PEERS, including their respective financial positions, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plans.

PSRS and PEERS Contributions

Employees who contribute to PSRS are not eligible to make Social Security contributions, except in limited circumstances. For the fiscal year ended June 30, 2016, PSRS contributing employees were required to contribute 14.5% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 14.5% of each contributing employee's covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 1.0% in aggregate of PSRS contributing member covered pay of the previous year.

Employees who contribute to PEERS are eligible to make Social Security contributions. For the fiscal year ended June 30, 2016, PEERS contributing employees were required to contribute 6.86% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 6.86% of each contributing employee's covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an

independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 0.5% in aggregate of PEERS contributing member covered pay of the previous year.

PSRS and PEERS Funded Status

PSRS and PEERS reported funded ratios of 84.8% and 86.4%, respectively, as of June 30, 2016, according to the 2016 PSRS/PEERS CAFR. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. The PSRS and PEERS funded ratios are determined by dividing the smoothed actuarial value of plan assets by the plan’s actuarial accrued liability determined under the entry age normal cost method with normal costs calculated as a level percentage of payrolls, along with certain actuarial assumptions based on an experience study conducted in 2016. PSRS and PEERS amortize unfunded actuarial liabilities using a closed 30-year method. Additional assumptions and methods used to determine the actuarial funded status of PSRS and PEERS are set forth in the Actuarial Section of the 2016 PSRS/PEERS CAFR. The funding objective of each plan, as stated in each plan’s Actuarial Funding Policy, is to achieve a funded ratio of 100% over a closed 30-year period.

The following provides a historical comparison of actual employer contributions to actuarially determined contributions and the historical funded status for the plans for the years shown:

Schedule of Employer Contributions

Year Ended June 30,	PSRS			PEERS		
	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency) *	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency) *
2016	\$643,155,536	\$669,953,683	\$ 26,798,147	\$104,011,593	\$106,654,638	\$ 2,643,045
2015	666,438,984	656,924,899	(9,514,085)	105,739,092	103,624,310	(2,114,782)
2014	608,459,393	643,989,869	35,530,476	98,497,846	100,699,735	2,201,889
2013	507,232,268	634,040,335	126,808,067	87,013,816	97,059,313	10,045,497
2012	720,303,976	620,214,231	(100,089,745)	95,094,785	95,094,785	-

Source: “Schedules of Employer Contributions” in the Financial Section of the 2016 PSRS/PEERS CAFR.

* The annual statutory increase in the total contribution rate may not exceed 1% of pay for PSRS and 0.5% of pay for PEERS. The limitation on contribution increases resulted in a deficiency for some of the years presented. Contributions were funded to the maximum statutory limit each year.

Schedule of Funding Progress
(Dollar amounts in thousands)

Year Ended June 30,	PSRS			PEERS		
	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio
2016	\$35,419,278	\$41,744,619	84.8%	\$4,157,427	\$4,809,666	86.4%
2015	34,073,415	40,610,540	83.9	3,915,199	4,512,317	86.8
2014	31,846,599	38,483,184	82.8	3,584,719	4,211,489	85.1
2013	29,443,147	36,758,165	80.1	3,237,200	3,967,619	81.6
2012	29,013,002	35,588,030	81.5	3,090,880	3,746,347	82.5

Source: "Schedule of Funding Progress" in the Actuarial Section of the 2016 PSRS/PEERS CAFR.

For information specific to the District's participation in PSRS and PEERS, including the District's past contributions and proportionate share of the net pension liability of PSRS and PEERS, see Note 9 to the District's financial statements included in Appendix B to this Official Statement. For additional information regarding PSRS and PEERS, see the 2016 PSRS/PEERS CAFR.

Other Postemployment Benefits

In addition to pensions, many state and local governments, including the District, provide other postemployment benefits ("OPEB") as part of the total compensation offered to attract and retain the services of qualified employees. For information specific to the District's OPEB obligations, including the District's past contributions relative to its required contributions, its assumptions as to future healthcare and other costs and its unfunded actuarial accrued liability, see Note 18 to the District's financial statements included in Appendix B to this Official Statement.

Employee Relations

The Board of Education recognizes the Columbia Community Teachers Association and the Columbia Missouri National Education Association as the professional bodies representing the teaching staff in the Columbia School District. The Board of Education makes the final decisions on all matters of policy, salaries and working conditions without fact finding, mediation or arbitration.

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Property Valuations

Assessment Procedure. All taxable real and personal property within the District is assessed annually by the County Assessor. Missouri law requires that personal property be assessed at 33-1/3% of true value and that real property be assessed at the following percentages of true value:

- Residential real property 19%
- Agricultural and horticultural real property..... 12%
- Utility, industrial, commercial, railroad and all other real property 32%

The assessment ratio for personal property is generally 33-1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural

crops in an unmanufactured condition, 0.5%, livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; poultry, 12%; and certain tools and equipment used for pollution control, used in retooling for the purpose of introducing new product lines or used for making improvements to existing products by certain types of companies specified by state law, 25%.

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the state legislature adopted a maintenance law in 1986. On January 1 in every odd-numbered year, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation. The following table shows the assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the District, excluding state assessed railroad and utility property, according to the assessment for calendar year 2016 for property owned as of January 1, 2016, as finally adjusted.

<u>Type of Property</u>	<u>Total Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Total Estimated Actual Valuation</u> ⁽¹⁾	<u>% of Actual Valuation</u>
Real:				
Residential	\$1,368,700,961	19.00%	\$ 7,203,689,268	70.51%
Agricultural	13,143,153	12.00%	109,526,275	1.07
Commercial	<u>541,963,596</u>	32.00%	<u>1,693,636,238</u>	<u>16.58</u>
Total Real	1,923,807,710		9,006,851,781	88.16
Personal	<u>403,366,238</u>	33.33%	<u>1,210,219,736</u>	<u>11.84</u>
Total Property	<u>\$2,327,173,948</u>		<u>\$10,217,071,517</u>	<u>100.00%</u>

⁽¹⁾ Assumes all personal property is assessed at 33 1/3%; because certain subclasses of tangible personal property are assessed at less than 33 1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See “*Assessment Procedure*” discussed above.

For school taxation purposes, all state assessed railroad and utility property within a county is taxed uniformly at a rate determined by averaging the tax rates of all school districts in the county. Such tax collections for each county are distributed to the school districts within that county according to a formula based in part on total student enrollments in each district and in part on the taxes levied by each district. Under this method of distributing tax collections from state assessed railroad and utility property, it is unnecessary to determine the assessed value of such property that is physically located within the bounds of each school district. According to the District’s audited financial statements for fiscal year ended June, 30, 2016, the District received \$1,097,775 in fiscal year ended June 30, 2016, from state assessed railroad and utility property taxes.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the District (excluding state assessed railroad and utility property) according to the assessments of January 1 in each of the following years, has been as follows:

<u>Year</u>	<u>Assessed Valuation</u>	<u>% Change</u>
2016	\$2,327,173,948	3.06%
2015	2,257,981,004	2.86
2014	2,195,114,886	3.03
2013	2,130,574,568	1.94
2012	2,089,930,234	N/A

Source: Boone County Clerk.

Property Tax Levies and Collections

Property taxes are levied and collected for the District by the County, for which the County receives a collection fee of approximately 1.5% and an assessment fee of 1.0% of the gross tax collections made.

The District is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the District's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. The District must fix its ad valorem property tax rates and certify them to the County Clerk not later than September first for entry in the tax books.

The County Clerk receives the county tax books from the County Assessor, which set forth the assessments of real and personal property. The County Clerk enters the tax rates certified by the local taxing bodies in the tax books and assesses such rates against all taxable property in the District as shown in such books. The County Clerk forwards the tax books by October 31 to the County Collector, who is charged with levying and collecting taxes as shown therein. The County Collector extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of eighteen percent of each year's delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year.

The County Collector is required to make disbursements of collected taxes to the District each month. Because of the tax collection procedure described above, the District receives the bulk of its moneys from local property taxes in the months of December, January and February.

Tax Abatement and Tax Increment Financing

Under State law, tax abatement is available for redevelopers of areas determined by the governing body of a city to be "blighted." The Land Clearance for Redevelopment Authority Law authorizes ten-year tax abatement pursuant to Sections 99.700 to 99.715, RSMo (the "LRCA Law"). In lieu of ten-year tax abatement, a redeveloper that is an urban redevelopment corporation formed pursuant to Chapter 353, RSMo ("Chapter 353"), may seek real property tax abatement for a total period of 25 years. In addition, the Industrial Development Law, Chapter 100, RSMo ("Chapter 100"), authorizes real and personal property tax abatement for corporations for projects for industrial development. Currently, there are tax abatement projects located within the District.

In addition, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo, makes available tax increment financing for redevelopment projects in certain areas determined by the governing body of a city or county to be a "blighted area," "conservation area," or "economic development area," each as defined in such statute.

Currently, certain portions of the District are located in tax increment financing districts. Tax increment financing will not diminish the amount of property tax revenues collected by the District in the affected areas, but instead will act to freeze such revenues at current levels and will deprive the District of future increases in ad valorem property tax revenues that would otherwise have resulted from increases in assessed valuation in such areas (“TIF Increment”) until the tax increment financing obligations issued are repaid and the tax abatement period terminates. According to the County Assessor’s office, the 2016 assessed value of property within the District attributable TIF Increment as well as the assessed value of abated property within the District attributable to Chapter 100, LRCA Law, and Chapter 353 totals \$3,447,795.

Tax Rates

Debt Service Levy. The District’s debt service levy for the 2016-17 fiscal year is \$0.9719 per \$100 of assessed valuation. Once indebtedness has been approved by requisite number of the voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Education may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Operating Levy. The operating tax levy of a school district (consisting of all ad valorem taxes levied except the debt service levy) cannot exceed the “**tax rate ceiling**” for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the district’s assessed valuation for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by the lesser of actual assessment growth, 5% or the Consumer Price Index. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment, more fully explained below).

Under Article X, Section 11(b) of the Missouri Constitution, a school district may increase its operating levy up to \$2.75 per \$100 assessed valuation without voter approval. Any increase above \$2.75, however, must be approved by a majority of the voters voting on the proposition. Further, pursuant to Article X, Section 11(c) of the Missouri Constitution, any increase above \$6.00 must be approved by two-thirds of the voters voting on the proposition. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment and SB 711, more fully explained below). The tax levy for debt service on a school district’s general obligation bonds is exempt from these limitations upon the tax rate ceiling.

Article X, Section 22(a) of the Missouri Constitution (popularly known as the “**Hancock Amendment**”), approved in 1980, places limitations on total state revenues and the levying or increasing of taxes without voter approval. The Missouri Supreme Court has interpreted the definition of “**total state revenues**” to exclude voter-approved tax increases. The Hancock Amendment also includes provisions for rolling back tax rates. If the assessed valuation of property, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the Consumer Price Index from the previous year (or 5%, if greater), the maximum authorized current levy must be reduced to yield the same gross revenue from existing property, adjusted for changes in the Consumer Price Index, as could have been collected at the existing authorized levy on the prior assessed value. This reduction is often referred to as a “**Hancock rollback**.” The limitation on local governmental units does not apply to taxes levied in the Debt Service Fund for the payment of principal and interest on general obligation bonds.

In 2008, through the enactment of Senate Bill 711 (“**SB 711**”), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a local governmental unit.

Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of a district's *actual* operating tax levy if its current tax levy was less than its current tax levy *ceiling*, due to the district's voluntary rollback from the maximum authorized tax levy. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a district's *actual* operating tax levy, regardless of whether that levy is at the district's tax levy *ceiling*. This further reduction is sometimes referred to as an **"SB 711 rollback."** In non-reassessment years (even-numbered years), the operating levy may be increased to the district's tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

Under the provisions of an initiative petition adopted by the voters of Missouri on November 2, 1982, commonly known as **"Proposition C,"** revenues generated by a 1% state sales tax are credited to a special trust fund for school districts and are deemed to be "local" revenues for school district accounting purposes. Proposition C revenues are distributed to each school district within the State on the basis of eligible pupils. Under Proposition C, after determining its budget and the levy rate needed to produce required revenues to fund the budget, a school district must reduce the operating levy by an amount sufficient to decrease the revenues it would have received therefrom by an amount equal to 50% of the revenues received through Proposition C during the prior year. School districts may submit propositions to voters to forego all or a part of the reduction in the operating levy which would otherwise be required under terms of Proposition C.

For fiscal year 2016-17, the District's operating levy (adjusted for the Proposition C revenues) is \$5.0711 per \$100 of assessed valuation. The tax levy for debt service on the District's general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling.

History of Tax Levies

The following table shows the District's tax levies per \$100 of assessed valuation for each of the following years:

Fiscal Year Ended June 30	General Incidental Fund	Special Revenue Teachers' Fund	Debt Service Fund	Capital Projects Fund	Total Levy
2017	\$2.4923	\$2.4788	\$0.9719	\$0.1000	\$6.0430
2016	1.9413	2.4788	0.9719	0.0736	5.4656
2015	1.8413	2.6000	0.9719	0.0736	5.4868
2014	1.6413	2.7500	0.9319	0.1007	5.4239
2013	1.6293	2.7000	0.9219	0.1507	5.4019
2012	1.4212	2.5581	0.8019	0.1000	4.8812

Tax Collection Record

The following table sets forth tax collection information for the District for the last five years.

Fiscal Year Ended June 30	Total Levy	Total Taxes Levied	Current Taxes Collected	Current & Delinquent Taxes Collected	
				Amount	%
2016	\$5.4656	\$123,223,767	\$119,630,781	\$123,302,558	99.76%
2015	5.4868	120,441,564	116,144,412	119,875,155	99.53
2014	5.4239	115,586,122	110,577,100	114,282,568	98.87
2013	5.4019	112,895,948	108,846,848	112,277,402	99.45
2012	4.8812	99,797,697	95,227,806	100,837,175	101.04

Source: Annual Secretary of the Board Reports for fiscal years ended June 30, 2012 to 2016; CAFR Fiscal Years ended June 30, 2012 to 2016.

Hy-Vee (a grocery store chain with several stores located within the District) protested its 2013, 2014 and 2015 property tax bill. As a result, the sum of approximately \$1,005,742 was held in escrow for the District's benefit by the Boone County Collector, pending the outcome of the taxpayer's protest. Payment has now been received and is reflected in the District's current tax collections for fiscal year ended June 30, 2016.

Major Property Taxpayers

The following tables set forth the ten taxpayers owning real and personal property with the greatest amount of assessed valuation within the District, based on the valuation of real and personal property owned as of January 1, 2016. The District has not independently verified the accuracy or completeness of such information.

<u>Owner</u>	<u>Assessed Valuation</u>	<u>Percent of Total 2016 Assessed Valuation</u>
Union Electric	\$ 27,308,199	1.56%
Shelter Insurance	14,944,409	0.85
3M	13,584,885	0.78
TKG Biscayne LLS	12,119,467	0.69
Hubbell Power Systems	8,793,277	0.50
Breckenridge Group	7,939,457	0.45
Grindstone Properties	7,845,770	0.45
JDM II SF National (formerly State Farm)	7,807,371	0.45
The Links Columbia	6,839,287	0.39
Broadway Crossing II	<u>6,759,696</u>	<u>0.39</u>
TOTAL	\$113,941,818	6.51%

Source: CAFR Fiscal Year ended June 30, 2016; Boone County Clerk.

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APPENDIX B

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COLUMBIA PUBLIC SCHOOL DISTRICT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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Comprehensive Annual Financial Report



*Columbia Public School District
Columbia, Missouri*

For Fiscal Year Ended June 30, 2016

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2016**

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

REPORT ISSUED BY DEPARTMENT OF BUSINESS SERVICES

Ms. Linda Quinley, Chief Financial Officer & Chief Operations Officer

Mr. James Cherrington, Director of Business Services

Mr. David Martin, CPA, Assistant Director of Business Services

Mr. Brian Benter, CPA, Senior Accountant

Mr. Doug Boyer, Accountant

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Introductory Section

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December 12, 2016

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

State law and the Columbia Public School District's adopted policy require an audit of the books of accounts, financial records and transactions of all funds of the Columbia Public School District (District). This report is published to fulfill that requirement for the fiscal year ended June 30, 2016.

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

Marr and Company, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2016. The independent auditors' report is located at the front of the financial section of this report. The independent auditors' report on internal control and compliance issued in connection with the Single Audit is located in the Single Audit Section.

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

Profile of the Government

The area served by the District encompasses 303 square miles and includes a population that is estimated to exceed 145,000. This area includes the City of Columbia with a population of approximately 108,500.

The District was organized on January 7, 1873. The first high school opened in 1895 on the site where Jefferson Middle School now stands and in 1909 a bond issue was voted for Columbia High School, now the original wing of the Jefferson Middle School building. As of June 2016, the District includes 20 elementary schools, six middle schools, three comprehensive high schools, one alternative school, one career and technical education center and other independent programs. The District also offers Pre K services at one owned and one leased facility. Total enrollment (Pre K-12) in the District is 18,170 students. Enrollment growth reflects the growth of the community.

The District provides a comprehensive curriculum to meet the needs of a diverse student population. Course offerings at the high schools vary from those that are considered college preparatory to those that prepare students to enter particular careers upon graduating from high school. The District also provides an extensive adult education program with over 6,000 part-time and full-time adult students enrolled annually in more than 600 courses. Approximately 10% of the school population is served by the Special Education Department of the District. Specially trained teachers provide services to students needing both modified programs and specialized instruction. The District has developed programs for exceptional pupils that include services for students with mental or orthopedic handicaps, speech or language disorders, learning disabilities, behavior disorders, and auditory or visual handicaps, cognitive disability, as well as services for pre-school disabled children. It is the goal of the District to provide appropriate instructional services for each child according to individual and unique needs.

The District contracts with Student Transportation of America to provide transportation for eligible students to and from school and on school sponsored activity trips. Over 13,600 students were eligible to be transported to and from school on a daily basis. One hundred ninety (190) school buses were used in the transportation program. Most buses serve multiple routes.

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

An elected seven-member board governs the District. The Columbia Public School District Board of Education (Board) is the basic level of government that has financial accountability and control over all activities related to public school education in the District. The District is not a component unit of another reporting entity. The Board meets and adopts the annual budget prior to July 1. The budget serves as the foundation for the District's financial planning and control. The budget is prepared by fund and function and may be amended at this level only by the approval of a majority of the members of the Board. The administration may amend the budget only at the object and location (school or building) level without seeking the approval of the Board. The Board approved budget amendments for the year ended June 30, 2016, at its October 12, 2015, January 11, 2016, April 11, 2016, and June 13, 2016, meetings.

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

Local Economy

Columbia is located midway between St. Louis and Kansas City at the crossroads of Interstate 70 and U.S. Highway 63. Medical and research facilities form a major portion of the Columbia economic base. Five hospitals employ a significant portion of the Columbia area work force in medically related occupations. Columbia's medical facilities are comparable to those found in a typical city of nearly half a million in population. In addition, Columbia serves as the home of several insurance companies and many light industrial facilities. Education is also a significant portion of the Columbia economic base with the University of Missouri and two private colleges serving more than 34,000 students, and the Columbia Public School District with an enrollment of over 18,000 students.

Columbia is experiencing growth in college student population with off-campus housing demands. Multiple apartment buildings have been recently constructed with more in progress now.

During the 2015-16 fiscal year, the District employed over 2,500 personnel in varying levels of professional and non-professional roles. With an annual salary budget of over \$114 million, the District is a vital part of the stability of the Columbia economy. During the year ended June 30, 2016, ground was broken for a new elementary school on the east side of Columbia and in the fall of 2016, the Beulah Ralph Elementary School, on the southwest side of Columbia, was opened to students. These projects are significant to the community. The District also maintains a healthy operating budget for facilities and construction services totaling over \$19 million to support and maintain older district facilities. See pages 124-129 for size, capacity and age of all school district buildings.

The economic diversity of Columbia, along with the high quality of education offered in the public school system and the higher education institutions, makes Columbia an attractive community. As such, Columbia continues to experience stable growth, and the unemployment rate (3.1% in June 2016) continues to remain below the national average.

Long-Term Financial Planning

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

In addition, the District has continued to maintain and update a facilities and equipment plan by going to the voters for authorization to issue general obligation bonds for financing as needed. Voters have approved 28 consecutive authorizations, totaling \$470.1 million, dating back to 1960.

Additionally, the Board of Education negotiates salaries and benefits with the teacher, custodial and parent educators unions. The Board team considers long term impact of salary commitments in the union contracts.

Relevant Financial Policies

Governmental Accounting Standards Board (GASB) 68, as amended by GASB 71

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) effective for reporting periods beginning after June 15, 2014. The statement is intended to improve financial reporting by state and local government for pensions. It establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures and identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to the period of employee service. This statement details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan such as the Missouri School Retirement System (PSRS) and Public Education Employee Retirement System (PEERS). The District reports its proportionate share of the PSRS and PEERS liabilities in the financial statements as required.

While the Board of Education has not adopted formal policies regarding GASB 68 and 71, these financial statements fully comply with the Statements.

Budgetary Control and Management

The budget process for the District begins in the early winter with revenue projections derived from student enrollment, preliminary assessed valuation and other factors. Beginning in December and continuing through February, the Finance Committee and the Board review and establish budget parameters and timelines. Also during the winter months, the administration compiles District needs based on budget requests received for personnel, services and supplies, and capital items. During this same time period, the Finance Committee and the Board hear from the Employee Benefits Committee regarding benefit recommendations and requests.

In October 2012, Columbia Public Schools teachers voted to unionize with single representation by the Columbia Missouri National Educators Association (CMNEA). Negotiations for salaries, benefits and working conditions for this group of employees began in January 2013 with a Collective Bargaining Agreement signed in June 2013. A three year agreement through June 30, 2019 is currently in place with CMNEA. Custodians voted to unionize in 2014 with Laborers' International Union of North America (LIUNA) as their single representation. The Board of Education reached a one year agreement with LIUNA in May of 2016. In the winter of 2015, the Parent Educators employees also voted to unionize with single representation by the Columbia Missouri National Educators Association (CMNEA). The Board of Education reached a one year agreement with Parent Educators in May of 2016.

Throughout the spring months the Board of Education has monthly budget discussions, including public work sessions, to discuss and prioritize the budget needs of the District. As required by statute, by June 30 a final budget for the coming year is adopted.

Throughout the course of the year, departmental and building budgets are managed using a purchase order system that is budget restricted. Revenue budgets are reviewed and updated on a regular basis and discussed with the Board as a part of the District's five year projection model. Budget amendments will be made as additional information becomes available, particularly relating to federal program funds, assessed valuation, and student count data. Administration makes budget adjustments between objects within a fund without approval of the Board. Any additions to or redirections from the approved budget that would include additional staffing or could result in spending beyond authorization require approval of the Board. The Board has final approval for the original budget and for budget adjustments made throughout the year.

In a spirit of transparency and clarity, the Board approves full time equivalent (FTE) budgets, salary schedules, rates of pay and work calendars as a part of the budget process. These items are included in the final budget document approved by the Board. Changes during the year to these schedules, rates of pay or FTE needs are brought forward to the Board at regular meetings and should budget amendments be required, they are made with Board approval.

Major Initiatives

The District is working to close the achievement gap and teach with poverty and equity in mind. These new initiatives include significant professional development for teachers, staff and administrators as well as differentiated teaching around the District. In order to achieve those goals, the District has made efforts to increase the number of minority students in advanced placement courses. Resources have been committed

to expand the AVID (Advancement via Individual Determination) program which provides support for students, often first generation college-bound students.

Technology is expanding rapidly in public education instruction, testing, and assessment, and in many cases is now done so to comply with state and federal requirements. Meeting the physical plant needs of adequate network and wireless computing capabilities as well as the actual devices and staff training required for this purpose is a major annual commitment of resources and training. The District is in the middle of a multi-year plan to reach a one to one student to device ratio at the high school level after becoming a one to one District at middle school in 2016-17.

Managing student growth in a manner which provides for equitable opportunity for all students in all buildings is a focus of the District. This includes re-districting as new buildings open. All secondary schools were re-districted for 2013-14 and students in two elementary schools were re-districted for 2015-16 upon the opening of the Eliot Battle elementary school in the fall of 2015 and six were re-districted for 2016-2017 with the 2016 opening of the Beulah Ralph elementary school. This work continues annually as required by policy and when appropriate for opening of facilities and community growth.

The District remains in good financial condition with modest increases in assessed valuation. Growth in student population increases the state funding formula income for the District on a per average daily attendance (ADA) basis if the foundation formula is fully funded. The cost of educating a student exceeds State funding by approximately \$7,500 which is mostly provided by local funding. While growth has been and continues to be modest during a downward economic trend, expenses continue to increase, especially in the areas of salaries and benefits which comprise roughly 83 percent of the operating budget. Due to consistent budget reductions in prior years and attentive spending, the District was able to increase fund balances and positioned itself well to manage a growing operating budget at a time when state funding is projected to remain flat, if not decline. Additionally, new buildings for student growth require annual operating budget needs which have become costly to absorb due to low increases in annual revenues.

The District has, however, managed fund balances and maintained a very strong Aa1 bond rating. Strong fiscal management of the District is a key component of this rating. This strong financial position has resulted in positive bond sales with considerable premiums and low interest rates.

Awards and Acknowledgements

This past year, our Comprehensive Annual Financial Report earned both the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting. The District was recognized by the GFOA as a 25 year recipient for the 2010 year. These awards are granted only to governmental units which publish a comprehensive annual financial report which is easily readable, efficiently organized, and conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

It is our intention that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and interested local citizens with the most meaningful financial presentation possible. We are hopeful that all readers of the report will obtain a clear and concise picture of the District's financial condition as of June 30, 2016.

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

Respectfully submitted,



Dr. Peter Stiepleman,
Superintendent



Linda D. Quinley,
Chief Financial Officer & Chief Operations Officer

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2016**

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

BOARD OF EDUCATION

Mr. James Whitt, President

Mr. Jonathan Sessions, Vice President

Mr. Paul Cushing, Member

Ms. Christine King, Member

Ms. Jan Mees, Member

Mr. Darin Preis, Member

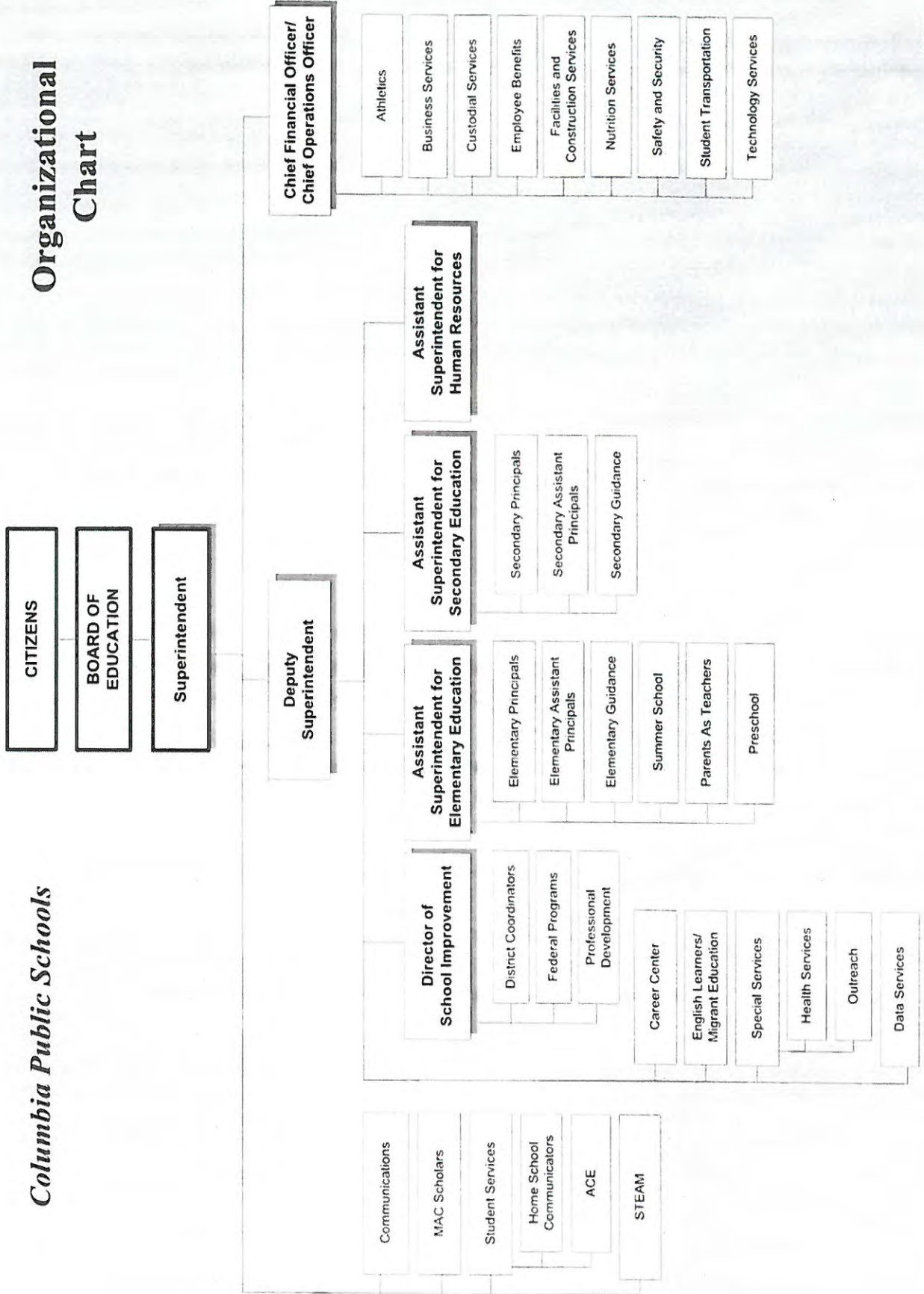
Ms. Helen Wade, Member

DISTRICT ADMINISTRATION

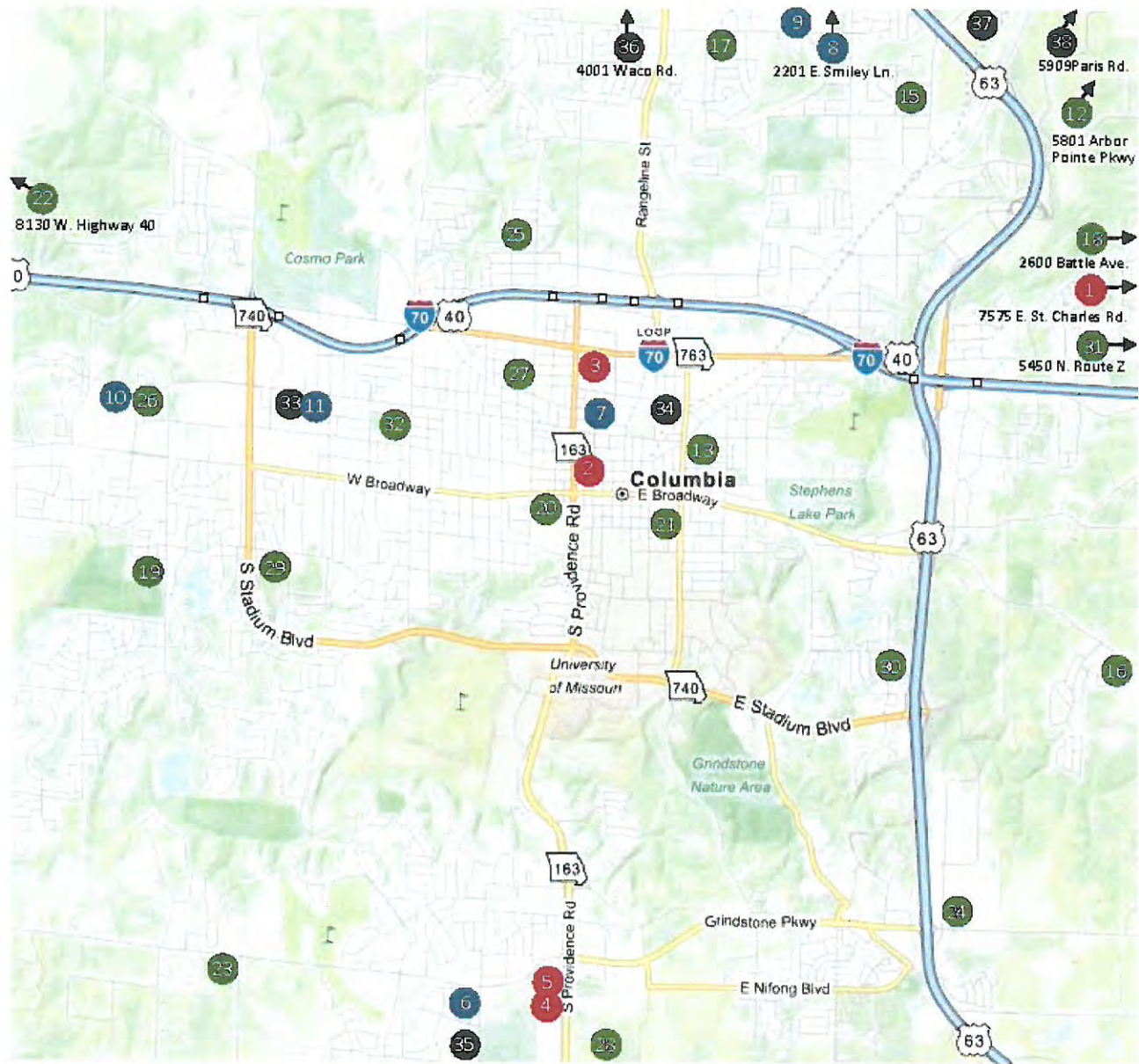
Dr. Peter Stiepleman	Superintendent of Schools
Dr. Dana Clippard	Deputy Superintendent
Ms. Linda Quinley	Chief Financial Officer/Chief Operations Officer Treasurer to the Board of Education
Mr. Ben Tilley	Assistant Superintendent for Elementary Education
Dr. Kevin Brown	Assistant Superintendent for Secondary Education
Mr. Brian Kurz	Assistant Superintendent for Human Resources
Ms. Heather McArthur	Administrative Project Manager

Columbia Public Schools

Organizational Chart



Columbia Public School District Building Locations



High Schools

- 1 Battle
- 2 Douglass
- 3 Hickman
- 4 Rock Bridge
- 5 Columbia Area Career Center

Middle Schools

- 6 Gentry
- 7 Jefferson
- 8 Lange
- 9 Oakland
- 10 Smithton
- 11 West

Elementary Schools

- 12 Alpha Hart Lewis
- 13 Benton
- 15 Blue Ridge
- 16 Cedar Ridge
- 17 Derby Ridge
- 18 Eliot Battle
- 19 Fairview
- 20 Grant
- 21 Lee
- 22 Midway Heights
- 23 Mill Creek
- 24 New Haven
- 25 Parkade
- 26 Paxton Keeley
- 27 Ridgeway
- 28 Rock Bridge
- 29 Russell Boulevard
- 30 Shepard Boulevard
- 31 Two Mile Prairie
- 32 West Boulevard

Other Buildings

- 33 Asin Administration Building
- 34 Center for Gifted Education/Title I Preschool
- 35 Center of Responsive Education
- 36 Discovery Early Childhood Center
- 37 Early Childhood Education Center
- 38 Facilities and Construction Services

Certificate of Achievement/GFOA _____



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Columbia Public School District
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

A handwritten signature in black ink, appearing to read "Jeffrey R. Egan".

Executive Director/CEO

Certificate of Excellence/ASBO



**The Certificate of Excellence in Financial Reporting Award
is presented to**

Columbia Public School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

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Financial Section

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Columbia Public School District (the "School District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Columbia Public School District as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Teachers Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 13 to 24) and the Schedule of Funding Progress for the Retiree Health Plan, the Schedule of Employer Contributions-Public School Retirement System of Missouri, the Schedule of Proportionate Share of the Net Pension Liability and Related Ratios-Public School Retirement System of Missouri, the Schedule of Employer Contributions-Public Education Employee Retirement System of Missouri, and the Schedule of Proportionate Share of the Net Pension Liability and Related Ratios-Public Education Employee Retirement System of Missouri (pages 74 to 78) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section (pages 1 to 9), combining and individual nonmajor fund financial statements (pages 81 to 97), and statistical section (pages 100 to 129) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards (pages 147 to 148) is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2016, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District's internal control over financial reporting and compliance.



Kansas City, Missouri
December 12, 2016

Marr and Company, P.C.
Certified Public Accountants

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

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

Financial Highlights

- The total assets of the District exceeded its liabilities at the end of the 2016 fiscal year by \$76,074,104 (net position).
- The District's total net position increased \$18,855,134. This increase was primarily the result of increases in capital assets exceeding depreciation expense for the year.
- The governmental funds reported a combined ending fund balance of \$154,574,888, an increase of \$10,670,400 from the prior year. Of this amount, \$46,012,995 is available for spending at the District's discretion (unassigned fund balance).
- The combined fund balance for the General Fund and Teachers Fund is \$52,433,198, or 28.3% of the current year expenditures of these funds.
- The total long-term debt of the District increased \$65,761,614 during the year primarily due to the issuance of \$36,575,000 of general obligation improvement and refunding bonds offset by principal payments made on the previously issued bonds and an increase of \$36,845,069 in net pension liability due to the difference between projected and actual earnings on pension plan investments and the difference between expected and actual experience.

Overview of the Financial Statements

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

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

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

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The combining and individual fund statements and schedules further explain and support the financial statements with combining schedules for non-major funds and comparisons of the District's budget to actual amounts for the year, as well as present financial information for the District's component unit.

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

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

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The two government-wide statements report the District's net position (Statement of Net Position) and how it has changed (Statement of Activities) during the fiscal year. Net position, which is the difference between the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the District's overall financial position.

Increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. The District's overall financial position, including the District's property tax base and the condition of its school buildings and other facilities, should also be considered when assessing the fiscal health of the organization.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The government-wide statements are broken out into two parts; the primary government, and the component unit. The primary government is further broken out into two categories:

- **Governmental activities** – Most of the District's basic services are included here, such as regular, vocational, and special education, support services including operation of plant, transportation, community services, and administration. These activities are primarily financed by property taxes and state formula aid. In addition, the Columbia Public Schools Facilities Authority was formed during 2012 to facilitate financing for the construction and acquisition of District facilities. Due to the substantive economic relationship between the Authority and the District, the Authority is presented as a blended component unit and the financing activities of the Authority are included in the governmental activities category of the basic financial statements.
- **Business-type activities** – The District charges fees and receives federal and state reimbursements to cover the costs of its nutrition services operation and adult education program.

The District's discretely presented component unit is the Columbia Public School Foundation, which is a legally separate entity. Although the Board of Education does not control the activities of the discretely presented component unit, the component unit provides its resources solely to the District. The component unit's fiscal year end is December 31. The financial information presented for the component unit is for its fiscal year ending December 31, 2015. For additional information regarding the component unit, please refer to its separately issued financial statements for the year ended December 31, 2015.

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

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, rather than the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

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

The District has three types of funds:

- **Governmental funds** – Most of the District's basic services are included in governmental funds, which generally focus on: 1) how cash and other financial assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Proprietary funds** – The District has two types of proprietary funds; enterprise funds and internal service funds.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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- The enterprise funds include the Nutrition Services and Adult Education Funds, for which the District charges fees and for which revenues are expected to cover all expenses. Enterprise funds are included as business-type activities in the government-wide financial statements.
- The internal service funds include three funds used to account for the District's self-insurance for medical, dental, and workers' compensation programs. These funds are used to allocate the costs of these programs to the functions that benefit from their use. Since internal service funds predominantly benefit governmental activities rather than business-type activities, they have been included in governmental activities in the government-wide financial statements.
- Fiduciary fund – The District serves as an agent, or fiduciary, and accounts for assets that belong to student groups in the fiduciary fund. The District is responsible for ensuring that the assets reported in this fund are used only for their intended purpose and to whom the assets belong. The District excludes this fund from the government-wide financial statements because it cannot use these assets to finance operations.

Financial Analysis of the District as a Whole

As noted above, net position may serve over time as a useful indicator of the District's financial position. As of the end of the most recently completed fiscal year, assets exceeded liabilities by over \$76 million. Of that amount, 139% represents the District's investment in capital assets (land, buildings, equipment, etc.), 35% represents amounts that are subject to external restrictions on how they can be used (debt service, capital projects, teachers' salaries and benefits, etc.), and negative 74%, approximately \$56.2 million, is available to fund the ongoing operations of the District.

The District's current assets exceed current liabilities in the current year, indicating an ability to meet immediate financial needs. However, the long-term perspective shown in the government-wide statements has changed in recent years due to the implementation of GASB Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement 71. Obligations under long-term debt of the District increased approximately \$65.8 million during the year. A portion of this fluctuation is due to the issuance of general obligation bonds offset by principal payments made on previously issued general obligation bonds. In addition, net pension liability increased \$36.8 million in the current year due to differences between projected and actual earnings on pension plan investments and changes in the District's proportional share of plan liabilities. The District continues to be able to meet its obligations under long-term debt while also maintaining a reasonable balance of nearly \$15.9 million in net position restricted for debt service.

**COLUMBIA PUBLIC SCHOOL DISTRICT
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Table 2 provides condensed information regarding the District's assets, liabilities, deferred outflows and inflows, and net position. As indicated previously, changes in net position can serve as an indicator that the District's financial situation is improving or deteriorating.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 321,444	\$ 294,525	\$ 2,878	\$ 2,288	\$ 324,322	\$ 296,813
Capital Assets	387,177	356,244	240	287	387,417	356,531
Total Assets	<u>708,621</u>	<u>650,769</u>	<u>3,118</u>	<u>2,575</u>	<u>711,739</u>	<u>653,344</u>
Deferred Outflows of Resources	<u>55,514</u>	<u>22,220</u>	<u>-</u>	<u>-</u>	<u>55,514</u>	<u>22,220</u>
Current Liabilities	27,855	22,776	547	534	28,402	23,310
Noncurrent Liabilities	490,805	425,105	1,060	999	491,865	426,104
Total Liabilities	<u>518,660</u>	<u>447,881</u>	<u>1,607</u>	<u>1,533</u>	<u>520,267</u>	<u>449,414</u>
Deferred Inflows of Resources	<u>170,912</u>	<u>168,931</u>	<u>-</u>	<u>-</u>	<u>170,912</u>	<u>168,931</u>
Net Investment in Capital Assets	105,330	101,812	240	287	105,570	102,099
Restricted	26,694	23,452	-	-	26,694	23,452
Unrestricted	<u>(57,461)</u>	<u>(69,087)</u>	<u>1,271</u>	<u>755</u>	<u>(56,190)</u>	<u>(68,332)</u>
Total Net Position	<u>\$ 74,563</u>	<u>\$ 56,177</u>	<u>\$ 1,511</u>	<u>\$ 1,042</u>	<u>\$ 76,074</u>	<u>\$ 57,219</u>

The District's total net position increased nearly \$18.9 million. Total Assets increased \$58.4 million primarily due to an increase in cash and investments on hand at June 30 and increases in capital assets. Net pension liability increased \$36.8 million and accounts payable increased \$1.2 million. Restricted assets increased \$3.2 million during the fiscal year, primarily due to an increase in net position invested in Capital Assets. Net investment in capital assets increased \$3.5 million due to the completion of several large construction projects during the year including a new elementary school. The District issued \$35 million in general obligation bonds and \$1.5 million in refunding bonds during the year. The proceeds from the refunding were placed in an escrow account and will not be repaid until the year ended June 30, 2017.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

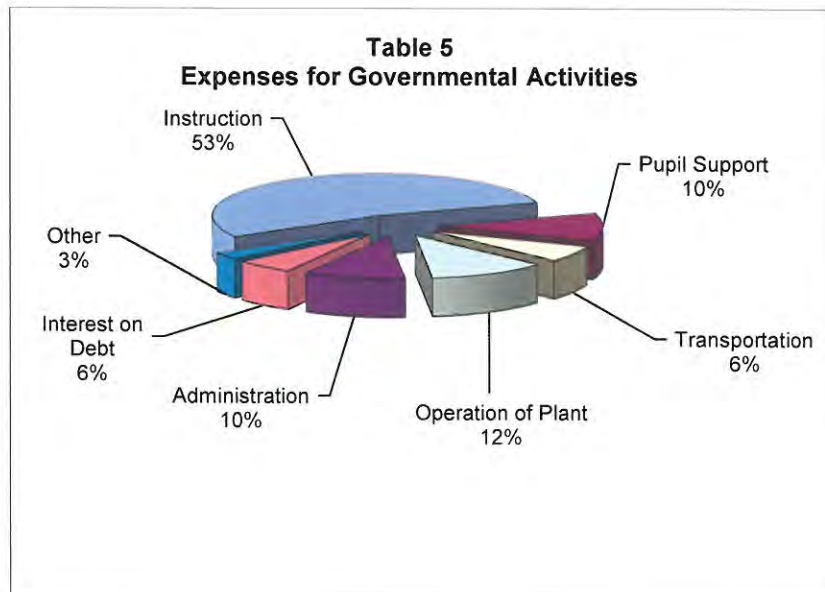
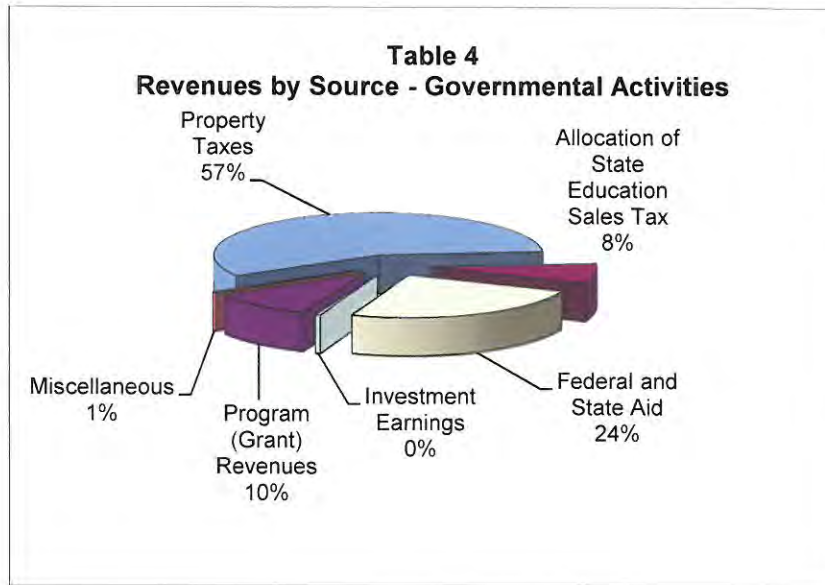
Table 3 provides a summary of the changes in net position for the year ended June 30, 2016.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,427	\$ 1,517	\$ 4,616	\$ 4,172	\$ 6,043	\$ 5,689
Operating Grants and Contributions	20,063	20,570	6,207	5,733	26,270	26,303
Capital Grants and Contributions	812	364	-	-	812	364
General Revenues:						
Property Taxes	125,706	122,590	-	-	125,706	122,590
Allocation of Statewide Education Sales Tax	16,606	15,596	-	-	16,606	15,596
Federal and State Aid	54,165	51,638	-	-	54,165	51,638
Other	2,260	1,918	9	3	2,269	1,921
Total Revenues	\$ 221,039	\$ 214,193	\$ 10,832	\$ 9,908	\$ 231,871	\$ 224,101
Expenses:						
Instruction	\$ 108,367	\$ 96,631	\$ -	\$ -	\$ 108,367	\$ 96,631
Support Services						
Pupil/Instructional Support	21,270	24,536	-	-	21,270	24,536
Administration	19,766	20,886	-	-	19,766	20,886
Operation of plant	23,381	22,934	-	-	23,381	22,934
Pupil Transportation	12,503	12,582	-	-	12,503	12,582
Other	5,872	5,458	-	-	5,872	5,458
Interest Payments	11,494	9,824	-	-	11,494	9,824
Food Services	-	-	8,115	8,273	8,115	8,273
Adult Education	-	-	2,248	2,005	2,248	2,005
Total Expenses	\$ 202,653	\$ 192,851	\$ 10,363	\$ 10,278	\$ 213,016	\$ 203,129
Increase (decrease) in Net Position	18,386	21,342	469	(370)	18,855	20,972
Net Position, July 1	56,177	34,835	1,042	1,412	57,219	36,247
Net Position, June 30	\$ 74,563	\$ 56,177	\$ 1,511	\$ 1,042	\$ 76,074	\$ 57,219

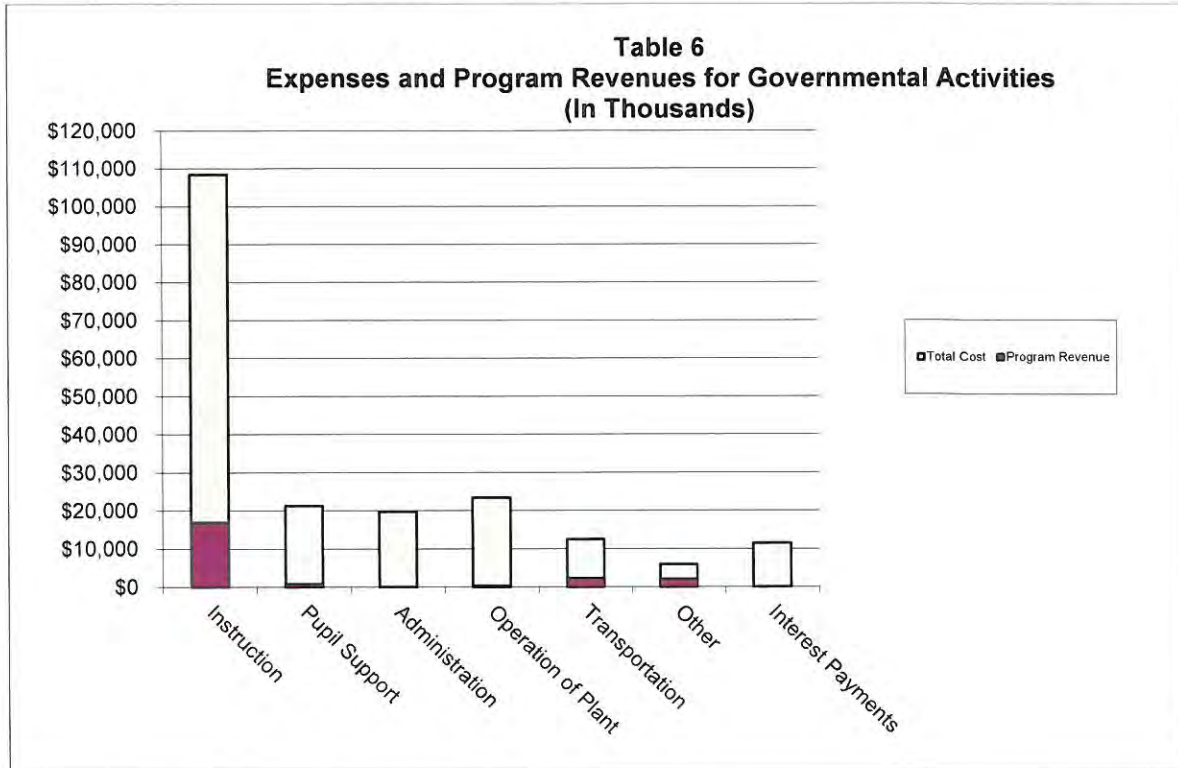
Expenses for Governmental Activities increased by \$9.8 million. The reason for this increase is primarily due to increases in instructional expenses due to increases in teacher salaries and benefits. Bond interest payments also increased due to continued growth and accumulation of debt being repaid.

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

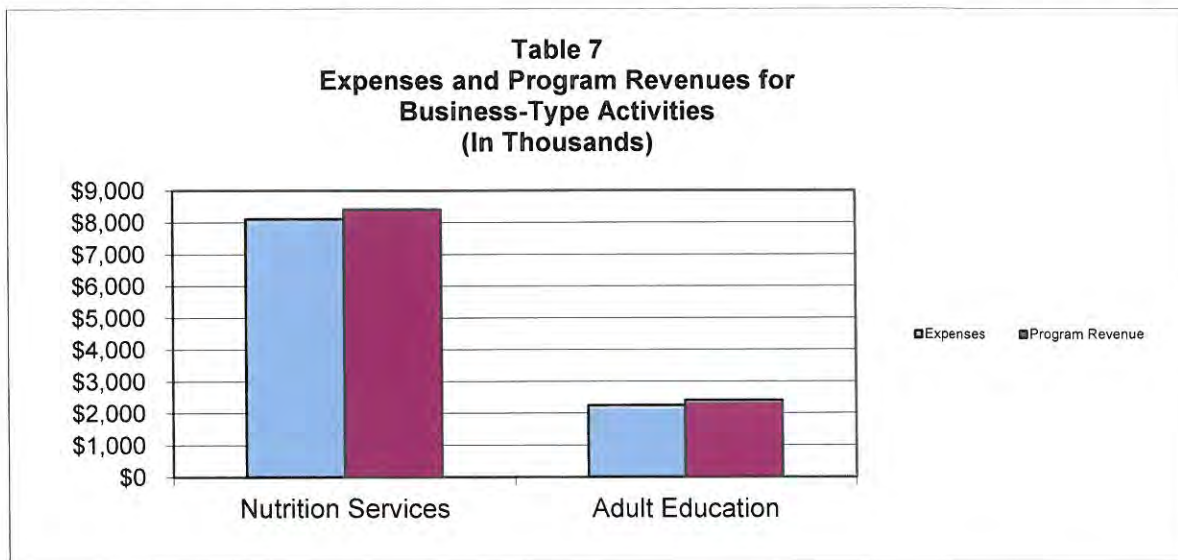
The District's Business-Type Activities continue to be self-supporting and require no subsidy from the District's General Fund. The Business-Type Activities are funded through amounts charged for the services they provide as well as federal and state grants. The decrease in expenses for the Business-Type Activities is primarily because of the decrease in food costs and other cost saving measures taken by the Nutrition Services department in order to improve the financial position of the fund.



**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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As displayed in Table 6 above, program revenues account for only a small portion of total expenses for Governmental Activities. This contrasts with Table 7 below that shows program revenues primarily fund the Business-Type Activities. This means that property taxes and other general revenues primarily fund Governmental Activities and Business-Type Activities are entirely self-funded through program revenues.



**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Financial Analysis of the District's Funds

The District completed the year with a total governmental fund balance of \$154,574,888. This is an increase of \$10,670,400 from the previous year, primarily a result of a higher balance in the General, Debt Service and Capital Projects Funds.

The District refers to the combined balance of the General Fund and Teachers Fund as its "operating fund balance". The operating fund balance increased by \$4,321,766. The increase in the fund balance in the operating funds was primarily due to a \$3.9 million increase in local revenue due to increases in the property tax rate and assessed valuation and release of over \$700,000 in protested taxes from a large property owner. There was also a \$2.3 million increase in state revenue due to an increase in and full funding of the education foundation formula. These revenue increases were offset by a \$5.0 million increase in current operating expenditures due to the increased cost of salaries and benefits and other expenses related to the opening of Battle Elementary School. The overall position of the District's operating fund remains stable and the District is able to meet all of its ongoing operational expenses without relying upon short-term borrowing.

The balance of the Debt Service Fund increased \$2,363,742 during the year. This increase was primarily due to the issuance of \$1,575,000 in general obligation refunding bonds which will not be repaid until 2017.

The balance of the Capital Projects Fund increased \$3,828,981 during the year. This was an expected increase in the balance of this fund as the timing of completion of capital projects often varies from the timing of issuance of general obligation bonds to finance the capital projects. The current year increase was due to the issuance of \$35 million in general obligation bonds for construction of the new East Elementary School, an elementary expansion at Grant Elementary School, and repair and renovation of several other District buildings in future years.

The District completed the year with a balance of net position of \$1,510,857 in its enterprise funds. These funds are non-major funds and are presented in the government-wide statements as Business-Type Activities. The financial position of these funds remains stable and they continue to be able to be funded through charges for the services they provide and federal and state grants. Revenues exceeded expenses by \$160,984 in the Adult Education Fund for the current year primarily due to increased tuition and federal revenues for students qualifying for the federal loan programs. Revenues exceeded expenses in the Nutrition Services Fund by \$307,697 in the current year primarily due to increased federal revenues based on the increase in the number of students qualifying for assistance. Expenses also decreased \$157,882 from the previous year. The District continues to closely monitor program expenses and continues to explore opportunities to improve revenues.

General Fund Budgetary Highlights

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

- Increased property tax revenue by \$998,875 due to increase in final assessed valuation and release of a large protested tax payment.
- Increased county stock insurance revenue based on actual allocation by the county.
- Increased benefit budgets by \$109,191 due to increased medical premiums for calendar year 2016.
- Increased transfers to the Capital Projects Fund by \$567,941 to fund various departmental capital requests.

**COLUMBIA PUBLIC SCHOOL DISTRICT
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- Increased revenues and expenditures for other federal and state grants.

Actual revenues were \$1,925,033 more than budgeted. Local revenues exceeded the budget due to an improved collection of sales taxes while state revenues for early childhood special education funding were greater than budgeted. In addition, federal revenues were over budget in the General Fund due to a reallocation of federal grant monies between the General Fund and the Teacher's Fund. Actual expenditures were \$3,792,420 less than budgeted. Of this amount, over \$2.0 million was the result of unspent budgets for services and supplies related to utility and insurance expenses in Operation of Plant and nearly \$1.0 million was the result of unspent budgets for services and supplies related to Transportation.

Capital Assets

As of June 30, 2016, the District had \$387,176,657 and \$239,907, net of accumulated depreciation, invested in land, buildings, building improvements, trailers and equipment in Governmental Activities and Business-Type Activities, respectively. This also includes construction in progress of \$27,782,964. (More detailed information regarding capital assets can be found in the notes to the basic financial statements, Note 12).

The District completed capital improvement projects totaling \$17,706,464. This amount consisted of over \$5.9 million for the addition to Shepard Elementary, \$5.4 million for the West Boulevard Elementary addition, \$2.4 million for additions and renovations of the Lange Middle School kitchen, and completion of Battle Elementary School. The district also spent another \$3.8 million on building improvements at Rock Bridge High School, Oakland, Gentry, Lange, and Smithton Middle Schools, Center of Responsive Education, and Blue Ridge, Lee, Parkade, Ridgeway, Derby Ridge, Paxton Keeley, and Mill Creek elementary schools which were completed during the current year.

The District has a number of older buildings in use for instructional purposes. Generally, the buildings have been well maintained and are in good condition. However, some buildings are still in need of renovations such as technology upgrades related to today's curriculum and administrative functions and safety and security enhancements.

Table 8 provides a summary of the District's capital assets as of June 30, 2016.

Table 8 Capital Assets June 30, 2016 With Comparative Totals for June 30, 2015 (Net of Depreciation, In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 11,976	\$ 11,190	\$ -	\$ -	\$ 11,976	\$ 11,190
Construction in Progress	27,783	11,333	-	-	27,783	11,333
Buildings	334,528	324,542	-	-	334,528	324,542
Building Improvements	3,771	-	-	-	3,771	-
Mobile Classrooms	1,007	1,124	-	-	1,007	1,124
Equipment and Furniture	8,112	8,055	240	287	8,352	8,342
Total	\$ 387,177	\$ 356,244	\$ 240	\$ 287	\$ 387,417	\$ 356,531

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

Debt Administration

As of June 30, 2016, the District had \$298,732,000 in general obligation bonds outstanding. The District issued \$35,000,000 in general obligation bonds and \$1,575,000 in refunding bonds in the current year. This issue was part of a \$50 million authorization of the voters in April 2014. (More detailed information regarding long-term debt can be found in the notes to the basic financial statements, Note 11).

The outstanding general obligation bonds of the District have a Moody's rating of Aa1, which is the same rating as the prior year and indicates a high quality, low risk credit risk.

Economic Factors, Growth and Next Year's Budget

The community of Columbia continues to thrive although downward economic times have had an adverse impact state and nationwide. While assessed valuation growth has slowed in recent years, the growth in 2013 (a reassessment year) was 1.97%, followed by 3.03% in 2014 and 2.86% in 2015. The preliminary assessed valuation increase for 2016 is 2.58%. While existing property values are slowly recovering from 2009 and 2010 losses, new construction in Columbia, both privately and commercially, is on the rise. Student population for the District also continues to grow at diverse levels which require planning for additional learning space. To support additional growth and building needs, a \$30 million April 2016 ballot initiative was approved. These funds will be used to purchase land for and design a new middle school, expand elementary schools and kitchens, improve existing buildings, and acquire and install technology improvements. Current student enrollment projections indicate an average increase in student enrollment of nearly three percent over the next five years. With this information, the Long Range Facilities Committee, Finance Committee, and the Board have created a 10 year plan for capital improvements and the required funding to support those improvements.

Historically, the District has relied on increases in state foundation formula funding each year, which generally, when combined with local assessed valuation, allowed for needed increases in operating expenses. In recent years, that funding has significantly declined and future funding has been in jeopardy due to state and federal budgetary constraints. Approximately 64 percent of the District's operating revenue comes from local sources, with increasing local support required each year due to decreasing state and federal support.

In April 2016, a 65 cent operating tax levy was approved by voters creating additional local revenue of approximately \$15 million for the operating funds. A portion of this revenue, 30 cents or approximately \$6.9 million, will be needed to maintain and continue current operations, including the opening of new school buildings, without resorting to deficit spending. Approximately \$7.2 million or 31 cents will be devoted to hiring and retaining high quality employees through salary increases. The remaining 4 cents or approximately \$900,000 will be used for student support and to promote AEO (Achievement, Enrichment, and Opportunity) for all students.

Other Postemployment Benefits (OPEB) are part of an exchange of salaries and benefits for employee services rendered. Of the total benefits offered by employers, some benefits are taken while the employees are in active service and others are taken after the employees' services have ended. From an accrual accounting perspective, the cost of OPEB generally should be associated with the periods in which the exchange occurs, rather than the period when the benefits are provided. In prior years, the District has financed OPEB on a pay-as-you-go basis and financial statements have not reported the financial effects of OPEB. GASB Statement 45 improves financial reporting by requiring recognition of OPEB cost (expense) over a period that approximates employees' years of service and by providing information about actuarial accrued liabilities associated with OPEB. The District has elected to continue to finance OPEB benefits on a pay-as-you-go basis and not fully fund the OPEB plan. Therefore, the change in the

**COLUMBIA PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

outstanding OPEB liability is reported in the government-wide financial statements and totals over \$1.7 million for the year ended June 30, 2016.

During the year ended June 30, 2015, the District was required to implement GASB Statement 68, *Accounting and Financial Reporting for Pensions* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement 68*. The District contributes to the Public School Retirement System (PSRS) and the Public Education Employees Retirement System (PEERS) on behalf of its employees. Both systems are mandatory cost-sharing multiple employer plans and are considered defined benefit plans. GASB Statement 68 requires the liability of employers and non-employer contributing entities to employees for defined benefit pension plans (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary assets. Previously, the District has financed and reported pension expenditures only equal to the total amounts paid to the retirement systems during the current period. GASB Statement 68, as amended by GASB Statement 71, improves the decision usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing the accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision usefulness and accountability is also enhanced through new note disclosures as seen in the notes to the basic financial statements, Note 9. The change in the outstanding net pension liability is reported in the government-wide financial statements and totals over \$129.3 million for the year ended June 30, 2016.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the Columbia Public School District's finances for all those with an interest in them. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial and Operations Officer, Columbia Public School District, 1818 W. Worley Street, Columbia, MO 65203.

BASIC FINANCIAL STATEMENTS

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**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Columbia Public School District Foundation
ASSETS				
Cash and Cash Equivalents	\$ 125,200,425	\$ 1,638,177	\$ 126,838,602	\$ 93,756
Investments	18,986,284	-	18,986,284	1,292,119
Receivables (Net of Allowance for Uncollectibles)				
Local	145,229,923	275,221	145,505,144	2,387
State	28,346	-	28,346	-
Federal	1,678,515	863,633	2,542,148	-
Inventories	415,233	101,377	516,610	-
Prepaid Expenses	1,566,242	-	1,566,242	-
Restricted Assets				
Investment with Fiscal Agent - Refunding Escrow	28,339,055	-	28,339,055	-
Capital Assets (Net of Accumulated Depreciation)				
Land	11,976,400	-	11,976,400	-
Construction in Progress	27,782,964	-	27,782,964	-
Buildings	334,527,529	-	334,527,529	-
Building Improvements	3,770,621	-	3,770,621	-
Mobile Classrooms	1,007,308	-	1,007,308	-
Furniture and Equipment	8,111,835	239,907	8,351,742	-
Total Assets	708,620,680	3,118,315	711,738,995	1,388,262
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions made subsequent to measurement date	16,014,924	-	16,014,924	-
Difference between expected and actual experience	14,312,214	-	14,312,214	-
Net Difference between projected and actual earnings on pension plan investments	23,101,903	-	23,101,903	-
Change in proportion and difference between employer contributions and proportionate share of contributions	2,084,924	-	2,084,924	-
Total deferred outflows of resources	55,513,965	-	55,513,965	-
LIABILITIES				
Accounts Payable	13,463,113	199,579	13,662,692	-
Accrued Salaries and Payroll Taxes	6,605,071	76,661	6,681,732	-
Accrued Interest Payable	3,870,589	-	3,870,589	-
Unearned Revenue	3,915,956	270,994	4,186,950	-
Noncurrent Liabilities				
Due within One Year	39,149,560	44,000	39,193,560	-
Due in More than One Year	451,655,331	1,016,224	452,671,555	-
Total Liabilities	518,659,620	1,607,458	520,267,078	-
DEFERRED INFLOWS OF RESOURCES				
Difference between projected and actual earnings on pension plan investments	33,715,821	-	33,715,821	-
Difference between expected and actual experience	148,698	-	148,698	-
Change in proportion and difference between employer contributions and proportionate share of contributions	975,063	-	975,063	-
Deferred revenue - property taxes	4,179,225	-	4,179,225	-
Property taxes levied for subsequent year	131,892,971	-	131,892,971	-
Total deferred inflows of resources	170,911,778	-	170,911,778	-
NET POSITION				
Net investment in capital assets	105,330,218	239,907	105,570,125	-
Restricted for:				
Debt Service	15,884,736	-	15,884,736	-
Capital Projects	3,884,305	-	3,884,305	-
Teachers' Salaries and Benefits	4,319,914	-	4,319,914	-
Grants and Donations	2,604,707	-	2,604,707	-
Unrestricted	(57,460,633)	1,270,950	(56,189,683)	1,388,262
Total Net Position	\$ 74,563,247	\$ 1,510,857	\$ 76,074,104	\$ 1,388,262

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities				
Instruction				
Regular Instruction	\$ 71,175,471	\$ 242,131	\$ 360,357	\$ 22,711
Special Education	29,921,077	-	14,047,094	-
Vocational Instruction	4,304,190	87,500	1,168,230	463,760
Student Activities - Athletics	2,522,550	221,898	-	325,000
Tuition to Other Districts	443,452	-	-	-
Total Instruction	<u>108,366,740</u>	<u>551,529</u>	<u>15,575,681</u>	<u>811,471</u>
Support Services				
Attendance	256,986	-	-	-
Guidance and Counseling	4,962,263	-	-	-
Health and Ancillary Services	3,424,318	-	-	-
Improvement of Instruction	6,578,849	-	664,444	-
Media Services	6,047,514	-	102,838	-
Board Services	534,905	-	-	-
General Administration	2,509,393	-	-	-
Building Administration	11,071,923	-	-	-
Business, Central Services	5,650,224	-	-	-
Operation of Plant	23,380,635	262,487	-	-
Pupil Transportation	12,502,829	-	2,295,138	-
Food Services	69,508	-	-	-
Adult Literacy	441,988	-	398,416	-
Community Services	5,360,422	612,870	1,026,739	-
Total Pupil Support Services	<u>82,791,757</u>	<u>875,357</u>	<u>4,487,575</u>	<u>-</u>
Non-Instruction/Support Services				
Interest Payments	11,494,131	-	-	-
Total Non-Instruction/Support Services	<u>11,494,131</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>202,652,628</u>	<u>1,426,886</u>	<u>20,063,256</u>	<u>811,471</u>
Business-Type Activities				
Food Services	8,114,702	3,097,962	5,319,425	-
Adult Education	2,248,565	1,517,761	887,455	-
Total Business-Type Activities	<u>10,363,267</u>	<u>4,615,723</u>	<u>6,206,880</u>	<u>-</u>
Total Primary Government	<u>\$ 213,015,895</u>	<u>\$ 6,042,609</u>	<u>\$ 26,270,136</u>	<u>\$ 811,471</u>
Component Unit				
Columbia Public School District Foundation	<u>\$ 130,380</u>	<u>\$ 110,059</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Services

Property Taxes, Levied for Capital Projects

Other Taxes

Allocation of Statewide Education Sales Tax

Federal and State Aid Not Restricted to Specific Purposes

Interest and Investment Earnings

Miscellaneous

Total General Revenues

Changes in Net Position

Net Position, July 1

Net Position, June 30

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

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

Primary Government			Component Unit
Governmental Activities	Business- Type Activities	Total	Columbia Public School District Foundation
\$ (70,550,272)	\$ -	\$ (70,550,272)	\$ -
(15,873,983)	-	(15,873,983)	-
(2,584,700)	-	(2,584,700)	-
(1,975,652)	-	(1,975,652)	-
(443,452)	-	(443,452)	-
<u>(91,428,059)</u>	<u>-</u>	<u>(91,428,059)</u>	<u>-</u>
(256,986)	-	(256,986)	-
(4,962,263)	-	(4,962,263)	-
(3,424,318)	-	(3,424,318)	-
(5,914,405)	-	(5,914,405)	-
(5,944,676)	-	(5,944,676)	-
(534,905)	-	(534,905)	-
(2,509,393)	-	(2,509,393)	-
(11,071,923)	-	(11,071,923)	-
(5,650,224)	-	(5,650,224)	-
(23,118,148)	-	(23,118,148)	-
(10,207,691)	-	(10,207,691)	-
(69,508)	-	(69,508)	-
(43,572)	-	(43,572)	-
(3,720,813)	-	(3,720,813)	-
<u>(77,428,825)</u>	<u>-</u>	<u>(77,428,825)</u>	<u>-</u>
(11,494,131)	-	(11,494,131)	-
<u>(11,494,131)</u>	<u>-</u>	<u>(11,494,131)</u>	<u>-</u>
(180,351,015)	-	(180,351,015)	-
-	302,685	302,685	-
-	156,651	156,651	-
-	<u>459,336</u>	<u>459,336</u>	<u>-</u>
(180,351,015)	459,336	(179,891,679)	-
-	-	-	(20,321)
99,568,926	-	99,568,926	-
21,893,319	-	21,893,319	-
1,658,436	-	1,658,436	-
2,585,524	-	2,585,524	-
16,606,393	-	16,606,393	-
54,164,904	-	54,164,904	-
1,105,592	9,345	1,114,937	(47,126)
1,154,374	-	1,154,374	-
<u>198,737,468</u>	<u>9,345</u>	<u>198,746,813</u>	<u>(47,126)</u>
18,386,453	468,681	18,855,134	(67,447)
56,176,794	1,042,176	57,218,970	1,455,709
<u>\$ 74,563,247</u>	<u>\$ 1,510,857</u>	<u>\$ 76,074,104</u>	<u>\$ 1,388,262</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	General	Teachers
ASSETS		
Cash and Cash Equivalents	\$ 47,812,039	\$ 11,748,667
Investments	-	-
Receivables (Net of Allowance for Uncollectibles)		
Local	59,563,059	60,052,709
State	-	-
Federal	669,957	634,371
Inventories	415,233	-
Prepaid Expenditures	1,564,962	-
Restricted Assets-Invested with Fiscal Agent		
Refunding Escrow	-	-
Total Assets	\$ 110,025,250	\$ 72,435,747
LIABILITIES		
Accounts Payable	\$ 3,129,809	\$ 4,580,770
Accrued Salaries and Payroll Taxes	949,901	5,628,308
Unearned Revenue - Other	-	555,381
Total Liabilities	4,079,710	10,764,459
DEFERRED INFLOWS OF RESOURCES		
Property taxes levied for subsequent year	57,195,838	57,987,792
Total deferred inflows of resources	57,195,838	57,987,792
FUND BALANCES		
Nonspendable		
Inventories	415,233	-
Prepaid Expenditures	1,564,962	-
Restricted for		
Retirement of Debt - Crossover Refunded Bonds	-	-
Retirement of Debt - General Obligation Bonds	-	-
Capital Improvements-Bond Proceeds	-	-
Teachers' Salaries and Benefits	-	3,683,496
Grants and Donations	-	-
Capital Lease Payments	505,402	-
Energy Lease	251,110	-
Assigned to		
Other Capital Projects	-	-
Unassigned	46,012,995	-
Total Fund Balances	48,749,702	3,683,496
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 110,025,250	\$ 72,435,747

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

Governmental Fund Types

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 19,331,184	\$ 36,038,557	\$ 2,509,319	\$ 117,439,766
-	18,986,284	-	18,986,284
22,909,861	2,642,781	60,747	145,229,157
-	-	28,346	28,346
-	-	374,187	1,678,515
-	-	-	415,233
-	-	1,280	1,566,242
<u>28,339,055</u>	<u>-</u>	<u>-</u>	<u>28,339,055</u>
\$ <u>70,580,100</u>	\$ <u>57,667,622</u>	\$ <u>2,973,879</u>	\$ <u>313,682,598</u>
\$ -	\$ 3,642,948	\$ 342,310	\$ 11,695,837
-	-	26,862	6,605,071
-	-	-	555,381
<u>-</u>	<u>3,642,948</u>	<u>369,172</u>	<u>18,856,289</u>
<u>22,735,252</u>	<u>2,332,539</u>	<u>-</u>	<u>140,251,421</u>
<u>22,735,252</u>	<u>2,332,539</u>	<u>-</u>	<u>140,251,421</u>
-	-	-	415,233
-	-	1,280	1,566,242
28,339,055	-	-	28,339,055
19,505,793	-	-	19,505,793
-	47,826,732	-	47,826,732
-	-	-	3,683,496
-	-	2,603,426	2,603,426
-	-	1	505,403
-	-	-	251,110
-	3,865,403	-	3,865,403
<u>-</u>	<u>-</u>	<u>-</u>	<u>46,012,995</u>
<u>47,844,848</u>	<u>51,692,135</u>	<u>2,604,707</u>	<u>154,574,888</u>
\$ <u>70,580,100</u>	\$ <u>57,667,622</u>	\$ <u>2,973,879</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds.	387,176,657
Some of the District's taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	4,179,225
Internal service funds are used by management to charge the costs of providing employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	2,633,574
Net deferred outflows/(inflows) related to pensions are not due and payable in the current period and, therefore, are not reported in the funds.	20,674,383
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(494,675,480)</u>
Net position of governmental activities	\$ <u>74,563,247</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	General	Teachers
REVENUES		
Local	\$ 55,614,648	\$ 63,489,755
County	1,095,051	774,063
State	18,384,197	42,718,733
Federal	4,100,179	4,723,953
Tuition From Other Districts	43,750	144,314
Total Revenues	79,237,825	111,850,818
EXPENDITURES		
Current		
Instruction		
Regular Instruction	9,979,858	62,393,627
Special Instruction	8,140,060	22,446,420
Vocational Instruction	518,875	3,355,425
Student Activities - Athletics	791,072	1,411,772
Tuition To Other Districts	-	443,452
Total Instruction	19,429,865	90,050,696
Pupil Support Services		
Attendance	263,499	-
Guidance and Counseling	404,992	4,644,696
Health and Ancillary Services	3,309,831	112,115
Improvement of Instruction	1,894,614	4,605,899
Media Services	3,060,545	2,723,580
Total Support Services	8,933,481	12,086,290
Administration		
Board Services	534,905	-
General Administration	1,628,288	961,256
Building Administration	3,935,104	7,504,847
Business, Central Services	5,624,871	115,930
Total Administration	11,723,168	8,582,033
Other		
Operation of Plant	17,424,519	-
Pupil Transportation	12,402,246	-
Food Services	-	-
Adult Literacy	11,652	-
Community Services	2,442,949	2,141,090
Total Other	32,281,366	2,141,090
Debt Service		
Principal	-	-
Interest and Fees	-	-
Bond Issuance Costs	-	-
Total Debt Service	-	-
Capital Outlay and Construction		
Furniture and Equipment	-	-
Vehicles	-	-
Land and Site Improvements	-	-
Building Additions and Renovations	-	-
Total Capital Outlay and Construction	-	-
Total Expenditures	72,367,880	112,860,109
REVENUES OVER (UNDER) EXPENDITURES	6,869,945	(1,009,291)
OTHER FINANCING SOURCES (USES)		
General Obligation Bonds Issued	-	-
Premium on Bonds Issued	-	-
Refunding Bonds Issued	-	-
Premium on Refunding Bonds Issued	-	-
Transfers In	-	-
Transfers Out	(1,538,888)	-
Total Other Financing Sources (Uses)	(1,538,888)	-
NET CHANGES IN FUND BALANCES	5,331,057	(1,009,291)
FUND BALANCES, JULY 1	43,418,645	4,692,787
FUND BALANCES, JUNE 30	\$ 48,749,702	\$ 3,683,496

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

Governmental Fund Types

	Debt Service	Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
\$	22,735,064	\$ 2,452,935	\$ 1,921,906	\$ 146,214,308
	384,212	14,974	-	2,268,300
	-	80,173	1,175,855	62,358,958
	312,657	-	1,054,539	10,191,328
	-	-	-	188,064
	<u>23,431,933</u>	<u>2,548,082</u>	<u>4,152,300</u>	<u>221,220,958</u>
	-	-	700,892	73,074,377
	-	-	201,869	30,788,349
	-	-	488,989	4,363,289
	-	-	374,330	2,577,174
	-	-	-	443,452
	-	-	<u>1,766,080</u>	<u>111,246,641</u>
	-	-	-	263,499
	-	-	111,108	5,160,796
	-	-	62,712	3,484,658
	-	-	268,022	6,768,535
	-	-	270,013	6,054,138
	-	-	<u>711,855</u>	<u>21,731,626</u>
	-	-	-	534,905
	-	-	-	2,589,544
	-	-	-	11,439,951
	-	-	-	5,740,801
	-	-	-	<u>20,305,201</u>
	-	-	-	-
	-	-	14,938	17,439,457
	-	-	105,039	12,507,285
	-	-	69,508	69,508
	-	-	438,479	450,131
	-	-	890,490	5,474,529
	-	-	<u>1,518,454</u>	<u>35,940,910</u>
	-	-	-	-
	12,235,000	155,000	310,000	12,700,000
	10,580,579	87,310	310,220	10,978,109
	20,700	175,986	-	196,686
	<u>22,836,279</u>	<u>418,296</u>	<u>620,220</u>	<u>23,874,795</u>
	-	2,963,482	-	2,963,482
	-	199,425	-	199,425
	-	2,096,936	-	2,096,936
	-	32,050,298	-	32,050,298
	-	37,310,141	-	37,310,141
	<u>22,836,279</u>	<u>37,728,437</u>	<u>4,616,609</u>	<u>250,409,314</u>
	595,654	(35,180,355)	(464,309)	(29,188,356)
	-	35,000,000	-	35,000,000
	-	3,090,668	-	3,090,668
	1,575,000	-	-	1,575,000
	193,088	-	-	193,088
	-	1,538,888	620,220	2,159,108
	-	(620,220)	-	(2,159,108)
	<u>1,768,088</u>	<u>39,009,336</u>	<u>620,220</u>	<u>39,858,756</u>
	2,363,742	3,828,981	155,911	10,670,400
	<u>45,481,106</u>	<u>47,863,154</u>	<u>2,448,796</u>	<u>143,904,488</u>
\$	<u>47,844,848</u>	\$ <u>51,692,135</u>	\$ <u>2,604,707</u>	\$ <u>154,574,888</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

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

Net changes in fund balances of total governmental funds	\$ 10,670,400
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	30,932,209
Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds	(181,877)
The issuance of long-term debt (bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount reflects payments made on outstanding bonds in the current period	(23,875,000)
Additional expenses for bond interest payable reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(471,026)
Expenses/revenues for premiums, discounts, and similar items related to the issuance of debt are reported in the governmental funds at the time of issuance, and are deferred and amortized in the Statement of Activities	(3,132,066)
Expenses related to the increase of the liability for compensated absences reported in the Statement of Activities are reported as expenditures in the governmental funds	(99,965)
Expenses related to the increase of the liability for other postemployment benefits reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds	(1,747,972)
Expenses related to the increase/(decrease) for net pension liability do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	7,173,799
Internal service funds are used by the District to charge the costs of employee benefits to individual funds. The change in net position of internal service funds is reported with governmental activities	(882,049)
Change in net position of governmental activities	\$ <u><u>18,386,453</u></u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Local	\$ 53,934,421	\$ 54,814,791	\$ 55,614,648	\$ 799,857
County	912,170	1,025,465	1,095,051	69,586
State	18,022,689	18,022,689	18,384,197	361,508
Federal	3,930,098	3,406,347	4,100,179	693,832
Tuition From Other Districts	43,500	43,500	43,750	250
Total Revenues	<u>76,842,878</u>	<u>77,312,792</u>	<u>79,237,825</u>	<u>1,925,033</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	10,113,460	9,630,380	9,979,858	(349,478)
Special Instruction	6,698,339	6,617,338	8,140,060	(1,522,722)
Vocational Instruction	765,851	606,876	518,875	88,001
Student Activities - Athletics	774,817	789,469	791,072	(1,603)
Total Instruction	<u>18,352,467</u>	<u>17,644,063</u>	<u>19,429,865</u>	<u>(1,785,802)</u>
Pupil Support Services				
Attendance	198,065	198,871	263,499	(64,628)
Guidance and Counseling	464,169	441,783	404,992	36,791
Health and Ancillary Services	4,227,230	4,241,997	3,309,831	932,166
Improvement of Instruction	2,294,048	2,205,835	1,894,614	311,221
Media Services	3,344,916	3,318,576	3,060,545	258,031
Total Support Services	<u>10,528,428</u>	<u>10,407,062</u>	<u>8,933,481</u>	<u>1,473,581</u>
Administration				
Board Services	627,800	627,800	534,905	92,895
General Administration	1,706,087	1,743,365	1,628,288	115,077
Building Administration	4,293,896	4,316,020	3,935,104	380,916
Business, Central Services	5,881,546	5,879,528	5,624,871	254,657
Total Administration	<u>12,509,329</u>	<u>12,566,713</u>	<u>11,723,168</u>	<u>843,545</u>
Other				
Operation of Plant	18,923,720	19,487,871	17,424,519	2,063,352
Pupil Transportation	13,393,393	13,397,757	12,402,246	995,511
Adult Literacy	15,000	15,000	11,652	3,348
Community Services	2,642,870	2,641,834	2,442,949	198,885
Total Other	<u>34,974,983</u>	<u>35,542,462</u>	<u>32,281,366</u>	<u>3,261,096</u>
Total Expenditures	<u>76,365,207</u>	<u>76,160,300</u>	<u>72,367,880</u>	<u>3,792,420</u>
REVENUES OVER (UNDER) EXPENDITURES	477,671	1,152,492	6,869,945	5,717,453
OTHER FINANCING USES				
Transfers Out	(962,535)	(1,530,476)	(1,538,888)	(8,412)
NET CHANGE IN FUND BALANCE	(484,864)	(377,984)	5,331,057	5,709,041
FUND BALANCE, JULY 1	43,418,645	43,418,645	43,418,645	-
FUND BALANCE, JUNE 30	<u>\$ 42,933,781</u>	<u>\$ 43,040,661</u>	<u>\$ 48,749,702</u>	<u>\$ 5,709,041</u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
TEACHERS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Local	\$ 62,455,193	\$ 63,161,891	\$ 63,489,755	\$ 327,864
County	618,283	756,102	774,063	17,961
State	42,864,470	42,864,470	42,718,733	(145,737)
Federal	5,486,311	6,380,698	4,723,953	(1,656,745)
Tuition From Other Districts	120,503	120,503	144,314	23,811
Total Revenues	<u>111,544,760</u>	<u>113,283,664</u>	<u>111,850,818</u>	<u>(1,432,846)</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	63,369,345	63,243,679	62,393,627	850,052
Special Instruction	16,937,696	17,356,752	22,446,420	(5,089,668)
Vocational Instruction	3,313,440	3,314,959	3,355,425	(40,466)
Student Activities - Athletics	1,348,619	1,345,828	1,411,772	(65,944)
Tuition To Other Districts	450,000	450,000	443,452	6,548
Total Instruction	<u>85,419,100</u>	<u>85,711,218</u>	<u>90,050,696</u>	<u>(4,339,478)</u>
Pupil Support Services				
Guidance and Counseling	4,595,748	4,602,117	4,644,696	(42,579)
Health and Ancillary Services	4,242,320	4,250,380	112,115	4,138,265
Improvement of Instruction	4,442,134	4,686,268	4,605,899	80,369
Media Services	2,596,987	2,603,328	2,723,580	(120,252)
Total Support Services	<u>15,877,189</u>	<u>16,142,093</u>	<u>12,086,290</u>	<u>4,055,803</u>
Administration				
General Administration	808,375	765,071	961,256	(196,185)
Building Administration	8,525,605	8,538,173	7,504,847	1,033,326
Business, Central Services	115,730	115,881	115,930	(49)
Total Administration	<u>9,449,710</u>	<u>9,419,125</u>	<u>8,582,033</u>	<u>837,092</u>
Other				
Community Services	2,050,839	2,039,674	2,141,090	(101,416)
Total Other	<u>2,050,839</u>	<u>2,039,674</u>	<u>2,141,090</u>	<u>(101,416)</u>
Total Expenditures	<u>112,796,838</u>	<u>113,312,110</u>	<u>112,860,109</u>	<u>452,001</u>
NET CHANGE IN FUND BALANCE	(1,252,078)	(28,446)	(1,009,291)	(980,845)
FUND BALANCE, JULY 1	<u>4,692,787</u>	<u>4,692,787</u>	<u>4,692,787</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 3,440,709</u>	<u>\$ 4,664,341</u>	<u>\$ 3,683,496</u>	<u>\$ (980,845)</u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016**

	<u>Business-Type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,638,177	\$ 7,760,659
Receivables (Net of Allowance for Uncollectibles)		
Local	275,221	766
Federal	863,633	-
Inventories	101,377	-
Total Current Assets	2,878,408	7,761,425
Noncurrent Assets		
Capital Assets (Net of Accumulated Depreciation)		
Furniture and Equipment	239,907	-
Total Noncurrent Assets	239,907	-
Total Assets	3,118,315	7,761,425
LIABILITIES		
Current Liabilities		
Accounts Payable	199,579	1,767,276
Accrued Salaries and Payroll Taxes	76,661	-
Unearned Revenue	270,994	3,360,575
Total Current Liabilities	547,234	5,127,851
Noncurrent Liabilities		
Liability for Long - Term		
Compensated Absences	216,104	-
Liability for Long - Term Other		
Postemployment Benefits	844,120	-
Total Noncurrent Liabilities	1,060,224	-
Total Liabilities	1,607,458	5,127,851
NET POSITION		
Invested in Capital Assets	239,907	-
Unrestricted	1,270,950	2,633,574
Total Net Position	\$ 1,510,857	\$ 2,633,574

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Business-Type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
OPERATING REVENUES		
Food Sales	\$ 3,097,962	\$ -
Tuition	1,517,761	-
Insurance Premiums	-	25,033,858
Total Operating Revenues	<u>4,615,723</u>	<u>25,033,858</u>
OPERATING EXPENSES		
Food Purchased	3,288,862	-
Salaries and Wages	3,498,030	207,180
Fringe Benefits	1,464,622	64,378
Supplies	555,343	40,435
Purchased Services	263,161	289,156
Travel	26,112	-
Repairs	54,282	-
Donated Commodities Used	459,730	-
Financial Aid	705,798	-
Excess Loss Insurance	-	422,485
Administration Fees	-	343,085
Benefits Paid/Accrued	-	24,575,695
Depreciation	47,327	-
Total Operating Expenses	<u>10,363,267</u>	<u>25,942,414</u>
OPERATING INCOME (LOSS)	<u>(5,747,544)</u>	<u>(908,556)</u>
NONOPERATING REVENUES (EXPENSES)		
State Assistance	280,333	-
Federal Assistance	5,466,817	-
Earnings on Investments	9,345	26,507
Donated Commodities	459,730	-
Total Nonoperating Revenues	<u>6,216,225</u>	<u>26,507</u>
CHANGES IN NET POSITION	468,681	(882,049)
NET POSITION, JULY 1	<u>1,042,176</u>	<u>3,515,623</u>
NET POSITION, JUNE 30	<u>\$ 1,510,857</u>	<u>\$ 2,633,574</u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Sales/Tuition/Premiums	\$ 4,363,889	\$ 9,953,107
Cash Received from Interfund Charges for Risk Management Services	-	16,023,329
Cash Payments for Supplies and Services	(4,816,784)	(991,939)
Cash Payments to Employees for Services	(4,942,377)	(374,780)
Cash Payments for Claims/Benefits	-	(24,672,024)
Net Cash From Operating Activities	(5,395,272)	(62,307)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal/State Assistance	5,216,260	-
Net Cash From Noncapital Financing Activities	5,216,260	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	9,345	26,507
Net Cash From Investing Activities	9,345	26,507
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(169,667)	(35,800)
CASH AND CASH EQUIVALENTS, JULY 1	1,807,844	7,796,459
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 1,638,177	\$ 7,760,659
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (5,747,544)	\$ (908,556)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities		
Depreciation	47,327	-
Donated Commodities Used	459,730	-
Change in Assets and Liabilities		
(Increase) Decrease in Receivables	(251,834)	818,695
(increase) Decrease in Inventories	22,435	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	18,683	(96,329)
Increase in Unearned Revenue	(5,611)	123,883
Increase in Compensated Absences Payable	6,314	-
Increase in Other Postemployment Benefits Payable	55,228	-
Net Cash From Operating Activities	\$ (5,395,272)	\$ (62,307)
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES		
Donated commodities received	\$ 432,419	\$ -
Donated commodities used	\$ 459,730	\$ -

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY
STUDENT ACTIVITY FUND
JUNE 30, 2016**

ASSETS	
Cash	\$ 1,388,611
Account Receivable	152
Total Assets	<u>\$ 1,388,763</u>
LIABILITIES	
Accounts Payable	\$ 181,269
Due to Student Groups	1,207,494
Total Liabilities	<u>\$ 1,388,763</u>

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Blended component unit – The Columbia Public Schools Facilities Authority (Authority) was formed to facilitate financing for the construction and acquisition of the Neil C. Aslin Administration Building and the Early Childhood Discovery Center. Due to the substantive economic relationship between the Authority and the District, the financing activities of the Authority are included in the accompanying basic financial statements. Separate financial statements for the Authority are not published. The Authority is reported as a non-major governmental fund.

Discretely presented component unit – The Columbia Public School District Foundation (Foundation) provides annual program grants to the District from funds raised through its own fundraising efforts. Generally accepted accounting principles provide guidance to determine whether certain organizations for which the District is not financially accountable should be reported as a component unit based on the nature and significance of the relationship. The District has determined that the Foundation meets this definition for inclusion in the District's financial statements as a component unit. The Foundation is a nonprofit organization and it follows guidance of the Financial Accounting Standards Board for its financial reporting. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented. The Foundation's fiscal year ends on December 31, and the accompanying financial statements include financial information for its fiscal year ended December 31, 2015. Complete financial statements for the Foundation can be obtained from the Foundation's Treasurer, P.O. Box 1234, Columbia, MO 65205-1234.

Government-wide and Fund Financial Statements

Government-wide Statements:

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Fund Financial Statements:

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

The Grants and Donations fund of the District accounts for grants, contributions, and other resources that are restricted for a particular purpose. The Columbia Public Schools Facility Authority fund accounts for the activities of the Authority, a blended component unit of the District.

Proprietary Funds

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

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

Fiduciary Fund

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

Basis of Accounting, Measurement Focus, and Financial Statement Presentation

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied (See Note 4). The District's allocation of the statewide education sales tax is recognized as revenue in the year of the underlying sale. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the Food Services Fund, the Adult Education Fund, and the Internal Service Funds include charges for meals, tuition, and insurance premiums, respectively. Operating expenses include the cost of providing meals (food and personal services), the cost of classes for adult education (personal services, financial aid, and supplies), and expenses related to providing employee benefits (personal services, professional fees, and direct benefit payments), respectively. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Fiduciary funds focus on net position and changes in net position. The only fiduciary fund type reported by the District is an agency fund. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities

Deposits and Investments

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

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

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

Investments for the District are stated at amortized cost, which approximates fair value. Investments recorded at amortized cost include investments in U.S. Treasury, agency and instrumentality obligations with a remaining maturity of one year or less at the time of acquisition. Non-negotiable certificates of deposit are also carried at amortized cost.

Investments for the component unit are stated at fair value.

Receivables

Receivables are reported by source. Local receivables include property taxes, allocations of the statewide education sales tax, and other receivables generated by the District's operations. State receivables include receivables related to funding the District receives from the State. Federal receivables include amounts due to the District from federal grants.

Inventories and Prepaid Items

Inventories are stated at average cost. Inventories of supplies in the General Fund are accounted for using the consumption method. Under this method, the materials are reported as a financial resource when acquired and recognized as expenditures when used.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

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

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

Capital Assets

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

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

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

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life</u>	<u>Salvage Value</u>
Buildings	75 years	0%
Building Improvements	20 years	0%
Mobile Classroom Trailers	25 years	0%
Furniture and Equipment	10 years	0%

Long-Term Obligations

In the government-wide financial statements long-term debt and other obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Compensated Absences

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

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All 12-month employees are eligible for vacation pay. Vacation pay is fully vested when earned. District employees are entitled to sick leave at the rate of one day per month of full-time service.

Employees are not compensated for unused sick leave upon termination of employment; however, upon retirement, unused sick leave is paid at the substitute rate for that position based on the number of days accumulated. Teachers can take early teacher retirement at age 55 with five years of service or at any age with 25 years of service. Employees can take early non-teacher retirement at age 55 if they have five, but fewer than 25 years of service. As a result, employees are considered vested in their sick leave balance when they have 25 years or more of service or are 55 years of age.

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

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has multiple items that qualify for reporting in this category, all related to the determination of net pension liability. These include the pension contributions made after the measurement date of the actuarial valuation, difference between expected and actual experience, difference between projected and actual earnings on pension plan investments, and change in proportion and difference between employer contributions and proportionate share of contributions.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement elements represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has multiple items that qualify for reporting in this category. The items referred to as difference between projected and actual earnings, difference between expected and actual experience, and change in proportion and difference between employer contributions represents changes in the value of pension plan assets due to changes in proportionate share, interest rates, and other market fluctuations which are not available until future periods. See additional information regarding this items in Note 9 to the financial statements. The item referred to as Deferred Revenue, represents property taxes recorded on the Statement of Activities that do not provide current financial resources and are not reported in the funds. The item referred to as Property Taxes levied for subsequent years, arises from property taxes collected to fund operations of the subsequent school year. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net position restricted for other purposes includes assets accumulated from gifts from donors to be used only for purposes specified by those donors.

Fund Balances – Governmental Funds

The Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) effective for reporting periods

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beginning after June 15, 2010. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purchases for which amounts in those funds can be spent and requires disclosure of nonspendable and spendable resources.

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form (e.g. inventories and prepaid expenses) or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board, the District's highest level of decision making authority. Commitments may be modified or rescinded only by the Board.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts are assigned by the District's highest level of decision making authority or a body or official that has been given the authority to assign funds. The Board policy regarding the annual budget process indicates that the overall responsibility for assigning amounts for a specific purpose rests with the superintendent who will direct the planning and preparation of the budget submitted to the Board for approval. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

The details of the fund balances are included in the Balance Sheet – Governmental Funds.

Use of Estimates

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

Note 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

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

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

Once the budget is adopted and approved by the Board, the budget may be amended at the function and fund level, only by approval of a majority of the members of the Board. The Administration may amend the budget only at the object and location (school or building) level without seeking the approval of the Board. The Board approved budget amendments for the year ended June 30, 2016, at its October 12, 2015, January 11, 2016, April 11, 2016, and June 13, 2016 meetings.

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

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

Note 3 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance of total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation states that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$4,179,225 difference are as follows:

Deferred property tax related to prior year	\$	3,102,167
Deferred remainder of property tax unearned		1,077,058
Net adjustment to increase fund balance of total governmental funds to arrive at net position of governmental activities	\$	4,179,225

Another element of that reconciliation states that "Net deferred outflows/(inflows) related to pensions are not due and payable in the current period and, therefore, are not reported in the funds. The details of this \$20,674,383 difference are as follows:

Total deferred outflows of resources	\$	55,513,965
Deferred inflows of resources		
Difference between projected and actual earnings on pension plan investments		(33,715,821)
Difference between expected and actual experience		(148,698)
Change in proportion and difference between employer contributions and proportionate share of contributions		(975,063)
Net deferred outflows/(inflows) related to pensions are not due and payable in the current period and, therefore, are not reported in the funds	\$	20,674,383

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Another element of that reconciliation states that "Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$494,675,480 difference are as follows:

Compensated Absences	\$ (3,110,843)
Other Post-Employment Benefit Obligation	(29,780,580)
Net Pension Liability	(129,374,380)
Accrued Interest Payable	(3,870,589)
Certificates of Participation Due within One Year	(490,000)
Certificates of Participation Due in More than One Year	(9,315,000)
General Obligation Bonds Due within One Year	(36,800,000)
General Obligation Bonds Due in More than One Year	(261,932,000)
Bond Premium/Discount (to be amortized over the life of the debt)	<u>(20,002,088)</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net position of governmental activities	<u>\$ (494,675,480)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances of total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$30,932,209 difference are as follows:

Land	\$ 786,032
Construction in Progress	16,449,808
Buildings	13,755,565
Building Improvements	3,867,304
Equipment	(3,150,208)
Less: Depreciation Expense	<u>(776,292)</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 30,932,209</u>

Another element of that reconciliation states that "Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds." The details of this \$181,877 difference are as follows:

Earned but unavailable property tax	\$ 1,077,058
Prior years' earned but unavailable property tax	<u>(1,258,935)</u>
Net adjustment to decrease net changes in fund balances of total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (181,877)</u>

Another element of that reconciliation states that "The issuance of long-term debt (bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of the long term debt consumes the current financial resources of the governmental funds." The details of this \$23,875,000 difference are as follows:

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General obligation bonds issued	\$ (36,575,000)
Bond principal payments	12,235,000
Certificates of Participation principal payment	<u>465,000</u>
Net adjustment to decrease net changes in fund balances of total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (23,875,000)</u>

Another element of that reconciliation states that "Additional expenses for bond interest payable reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds." The details of this \$471,026 difference are as follows:

Current bond interest payable	\$ (3,870,589)
Prior year's bond interest payable	<u>3,399,563</u>
Net adjustment to decrease net changes in fund balances of total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (471,026)</u>

Another element of that reconciliation states that "Expenses/Revenues for premiums, discounts, and similar items related to the issuance of debt are reported in the governmental funds at the time of issuance, and are deferred and amortized in the Statement of Activities." The details of this \$3,132,066 difference are as follows:

Current year bond premium/discount	\$ (3,283,756)
Amortization of bond premiums and discounts	<u>151,690</u>
Net adjustment to decrease net changes in fund balances of total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (3,132,066)</u>

Another element of that reconciliation states that "Expenses related to the increase/(decrease) for net pension liability reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in the governmental funds." The details of this \$7,173,799 difference are as follows:

Current Year contributions to the pension plan	\$ 16,014,923
Pension Expense	<u>(8,841,124)</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 7,173,799</u>

Note 4 PROPERTY TAX REVENUE RECOGNITION

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

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

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Revenues not meeting the above criteria are reported as *deferred inflows of resources – property taxes levied for subsequent year* and have been recognized on the related balance sheet and statement of net position (See Note 6).

Note 5 DEPOSITS & INVESTMENTS

Deposits

At June 30, 2016, the carrying amount of the District's deposits for the primary government was \$128,201,482 and the bank balance was \$133,044,312. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law. District policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility.

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

At December 31, 2015, the carrying amount of the component unit's deposits was \$93,756 and the bank balance was \$93,756. The component unit does not have a deposit policy for custodial credit risk. As of December 31, 2015, the component unit's bank balance was fully collateralized.

Investments

As of June 30, 2016, the District (primary government) had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Maturity Less Than 1 Year</u>	<u>Maturity 1-5 Years</u>
U.S. Treasury Obligations			
State and Local Government Series	\$ 28,339,055	\$ 28,339,055	\$ -
U.S. Agencies Obligations			
Natixis NY Discount Notes	3,997,495	3,997,495	-
Fortis Fund LLC Discount Notes	8,998,524	8,998,524	-
Credit Agricole Discount Notes	2,993,992	2,993,992	-
Societe Generale Discount Notes	2,996,273	2,996,273	-
Total Investments – Primary Government	\$ 47,325,339	\$ 47,325,339	\$ -

As of December 31, 2015, the discretely presented component unit had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity 1-5 Years</u>
Corporate Bonds	\$ 420,536	\$ 420,536
Common Stock	688,369	N/A
Real Assets	59,144	N/A
Alternatives	124,070	N/A
Total Investments - Discretely Presented Component Unit	\$ 1,292,119	\$ 420,536

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy mandates structuring the investment portfolio so that securities

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mature to meet cash requirements for ongoing operations thereby avoiding the need to sell securities on the open market prior to maturity. The investment policy also mandates investing operating funds primarily in shorter-term securities.

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

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy provides that the District will minimize credit risk by pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business, and diversifying the portfolio so that potential losses on individual securities will be minimized. At June 30, 2016, all of the District's investments in discount notes of various U.S. agencies were rated A-1 by Standard and Poor's and P-1 by Moody's, the highest ratings given for short-term investments.

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

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

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

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

To address concentration of credit risk, the component unit's investment policy mandates that the portfolio have asset allocations meeting the following criteria: a) Cash and cash equivalents, 0 – 20%, b) Stocks/Equities, stock funds, 30 – 60%, c) Bonds, bond funds, fixed, 30 – 60%.

Reconciliation of Carrying Amounts – Primary Government

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

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Balance sheet:

Assets:

Cash and cash equivalents Governmental Funds	\$ 117,439,766
Cash and cash equivalents Enterprise Funds	1,638,177
Cash and cash equivalents Internal Service Funds	7,760,659
Cash – Fiduciary Funds	1,388,611
Investments – Governmental Funds	18,986,284
Investments – Debt Service Fund – with Fiscal Agent	28,339,055
Total	<u>\$ 175,552,552</u>

Note disclosure:

Cash on Hand	\$ 25,731
Carrying Amount of Deposits	128,201,482
Investments	47,325,339
Total	<u>\$ 175,552,552</u>

Note 6 PROPERTY TAXES RECEIVABLE

The amount of prior years' taxes due at June 30, 2016, was obtained from the County Collector who is responsible for the collection of all taxes. The net receivables were calculated as follows:

	General Fund	Teachers Fund	Debt Service Fund	Capital Projects Fund	Total
Property Taxes Receivable (15-16)	\$ 57,599,354	\$ 58,503,044	\$ 22,937,272	\$ 2,347,842	\$ 141,387,512
Less: Allowance	133,454	170,408	66,813	5,061	375,736
Net Property Taxes Receivable	<u>\$ 57,465,900</u>	<u>\$ 58,332,636</u>	<u>\$ 22,870,459</u>	<u>\$ 2,342,781</u>	<u>\$ 141,011,776</u>
Deferred Inflows of Resources	<u>\$ 57,195,837</u>	<u>\$ 57,987,792</u>	<u>\$ 22,735,252</u>	<u>\$ 2,332,540</u>	<u>\$ 140,251,421</u>

The allowance for doubtful collections was computed by multiplying 0.57% by the total amount of personal property taxes assessed for 2014 through 2016 taxes. The 0.57% is the average uncollected percentage of personal property taxes for 2011 through 2013 taxes. All real property taxes prior to 2013 have been collected and the District assumes all real property taxes will eventually be collected.

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

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Note 7 INVENTORIES

Physical inventories of goods on hand were taken as of June 30, 2016. Inventories on hand, stated at cost or average cost, at June 30, 2016, are as follows:

General Fund:	
Consumable supplies	\$ 390,856
Gasoline, fuel oil	24,377
Total	\$ 415,233
Food Services Fund:	
Food supplies - purchased	\$ 27,009
Donated commodities	74,368
Total	\$ 101,377

Note 8 INTERFUND TRANSFERS

TRANSFERS TO	TRANSFERS FROM	
	Governmental Activities	
	General Fund	Capital Projects Fund
Governmental Activities:		
Capital Projects Fund	\$ 1,538,888	\$ -
Nonmajor Governmental	-	620,220
Total Governmental Activities	\$ 1,538,888	\$ 620,220

The District routinely transfers amounts from the General Fund to the Capital Projects Fund in accordance with regulations of the State of Missouri. The transfers to the Capital Projects Fund are for equipment purchases and other amounts allowed by State regulation. The transfers from the Capital Projects Fund to the Facilities Authority are for rental payments in accordance with the lease-purchase agreement between the District and the Authority described in Note 11.

Note 9 RETIREMENT PLANS

Summary of Significant Accounting Policies

Financial reporting information pertaining to the district's participation in the Public School Retirement System of Missouri ("PSRS") and the Public Education Employee Retirement System of Missouri ("PEERS") is prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of PSRS and PEERS have been determined on the same basis as they are reported by PSRS and PEERS. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing PSRS and PEERS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the District's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

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Public School Retirement System of Missouri

General Information about the Pension Plan

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psr-peers.org.

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org. Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

Cost-of-Living Adjustments ("COLA"). The PSRS Board has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2015 and 2016. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions to PSRS were \$13,872,462 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the District recorded a liability of \$118,765,051 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2015 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net

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pension liability was based on the ratio of its actual contributions of \$13,507,899 paid to PSRS for the year ended June 30, 2015, relative to the actual contributions of \$656,578,122 from all participating employers. At June 30, 2015, the District's proportionate share was 2.0573%.

For the year ended June 30, 2016, the District recognized a pension expense of \$7,417,531, its proportionate share of the total pension expense.

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS pension benefits:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	\$ 13,624,519	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	20,804,807	30,443,617
Change in proportion and difference between employer contributions and proportionate share of contributions	1,574,222	922,074
Employer contributions subsequent to the measurement date	<u>13,872,462</u>	<u>-</u>
Total:	\$ <u>49,876,010</u>	\$ <u>31,365,691</u>

\$13,872,642 reported as deferred outflows of resources to pensions resulting from contribution subsequent to the measurement date of June 30, 2015 will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as collective deferred (inflows) / outflows of resources to be recognized in pension expense:

For year ended June 30:

2017	\$ (2,093,376)
2018	(2,093,376)
2019	(2,093,376)
2020	7,775,248
2021	2,189,542
Thereafter	<u>953,195</u>
Total	\$ <u>4,637,857</u>

Actuarial Assumptions

Actuarial valuations of PSRS involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was conducted in 2011 and the next experience study is scheduled for 2016.

Significant actuarial assumptions and other inputs used to measure the total pension liability:

Measurement Date. June 30, 2015

Valuation Date. June 30, 2015

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Expected Return on Investment. 8.00%, net of investment expenses and including 2.5% inflation

Total Payroll growth. 3.50% per annum, consisting of 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth

Future Salary Increases. 4.00% - 10.00%, depending on service and including 2.50% inflation, 0.50% additional inflation due to inclusion of health care costs in pension earnings, and real wage growth of 1.00% to 7.00%

Cost-of-Living Increases. 2.0% compounded annually, beginning on the second January after retirement and capped at 80% lifetime increase

Mortality Assumption.

Actives: RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.

Non Disabled Retirees, Beneficiaries and Survivors: RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.

Disabled Retirees: RP 2000 Mortality Table

Changes in Actuarial Assumptions and Methods. There were no changes in actuarial assumptions or methods for the June 30, 2015, valuation.

Fiduciary Net Position. PSRS issues a publicly available financial report that can be obtained at www.psrs-peers.org.

Expected Rate of Return. The long term expected rate of return on PSRS' investments was determined using a building block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PSRS' target allocation as of June 30, 2015, is summarized below along with the long term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effect created by cash flows.

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Asset Class	Target Asset Allocation	Long-Term Expected Real Return Arithmetic Basis	Weighted Long-Term Expected Real Return Arithmetic Basis
U.S Public Equity	27.0%	5.85%	1.58%
Public Credit	12.0%	2.44%	0.29%
Hedged Assets	6.0%	5.22%	0.31%
Non-U.S. Public Equity	15.0%	6.64%	1.00%
U.S. Treasuries	16.0%	1.01%	0.16%
U.S. Tips	4.0%	1.12%	0.04%
Private Credit	2.0%	7.61%	0.15%
Private Equity	10.5%	8.61%	0.90%
Private Real Estate	7.5%	4.60%	0.35%
Total	100.0%		4.78%
		Inflation	2.50%
		Long term arithmetical nominal return	7.28%
		Effect of variance matrix	0.81%
		Long term expected geometric return	8.09%

Discount Rate. The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015, and is consistent with the long-term expected geometric return on plan investments. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members.

Discount Rate Sensitivity. The sensitivity of the District's net pension liability to changes in the discount rate is presented below. The District's net pension liability calculated using the discount rate of 8.0% is presented as well as the net pension liability using a discount rate that is 1.0% lower (7.0%) or 1.0% higher (9.0%) than the current rate.

Discount Rate	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the Net Pension Liability/(Asset)	\$ 218,40,533	\$ 118,765,051	\$ 35,057,154

Public Education Employee Retirement System

General Information about the Pension Plan

Plan Description. PEERS is a mandatory cost-sharing multiple employer retirement system for all school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in

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Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psrp-peers.org.

Benefits Provided. PEERS is a defined benefit plan providing retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrp-peers.org.

Cost-of-Living Adjustments ("COLA"). The PEERS Board has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2015. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PEERS were \$2,142,461 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the District recorded a liability of \$10,609,329 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2015, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$2,063,306 paid to PEERS for the year ended June 30, 2015, relative to the actual contributions of \$102,864,099 from all participating employers. At June 30, 2015, the District's proportionate share was 2.0059%.

For the year ended June 30, 2016, the District recognized a pension expense of \$1,423,593, its proportionate share of the total pension expense.

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources from the following sources related to PEERS pension benefits:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Differences between expected and actual experience	\$ 687,695	\$ 148,698
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	2,297,096	3,272,204
Change in proportion and difference between employer contributions and proportionate share of contributions	510,702	52,989
Employer contributions subsequent to the measurement date	2,142,462	-
Total:	\$ 5,637,955	\$ 3,473,891

\$2,142,462 reported as deferred outflows of resources to pensions resulting from contribution subsequent to the measurement date of June 30, 2015, will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as collective deferred (inflows) / outflows of resources to be recognized in pension expense:

For year ended June 30:		
2017	\$	(136,770)
2018		(136,770)
2019		(279,888)
2020		575,030
2021		-
Thereafter		-
Total	\$	21,602

Actuarial Assumptions

Actuarial valuations of PEERS involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was conducted in 2011 and the next experience study is scheduled for 2016.

Significant actuarial assumptions and other inputs used to measure the total pension liability:

Measurement Date. June 30, 2015

Valuation Date. June 30, 2015

Expected Return on Investment. 8.00%, net of investment expenses and including 2.5% inflation

Inflation. 2.50%

Total Payroll growth. 3.75% per annum, consisting of 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth

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Future Salary Increases. 5.00% - 12.00%, depending on service and including 2.50% inflation, 0.75% additional inflation due to inclusion of health care costs in pension earnings, and real wage growth of 1.75% to 8.75%.

Cost-of-Living Increases. 2.0% compounded annually, beginning on the second January after retirement and capped at 80% lifetime increase.

Mortality Assumption.

Actives: RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.

Non Disabled Retirees, Beneficiaries and Survivors: RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.

Disabled Retirees: RP 2000 Mortality Table

Changes in Actuarial Assumptions and Methods. There were no changes in actuarial assumptions or methods for the June 30, 2015, valuation.

Fiduciary Net Position. PEERS issues a publicly available financial report that can be obtained at www.psr-peers.org.

Expected Rate of Return. The long term expected rate of return on PEERS' investments was determined using a building block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PEERS' target allocation as of June 30, 2015, is summarized below along with the long term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effect created by cash flows.

Asset Class	Target Asset Allocation	Long-Term Expected Real Return Arithmetic Basis	Weighted Long-Term Expected Real Return Arithmetic Basis
U.S Public Equity	27.0%	5.85%	1.58%
Public Credit	12.0%	2.44%	0.29%
Hedged Assets	6.0%	5.22%	0.31%
Non-U.S. Public Equity	15.0%	6.64%	1.00%
U.S. Treasuries	16.0%	1.01%	0.16%
U.S. Tips	4.0%	1.12%	0.04%
Private Credit	2.0%	7.61%	0.15%
Private Equity	10.5%	8.61%	0.90%
Private Real Estate	7.5%	4.60%	0.35%
Total	100.0%		4.78%
		Inflation	2.50%
		Long term arithmetical nominal return	7.28%
		Effect of variance matrix	0.81%
		Long term expected geometric return	8.09%

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Discount Rate. The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015, and is consistent with the long-term expected geometric return on plan investments. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members.

Discount Rate Sensitivity. The sensitivity of the District's net pension liability to changes in the discount rate is presented below. The District's net pension liability calculated using the discount rate of 8.0% is presented as well as the net pension liability using a discount rate that is 1.0% lower (7.0%) or 1.0% higher (9.0%) than the current rate.

Discount Rate	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
Proportionate share of the Net Pension Liability/ (Asset)	\$ 21,418,487	\$ 10,609,329	\$ 1,471,120

Note 10 LEASES

The District leases various buildings for additional office space and equipment for printing and copying services. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2016, were \$610,625. Future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amount
2016	\$ 610,625
2017	770,526
2018	566,936
2019	566,936
Total	\$ <u>2,515,023</u>

Currently, all operating leases for the District expire by June 30, 2019. No future minimum lease payments are currently required after that date.

Note 11 LONG-TERM DEBT

Bonds Payable

All District bonds are general obligation bonds with maturities from 2017 to 2036 and average net interest rates at issue from 1.00% to 5.19%. Scheduled bond retirement and interest payable in the next fiscal year are \$36,800,000 and \$11,826,774, respectively. General obligation bonds outstanding at June 30, 2016, are as follows:

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<u>General Obligation Bonds</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding June 30, 2016</u>
Public Improvements	2008	\$ 30,015,000	3.50-4.75%	2026	\$ 27,200,000
Public Improvements/Refunding	2009	4,875,000	1.55-4.15%	2029	1,800,000
Public Improvements	2009	9,187,000	1.00%	2022	9,187,000
Public Improvements/Refunding	2010	8,305,000	2.50-3.00%	2017	1,300,000
Public Improvements/Refunding	2010	18,430,000	2.00-4.00%	2018	3,875,000
Public Improvements	2010	6,465,000	5.19%	2030	6,465,000
Public Improvements/Refunding	2011	48,275,000	2.50-5.00%	2031	43,000,000
Public Improvements/Refunding	2012	59,710,000	1.75-4.50%	2032	41,470,000
Public Improvements/Refunding	2013	9,290,000	2.00-3.50%	2033	9,185,000
Public Improvements	2014	50,000,000	3.00-5.00%	2034	49,480,000
Public Improvements	2015	71,485,000	2.00-4.00%	2035	69,195,000
Public Improvements/Refunding	2016	36,575,000	2.00-5.00%	2036	36,575,000
					<u>\$ 298,732,000</u>

On April 28, 2016, the District issued \$35,000,000 of general obligation bonds. The proceeds from the bonds are to be used for the purpose of acquiring and developing sites for school buildings and acquiring, constructing, improving, extending, repairing, remodeling, renovating, furnishing and equipping new and existing school facilities. The bond issue was the first part of the \$50,000,000 bond authorization approved by the voters in April 2014.

Additionally, on April 28, 2016, the District issued \$1,575,000 of general obligation refunding bonds. The net proceeds from the refunding of \$1,755,562 were placed in an irrevocable escrow account to provide resources to purchase U.S. State and Local Government Series securities which will be used to provide resources to advance refund the District's 2009A general obligation bonds issued March 5, 2009. The refunding was undertaken to reduce the District's obligation under long term debt by \$1,860,949 which resulted in an economic gain of \$174,298 (the difference between the present value of the debt service payments on the April 28 refunding bond issue and the refunding bond issues after the refunding dates).

All principal and interest requirements are funded in accordance with Missouri law by the annual tax levy on the District's assessed valuation and allocated state aid. In addition, at June 30, 2016, the District had accumulated \$47,844,848 in the Debt Service Fund for future debt requirements.

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

<u>Year Ending June 30,</u>	<u>Bond Payment</u>	<u>Interest Payment</u>	<u>Total</u>
2017	\$ 36,800,000	\$ 11,826,774	\$ 48,626,774
2018	13,205,000	10,611,083	23,816,083
2019	10,360,000	10,235,133	20,595,133
2020	11,275,000	9,902,733	21,177,733
2021	5,645,000	9,514,933	15,159,933
2022-2026	63,267,000	41,865,808	105,132,808
2027-2031	77,395,000	28,394,000	105,789,000
2032-2036	80,785,000	8,836,700	89,621,700
	<u>\$ 298,732,000</u>	<u>\$ 131,187,164</u>	<u>\$ 429,919,164</u>

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Article VI, Section 26(b), Constitution of Missouri, limits the amount of authorized general obligation bonds of a district to 15 percent of the assessed valuation of a district for state and county purposes. The estimated legal debt margin of the District at June 30, 2016, was calculated as follows:

Legal Debt Limit (Excluding State Assessed Utilities)		\$	338,179,981
Less Indebtedness			
General Obligation Bonds Payable.....	\$		298,732,000
Balance of Debt Service Fund		(47,844,848)	(250,887,152)
Total Estimated Legal Debt Margin.....		\$	<u>87,292,829</u>

Certificates of Participation Payable

On November 19, 2009, the District also issued \$2,840,000 of Certificates of Participation. The proceeds from the certificates are to be used to repay the Capital Projects Fund for the payment of costs associated with the qualifying energy savings project undertaken by the District during 2007 through 2009. The certificates mature March 1, 2024, with optional prepayments beginning March 1, 2017.

The Certificates of Participation are due, in total by year, as follows:

<u>Year Ending June 30,</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total</u>
2017	\$ 170,000	\$ 81,110	\$ 251,110
2018	190,000	74,310	264,310
2019	210,000	66,710	276,710
2020	235,000	58,310	293,310
2021	255,000	48,910	303,910
2022-2024	930,000	79,540	1,009,540
	<u>\$ 1,990,000</u>	<u>\$ 408,890</u>	<u>\$ 2,398,890</u>

The District entered into a financing arrangement on October 1, 2011, which was characterized as a lease-purchase agreement, with the Authority whereby the District secured financing of various educational facilities in the total amount of \$9,015,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2011A and 2011B, to be repaid from the proceeds of lease payments paid by the District.

The initial term of the lease is 25 years commencing on October 1, 2011. The properties covered by the lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through to term, the District may be required to surrender the sites included under the ground lease agreement for the benefit of the securers of the certificates.

The District properties covered by this arrangement include the School District New Administration Building Project now named the Neil C. Aslin Administration Building and the Early Childhood Special Education Building Project now named the Early Childhood Discovery Center.

The lease payments are payable by the District annually on October 1 at interest rates ranging from 0.95 to 4.5 percent. The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

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Year Ending June 30,	Principal Payment	Interest Payment	Total
2017	\$ 320,000	\$ 304,860	\$ 624,860
2018	330,000	298,272	628,272
2019	340,000	290,645	630,645
2020	355,000	281,861	636,861
2021	245,000	273,605	518,605
2022-2026	1,410,000	1,235,269	2,645,269
2027-2031	1,830,000	918,506	2,748,506
2032-2036	2,415,000	442,734	2,857,734
2037	570,000	13,794	583,794
	<u>\$ 7,815,000</u>	<u>\$ 4,059,546</u>	<u>\$ 11,874,546</u>

Changes in Long-Term Debt

Changes in long-term debt for the District for the year ended June 30, 2016, are as follows:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due in One Year
Governmental Activities:					
Bonds	274,392,000	\$ 36,575,000	\$ (12,235,000)	\$ 298,732,000	\$ 36,800,000
Unamortized Premium/Discount	16,870,022	3,283,756	(151,690)	20,002,088	1,359,560
Certificates of Participation	10,270,000	-	(465,000)	9,805,000	490,000
Compensated Absences	3,010,878	1,080,446	(980,481)	3,110,843	500,000
OPEB Obligation	28,032,608	3,145,807	(1,397,835)	29,780,580	-
Net Pension Liability	<u>92,529,311</u>	<u>52,416,274</u>	<u>(15,571,205)</u>	<u>129,374,380</u>	<u>-</u>
Total Governmental Activities	<u>\$ 425,104,819</u>	<u>\$ 96,501,283</u>	<u>\$ (30,801,211)</u>	<u>\$ 490,804,891</u>	<u>\$ 39,149,560</u>
Business-Type Activities:					
Compensated Absences	\$ 209,790	\$ 93,284	\$ (86,970)	\$ 216,104	\$ 44,000
OPEB Obligation	<u>788,892</u>	<u>99,393</u>	<u>(44,165)</u>	<u>844,120</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 998,682</u>	<u>\$ 192,677</u>	<u>\$ (131,135)</u>	<u>\$ 1,060,224</u>	<u>\$ 44,000</u>

The General Fund has typically been used to liquidate the liabilities for post-employment benefits and compensated absences for Governmental Activities.

**COLUMBIA PUBLIC SCHOOL DISTRICT
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Note 12 CHANGES IN CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 11,190,368	\$ 786,032	\$ -	\$ 11,976,400
Construction in progress	11,333,156	28,234,090	(11,784,282)	27,782,964
Capital assets that are depreciated:				
Buildings	373,516,711	13,839,160	(83,595)	387,272,276
Building Improvements	-	3,867,304	-	3,867,304
Mobile classroom trailers	2,913,889	-	-	2,913,889
Furniture and equipment	19,656,058	1,531,027	(4,681,235)	16,505,850
Total capital assets, governmental activities	<u>418,610,182</u>	<u>48,257,613</u>	<u>(16,549,112)</u>	<u>450,318,683</u>
Accumulated depreciation, governmental activities:				
Buildings	(52,744,747)	(3,779,221)	8,777	(52,744,747)
Building Improvements	-	(96,683)	-	(96,683)
Mobile classroom trailers	(1,790,025)	(116,556)	-	(1,906,581)
Furniture and equipment	(11,601,406)	(1,384,558)	4,591,949	(8,394,015)
Total accumulated depreciation, governmental activities	<u>(62,365,734)</u>	<u>(5,377,018)</u>	<u>4,600,726</u>	<u>(63,142,026)</u>
Total capital assets, governmental activities, net	<u>\$ 356,244,448</u>	<u>\$ 42,880,595</u>	<u>\$ (11,948,386)</u>	<u>\$ 387,176,657</u>
Business-Type Activities:				
Capital assets that are depreciated:				
Furniture and equipment	1,417,068	-	(423,491)	993,577
Total capital assets, business-type activities	<u>1,417,068</u>	<u>-</u>	<u>-</u>	<u>993,577</u>
Accumulated depreciation, business-type activities:				
Furniture and equipment	(1,129,834)	(47,327)	423,491	(753,670)
Total accumulated depreciation, business-type activities	<u>(1,129,834)</u>	<u>(47,327)</u>	<u>-</u>	<u>(753,670)</u>
Total capital assets, business-type activities, net	<u>\$ 287,234</u>	<u>\$ (47,327)</u>	<u>\$ -</u>	<u>\$ 239,907</u>

Depreciation expense for governmental activities is reported in the Statement of Activities and was allocated to Operation of Plant.

Note 13 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of June 30, 2016, the District had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Capital Projects Fund		
Greenhouses at BHS & HHS	325,021	01/01/17
Douglass High Renovation	4,614,427	07/01/17
Hickman Tuckpointing	1,330,044	01/01/17
New East Elementary	17,231,932	05/01/18
Beulah Ralph Elementary School	445,992	09/30/16

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

New Early Childhood Center	2,437,358	01/01/17
Rock Bridge High School Stadium Renovation	5,278,787	08/01/17
	\$ 31,663,561	

Note 14 CONTINGENT LIABILITIES

Litigation

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

Grants

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

Note 15 RISK MANAGEMENT

Self Insurance

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

The District is covered by an excess loss contract on its medical benefits program that provides specific stop-loss coverage for claims in excess of \$300,000 per individual. The District is also covered by an excess loss contract on its workers' compensation program that provides specific stop-loss coverage for claims in excess of \$350,000 for each accident and aggregate stop-loss coverage when aggregate claims exceed 170% of premiums. Settled claims have not exceeded this coverage in the last three fiscal years.

The District allocates the cost of providing the medical insurance and dental insurance to its employees and their dependents by annually determining a "premium" to be charged to the other funds for each covered employee to pay current or prior year claims. Also, all the funds of the District participate in the workers' compensation program by making payments to the Internal Service Funds based on actuarial estimates of the amounts needed to pay prior-year and current-year claims. The net position of the Internal Service Funds was \$2,633,574 as of June 30, 2016. Liabilities related to workers' compensation are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities related to medical, dental, and workers' compensation claims include amounts that have been incurred but not reported. As of June 30, 2016, the total claims liability was \$1,767,276. Changes in the claims liability amount for the past three fiscal years were:

Year Ended June 30,	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payment	Administrative Cost	Balance at Fiscal Year-End
2016	\$ 1,863,605	\$ 25,534,092	\$ (24,998,180)	\$ (632,241)	\$ 1,767,276
2015	1,304,328	25,944,397	(24,548,212)	(836,908)	1,863,605
2014	1,412,148	19,464,655	(21,606,982)	(574,149)	1,304,328

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Other Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. For the years ended June 30, 2016, 2015, and 2014, the settlements did not exceed the insurance coverage provided by commercial insurance.

Note 16 FUND BALANCE REPORTING

Fund balances are nonspendable, restricted, committed, or assigned for the following purposes:

Non Spendable Fund Balance – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. The District reports inventories and prepaid items totaling \$415,233 and \$1,566,242, respectively, in this category.

Restricted Fund Balance – The District reports restricted fund balances in the following funds based on externally imposed restrictions from creditors and contributors.

The General Fund reports \$756,512 as restricted fund balance. Of this amount, \$505,402 is restricted to pay contractual lease obligations regarding the District's capital leases for the administration building and early childhood center, respectively, in the upcoming fiscal year. The remaining amount of \$251,110 is restricted to make principal and interest payments on certificates of participation associated with the qualifying energy savings projects undertaken by the District during 2007 through 2009. See Note 10 for additional information regarding these contractual arrangements.

The Teacher's Fund has accumulated \$3,683,496 to pay teachers' salaries and benefits. Chapter 165 of the Revised Statutes of Missouri requires that all school monies must be accounted for within a framework of four funds. The Teacher's Fund can only be used to account for revenue sources legally restricted to expenditures for the purpose of teachers' salaries and benefits.

The Debt Service Fund reports \$28,339,055 in assets restricted for the Retirement of Debt-Crossover Refunded Bonds, which represent funds placed in an escrow account to refund general obligations bonds previously issued by the District. The District set up this escrow account in compliance with debt covenants. The remaining \$19,505,793 reported as restricted for the Retirement of Debt-General Obligation Bonds, has been accumulated from the collection of local taxes and state aid legally restricted for the repayment of general obligation debt in compliance with debt covenants.

The Capital Projects Fund reports \$47,826,732 in restricted assets which represents bond monies received but not yet used for the completion of capital projects in future years.

Assigned Fund Balance – Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. During the current fiscal year, the District reported assigned fund balances totaling \$3,865,403. This amount represents funds accumulated in the Capital Projects Fund which have been collected for a specific purpose within that governmental fund. However, these funds do not meet the requirements of restricted or committed fund balances. The majority of these funds have been accumulated from the collection of local taxes based on the levy for capital projects. The Board policy regarding the annual budget process indicates that the overall responsibility for assigning amounts for a specific purpose rests with the superintendent who will direct the planning and preparation of the budget submitted to the Board for approval.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund reported an unassigned fund balance of \$46,012,995 on June 30, 2016.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Note 17 DEFERRED COMPENSATION PLAN

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

Investments are selected by the Investment Committee with the advice of an outside financial consultant, Cottonwood Advisors. The plans are managed by CPI as a third party administrator. Edward Jones is the broker of record for the 457(b) plan and LaBrunerie Financial Services is the broker of record for the 403(b) plan.

Note 18 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides pre- and post-Medicare healthcare benefits and dental benefits for eligible retirees and their dependents through the District's group health insurance plan, which covers both active and retired members. On June 30, 2016, the Retiree Health Plan covered 2,420 active employees, and 885 retirees and surviving spouses. Benefit provisions are established by the Board annually. The Retiree Health Plan does not issue separately audited financial statements.

Funding Policy

Contribution requirements are also established by the Board annually. The District does not contribute toward the cost of current-year premiums for eligible retired plan members and their dependents.

Eligible retirees pay 100 percent of the blended premium rates used for both active and non-Medicare eligible retired members.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). In the June 30, 2016, actuarial valuation, the ARC and related information was calculated using the entry age normal cost method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Retiree Health Plan:

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Annual required contribution	\$	3,266,100
Interest on net OPEB obligation		1,008,800
Adjustment to annual required contribution		<u>(1,029,700)</u>
Annual OPEB cost (expense)		3,245,200
Contributions made		<u>(1,442,000)</u>
Increase in net OPEB obligation		1,803,200
Net OPEB obligation-July 1, 2015		<u>28,821,500</u>
Net OPEB obligation-June 30, 2016	\$	<u><u>30,624,700</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016 and the three preceding fiscal years were as follows:

<u>Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2016	\$ 3,245,200	45.0%	\$ 30,624,700
2015	3,124,700	47.0%	28,821,500
2014	3,114,400	44.0%	27,171,200

Funded Status and Funding Progress

As of June 30, 2016, the actuarial accrued liability for benefits was \$38,421,200, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$112,978,556, and the ratio of the unfunded actuarial liability to the covered payroll was 34.0 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, present as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

The actuarial cost method used is the Projected Unit Credit Cost Method. The Annual Required Contribution (ARC) consists of two pieces: Normal Cost plus a payment towards the Unfunded Actuarial Accrued Liability. The Actuarial Accrued Liability (AAL) is determined directly as the present value of benefits accrued to date, where the accrued benefit for each Member is the pro-rata portion (based on service to date) of the projected benefit payable at death, disability, retirement or termination. The Normal Cost is similarly determined as the present value of the portion of the projected benefit attributable to the current year. The Unfunded Actuarial Accrued Liability is the AAL less the value of any plan assets. It is being amortized over an open 30 year period as a level percentage of payroll. The following assumptions were made:

**Discount Rate
(effective 6/30/2016)**

The interest rate for discounting liabilities is 3.50% per annum. The discount rate used in the prior valuation was 3.75%. Additional interest rates shown for illustrative purposes are indicated on certain exhibits.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

Medical/Retiree Premium Inflation Rate

Year	Medical	Year	Medical
2016	6.70%	2050	5.40%
2017	6.20%	2055	5.20%
2018	5.40%	2060	5.20%
2019	5.00%	2065	4.90%
2020	5.00%	2070	4.50%
2025	4.90%	2075	4.20%
2030	5.40%	2080	4.20%
2035	5.50%	2085	4.20%
2040	5.50%	2090	4.20%
2045	5.50%	2095	4.20%
		2098+	4.10%

The healthcare trends used in this valuation are based on long term healthcare trends generated by the Getzen Model. The Getzen Model is the result of research sponsored by the Society of Actuaries and completed by a committee of economists and actuaries. This model is the current industry standard for projecting long term medical trends. Inputs to the model are consistent with the assumptions used in deriving the discount rate used in the valuation.

Dental Retiree Premium Inflation Rate

Initial inflation rate	5.0%
Ultimate inflation rate	4.0%
Yearly decrease in inflation rate	0.25%
Years until ultimate inflation rate	4

Payroll Inflation

(Effective 6/30/2014)

Payroll is assumed to increase at a rate of 3.00% per annum.

Healthy Mortality

RP 2000 Mortality Table (employee and healthy annuitant tables), projected generationally using Scale AA.

Turnover

Rates based on length of service:

Service	Rate
0	23.4%
1	15.1%
2	11.1%
3	9.2%
4	7.7%
5	6.4%
10	3.3%
15	2.0%
20	1.0%

Retirement

(Effective 6/30/2014)

Age	Eligible for Early Retirement	Eligible for Normal/unreduced
50-54	0.0%	20.0%
55-59	4.0%	20.0%
60-64	N/A	25.0%
65-69	N/A	35.0%
70& up	N/A	100.0%

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

**Future Retiree Coverage
(Effective 6/30/2016)**

60% of employees who retire prior to age 65 are assumed to elect medical and dental coverage.

Medicare eligible retirees:

Medicare eligible retirees are assumed to discontinue coverage under the plan when they reach age 65. Medicare eligible retirees currently over age 65 are assumed to be unsubsidized.

Non Medicare eligible retirees:

10% of employees hired prior to 1986 are assumed to not be eligible for Medicare. These employees are assumed to continue coverage under the plan after age 65. 10% of retirees currently under age 65 are assumed to not be eligible for Medicare. These retirees are assumed to continue coverage under the plan after age 65.

These assumptions are based on statistics provided by the District.

Future Dependent Coverage Current active members are assumed to elect spouse coverage at retirement as follows. All female spouses are assumed to be 3 years younger than males.

Male	Female
30%	30%

No dependent children are assumed to be covered in retirement.

Certain actuarial demographic assumptions are based on the assumptions used in the valuation of the Public School and Public Educational Employees Retirement Systems of Missouri.

REQUIRED SUPPLEMENTARY INFORMATION

**COLUMBIA PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
FOR THE FOUR YEARS ENDED JUNE 30, 2016
(UNAUDITED)**

Actuarial Valuation Date*	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2016	-	\$ 38,421,200	\$ 38,421,200	0.0%	\$ 112,978,556	34.0%
6/30/2014	-	36,373,900	36,373,900	0.0%	108,585,015	33.5%
6/30/2012	-	34,107,900	34,107,900	0.0%	102,670,970	33.2%

Note: As allowed by GASB Statement 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, the District did not have full actuarial valuations performed during fiscal years 2015, 2013 and 2011. However, an off-year update was prepared by the actuary.

COLUMBIA PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI
FOR THE THREE YEARS ENDED JUNE 30, 2016
(UNAUDITED)

<u>Year Ended</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/ (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2016	\$ 13,507,899	\$ 13,507,899	\$ -	\$ 93,869,396	14.39%
6/30/2015	13,367,304	13,367,304	-	92,755,487	14.41%
6/30/2014	12,816,046	12,816,046	-	89,052,875	14.39%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

COLUMBIA PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI
FOR THE TWO YEARS ENDED JUNE 30, 2016
(UNAUDITED)

Year Ended*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset) (a)	Actual Member Covered Payroll (b)	Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2016	2.0573%	\$ 118,765,051	\$ 93,869,396	126.52%	85.78%
6/30/2015	2.0758%	85,161,379	92,755,487	91.81%	89.34%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PSRS' net pension liability, which is as of the beginning of the district's fiscal year.

**COLUMBIA PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI
FOR THE THREE YEARS ENDED JUNE 30, 2016
(UNAUDITED)**

<u>Year Ended</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/ (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2016	\$ 2,063,306	\$ 2,063,306	\$ -	\$ 30,088,313	6.86%
6/30/2015	2,018,437	2,018,437	-	29,423,299	6.86%
6/30/2014	1,798,991	1,798,991	-	26,226,060	6.86%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**COLUMBIA PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI
FOR THE TWO YEARS ENDED JUNE 30, 2016
(UNAUDITED)**

Year Ended*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset) (a)	Actual Member Covered Payroll (b)	Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2016	2.0059%	\$ 10,609,329	\$ 30,077,380	35.27%	88.28%
6/30/2015	2.0177%	\$ 7,367,953	\$ 29,423,299	25.04%	91.33%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PEERS' net pension liability, which is as of the beginning of the district's fiscal year.

SUPPLEMENTARY INFORMATION
COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES
GOVERNMENTAL FUNDS

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

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

Grants and Donations Fund - This fund was established to account for certain local, state, and federal revenue received and the related expenditures. Expenditures are from all program areas and these programs are dependent upon special funding. Some categorical and noncategorical state and federal revenue is also included in the General Fund and the Teachers Fund.

CPS Facilities Authority Fund – This fund was established to account for the activities of the Authority, a blended component unit of the District.

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**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Special Revenue Funds		Total Nonmajor Special Revenue Funds
	Grants and Donations	Facilities Authority	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 2,509,318	\$ 1	\$ 2,509,319
Receivables (Net of Allowance for Uncollectibles)			
Local	60,747	-	60,747
State	28,346	-	28,346
Federal	374,187	-	374,187
Prepaid Expenditures	1,280	-	1,280
Total Assets	\$ 2,973,878	\$ 1	\$ 2,973,879
LIABILITIES AND FUND BALANCES			
Current Liabilities			
Accounts Payable	\$ 342,310	\$ -	\$ 342,310
Accrued Salaries and Payroll Taxes	26,862	-	26,862
Total Current Liabilities	369,172	-	369,172
Fund Balances			
Nonspendable			
Prepaid Expenditures	1,280		1,280
Restricted for			
Grants and Donations	2,603,426	-	2,603,426
Capital Lease Payments	-	1	1
Total Fund Balances	2,604,706	1	2,604,707
Total Liabilities and Fund Balances	\$ 2,973,878	\$ 1	\$ 2,973,879

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Special Revenue</u>		<u>Total Nonmajor Special Revenue Funds</u>
	<u>Grants and Donations</u>	<u>Facilities Authority</u>	
REVENUES			
Local	\$ 1,921,906	\$ -	\$ 1,921,906
State	1,175,855	-	1,175,855
Federal	1,054,539	-	1,054,539
Total Revenues	<u>4,152,300</u>	<u>-</u>	<u>4,152,300</u>
EXPENDITURES			
Current			
Instruction			
Regular Instruction	700,892	-	700,892
Special Instruction	201,869	-	201,869
Vocational Instruction	488,989	-	488,989
Student Activities - Athletics	374,330	-	374,330
Total Instruction	<u>1,766,080</u>	<u>-</u>	<u>1,766,080</u>
Pupil Support Services			
Guidance and Counseling	111,108	-	111,108
Health and Ancillary Services	62,712	-	62,712
Improvement of Instruction	268,022	-	268,022
Media Services	270,013	-	270,013
Total Support Services	<u>711,855</u>	<u>-</u>	<u>711,855</u>
Other			
Operation of Plant	14,938	-	14,938
Pupil Transportation	105,039	-	105,039
Food Services	69,508	-	69,508
Adult Literacy	438,479	-	438,479
Community Services	890,490	-	890,490
Total Other	<u>1,518,454</u>	<u>-</u>	<u>1,518,454</u>
Debt Service			
Principal	-	310,000	310,000
Interest and Fees	-	310,220	310,220
Total Debt Service	<u>-</u>	<u>620,220</u>	<u>620,220</u>
Total Expenditures	<u>3,996,389</u>	<u>620,220</u>	<u>4,616,609</u>
REVENUES OVER (UNDER) EXPENDITURES	155,911	(620,220)	(464,309)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	620,220	620,220
Total Other Financing Sources (Uses)	<u>-</u>	<u>620,220</u>	<u>620,220</u>
NET CHANGES IN FUND BALANCES	155,911	-	155,911
FUND BALANCES, JULY 1	<u>2,448,795</u>	<u>1</u>	<u>2,448,796</u>
FUND BALANCES, JUNE 30	<u>\$ 2,604,706</u>	<u>\$ 1</u>	<u>\$ 2,604,707</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>with Final Budget</u>
REVENUES				
Local	\$ 22,124,969	\$ 22,490,105	\$ 22,735,064	\$ 244,959
County	304,571	359,915	384,212	24,297
State	-	-	-	-
Federal	335,468	335,468	312,657	(22,811)
Total Revenues	<u>22,765,008</u>	<u>23,185,488</u>	<u>23,431,933</u>	<u>246,445</u>
EXPENDITURES				
Debt Service				
Principal	13,615,000	13,615,000	12,235,000	1,380,000
Interest and Fees	11,089,533	11,089,533	10,580,579	508,954
Bond Issuance Costs	146,400	146,400	20,700	125,700
Total Expenditures	<u>24,850,933</u>	<u>24,850,933</u>	<u>22,836,279</u>	<u>2,014,654</u>
REVENUES OVER (UNDER) EXPENDITURES	(2,085,925)	(1,665,445)	595,654	2,261,099
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	-	1,575,000	1,575,000	-
Premium on Refunding Bonds issued	-	193,088	193,088	-
Total Other Financing Sources (uses)	<u>-</u>	<u>1,768,088</u>	<u>1,768,088</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(2,085,925)	102,643	2,363,742	2,261,099
FUND BALANCE, JULY 1	<u>45,481,106</u>	<u>45,481,106</u>	<u>45,481,106</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 43,395,181</u>	<u>\$ 45,583,749</u>	<u>\$ 47,844,848</u>	<u>\$ 2,261,099</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Local	\$ 1,891,438	\$ 1,907,273	\$ 2,452,935	\$ 545,662
County	10,157	14,351	14,974	623
State	77,993	77,993	80,173	2,180
Total Revenues	<u>1,979,588</u>	<u>1,999,617</u>	<u>2,548,082</u>	<u>548,465</u>
EXPENDITURES				
Debt Service				
Principal	155,000	155,000	155,000	-
Interest and Fees	87,310	87,310	87,310	-
Bond Issuance Costs	225,450	225,450	175,986	49,464
Total Debt Service	<u>467,760</u>	<u>467,760</u>	<u>418,296</u>	<u>49,464</u>
Capital Outlay and Construction				
Furniture and Equipment	3,473,838	4,458,250	2,963,482	1,494,768
Vehicles	48,000	207,356	199,425	7,931
Land and Site Improvements	1,289,700	1,325,118	2,096,936	(771,818)
Building Additions and Renovations	74,338,175	75,719,739	32,050,298	43,669,441
Total Capital Outlay and Construction	<u>79,149,713</u>	<u>81,710,463</u>	<u>37,310,141</u>	<u>44,400,322</u>
Total Expenditures	<u>79,617,473</u>	<u>82,178,223</u>	<u>37,728,437</u>	<u>44,449,786</u>
REVENUES UNDER EXPENDITURES	(77,637,885)	(80,178,606)	(35,180,355)	44,998,251
OTHER FINANCING SOURCES (USES)				
General Obligation Bonds Issued	30,000,000	35,000,000	35,000,000	-
Premium on Bonds Issued	-	3,090,668	3,090,668	-
Transfers In	962,535	1,530,476	1,538,888	8,412
Transfers Out	(620,225)	(620,225)	(620,220)	5
Total Other Financing Sources	<u>30,342,310</u>	<u>39,000,919</u>	<u>39,009,336</u>	<u>8,417</u>
NET CHANGE IN FUND BALANCE	(47,295,575)	(41,177,687)	3,828,981	45,006,668
FUND BALANCE, JULY 1	<u>47,863,154</u>	<u>47,863,154</u>	<u>47,863,154</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 567,579</u>	<u>\$ 6,685,467</u>	<u>\$ 51,692,135</u>	<u>\$ 45,006,668</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
GRANTS AND DONATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Local	\$ 2,023,561	\$ 2,009,202	\$ 1,921,906	\$ (87,296)
State	559,562	559,562	1,175,855	616,293
Federal	1,172,353	1,259,653	1,054,539	(205,114)
Total Revenues	<u>3,755,476</u>	<u>3,828,417</u>	<u>4,152,300</u>	<u>323,883</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	246,948	578,138	700,892	(122,754)
Special Instruction	399,192	246,700	201,869	44,831
Vocational Instruction	212,500	501,050	488,989	12,061
Student Activities - Athletics	416,210	416,263	374,330	41,933
Total Instruction	<u>1,274,850</u>	<u>1,742,151</u>	<u>1,766,080</u>	<u>(23,929)</u>
Pupil Support Services				
Guidance and Counseling	79,735	79,881	111,108	(31,227)
Health and Ancillary Services	112,151	82,253	62,712	19,541
Improvement of Instruction	193,312	278,650	268,022	10,628
Media Services	337,928	436,454	270,013	166,441
Total Support Services	<u>723,126</u>	<u>877,238</u>	<u>711,855</u>	<u>165,383</u>
Other				
Operation of Plant	-	15,000	14,938	62
Pupil Transportation	-	-	105,039	(105,039)
Food Services	-	98,514	69,508	29,006
Adult Literacy	478,211	479,226	438,479	40,747
Community Services	563,378	822,660	890,490	(67,830)
Total Other	<u>1,041,589</u>	<u>1,415,400</u>	<u>1,518,454</u>	<u>(103,054)</u>
Total Expenditures	<u>3,039,565</u>	<u>4,034,789</u>	<u>3,996,389</u>	<u>38,400</u>
NET CHANGE IN FUND BALANCE	715,911	(206,372)	155,911	362,283
FUND BALANCE, JULY 1	<u>2,448,795</u>	<u>2,448,795</u>	<u>2,448,795</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 3,164,706</u>	<u>\$ 2,242,423</u>	<u>\$ 2,604,706</u>	<u>\$ 362,283</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
CPS FACILITIES AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Local	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt Service				
Principal	310,000	310,000	310,000	-
Interest and Fees	310,220	310,220	310,220	-
Total Debt Service	<u>620,220</u>	<u>620,220</u>	<u>620,220</u>	<u>-</u>
Total Expenditures	<u>620,220</u>	<u>620,220</u>	<u>620,220</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	(620,220)	(620,220)	(620,220)	-
OTHER FINANCING SOURCES (USES)				
Transfers In	620,220	620,220	620,220	-
Total Other Financing Sources	<u>620,220</u>	<u>620,220</u>	<u>620,220</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, JULY 1	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

NONMAJOR ENTERPRISE FUNDS

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

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

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION - NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2016**

	<u>Enterprise Funds</u>		<u>Total Nonmajor Enterprise Funds</u>
	<u>Food Services</u>	<u>Adult Education</u>	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 866,014	\$ 772,163	\$ 1,638,177
Receivables (Net of Allowance for Uncollectibles)			
Local	80,931	194,290	275,221
Federal	736,799	126,834	863,633
Inventories	101,377	-	101,377
Total Current Assets	<u>1,785,121</u>	<u>1,093,287</u>	<u>2,878,408</u>
Noncurrent Assets			
Capital Assets (Net of Accumulated Depreciation)			
Furniture and Equipment	239,907	-	239,907
Total Noncurrent Assets	<u>239,907</u>	<u>-</u>	<u>239,907</u>
Total Assets	<u>2,025,028</u>	<u>1,093,287</u>	<u>3,118,315</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	163,018	36,561	199,579
Accrued Salaries and Payroll Taxes	65,725	10,936	76,661
Unearned Revenue	270,994	-	270,994
Total Current Liabilities	<u>499,737</u>	<u>47,497</u>	<u>547,234</u>
Noncurrent Liabilities			
Liability for Long-Term			
Compensated Absences	156,048	60,056	216,104
Liability for Long-Term Other			
Postemployment Benefits	596,490	247,630	844,120
Total Noncurrent Liabilities	<u>752,538</u>	<u>307,686</u>	<u>1,060,224</u>
Total Liabilities	<u>1,252,275</u>	<u>355,183</u>	<u>1,607,458</u>
NET POSITION			
Invested in Capital Assets	239,907	-	239,907
Unrestricted	532,846	738,104	1,270,950
Total Net Position	<u>\$ 772,753</u>	<u>\$ 738,104</u>	<u>\$ 1,510,857</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Enterprise Funds</u>		<u>Total Nonmajor Enterprise Funds</u>
	<u>Food Services</u>	<u>Adult Education</u>	
OPERATING REVENUES			
Food Sales	\$ 3,097,962	\$ -	\$ 3,097,962
Tuition	-	1,517,761	1,517,761
Total Operating Revenues	<u>3,097,962</u>	<u>1,517,761</u>	<u>4,615,723</u>
OPERATING EXPENSES			
Food Purchased	3,288,862	-	3,288,862
Salaries and Wages	2,627,551	870,479	3,498,030
Fringe Benefits	1,212,098	252,524	1,464,622
Supplies	351,976	203,367	555,343
Purchased Services	57,685	205,476	263,161
Travel	15,236	10,876	26,112
Repairs	54,237	45	54,282
Donated Commodities Used	459,730	-	459,730
Financial Aid	-	705,798	705,798
Depreciation	47,327	-	47,327
Total Operating Expenses	<u>8,114,702</u>	<u>2,248,565</u>	<u>10,363,267</u>
OPERATING LOSS	<u>(5,016,740)</u>	<u>(730,804)</u>	<u>(5,747,544)</u>
NONOPERATING REVENUES (EXPENSES)			
State Assistance	60,011	220,322	280,333
Federal Assistance	4,799,684	667,133	5,466,817
Earnings on Investments	5,012	4,333	9,345
Donated Commodities	459,730	-	459,730
Total Nonoperating Revenues	<u>5,324,437</u>	<u>891,788</u>	<u>6,216,225</u>
CHANGES IN NET POSITION	307,697	160,984	468,681
NET POSITION, JULY 1	<u>465,056</u>	<u>577,120</u>	<u>1,042,176</u>
NET POSITION, JUNE 30	<u>\$ 772,753</u>	<u>\$ 738,104</u>	<u>\$ 1,510,857</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Enterprise Funds</u>		<u>Total Nonmajor Enterprise Funds</u>
	<u>Food Services</u>	<u>Adult Education</u>	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Sales/Tuition	\$ 3,017,031	\$ 1,346,858	\$ 4,363,889
Cash Payments for Supplies and Services	(3,704,571)	(1,112,213)	(4,816,784)
Cash Payments to Employees for Services	(3,837,028)	(1,105,349)	(4,942,377)
Net Cash From Operating Activities	<u>(4,524,568)</u>	<u>(870,704)</u>	<u>(5,395,272)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal/State Assistance	4,369,650	846,610	5,216,260
Net Cash From Noncapital Financing Activities	<u>4,369,650</u>	<u>846,610</u>	<u>5,216,260</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	5,012	4,333	9,345
Net Cash From Investing Activities	<u>5,012</u>	<u>4,333</u>	<u>9,345</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(149,906)	(19,761)	(169,667)
CASH AND CASH EQUIVALENTS, JULY 1	<u>1,015,920</u>	<u>791,924</u>	<u>1,807,844</u>
CASH AND CASH EQUIVALENTS, JUNE 30	\$ <u>866,014</u>	\$ <u>772,163</u>	\$ <u>1,638,177</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES			
Operating Loss	\$ (5,016,740)	\$ (730,804)	\$ (5,747,544)
Adjustments to Reconcile Operating Loss to Net Cash From Operating Activities			
Depreciation	47,327	-	47,327
Donated Commodities Used	459,730	-	459,730
Change in Assets and Liabilities			
(Increase) Decrease in Receivables	(80,931)	(170,903)	(251,834)
(Increase) Decrease in Inventories	22,435	-	22,435
Increase (Decrease) in Accounts Payable and Accrued Liabilities	8,225	10,458	18,683
Increase (Decrease) in Unearned Revenue	(5,611)	-	(5,611)
Increase (Decrease) in Compensated Absences Payable	(488)	6,802	6,314
Increase in Other Postemployment Benefits Payable	41,485	13,743	55,228
Net Cash From Operating Activities	\$ <u>(4,524,568)</u>	\$ <u>(870,704)</u>	\$ <u>(5,395,272)</u>
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES			
Donated Commodities Received	\$ 432,419	\$ -	\$ 432,419
Donated Commodities Used	\$ 459,730	\$ -	\$ 459,730

INTERNAL SERVICE FUNDS

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
JUNE 30, 2016**

	<u>Workers'</u> <u>Compensation</u>	<u>Medical</u> <u>Insurance</u>	<u>Dental</u> <u>Insurance</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents \$	1,476,417	\$ 5,985,045	\$ 299,197	\$ 7,760,659
Receivables				
Local	351	415	-	766
Total Assets	<u>1,476,768</u>	<u>5,985,460</u>	<u>299,197</u>	<u>7,761,425</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	297,599	1,430,962	38,715	1,767,276
Unearned Revenue	-	3,143,309	217,266	3,360,575
Total Current Liabilities	<u>297,599</u>	<u>4,574,271</u>	<u>255,981</u>	<u>5,127,851</u>
NET POSITION				
Unrestricted	<u>1,179,169</u>	<u>1,411,189</u>	<u>43,216</u>	<u>2,633,574</u>
Total Net Position	<u>\$ 1,179,169</u>	<u>\$ 1,411,189</u>	<u>\$ 43,216</u>	<u>\$ 2,633,574</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Workers' Compensation</u>	<u>Medical Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
OPERATING REVENUES				
Insurance Premiums	\$ 1,199,824	\$ 22,336,968	\$ 1,497,066	\$ 25,033,858
OPERATING EXPENSES				
Salaries and Wages	115,534	86,070	5,576	207,180
Fringe Benefits	31,137	31,682	1,559	64,378
Supplies	145	40,290	-	40,435
Purchased Services	72,148	216,823	185	289,156
Excess Loss Insurance	82,841	339,644	-	422,485
Administration Fees	90,918	141,995	110,172	343,085
Benefits Paid/Accrued	1,062,256	22,124,858	1,388,581	24,575,695
Total Operating Expenses	<u>1,454,979</u>	<u>22,981,362</u>	<u>1,506,073</u>	<u>25,942,414</u>
OPERATING INCOME (LOSS)	(255,155)	(644,394)	(9,007)	(908,556)
NONOPERATING REVENUES				
Earnings on Investments	<u>7,223</u>	<u>18,509</u>	<u>775</u>	<u>26,507</u>
CHANGES IN NET POSITION	(247,932)	(625,885)	(8,232)	(882,049)
NET POSITION, JULY 1	<u>1,427,101</u>	<u>2,037,074</u>	<u>51,448</u>	<u>3,515,623</u>
NET POSITION, JUNE 30	<u>\$ 1,179,169</u>	<u>\$ 1,411,189</u>	<u>\$ 43,216</u>	<u>\$ 2,633,574</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Workers'</u> <u>Compensation</u>	<u>Medical</u> <u>Insurance</u>	<u>Dental</u> <u>Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Premiums	\$ 1,199,788	\$ 8,067,887	\$ 685,432	\$ 9,953,107
Cash Received from Interfund Services	-	15,192,221	831,108	16,023,329
Cash Payments for Supplies and Services	(246,052)	(738,752)	(7,135)	(991,939)
Cash Payments to Employees for Services	(146,671)	(117,752)	(110,357)	(374,780)
Cash Payments for Claims/Benefits	(793,935)	(22,528,024)	(1,350,065)	(24,672,024)
Net Cash From Operating Activities	<u>13,130</u>	<u>(124,420)</u>	<u>48,983</u>	<u>(62,307)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	<u>7,223</u>	<u>18,509</u>	<u>775</u>	<u>26,507</u>
Net Cash From Investing Activities	<u>7,223</u>	<u>18,509</u>	<u>775</u>	<u>26,507</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	20,353	(105,911)	49,758	(35,800)
CASH AND CASH EQUIVALENTS, JULY 1				
	<u>1,456,064</u>	<u>6,090,956</u>	<u>249,439</u>	<u>7,796,459</u>
CASH AND CASH EQUIVALENTS, JUNE 30				
	<u>\$ 1,476,417</u>	<u>\$ 5,985,045</u>	<u>\$ 299,197</u>	<u>\$ 7,760,659</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (255,155)	\$ (644,394)	\$ (9,007)	\$ (908,556)
Change in Assets and Liabilities				
(Increase) Decrease in Accounts Receivable	(36)	818,731	-	818,695
Increase (Decrease) in Accounts Payable	268,321	(403,166)	38,516	(96,329)
Increase (Decrease) in Unearned Revenue	-	104,409	19,474	123,883
Net Cash From Operating Activities	<u>\$ 13,130</u>	<u>\$ (124,420)</u>	<u>\$ 48,983</u>	<u>\$ (62,307)</u>

FIDUCIARY FUND

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

**COLUMBIA PUBLIC SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY
STUDENT ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance</u> <u>July 1, 2015</u>		<u>Additions</u>		<u>Deductions</u>		<u>Balance</u> <u>June 30, 2016</u>
ASSETS							
Cash and Cash Equivalents	\$ 1,088,679	\$	2,356,375	\$	2,056,443	\$	1,388,611
Account Receivable	1,530		152		1,530		152
Total Assets	<u>\$ 1,090,209</u>	\$	<u>2,356,527</u>	\$	<u>2,057,973</u>	\$	<u>1,388,763</u>
LIABILITIES							
Accounts Payable	\$ 47,158	\$	2,144,774	\$	2,010,663	\$	181,269
Due to Student Groups	1,043,051		2,356,375		2,191,932		1,207,494
Total Liabilities	<u>\$ 1,090,209</u>	\$	<u>4,501,149</u>	\$	<u>4,202,595</u>	\$	<u>1,388,763</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF CHANGES IN DUE TO STUDENT GROUPS
STUDENT ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
Hickman High	\$ 389,293	\$ 587,077	\$ 507,694	\$ 468,676
Rock Bridge High	200,395	457,510	467,827	190,078
Battle High	222,333	465,199	441,356	246,176
Douglass High	(1,515)	8,672	1,149	6,008
Jefferson Middle	19,139	33,661	24,653	28,147
Oakland Middle	19,823	31,890	31,297	20,416
West Middle	10,034	15,313	13,652	11,695
Gentry Middle	13,993	10,492	11,925	12,560
Lange Middle	21,797	22,946	21,992	22,751
Smithton Middle	26,060	23,817	28,486	21,391
Columbia Area Career Center	102,280	263,137	265,966	99,451
All Senior High	-	55,991	33,778	22,213
All Middle School	-	360,131	321,368	38,763
All Elementary School	<u>19,419</u>	<u>20,539</u>	<u>20,789</u>	<u>19,169</u>
TOTAL	<u>\$ 1,043,051</u>	<u>\$ 2,356,375</u>	<u>\$ 2,191,932</u>	<u>\$ 1,207,494</u>

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Statistical Section

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the financial information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends	Pages
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time	100-109
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes	110-113
Debt Capacity	
These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future	114-117
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place	118-119
Operating Information	
These schedules contain service data to help the reader assess how information in the District's financial reports relates to the services the District provides and the activities it performs	120-129

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**COLUMBIA PUBLIC SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities			
Net Investment in Capital Assets	\$ 33,972,408	\$ 40,309,416	\$ 52,419,330
Restricted	15,405,027	16,821,429	18,663,985
Unrestricted	37,725,319	21,536,825	13,969,686
Total Net Position - Governmental Activities	<u>\$ 87,102,754</u>	<u>\$ 78,667,670</u>	<u>\$ 85,053,001</u>
 Business-Type Activities			
Investment in Capital Assets	\$ 536,844	\$ 261,013	\$ 271,578
Unrestricted	2,201,672	2,212,387	2,107,532
Total Net Position - Business-Type Activities	<u>\$ 2,738,516</u>	<u>\$ 2,473,400</u>	<u>\$ 2,379,110</u>
 Primary Government			
Net Investment in Capital Assets	\$ 34,509,252	\$ 40,570,429	\$ 52,690,908
Restricted	15,405,027	16,821,429	18,663,985
Unrestricted	39,926,991	23,749,212	16,077,218
Total Primary Government Net Position	<u>\$ 89,841,270</u>	<u>\$ 81,141,070</u>	<u>\$ 87,432,111</u>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$	70,915,263	\$ 65,932,368	\$ 73,956,941	\$ 98,598,539	\$ 136,736,793	\$ 101,811,877	\$ 105,330,218
	16,474,724	36,225,569	31,884,468	22,249,492	21,931,210	23,452,393	26,693,662
	12,032,963	11,081,205	23,865,291	30,051,989	(123,833,392)	(69,087,476)	(57,460,633)
\$	<u>99,422,950</u>	<u>\$ 113,239,142</u>	<u>\$ 129,706,700</u>	<u>\$ 150,900,020</u>	<u>\$ 34,834,611</u>	<u>\$ 56,176,794</u>	<u>\$ 74,563,247</u>
\$	220,218	\$ 197,429	\$ 196,097	\$ 209,413	\$ 306,236	\$ 287,234	\$ 239,907
	2,425,077	2,332,676	2,757,308	2,156,104	1,106,028	754,942	1,270,950
\$	<u>2,645,295</u>	<u>\$ 2,530,105</u>	<u>\$ 2,953,405</u>	<u>\$ 2,365,517</u>	<u>\$ 1,412,264</u>	<u>\$ 1,042,176</u>	<u>\$ 1,510,857</u>
\$	71,135,481	\$ 66,129,797	\$ 74,153,038	\$ 98,807,952	\$ 137,043,029	\$ 102,099,111	\$ 105,570,125
	16,474,724	36,225,569	31,884,468	22,249,492	21,931,210	23,452,393	26,693,662
	14,458,040	13,413,881	26,622,599	32,208,093	(122,727,364)	(68,332,534)	(56,189,683)
\$	<u>102,068,245</u>	<u>\$ 115,769,247</u>	<u>\$ 132,660,105</u>	<u>\$ 153,265,537</u>	<u>\$ 36,246,875</u>	<u>\$ 57,218,970</u>	<u>\$ 76,074,104</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	2007	2008	2009
Expenses			
Governmental Activities			
Instruction			
Regular Instruction	\$ 69,409,879	\$ 78,791,970	\$ 74,940,728
Special Education	23,869,576	26,521,438	26,722,779
Vocational Instruction	3,825,527	4,188,212	4,039,575
Student Activities	1,357,904	1,013,059	932,618
Tuition to Other Districts	280,821	279,508	335,716
Total Instruction	98,743,707	110,794,187	106,971,416
Support Services			
Attendance	187,146	303,736	287,771
Guidance and Counseling	5,479,692	6,484,209	6,083,671
Health and Ancillary Services	3,096,930	3,621,207	3,562,460
Improvement of Instruction	2,749,239	3,042,460	2,510,247
Media Services	7,524,417	10,260,074	7,028,756
Board Services	368,499	298,461	367,112
General Administration	2,162,707	2,405,270	2,355,994
Building Administration	9,859,820	11,577,111	11,319,796
Business, Central Services	869,884	1,039,911	1,002,016
Operation of Plant	18,450,861	18,045,027	18,390,540
Pupil Transportation	7,302,948	7,876,799	7,464,726
Food Services	-	-	-
Adult Literacy	263,542	260,673	244,935
Community Services	4,255,908	4,591,710	4,212,005
Total Support Services	62,571,593	69,806,648	64,830,029
Non-Instruction/Support Services			
Interest Payment, Bonds	6,629,051	6,122,195	5,931,614
Total Non-Instruction/Support Services	6,629,051	6,122,195	5,931,614
Total Governmental Activities Expenses	167,944,351	186,723,030	177,733,059
Business-Type Activities			
Food Services	6,075,353	6,491,276	6,840,421
Adult Education	1,741,502	1,911,419	1,637,664
Total Business-Type Activities	7,816,855	8,402,695	8,478,085
Total Primary Government Expenses	\$ 175,761,206	\$ 195,125,725	\$ 186,211,144
Program Revenues			
Governmental Activities			
Charges for Services			
Instruction	\$ 333,943	\$ 333,490	\$ 315,268
Community Services	579,757	620,262	591,211
Other Support Services	100,799	39,328	51,528
Operating Grants and Contributions	24,382,218	19,613,888	19,461,959
Capital Grants and Contributions	2,222,829	678,780	3,901,382
Total Governmental Activities Program Revenues	27,619,546	21,285,748	24,321,348
Business Type Activities			
Charges for Services			
Food Services	3,167,898	3,044,402	3,297,129
Adult Education	944,217	1,012,278	675,488
Operating Grants and Contributions	3,776,711	4,226,221	4,379,135
Total Business-Type Activities Program Revenue	7,888,826	8,282,901	8,351,752
Total Primary Government Program Revenue	35,508,372	29,568,649	32,673,100
Net Expenses	\$ (140,252,834)	\$ (165,557,076)	\$ (153,538,044)

	2010	2011	2012	2013	2014	2015	2016
\$	72,002,126	\$ 67,065,838	\$ 65,754,265	\$ 67,698,813	\$ 127,359,154	\$ 68,058,486	\$ 71,175,471
	26,582,473	24,189,768	23,482,949	21,934,360	41,335,947	21,824,940	29,921,077
	3,956,252	3,413,091	3,293,470	3,465,240	7,163,584	3,922,573	4,304,190
	859,337	1,004,281	1,552,314	1,572,323	3,937,522	2,371,835	2,522,550
	644,019	285,747	262,109	264,038	358,623	452,990	443,452
	<u>104,044,207</u>	<u>95,958,725</u>	<u>94,345,107</u>	<u>94,934,774</u>	<u>180,154,830</u>	<u>96,630,824</u>	<u>108,366,740</u>
	4,245,930	183,113	144,690	275,580	332,856	182,090	256,986
	2,688,476	5,233,642	4,802,252	5,228,899	11,145,420	5,636,543	4,962,263
	3,799,769	4,474,422	5,794,057	6,345,339	12,970,454	6,775,747	3,424,318
	3,712,619	2,951,967	4,553,832	5,643,952	11,405,308	6,199,158	6,578,849
	3,971,488	4,823,333	3,572,685	4,556,723	8,294,199	5,743,007	6,047,514
	304,096	283,970	390,685	290,316	545,340	629,945	534,905
	1,944,585	1,916,861	2,210,457	2,645,968	4,381,703	2,326,215	2,509,393
	10,974,175	10,326,883	11,502,996	11,899,926	23,430,214	11,866,219	11,071,923
	988,472	3,916,016	5,193,679	6,480,390	9,341,490	6,063,204	5,650,224
	19,023,465	17,942,828	18,856,459	19,993,687	31,352,988	22,934,263	23,380,635
	7,777,088	9,120,598	9,543,406	10,484,431	12,901,564	12,581,886	12,502,829
	-	24,088	5,411	11,537	14,720	7,518	69,508
	227,065	606,962	547,313	552,395	880,796	477,539	441,988
	3,573,492	5,009,380	4,598,154	4,622,903	8,565,065	4,972,881	5,360,422
	<u>63,230,720</u>	<u>66,814,063</u>	<u>71,716,076</u>	<u>79,032,046</u>	<u>135,562,117</u>	<u>86,396,215</u>	<u>82,791,757</u>
	5,649,682	4,713,770	7,199,715	7,493,656	6,895,734	9,823,806	11,494,131
	<u>5,649,682</u>	<u>4,713,770</u>	<u>7,199,715</u>	<u>7,493,656</u>	<u>6,895,734</u>	<u>9,823,806</u>	<u>11,494,131</u>
	<u>172,924,609</u>	<u>167,486,558</u>	<u>173,260,898</u>	<u>181,460,476</u>	<u>322,612,681</u>	<u>192,850,845</u>	<u>202,652,628</u>
	6,804,109	7,435,834	7,567,470	8,305,230	8,736,419	8,272,584	8,114,702
	1,699,051	1,857,387	2,004,371	2,129,658	2,054,042	2,005,190	2,248,565
	8,503,160	9,293,221	9,571,841	10,434,888	10,790,461	10,277,774	10,363,267
\$	<u>181,427,769</u>	<u>176,779,779</u>	<u>182,832,739</u>	<u>191,895,364</u>	<u>333,403,142</u>	<u>203,128,619</u>	<u>213,015,895</u>
\$	335,766	\$ 397,478	\$ 315,000	\$ 659,591	\$ 1,053,156	\$ 842,615	\$ 551,529
	524,263	256,993	510,133	514,166	541,189	479,997	612,870
	65,939	183,844	201,432	223,944	192,747	194,321	262,487
	23,025,022	24,824,921	20,332,008	19,166,364	19,032,953	20,569,580	20,063,256
	2,560,818	331,158	169,869	853,886	471,483	363,938	811,471
	<u>26,511,808</u>	<u>25,994,394</u>	<u>21,528,442</u>	<u>21,417,951</u>	<u>21,291,528</u>	<u>22,450,451</u>	<u>22,301,613</u>
	3,144,121	3,275,109	3,146,485	3,119,305	3,037,193	3,057,195	3,097,962
	958,158	1,326,309	1,373,293	1,391,381	1,396,023	1,114,904	1,517,761
	4,973,774	4,569,687	5,470,389	5,330,428	5,399,100	5,732,604	6,206,880
	9,076,053	9,171,105	9,990,167	9,841,114	9,832,316	9,904,703	10,822,603
	35,587,861	35,165,499	31,518,609	31,259,065	31,123,844	32,355,154	33,124,216
\$	<u>(145,839,908)</u>	<u>(141,614,280)</u>	<u>(151,314,130)</u>	<u>(160,636,299)</u>	<u>(302,279,298)</u>	<u>(170,773,465)</u>	<u>(179,891,679)</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(continued)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Revenues and Other Changes in Net Position			
Governmental Activities			
Taxes	\$ 83,795,282	\$ 89,864,833	\$ 93,393,686
Other Taxes	2,067,302	2,034,410	2,155,313
Allocation of Statewide Education Sales Tax	13,910,834	13,649,941	13,152,235
Federal and State Aid not Restricted for Specific Purposes	43,071,267	47,511,413	48,343,767
Interest and Investment Earnings	4,831,876	3,191,901	1,294,275
Miscellaneous	1,356,259	749,700	1,457,766
Transfers	-	-	-
Total Governmental Activities	<u>149,032,820</u>	<u>157,002,198</u>	<u>159,797,042</u>
Business Type Activities			
Interest and Investment Earnings	99,596	82,019	32,042
Miscellaneous	-	-	-
Transfers	-	(227,340)	-
Total Business-Type Activities	<u>99,596</u>	<u>(145,321)</u>	<u>32,042</u>
Total Primary Government	<u>\$ 149,132,416</u>	<u>\$ 156,856,877</u>	<u>\$ 159,829,084</u>
 Change in Net Position			
Governmental Activities	\$ 8,708,015	\$ (8,435,084)	\$ 6,385,331
Business-Type Activities	171,567	(265,115)	(94,291)
Total Primary Government	<u>\$ 8,879,582</u>	<u>\$ (8,700,199)</u>	<u>\$ 6,291,040</u>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$	94,399,265	\$ 95,002,849	\$ 102,299,999	\$ 112,375,694	\$ 115,897,743	\$ 119,746,851	\$ 123,120,681
	2,302,206	2,269,194	3,013,634	2,963,497	2,909,244	2,843,505	2,585,524
	12,876,293	13,424,244	14,097,831	14,176,487	15,050,485	15,596,185	16,606,393
	49,131,039	43,055,222	46,838,665	49,106,012	49,686,915	51,638,311	54,164,904
	293,414	240,283	492,144	557,138	521,252	570,814	1,105,592
	1,458,833	1,305,410	1,457,741	2,057,017	1,190,105	1,346,911	1,154,374
	321,700	11,154	-	-	-	-	-
	<u>160,782,750</u>	<u>155,308,356</u>	<u>168,200,014</u>	<u>181,235,845</u>	<u>185,255,744</u>	<u>191,742,577</u>	<u>198,737,468</u>
	14,992	2,921	4,974	5,886	4,892	2,983	9,345
	-	4,005	-	-	-	-	-
	(321,700)	-	-	-	-	-	-
	<u>(306,708)</u>	<u>6,926</u>	<u>4,974</u>	<u>5,886</u>	<u>4,892</u>	<u>2,983</u>	<u>9,345</u>
\$	<u><u>160,797,742</u></u>	<u><u>155,315,282</u></u>	<u><u>168,204,988</u></u>	<u><u>181,241,731</u></u>	<u><u>185,260,636</u></u>	<u><u>191,745,560</u></u>	<u><u>198,746,813</u></u>
\$	14,369,949	\$ 13,816,192	\$ 16,467,558	\$ 21,193,320	\$ (116,065,409)	\$ 21,342,183	\$ 18,386,453
	266,185	(115,190)	423,300	(587,888)	(953,253)	(370,088)	468,681
\$	<u><u>14,636,134</u></u>	<u><u>13,701,002</u></u>	<u><u>16,890,858</u></u>	<u><u>20,605,432</u></u>	<u><u>(117,018,662)</u></u>	<u><u>20,972,095</u></u>	<u><u>18,855,134</u></u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Reserved	\$ 778,518	\$ 434,900	\$ 904,638	\$ 1,035,336
Unreserved	35,797,858	27,513,018	27,184,081	31,085,965
Total General Fund	<u>\$ 36,576,376</u>	<u>\$ 27,947,918</u>	<u>\$ 28,088,719</u>	<u>\$ 32,121,301</u>
All other Governmental Funds				
Reserved	\$ 20,276,219	\$ 20,510,954	\$ -	\$ -
Unreserved, reported in:				
Special Revenue Funds	1,409,718	1,066,280	1,191,176	1,178,969
Debt Service Fund	12,737,024	14,571,639	14,498,025	13,947,413
Capital Projects Fund	7,298,758	3,878,837	10,528,721	13,619,442
Total all other Governmental Funds	<u>\$ 41,721,719</u>	<u>\$ 40,027,710</u>	<u>\$ 26,217,922</u>	<u>\$ 28,745,824</u>

General Fund

- Nonspendable
 - Inventories
 - Prepaid Expenditures
- Restricted for
 - Mobile Classroom Trailers
 - Capital Lease Payments
 - Energy Lease
- Assigned to
 - Subsequent year's budget appropriation of fund balance
- Unassigned

Total General Fund

All other Governmental Funds

- Nonspendable
 - Prepaid Expenditures
- Restricted for
 - Retirement of Debt-Crossover Refunded Bonds
 - Retirement of Debt-General Obligation Bonds
 - Capital Improvements-Certificates of Participation
 - Capital Improvements-Bond Proceeds
 - Teachers Salaries
 - Donations
- Committed to
 - Mobile Classroom Trailers
- Assigned to
 - Other Capital Projects

Total all other Governmental Funds

The District began to report fund balance reporting in compliance with GASB 54 in 2011.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$	503,937	\$ 473,636	\$ 554,909	\$ 369,348	\$ 435,789	\$ 415,233
	641,267	125,289	504,511	1,647,544	820,599	1,564,962
	116,000	-	-	-	-	-
	-	-	618,392	619,608	620,225	505,402
	197,460	209,610	216,310	227,710	242,310	251,110
	-	-	2,793,746	-	-	-
	<u>33,495,286</u>	<u>39,466,427</u>	<u>39,352,727</u>	<u>37,804,730</u>	<u>41,299,722</u>	<u>46,012,995</u>
\$	<u><u>34,953,950</u></u>	<u><u>40,274,962</u></u>	<u><u>44,040,595</u></u>	<u><u>40,668,940</u></u>	<u><u>43,418,645</u></u>	<u><u>48,749,702</u></u>
\$	-	\$ -	\$ 625	\$ 123,740	\$ -	\$ 1,280
	19,140,807	17,316,518	4,755,172	4,659,695	27,587,637	28,339,055
	13,260,187	14,049,177	14,858,576	15,686,561	17,893,469	19,505,793
	-	1,402,522	67,806	-	1	1
	44,446,536	38,139,087	8,129,263	32,664,189	47,099,451	47,826,732
	-	-	1,694,749	4,130,237	4,692,787	3,683,496
	820,736	1,186,637	1,628,199	1,946,063	2,448,795	2,603,426
	-	606,471	-	-	-	-
	<u>1,324,188</u>	<u>277,631</u>	<u>5,297,109</u>	<u>1,197,934</u>	<u>763,703</u>	<u>3,865,403</u>
\$	<u><u>78,992,454</u></u>	<u><u>72,978,043</u></u>	<u><u>36,431,499</u></u>	<u><u>60,408,419</u></u>	<u><u>100,485,843</u></u>	<u><u>105,825,186</u></u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues				
Local	\$ 106,560,714	\$ 110,934,842	\$ 112,185,173	\$ 112,921,463
County	2,060,785	2,044,670	1,974,183	1,860,638
State	55,862,578	55,823,739	58,680,470	51,368,430
Federal	10,616,012	9,682,184	10,406,496	21,010,186
Tuition other Districts	118,149	153,895	207,186	253,601
Total Revenue	<u>175,218,238</u>	<u>178,639,330</u>	<u>183,453,508</u>	<u>187,414,318</u>
Expenditures				
Administration	13,032,131	14,246,763	14,126,104	13,880,994
Regular Instruction	68,398,978	74,629,993	70,435,925	69,657,505
Special Instruction	23,625,930	25,242,245	25,270,618	26,035,891
Vocational Instruction	3,989,244	4,099,316	3,940,814	3,950,890
Pupil Transportation	7,302,570	7,873,269	7,460,813	7,775,689
Operation and Maintenance	15,453,015	15,406,669	14,594,401	14,490,880
Pupil Support Services	17,546,455	19,365,824	18,073,870	17,711,921
Community Services	4,474,775	4,703,535	4,320,214	3,741,873
Student Activities	1,328,106	948,533	896,275	854,546
Capital Outlay	10,865,317	25,409,137	21,161,599	15,327,399
Debt Services				
Principal	23,700,000	31,095,000	15,261,925	22,234,198
Interest	7,047,670	6,418,427	6,090,782	5,696,048
Bond Issuance Costs	-	-	47,995	186,311
Payment Between Districts	280,821	279,508	335,716	644,019
Total Expenditures	<u>197,045,012</u>	<u>229,718,219</u>	<u>202,017,051</u>	<u>202,188,164</u>
Excess of revenues under expenditures	(21,826,774)	(51,078,889)	(18,563,543)	(14,773,846)
Other Financing Sources (Uses)				
General Obligation Bonds Issued	-	40,005,000	2,000,000	9,187,000
Premium on Bonds Issued	-	-	-	-
Certificates of Participation	-	-	-	2,840,000
Refunding Bonds Issued	-	-	2,875,000	8,305,000
Premium on Refunding Bonds Issued	-	265,930	19,556	353,303
Capital Leases	-	485,492	-	327,327
Transfers In	-	14,302,224	8,982,489	8,122,136
Transfers Out	-	(14,302,224)	(8,982,489)	(7,800,436)
Total Other Financing Sources (Uses)	<u>-</u>	<u>40,756,422</u>	<u>4,894,556</u>	<u>21,334,330</u>
Net Change in Fund Balance	<u>\$ (21,826,774)</u>	<u>\$ (10,322,467)</u>	<u>\$ (13,668,987)</u>	<u>\$ 6,560,484</u>
Debt Service as a percentage of noncapital expenditures	16.41%	17.99%	11.71%	14.71%

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$	112,969,276	\$ 121,064,313	\$ 133,797,417	\$ 135,641,679	\$ 141,639,763	\$ 146,214,308
	1,480,915	2,153,847	1,850,905	1,892,060	1,845,182	2,268,300
	49,185,486	52,949,230	55,590,281	56,340,349	59,800,881	62,358,958
	17,538,333	12,115,485	11,197,909	10,751,934	10,872,923	10,191,328
	221,857	233,183	118,992	306,076	162,583	188,064
	<u>181,395,867</u>	<u>188,516,058</u>	<u>202,555,504</u>	<u>204,932,098</u>	<u>214,321,332</u>	<u>221,220,958</u>
	16,423,828	18,886,654	21,248,779	20,877,230	21,720,530	20,305,201
	67,243,396	64,308,479	67,206,165	69,521,740	71,230,463	73,074,377
	24,270,301	23,003,055	21,809,798	21,961,899	22,788,299	30,788,349
	3,458,055	3,155,095	3,419,787	4,084,301	3,979,838	4,363,289
	9,120,381	9,540,959	10,483,035	12,781,092	12,589,550	12,507,285
	14,712,730	14,730,635	15,349,205	18,145,727	17,787,033	17,439,457
	16,794,163	17,964,617	21,573,681	24,126,786	25,466,892	21,731,626
	5,653,355	5,050,440	5,162,180	5,327,651	5,658,357	5,994,168
	995,116	1,518,770	1,558,599	2,466,305	2,455,457	2,577,174
	22,941,983	53,776,116	38,213,186	36,274,035	32,716,018	37,310,141
	19,418,322	42,415,475	30,755,000	14,520,000	22,835,000	12,700,000
	5,475,471	6,880,073	8,197,630	7,640,672	9,446,370	10,978,109
	388,066	463,843	76,258	237,601	364,767	196,686
	285,747	262,109	264,038	358,623	452,990	443,452
	<u>207,180,914</u>	<u>261,956,320</u>	<u>245,317,341</u>	<u>238,323,662</u>	<u>249,491,564</u>	<u>250,409,314</u>
	(25,785,047)	(73,440,262)	(42,761,837)	(33,391,564)	(35,170,232)	(29,188,356)
	49,465,000	33,000,000	5,000,000	50,000,000	41,348,000	35,000,000
	-	2,729,310	190,435	3,996,829	2,515,403	3,090,668
	-	9,015,000	-	-	-	-
	23,705,000	26,710,000	4,290,000	-	30,137,000	1,575,000
	5,683,172	1,292,553	500,491	-	3,996,958	193,088
	-	-	-	-	-	-
	3,405,353	10,220,167	3,208,877	1,366,623	1,997,727	2,159,108
	(3,394,199)	(10,220,167)	(3,208,877)	(1,366,623)	(1,997,727)	(2,159,108)
	<u>78,864,326</u>	<u>72,746,863</u>	<u>9,980,926</u>	<u>53,996,829</u>	<u>77,997,361</u>	<u>39,858,756</u>
\$	<u>53,079,279</u>	<u>(693,399)</u>	<u>(32,780,911)</u>	<u>20,605,265</u>	<u>42,827,129</u>	<u>10,670,400</u>
	13.42%	23.90%	18.37%	10.86%	14.83%	11.11%

COLUMBIA PUBLIC SCHOOLS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year Ended June 30,	Real Estate		Commercial	Personal	Total Taxable Value	Total Direct Tax Rate	Estimated Actual Valuation	Assessment Ratio*
	Residential	Agricultural						
2007	\$ 1,031,640,380	\$ 14,453,757	\$ 430,681,524	\$ 330,456,006	\$ 1,807,231,667	\$ 4.6706	\$ 7,887,380,999	22.9%
2008	1,091,069,881	14,083,961	465,502,090	344,767,174	1,915,423,106	4.7089	8,348,938,393	22.9%
2009	1,134,370,342	13,866,224	482,959,511	351,159,693	1,982,355,770	4.7292	8,659,290,841	22.9%
2010	1,152,984,288	14,113,688	500,970,395	324,129,857	1,992,198,228	4.7717	8,723,971,729	22.8%
2011	1,167,405,122	14,098,749	509,786,863	316,813,523	2,008,104,257	4.8492	8,814,851,985	22.8%
2012	1,183,528,780	13,943,805	509,940,386	337,119,048	2,044,532,019	4.8812	8,960,433,796	22.8%
2013	1,206,128,427	13,687,343	499,149,669	370,964,795	2,089,930,234	5.4019	9,146,084,007	22.9%
2014	1,230,585,687	13,442,657	508,236,500	378,787,023	2,131,051,867	5.4239	9,324,867,441	22.9%
2015	1,277,837,197	13,337,988	521,477,388	382,462,313	2,195,114,886	5.4868	9,625,202,375	22.8%
2016	1,316,990,967	13,658,849	527,890,503	395,992,890	2,254,533,209	5.4656	9,894,955,166	22.8%

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

The Boone County Assessor reassesses property taxes every four years. 2014 was a reassessment year.

Source: Boone County Clerk

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY TAX RATES PER \$100 ASSESSED VALUATION
DIRECT AND OVERLAPPING GOVERNMENTS
2007 - 2016**

Year Ended June 30,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Columbia School District</u>										
Incidental Fund	\$ 1.3006	\$ 1.3389	\$ 1.3592	\$ 1.3917	\$ 1.4392	\$ 1.4212	\$ 1.6293	\$ 1.6413	\$ 1.8413	\$ 1.9413
Teachers Fund	2.5581	2.5581	2.5581	2.5581	2.5581	2.5581	2.7000	2.7500	2.6000	2.4788
Debt Service	0.8019	0.8019	0.8019	0.8019	0.8019	0.8019	0.9219	0.9319	0.9719	0.9719
Capital Projects	0.0100	0.0100	0.0100	0.0200	0.0500	0.1000	0.1507	0.1007	0.0736	0.0736
Total Columbia School District	<u>4.6706</u>	<u>4.7089</u>	<u>4.7292</u>	<u>4.7717</u>	<u>4.8492</u>	<u>4.8812</u>	<u>5.4019</u>	<u>5.4239</u>	<u>5.4868</u>	<u>5.4656</u>
Overlapping Rates										
<u>City Residents:</u>										
City of Columbia	\$.4100	\$.4100	\$.4100	\$.4100	\$.4100	\$.4100	\$.4100	\$.4100	\$.4100	\$.4100
State of Missouri	.0300	.0300	.0300	.0300	.0300	.0300	.0300	.0300	.0300	.0300
County of Boone	.1200	.1200	.1200	.1200	.1200	.1200	.1200	.1200	.1200	.1200
Road and Bridge	.0475	.0475	.0475	.0475	.0475	.0475	.0500	.0500	.0500	.0500
Library	.5270	.5271	.5221	.5221	.5221	.5221	.5271	.5382	.5382	.5224
Group Home	.1114	.1114	.1114	.1127	.1130	.1130	.1146	.1146	.1146	.1146
Subtotal City Residents	<u>5.9165</u>	<u>5.9549</u>	<u>5.9702</u>	<u>6.0140</u>	<u>6.0918</u>	<u>6.1238</u>	<u>6.6536</u>	<u>6.6867</u>	<u>6.7496</u>	<u>6.7126</u>
<u>County Residents:</u>										
Fire District	\$.5929	\$.5929	\$.5929	\$.6010	\$.6010	\$.6010	\$.6010	\$.6010	\$.6342	\$.6342
Fire Dispatch Fund	.0283	.0283	.0283	.0283	.0289	.0289	.0289	.0000	.0000	.0000
Fire Bond	.0804	.1523	.1182	.0000	.0000	.0000	.0000	.0000	.2451	.2500
Less:										
City of Columbia (above)	(.4100)	(.4100)	(.4100)	(.4100)	(.4100)	(.4100)	(.4100)	(.4100)	(.4100)	(.4100)
Differential Library Tax	<u>(.2284)</u>	<u>(.2285)</u>	<u>(.2235)</u>	<u>(.2235)</u>	<u>(.2235)</u>	<u>(.2220)</u>	<u>(.2235)</u>	<u>(.2346)</u>	<u>(.2291)</u>	<u>.2133</u>
Total County Residents	<u>5.9797</u>	<u>6.0899</u>	<u>6.0761</u>	<u>6.0098</u>	<u>6.0882</u>	<u>6.1217</u>	<u>6.6500</u>	<u>6.6431</u>	<u>6.9898</u>	<u>7.4001</u>

Tax rates are reported on a calendar year basis. The 2015 calendar year tax levy was the rate levied to produce tax revenues for fiscal year 2016. Tax rate ceilings are adjusted each reassessment year and can only be increased by voter referendum.

All commercial real estate taxpayers pay an additional \$.61 per \$100 assessed valuation; all taxpayers within the special business district pay an additional \$.43 per \$100 assessed valuation.

Source: Boone County Clerk
Boone County Collector

**COLUMBIA PUBLIC SCHOOL DISTRICT
MAJOR TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	2016			2007		
	<u>Assessed Valuation*</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Assessed Valuation*</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Union Electric	\$ 27,308,199	1	1.56%	\$ -	-	-
Shelter Insurance	14,944,409	2	0.85%	9,081,121	4	0.50%
3M	13,584,885	3	0.78%	11,824,531	2	0.65%
TKG Biscayne LLS	12,119,467	4	0.69%	6,650,848	7	0.37%
Hubbell Power Systems	8,793,277	5	0.50%	-	-	-
Breckenridge Group	7,939,457	6	0.45%	-	-	-
Grindstone Properties	7,845,770	7	0.45%	-	-	-
JDM II SF National (formerly State Farm)	7,807,371	8	0.45%	11,323,902	3	0.63%
The Links Columbia	6,839,287	9	0.39%	-	-	-
Broadway Crossing II	6,759,696	10	0.39%	7,381,873	6	0.41%
Columbia Foods	-	-	-	16,172,404	1	0.89%
Columbia Mall LLC	-	-	-	8,520,254	5	0.47%
The Gates Corporation	-	-	-	7,989,417	8	0.44%
Spicer Axle Inc.	-	-	-	7,551,096	9	0.42%
Sapp Emery & Sons Inc.	-	-	-	6,748,026	10	0.37%
	<u>\$ 113,941,818</u>		<u>6.51%</u>	<u>\$ 93,243,472</u>		<u>5.15%</u>

*Major taxpayers are reported for the District's 2016 fiscal year.

Source: Boone County Government Center and City of Columbia Statistics

**COLUMBIA PUBLIC SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 84,408,557	\$ 80,532,845	95.41%	\$ 3,867,650	\$ 84,400,495	99.99%
2008	90,195,359	86,102,363	95.46%	4,081,837	90,184,200	99.99%
2009	93,749,569	88,937,537	94.87%	4,792,844	93,730,381	99.98%
2010	95,061,723	90,040,741	94.72%	5,008,401	95,049,142	99.99%
2011	97,376,992	91,179,259	93.64%	6,187,758	97,367,017	99.99%
2012	99,797,697	95,227,806	95.42%	4,492,515	99,720,321	99.92%
2013	112,895,941	108,846,848	96.41%	3,944,906	112,791,754	99.91%
2014	115,586,122	110,577,100	95.67%	4,822,275	115,399,375	99.84%
2015	120,441,564	116,144,412	96.43%	3,851,789	119,996,201	99.63%
2016	123,223,767	119,630,781	97.08%	N/A	119,630,781	97.08%

Source: Boone County Clerk
Accounting Data

**COLUMBIA PUBLIC SCHOOL DISTRICT
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Year Ended June 30,	Assessed Value	General Obligation Bonds (1)	Less Debt Service Funds (2)	Net General Bonded Debt	Ratio of Net Bonded Debt To Assessed Value		Net Bonded Debt Per Capita	Bonded Debt as a Percentage of Personal Income
					Value	Value		
2007	\$ 1,807,231,667	\$ 144,680,000	\$ 32,957,814	\$ 111,722,186	.062	\$	1,124	2.99%
2008	1,915,423,106	153,590,000	14,571,639	139,018,361	.073		1,085	2.35%
2009	1,982,355,770	143,350,000	14,498,025	128,851,975	.065		977	2.55%
2010	1,992,198,228	139,352,458	13,947,413	125,405,045	.063		942	2.66%
2011	2,008,104,257	197,908,657	32,400,994	165,507,663	.082		1,253	2.15%
2012	2,044,532,019	218,538,760	31,365,695	187,173,065	.092		1,373	1.98%
2013	2,089,930,234	197,505,539	19,613,748	177,891,791	.085		1,251	2.17%
2014	2,131,051,867	236,793,745	20,346,256	216,447,489	.102		1,516	1.84%
2015	2,195,114,886	291,262,022	45,481,106	245,780,916	.112		1,728	N/A
2016	2,254,533,209	318,734,088	47,844,848	270,889,240	.120		1,864	N/A

Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) General bonded debt, net of original discounts and premiums.

(2) This is the amount restricted for debt service principal payments.

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

See demographics and economic statistics schedule for personal income and population data.

Personal income data for 2015 and 2016 is not yet available.

Source: Boone County Clerk
Financial Statements
Census Data

**COLUMBIA PUBLIC SCHOOL DISTRICT
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Year Ended June 30,	General Obligation Bonds (1)	Certificates of Participation -		Total Certificates of Participation	Total Outstanding Debt	Debt As A Percentage of Personal Income	Debt Per Capita
		Energy Lease	Capital Leases				
2007	\$ 144,680,000	\$ -	\$ -	\$ -	\$ 144,680,000	2.31%	\$ 1,124
2008	153,590,000	-	323,661	323,661	153,913,661	2.13%	1,201
2009	143,350,000	-	161,831	161,831	143,511,831	2.29%	1,088
2010	139,352,458	2,690,000	212,237	2,902,237	142,254,695	2.35%	1,069
2011	197,908,657	2,605,000	109,005	2,714,005	200,622,662	1.78%	1,519
2012	218,538,760	2,510,000	9,015,000	11,525,000	230,063,760	1.61%	1,687
2013	197,505,539	2,400,000	8,730,000	11,130,000	208,635,539	1.85%	1,467
2014	236,793,745	2,280,000	8,430,000	10,710,000	247,503,745	1.61%	1,734
2015	291,262,022	2,145,000	8,125,000	10,270,000	301,532,022	N/A	2,090
2016	318,734,088	1,990,000	7,815,000	9,805,000	328,539,088	N/A	2,261

Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) General bonded debt, net of original discounts and premiums.

See demographics and economic statistics schedule for personal income and population data.

Personal income data for 2015 and 2016 is not yet available.

Source: Financial Statements
Census Data

**COLUMBIA PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

<u>Governmental Unit</u>	<u>Assesed Valuation</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Columbia	\$ 1,874,871,904	\$ -	100%	\$ -
County of Boone	2,693,986,477	1,322,236	86%	1,137,123
Boone County Fire Protection District	551,602,186	-	69%	-
Columbia Library District	767,761,509	3,140,000	100%	<u>3,140,000</u>
Subtotal, Overlapping Debt				4,277,123
District Direct Debt				<u>328,539,088</u>
Total Direct and Overlapping Debt				<u><u>\$ 332,816,211</u></u>

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

City of Columbia & Columbia Library District are December 2015 final assessed valuations.

* The percentage of overlapping debt applicable is estimated by using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's taxable value.

Source: Boone County Clerk
Boone County Treasurer

**COLUMBIA PUBLIC SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

<u>Year Ended June 30,</u>	<u>Assessed Value</u>	<u>Legal Debt Limit*</u>	<u>Indebtedness**</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable To Debt Margin As A Percentage of Debt Limit</u>
2007	\$ 1,807,231,551	\$ 271,084,733	\$ 111,722,186	\$ 159,362,547	41.2%
2008	1,915,426,106	287,313,466	139,018,361	148,295,105	48.4%
2009	1,982,355,770	297,353,366	128,851,975	168,501,391	43.3%
2010	1,992,198,228	298,829,734	125,079,587	173,750,147	41.9%
2011	2,008,104,257	301,215,639	160,566,006	140,649,633	53.3%
2012	2,044,532,019	306,679,803	179,106,305	127,573,498	58.4%
2013	2,089,930,234	313,489,535	169,788,252	143,701,283	54.2%
2014	2,131,051,867	319,657,780	204,955,744	114,702,036	64.1%
2015	2,195,114,886	329,267,233	228,910,894	100,356,339	69.5%
2016	2,254,533,209	338,179,981	250,887,152	87,292,829	74.2%

* Legal Debt Limit is 15% of assessed valuation.

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

Source: Boone County Clerk
Financial Statements

**COLUMBIA PUBLIC SCHOOL DISTRICT
DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Calendar Year</u>	<u>Population*</u>	<u>Personal Income (thousands of dollars)**</u>	<u>Per Capita Personal Income***</u>	<u>Unemployment Rate ****</u>	<u>Consumer Price Index*****</u>
2007	128,717	\$ 3,337,374	\$ 25,928	3.7%	207.342
2008	128,180	3,271,282	25,521	4.4%	215.303
2009	131,898	3,281,095	24,876	6.3%	214.537
2010	133,098	3,336,501	25,068	6.4%	217.775
2011	132,096	3,562,518	25,603	5.7%	224.556
2012	136,343	3,698,088	27,345	4.6%	229.332
2013	142,219	3,858,851	26,851	4.5%	232.869
2014	142,764	3,984,686	26,047	4.1%	236.938
2015	144,241	N/A	26,191	4.0%	236.945
2016	145,307	N/A	N/A	3.4%	239.508

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

** Personal income data is updated at the end of November 2016 for 2014 (2015 is not yet available).

*** Per Capita Personal Income is an estimate from the US Census Bureau

**** Unemployment rate based off January thru September 2016 average

***** Consumer Price Index is based on U.S. city average. 2016 is based off January through September 2016 average.

Source: U.S. Department of Labor Statistics, US Census Bureau, Bureau of Economic Analysis

**COLUMBIA PUBLIC SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
University of Missouri-Columbia	8,740	1	8.88%	7,905	1	9.39%
University Hospital & Clinics	4,502	2	4.57%	4,054	2	4.82%
Columbia Public Schools	2,524	3	2.56%	2,150	3	2.55%
Boone Hospital Center	2,000	4	2.03%	1,769	4	2.10%
Veterans United Home Loans	1,442	5	1.47%	1,220	5	1.45%
U.S. Department of Veterans Affairs	1,400	6	1.42%	910	9	1.08%
City of Columbia	1,360	7	1.38%	1,151	6	1.37%
Shelter Insurance Group	1,128	8	1.15%	947	8	1.13%
MBS Textbook Exchange	851	9	0.86%	-	-	-
State Farm Insurance Companies	850	10	0.86%	1,040	7	1.24%
Columbia Foods Inc	-	-	-	620	10	0.74%
	<u>24,797</u>		<u>25.20%</u>	<u>21,766</u>		<u>25.86%</u>

Sources: City of Columbia
Regional Economic Development Inc
U.S. Department of Labor, Bureau of Labor Statistics

**COLUMBIA PUBLIC SCHOOL DISTRICT
NUMBER OF EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Full-Time Equivalent Employees as of June 30,

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Regular Instruction	1,106.64	1,139.33	1,069.88	1,035.45	1,022.25	973.55	995.59	1,051.56	1,034.08	1,045.95
Special Education	523.05	532.16	513.44	517.15	484.42	432.31	429.80	429.63	443.99	443.13
Vocational Instruction	43.81	42.79	47.22	41.60	39.94	43.69	37.04	46.58	26.27	45.25
Total Instruction	1,673.50	1,714.28	1,630.54	1,594.20	1,546.61	1,449.55	1,462.43	1,527.77	1,504.34	1,534.33
Support Services										
Guidance and Counseling	156.35	168.45	157.47	145.43	161.85	179.51	186.97	210.01	205.82	221.96
Improvement of Instruction	107.55	115.74	108.99	101.50	96.64	126.03	143.53	156.32	152.42	174.80
General Administration	22.00	22.00	20.50	20.00	20.00	22.34	23.47	23.59	25.25	27.34
Building Administration	147.54	150.04	152.47	156.37	151.68	167.42	173.01	176.72	176.54	180.39
Business, Central Services	13.00	15.00	13.00	13.00	13.00	15.00	13.00	13.00	13.00	13.00
Operation of Plant	198.30	203.30	201.56	200.07	207.84	205.34	210.49	210.49	209.60	191.91
Pupil Transportation	0.75	0.75	0.75	1.00	1.00	1.00	2.25	1.25	1.25	1.25
Adult Education	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Community Services	49.46	50.46	36.14	35.75	41.84	70.87	74.00	71.92	75.80	75.90
Total Support Services	695.95	726.74	691.88	674.12	693.85	787.51	826.72	863.30	859.68	886.55
Total Employees	2,369.45	2,441.02	2,322.42	2,268.32	2,240.46	2,237.06	2,289.15	2,391.07	2,364.02	2,420.88

Source: School District Final Budget 2016-2017

**COLUMBIA PUBLIC SCHOOL DISTRICT
EXPENDITURES PER AVERAGE DAILY ATTENDANCE
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

<u>School Year</u>	<u>Current Operating Expenditures</u>	<u>Average Daily Attendance</u>	<u>Expenditures Per Average Daily Attendance</u>
2007	\$ 148,994,576	16,077	\$ 9,268
2008	161,231,498	15,885	10,150
2009	154,307,900	16,070	9,603
2010	153,586,910	16,442	9,341
2011	153,195,120	16,263	9,420
2012	152,432,172	16,183	9,419
2013	163,124,513	16,311	10,001
2014	174,626,639	16,649	10,488
2015	178,519,743	16,671	10,709
2016	182,617,935	16,689	10,942

The current operating expenditures is a number that the Missouri Department of Elementary and Secondary Education calculates using our financial information. Average daily attendance is a standardized pupil count used by all Missouri school districts based on the number of hours of total attendance during a school year.

Source: Financial Statements
Missouri Department of Elementary and Secondary Education

**COLUMBIA PUBLIC SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Average Salary</u>	<u>Statewide Average</u>
2007	\$ 33,000	\$ 63,054	\$ 45,390	\$ 41,750
2008	34,353	66,478	47,234	43,262
2009	34,353	66,478	46,853	44,235
2010	34,353	66,478	46,230	45,148
2011	34,353	66,663	46,936	45,311
2012	34,353	66,848	47,435	45,709
2013	34,353	66,848	47,050	46,213
2014	34,353	66,848	46,918	46,754
2015	34,353	66,848	47,469	47,394
2016	34,353	66,848	47,502	47,955

Amounts do not include additional salary based on extended contracts, Career Ladder, and extra duty pay.

Source: District Records
Missouri Department of Elementary and Secondary Education

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMPARISON TO MISSOURI SCHOOL DISTRICTS
VARIOUS STUDENT AND STAFF FINANCIAL FACTORS**

The Missouri Department of Elementary and Secondary Education (DESE) collects financial and student information for comparison to all Missouri school districts. For school year 2015-16, there were 559 school districts in Missouri.

The table below compares various ratios and financial factors of the Columbia Public School District with all Missouri School Districts for the last six (6) years.

	Columbia Public School District						Missouri School Districts					
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Students per Teacher	13	13	13	13	13	13	13	13	13	13	13	13
Students per Classroom Teacher	20	20	19	18	18	18	18	18	18	18	17	17
Average Teacher Salary (Total)	\$47,278	\$49,067	\$48,517	\$47,916	\$48,429	\$49,012	\$46,290	\$46,740	\$47,231	\$47,844	\$48,478	\$49,061
Students per Administrator	231	235	224	221	237	230	195	195	195	195	191	188
Average Administrator Salary	\$85,364	\$86,619	\$86,030	\$85,854	\$86,862	\$86,210	\$83,583	\$84,822	\$86,016	\$87,190	\$88,806	\$90,112
Students Eligible for Free/Reduced Lunch	38.90%	40.00%	39.60%	40.00%	41.20%	45.00%	47.80%	49.50%	49.90%	50.30%	51.70%	51.70%

Amounts for average teacher's salary include additional salary for extended contracts, career ladder, and extra duty pay.

Source: Missouri Department of Elementary and Secondary Education

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

School	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Elementary										
Alpha Hart (2010)										
Building Square Feet	90,842	90,842	90,842	90,842	90,842	90,842	N/A	N/A	N/A	N/A
Capacity (without trailers)	650	650	650	650	650	650	N/A	N/A	N/A	N/A
Enrollment	516	752	602	659	700	731	N/A	N/A	N/A	N/A
Benton (1926)										
Building Square Feet	29,527	29,527	29,527	29,527	29,527	29,527	29,527	29,527	29,527	29,527
Trailer Square Feet	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032
Capacity (with trailers)	360	360	360	360	360	360	360	360	360	360
Capacity (without trailers)	260	260	260	260	260	260	260	260	260	260
Enrollment	316	316	288	299	294	244	249	248	281	279
Blue Ridge (1965)										
Building Square Feet	54,925	54,925	54,925	54,925	54,925	54,925	54,925	54,925	54,925	54,925
Trailer Square Feet	5,040	5,040	5,040	5,040	5,040	5,040	9,072	9,072	8,064	8,064
Capacity (with trailers)	524	500	500	500	500	500	700	700	700	700
Capacity (without trailers)	524	630	630	630	630	630	500	500	500	500
Enrollment	543	523	483	512	478	436	541	541	561	516
Cedar Ridge (1978)										
Building Square Feet	18,095	18,095	18,095	18,095	18,095	18,095	18,095	18,095	18,095	18,095
Trailer Square Feet	7,056	7,056	7,056	7,056	7,056	7,056	7,056	7,056	7,056	7,056
Capacity (with trailers)	275	275	275	275	275	275	275	275	275	275
Capacity (without trailers)	100	100	100	100	100	100	100	100	100	100
Enrollment	212	197	177	193	192	196	205	205	178	183
Derby Ridge (1991)										
Building Square Feet	79,310	79,310	79,310	79,310	79,310	79,310	79,310	79,310	79,310	79,310
Trailer Square Feet	7,650	9,072	10,080	10,080	10,080	10,080	14,112	14,112	12,096	12,096
Capacity (with trailers)	656	745	795	795	795	795	875	875	875	875
Capacity (without trailers)	556	600	600	600	600	600	600	600	600	600
Enrollment	582	548	564	552	569	544	691	691	708	715
Eliot Battle (2016)										
Building Square Feet	77,035	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (without trailers)	450	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	398	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fairview (1964)										
Building Square Feet	55,410	55,410	55,410	55,410	55,410	55,410	55,410	55,410	55,410	55,410
Trailer Square Feet	3,456	3,456	3,456	3,456	3,456	3,456	3,418	3,418	2,016	2,016
Capacity (with trailers)	620	650	650	650	650	650	650	650	600	600
Capacity (without trailers)	551	550	550	550	550	550	550	550	550	550
Enrollment	553	601	583	565	561	552	561	561	544	538

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(continued)**

School	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Elementary (cont.)										
Grant (1910)										
Building Square Feet	29,566	28,222	28,222	28,222	28,222	28,222	26,926	26,926	26,926	26,926
Trailer Square Feet	4,032	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040
Capacity (with trailers)	375	375	375	375	375	375	375	375	375	375
Capacity (without trailers)	302	250	250	250	250	250	250	250	250	250
Enrollment	394	394	333	281	315	304	303	303	313	341
Lee (1934)										
Building Square Feet	29,265	29,265	29,265	29,265	29,265	29,265	29,265	29,265	29,265	29,265
Trailer Square Feet	7,056	6,048	6,048	6,048	6,048	6,048	5,040	5,040	5,040	5,040
Capacity (with trailers)	358	375	375	375	375	375	375	375	375	375
Capacity (without trailers)	235	250	250	250	250	250	250	250	250	250
Enrollment	335	336	313	294	297	305	347	347	347	323
Midway Heights (1956)										
Building Square Feet	34,885	34,885	34,885	34,885	34,885	34,885	34,885	34,885	34,885	34,885
Capacity	295	375	375	375	375	375	375	375	375	375
Enrollment	243	275	265	268	313	295	295	295	256	268
Mill Creek (1988)										
Building Square Feet	89,067	89,067	89,067	89,067	89,067	89,067	89,067	89,067	89,067	89,067
Trailer Square Feet	7,056	7,056	6,048	6,048	6,048	6,048	6,048	6,048	6,048	6,048
Capacity (with trailers)	748	900	850	850	850	850	850	850	850	850
Capacity (without trailers)	673	700	700	700	700	700	700	700	700	700
Enrollment	752	743	859	864	844	769	765	765	758	751
New Haven (1954)										
Building Square Feet	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170
Trailer Square Feet	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008
Capacity (with trailers)	293	350	350	350	350	350	350	350	350	350
Capacity (without trailers)	293	325	325	325	325	325	325	325	325	325
Enrollment	268	308	306	287	302	329	325	325	308	303
Parkade (1958)										
Building Square Feet	53,800	53,800	53,800	53,800	53,800	53,800	53,800	53,800	53,800	53,800
Trailer Square Feet	3,024	3,024	4,032	4,032	4,032	4,032	4,032	4,032	4,032	4,032
Capacity (with trailers)	525	525	575	575	575	575	575	575	575	575
Capacity (without trailers)	478	450	450	450	450	450	450	450	450	450
Enrollment	476	469	482	527	463	565	522	522	510	470
Paxton Keeley (2001)										
Building Square Feet	98,060	98,060	98,060	98,060	98,060	98,060	98,060	98,060	98,060	98,060
Capacity	723	650	650	650	650	650	650	650	650	650
Enrollment	726	737	676	682	649	695	690	690	700	687

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(continued)**

School	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Elementary (cont.)										
Ridgeway (1922)										
Building Square Feet	32,353	32,353	32,353	32,353	32,353	32,353	32,353	32,353	32,353	32,353
Capacity	247	280	280	280	280	280	280	280	280	280
Enrollment	239	238	242	243	251	261	259	259	231	231
Rock Bridge Elementary (1957)										
Building Square Feet	50,235	50,235	50,235	50,235	50,235	50,235	47,535	47,535	47,535	47,535
Trailer Square Feet	6,048	4,464	4,464	4,464	4,464	4,464	3,168	3,168	3,168	3,168
Capacity (with trailers)	602	620	620	620	620	620	620	620	620	620
Capacity (without trailers)	502	520	520	520	520	520	520	520	520	520
Enrollment	635	625	605	594	563	524	506	506	480	438
Russell Boulevard (1957)										
Building Square Feet	52,435	52,435	52,435	52,435	52,435	52,435	52,435	52,435	52,435	52,435
Trailer Square Feet	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040
Capacity (with trailers)	582	625	625	625	625	625	625	625	625	625
Capacity (without trailers)	482	500	500	500	500	500	500	500	500	500
Enrollment	569	558	545	589	570	601	588	588	519	554
Shepard Boulevard (1968)										
Building Square Feet	69,863	42,185	42,185	42,185	42,185	42,185	42,185	42,185	42,185	42,185
Trailer Square Feet	0	12,960	12,960	12,960	12,960	12,960	12,900	12,960	9,072	9,072
Capacity (with trailers)	652	650	650	650	650	650	650	650	550	550
Capacity (without trailers)	652	300	300	300	300	300	300	300	300	300
Enrollment	548	586	592	597	549	504	588	588	545	466
Two Mile Prairie (1972)										
Building Square Feet	22,235	22,235	22,235	22,235	22,235	22,235	22,235	22,235	22,235	22,235
Trailer Square Feet	5,040	9,072	6,048	6,048	6,048	6,048	5,040	5,040	5,040	5,040
Capacity (with trailers)	245	425	325	325	325	325	325	325	325	325
Capacity (without trailers)	195	200	200	200	200	200	200	200	200	200
Enrollment	226	339	329	336	366	327	327	327	326	282
West Boulevard (1949)										
Building Square Feet	62,498	41,725	41,725	41,725	41,725	41,725	41,725	41,725	41,725	41,725
Trailer Square Feet	0	6,480	6,480	6,480	6,480	6,480	6,480	6,480	5,040	5,040
Capacity (with trailers)	438	475	475	475	475	475	475	475	425	425
Capacity (without trailers)	438	300	300	300	300	300	300	300	300	300
Enrollment	358	391	369	375	386	365	330	330	307	275
Middle										
Gentry Middle School (1985)										
Building Square Feet	118,335	118,335	118,335	118,335	118,335	118,335	118,335	118,335	118,335	118,335
Trailer Square Feet	14,300	13,104	13,104	13,104	13,104	13,104	13,536	13,104	13,536	13,104
Capacity (with trailers)	871	850	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Capacity (without trailers)	706	706	775	775	775	775	775	775	775	775
Enrollment	812	837	843	899	776	787	798	798	730	747

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(continued)**

School	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Middle (cont.)										
Lange Middle School (1997)										
Building Square Feet	123,359	118,335	118,335	118,335	118,335	118,335	118,335	118,335	118,335	118,335
Trailer Square Feet	0	0	12,096	12,096	12,096	12,096	12,096	12,096	12,096	12,096
Capacity (with trailers)	715	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Capacity (without trailers)	715	775	775	775	775	775	775	775	775	775
Enrollment	610	588	656	777	855	781	776	776	834	757
Smithton Middle School (1996)										
Building Square Feet	123,627	123,627	123,627	123,627	123,627	123,627	123,627	123,627	123,627	123,627
Trailer Square Feet	16,128	15,120	15,120	15,120	15,120	15,120	17,360	17,360	17,360	17,360
Capacity (with trailers)	806	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Capacity (without trailers)	704	775	775	775	775	775	775	775	775	775
Enrollment	748	732	748	918	932	893	903	903	880	930
Jefferson Middle School (1910)										
Building Square Feet	131,346	131,346	131,346	131,346	131,346	131,346	131,346	131,346	131,346	131,346
Capacity	659	900	900	900	900	900	900	900	900	900
Enrollment	543	543	512	817	826	812	819	819	820	911
Oakland Middle School (1971)										
Building Square Feet	106,785	106,785	106,785	106,785	106,785	106,785	106,785	106,785	106,785	106,785
Trailer Square Feet	3,024	4,032	10,080	10,080	10,080	10,080	11,088	11,088	11,088	11,088
Capacity (with trailers)	677	875	875	875	875	875	875	875	875	875
Capacity (without trailers)	642	600	600	600	600	600	600	600	600	600
Enrollment	528	511	490	798	753	774	739	739	741	750
West Middle School (1961)										
Building Square Feet	130,225	130,225	130,225	130,225	130,225	130,225	130,225	130,225	130,225	130,225
Trailer Square Feet	0	0	8,064	8,064	8,064	8,064	7,056	7,056	7,056	7,056
Capacity (with trailers)	777	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Capacity (without trailers)	777	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025
Enrollment	636	576	594	875	936	910	896	896	942	953
High										
Douglass High School (1916)										
Building Square Feet	49,540	49,540	49,540	49,540	49,540	49,540	49,540	49,540	49,540	49,540
Capacity	250	250	250	250	250	250	250	250	250	250
Enrollment	189	148	146	166	160	215	140	140	145	248
Hickman High School (1925)										
Building Square Feet	327,555	278,364	278,364	278,364	278,364	278,364	276,444	276,444	276,444	276,444
Trailer Square Feet	0	0	7,056	7,056	7,056	7,056	7,056	7,056	7,056	7,056
Capacity (with trailers)	2,125	2,125	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Capacity (without trailers)	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125
Enrollment	1,689	1,676	1,813	1,920	1,882	1,942	2,016	2,019	2,114	2,109

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(continued)**

School	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Rock Bridge High School (1970)										
Building Square Feet	324,275	302,115	302,115	302,115	302,115	302,115	298,275	298,275	298,275	298,275
Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Enrollment	1,906	1,866	2,011	1,715	1,790	1,820	1,811	1,811	1,746	1,722
Battle High School (2013)										
Building Square Feet	316,740	310,296	310,296	310,296	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	1,800	1,800	1,800	1,800	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	1,393	1,417	1,080	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other										
Administration (1981)										
Square Feet	52,606	52,606	52,606	52,606	52,606	12,606	12,606	12,606	12,606	12,606
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bus Barn/Carpenter Shop (1966)										
Square Feet	15,801	13,768	13,768	13,768	13,768	13,768	13,768	13,768	13,768	13,768
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Career Center (1978)										
Square Feet	102,895	102,895	102,895	102,895	102,895	102,895	74,092	74,092	49,250	49,250
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Center of Responsive Education (1992)										
Square Feet	16,186	16,186	16,186	16,186	16,186	16,186	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Early Childhood Discovery Center (2004)										
Square Feet	7,340	7,340	7,340	7,340	N/A	N/A	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Field (1916)										
Building Square Feet	26,295	26,295	26,295	26,295	26,295	26,295	26,295	26,295	26,295	26,295
Trailer Square Feet	5,040	5,040	7,056	7,056	7,056	7,056	7,056	7,056	7,056	7,056
Capacity (with trailers)	375	375	425	425	425	425	425	425	425	425
Capacity (without trailers)	250	250	250	250	250	250	250	250	250	250
Enrollment	65	N/A	N/A	N/A	N/A	N/A	299	299	291	286
Ground Shop (1985)										
Square Feet	N/A	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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State Compliance Section



INDEPENDENT AUDITORS' REPORT – STATE COMPLIANCE REPORTS

Board of Education
Columbia Public School District
Columbia, Missouri

Report on the Financial Statements

We have audited the financial statements of Columbia Public School District as of and for the year ended June 30, 2016, and have issued our report thereon dated December 12, 2016, which expressed an unmodified opinion on those financial statements and appears on pages 11 - 12.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Columbia Public School District's financial statements as a whole. The Schedules for State Compliance on pages 134 to 140 are presented for the purpose of additional analysis and are not a required part of the financial statements. The Schedules for State Compliance are the responsibility of Columbia Public School District's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The non-accounting information shown on pages 141 to 146, which is also the responsibility of Columbia Public School District's management, is presented for the purposes of additional analysis and is not a required part of the financial statements. The non-accounting information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 12, 2016

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

Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the basic financial statements of the Columbia Public School District as of and for the year ended June 30, 2016, and have issued our report, which was unmodified on December 12, 2016.

As required by the Revised Statutes of the State of Missouri, we have performed auditing procedures to test compliance with the requirements governing budgets (Chapter 67 RSMo) and the methods of maintaining pupil attendance and pupil transportation records (Chapter 165.121.3(7) RSMo). The management of the School District is responsible for the School District's compliance with those requirements and have so acknowledged in a representation letter dated December 12, 2016. Our responsibility is to express an opinion on the School District's compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the School District's budgetary and disbursement procedures were in compliance with the budgetary statute (Chapter 67 RSMo). It is further our opinion that the pupil attendance and pupil transportation records are so maintained as to accurately disclose, in all material respects, the average daily attendance, resident membership on the last Wednesday of September, average daily transportation of pupils and mileage and allowable cost for pupil transportation in compliance with state and administrative rules.

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

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 12, 2016

SCHEDULES FOR STATE COMPLIANCE

**COLUMBIA PUBLIC SCHOOL DISTRICT
COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016**

	Incidental Fund			
	General	Food Services	Student Activities	Adult Education
REVENUES				
Local	\$ 55,614,648	\$ 3,103,271	\$ 2,356,375	\$ 1,531,099
County	1,095,051	-	-	-
State	18,384,196	60,011	-	220,322
Federal	4,100,180	4,799,684	-	667,133
Tuition Other Districts	43,750	-	-	-
Total Revenues	<u>79,237,825</u>	<u>7,962,966</u>	<u>2,356,375</u>	<u>2,418,554</u>
EXPENDITURES				
Regular Instruction	9,979,858	-	-	-
Special Instruction	8,140,060	-	-	-
Vocational Instruction	518,875	-	-	-
Student Activities	791,072	-	2,097,034	-
Tuition Other Districts	-	-	-	-
Total Instruction	<u>19,429,865</u>	<u>-</u>	<u>2,097,034</u>	<u>-</u>
Attendance	263,499	-	-	-
Guidance and Counseling	404,992	-	-	-
Health and Ancillary Services	3,309,831	-	-	-
Improvement of Instruction	1,894,614	-	-	150,640
Media Services	3,060,545	-	-	-
Board Services	534,905	-	-	-
General Administration	1,628,288	-	-	-
Building Administration	3,935,104	-	-	55,497
Business, Central Services	5,624,871	-	-	-
Operation of Plant	17,424,519	-	-	-
Pupil Transportation	12,402,246	-	42,638	-
Food Services	-	7,604,057	-	-
Total Pupil Support Services	<u>50,483,414</u>	<u>7,604,057</u>	<u>42,638</u>	<u>206,137</u>
Adult Education	11,652	-	-	1,345,636
Community Services	2,442,949	-	-	705,797
Debt Service	-	-	-	-
Capital Outlay and Construction	-	-	-	-
Total Other	<u>2,454,601</u>	<u>-</u>	<u>-</u>	<u>2,051,433</u>
Total Expenditures	<u>72,367,880</u>	<u>7,604,057</u>	<u>2,139,672</u>	<u>2,257,570</u>
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	6,869,945	358,909	216,703	160,984
OTHER FINANCING SOURCES (USES)				
General Obligation Bonds Issued	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Net Insurance Recovery	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(1,538,888)	(3,885)	(52,260)	-
NET CHANGES IN FUND BALANCES	5,331,057	355,024	164,443	160,984
FUND BALANCE, JULY 1	<u>43,418,645</u>	<u>177,822</u>	<u>1,043,051</u>	<u>577,120</u>
FUND BALANCE, JUNE 30	<u>\$ 48,749,702</u>	<u>\$ 532,846</u>	<u>\$ 1,207,494</u>	<u>\$ 738,104</u>

<u>Grants and Donations</u>		<u>Special Revenue Teachers Fund</u>		<u>Debt Service Fund</u>		<u>Capital Projects Fund</u>		<u>Total</u>	
	<u>Total</u>								
\$ 1,921,906	\$ 64,527,299	\$ 63,489,756		\$ 22,928,152		\$ 5,543,603		\$ 156,488,810	
-	1,095,051	774,063		384,212		14,974		2,268,300	
1,175,855	19,840,384	42,718,732		-		80,173		62,639,289	
1,054,539	10,621,536	4,723,953		312,657		-		15,658,146	
-	43,750	144,314		-		-		188,064	
<u>4,152,300</u>	<u>96,128,020</u>	<u>111,850,818</u>		<u>23,625,021</u>		<u>5,638,750</u>		<u>237,242,609</u>	
688,871	10,668,729	62,393,627		-		12,021		73,074,377	
191,896	8,331,956	22,446,420		-		9,973		30,788,349	
56,908	575,783	3,355,425		-		432,081		4,363,289	
357,691	3,245,797	1,411,772		-		68,899		4,726,468	
-	-	443,452		-		-		443,452	
<u>1,295,366</u>	<u>22,822,265</u>	<u>90,050,696</u>		<u>-</u>		<u>522,974</u>		<u>113,395,935</u>	
-	263,499	-		-		-		263,499	
111,108	516,100	4,644,696		-		-		5,160,796	
62,712	3,372,543	112,115		-		-		3,484,658	
268,022	2,313,276	4,605,899		-		-		6,919,175	
256,236	3,316,781	2,723,580		-		13,777		6,054,138	
-	534,905	-		-		-		534,905	
-	1,628,288	961,256		-		-		2,589,544	
-	3,990,601	7,504,847		-		-		11,495,448	
-	5,624,871	115,930		-		-		5,740,801	
14,938	17,439,457	-		-		-		17,439,457	
105,039	12,549,923	-		-		-		12,549,923	
52,019	7,656,076	-		-		21,373		7,677,449	
<u>870,074</u>	<u>59,206,320</u>	<u>20,668,323</u>		<u>-</u>		<u>35,150</u>		<u>79,909,793</u>	
438,479	1,795,767	-		-		-		1,795,767	
866,986	4,015,732	2,141,090		-		23,504		6,180,326	
-	-	-		22,836,279		1,038,516		23,874,795	
-	-	-		-		37,310,142		37,310,142	
<u>1,305,465</u>	<u>5,811,499</u>	<u>2,141,090</u>		<u>22,836,279</u>		<u>38,372,162</u>		<u>69,161,030</u>	
<u>3,470,905</u>	<u>87,840,084</u>	<u>112,860,109</u>		<u>22,836,279</u>		<u>38,930,286</u>		<u>262,466,758</u>	
681,395	8,287,936	(1,009,291)		788,742		(33,291,536)		(25,224,149)	
-	-	-		-		35,000,000		35,000,000	
-	-	-		1,575,000		-		1,575,000	
-	-	-		-		-		-	
-	-	-		-		2,120,517		2,120,517	
<u>(525,484)</u>	<u>(2,120,517)</u>	<u>-</u>		<u>-</u>		<u>-</u>		<u>(2,120,517)</u>	
155,911	6,167,419	(1,009,291)		2,363,742		3,828,981		11,350,851	
<u>2,448,795</u>	<u>47,665,433</u>	<u>4,692,787</u>		<u>45,481,106</u>		<u>47,863,154</u>		<u>145,702,480</u>	
<u>\$ 2,604,706</u>	<u>\$ 53,832,852</u>	<u>\$ 3,683,496</u>		<u>\$ 47,844,848</u>		<u>\$ 51,692,135</u>		<u>\$ 157,053,331</u>	

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Incidental Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
LOCAL SOURCES:					
Current Tax	\$ 42,397,836	\$ 54,329,094	\$ 21,289,746	\$ 1,614,105	\$ 119,630,781
Delinquent Tax	1,242,880	1,727,493	647,962	53,442	3,671,777
School District Trust Fund	10,378,995	6,227,397	-	-	16,606,392
Financial Institution Tax	59,032	75,374	29,553	2,239	166,198
In Lieu of Tax	-	-	124,271	124,271	248,542
Surtax	771,041	984,494	386,009	29,240	2,170,784
Tuition, K-12	42,521	3,090	-	-	45,611
Summer School Tuition K-12	43,335	-	-	-	43,335
Tuition, Post Secondary	1,525,668	-	-	-	1,525,668
Earnings on Investments	275,772	49,143	443,681	3,317,440	4,086,036
Food Service Sales	3,098,259	-	-	-	3,098,259
Student Activities	2,014,858	-	-	-	2,014,858
Community Services	-	1,118	-	-	1,118
Rentals	179,455	-	-	-	179,455
Offset Printing	130,362	-	-	-	130,362
Donations/Fundraising	1,724,693	-	-	-	1,724,693
MO-T Grant	329,407	-	-	-	329,407
City Playground Agreement	-	-	-	300,000	300,000
Other Local Sources	313,185	92,553	6,930	70,553	483,221
Total Local Sources	<u>64,527,299</u>	<u>63,489,756</u>	<u>22,928,152</u>	<u>5,511,290</u>	<u>156,456,497</u>
COUNTY SOURCES:					
Fines, Escheats, Etc.	-	486,421	302,154	8,758	797,333
State Assessed Utilities	931,143	78,358	82,058	6,216	1,097,775
County Stock Insurance Fund	163,908	209,284	-	-	373,192
Total County Sources	<u>1,095,051</u>	<u>774,063</u>	<u>384,212</u>	<u>14,974</u>	<u>2,268,300</u>
STATE SOURCES:					
Basic Formula-State Monies	11,352,350	34,057,051	-	-	45,409,401
Transportation	2,295,138	-	-	-	2,295,138
Early Childhood	1,633,288	2,085,492	-	-	3,718,780
Basic Formula - Classroom Trust Fund	1,601,758	4,805,272	-	80,173	6,487,203
Parents as Teachers	498,215	-	-	-	498,215
Vocational, Technical	608,499	413,744	-	-	1,022,243
Career Education Enhancement	463,760	-	-	-	463,760
Excess Cost	152,637	331,153	-	-	483,790
Adult Basic Education	69,507	-	-	-	69,507
Food Service	60,011	-	-	-	60,011
High Need Fund	503,645	1,025,016	-	-	1,528,661
MO-T Grant	528,524	-	-	-	528,524
Readers for the Blind	787	1,004	-	-	1,791
Other State Sources	72,265	-	-	-	72,265
Total State Sources	<u>19,840,384</u>	<u>42,718,732</u>	<u>-</u>	<u>80,173</u>	<u>62,639,289</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF REVENUES CLASSIFIED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2016
(continued)**

	<u>Incidental Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
FEDERAL SOURCES:					
Pell Grants	314,518	-	-	-	314,518
Perkins Basic Grant, Career Education	269,309	3,524	-	-	272,833
Title I - ESEA	1,568,033	2,146,582	-	-	3,714,615
Ind With Disabilities Ed Act	1,645,372	1,900,222	-	-	3,545,594
Early Childhood	211,621	270,212	-	-	481,833
Adult Basic Education	328,909	-	-	-	328,909
Direct Loan	343,987	-	-	-	343,987
School Lunch Program	3,470,329	-	-	-	3,470,329
School Breakfast Program	1,253,631	-	-	-	1,253,631
Special Milk Program	6,324	-	-	-	6,324
After School Snack Program	1,599	-	-	-	1,599
Fresh Fruits and Vegetables Program	67,801	-	-	-	67,801
Childcare Development	59,632	-	-	-	59,632
Title II, Part A	261,032	403,413	-	-	664,445
ERATE	102,838	-	-	-	102,838
Title III - ESEA	176,373	-	-	-	176,373
Medicaid	395,657	-	-	-	395,657
QSCB Interest Reimbursement	-	-	312,657	-	312,657
Other Federal Sources	144,571	-	-	-	144,571
Total Federal Sources	<u>10,621,536</u>	<u>4,723,953</u>	<u>312,657</u>	<u>-</u>	<u>15,658,146</u>
OTHER SOURCES:					
Sale of Bonds	-	-	1,575,000	35,000,000	36,575,000
Net Insurance Recovery	-	-	-	32,313	32,313
Total Other Sources	<u>-</u>	<u>-</u>	<u>1,575,000</u>	<u>35,032,313</u>	<u>36,607,313</u>
TUITION OTHER DISTRICTS:					
Tuition Other Districts	-	100,564	-	-	100,564
Area Vocational School Fees	43,750	43,750	-	-	87,500
Total Tuition Other Districts	<u>43,750</u>	<u>144,314</u>	<u>-</u>	<u>-</u>	<u>188,064</u>
 Total Revenues	 <u>\$ 96,128,020</u>	 <u>\$ 111,850,818</u>	 <u>\$ 25,200,021</u>	 <u>\$ 40,638,750</u>	 <u>\$ 273,817,609</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Incidental Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
SALARIES:					
Certificated Salaries	\$ 3,424,105	\$ 85,223,681	\$ -	\$ -	\$ 88,647,786
Non-Certificated Salaries	24,988,402	368,064	-	-	25,356,466
Total Salaries	<u>28,412,507</u>	<u>85,591,745</u>	<u>-</u>	<u>-</u>	<u>114,004,252</u>
FRINGE BENEFITS:					
Teacher Retirement	346,940	13,522,317	-	-	13,869,257
Non-Teacher Retirement	2,042,630	88,612	-	-	2,131,242
Social Security	2,011,563	1,382,270	-	-	3,393,833
Medical and Dental Benefits	5,482,548	11,236,267	-	-	16,718,815
Workers' Compensation	682,593	595,446	-	-	1,278,039
Total Fringe Benefits	<u>10,566,274</u>	<u>26,824,912</u>	<u>-</u>	<u>-</u>	<u>37,391,186</u>
PURCHASED SERVICES:					
Instructional Services	499,423	443,452	-	-	942,875
Professional Services	8,070,391	-	-	-	8,070,391
Property Services	2,916,358	-	-	-	2,916,358
Contracted Transportation	10,853,997	-	-	-	10,853,997
Other Transportation, Non-Route	850,738	-	-	-	850,738
Travel	2,137,627	-	-	-	2,137,627
Insurance	625,969	-	-	-	625,969
Communications and Printing	1,185,146	-	-	-	1,185,146
Dues and Fees	2,270,457	-	4,609	-	2,275,066
Service Charges	35,951	-	-	-	35,951
Financial Aid Adult Ed.	705,797	-	-	-	705,797
Total Purchased Services	<u>30,151,854</u>	<u>443,452</u>	<u>4,609</u>	<u>-</u>	<u>30,599,915</u>
SUPPLIES:					
General Supplies	9,981,937	-	-	-	9,981,937
Regular Textbook	1,185,013	-	-	-	1,185,013
Library Books	134,203	-	-	-	134,203
Food Supplies	3,295,623	-	-	-	3,295,623
Energy Supplies	4,112,673	-	-	-	4,112,673
Total Supplies	<u>18,709,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,709,449</u>
CAPITAL OUTLAY:					
Land	-	-	-	786,032	786,032
Buildings and Additions	-	-	-	31,913,341	31,913,341
Improvements to Sites	-	-	-	1,310,904	1,310,904
Equipment and Vehicles	-	-	-	3,881,492	3,881,492
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,891,769</u>	<u>37,891,769</u>
DEBT SERVICE:					
Principal	-	-	12,235,000	465,000	12,700,000
Interest	-	-	10,580,579	397,531	10,978,110
Professional Fees	-	-	16,091	175,986	192,077
Total Debt Service	<u>-</u>	<u>-</u>	<u>22,831,670</u>	<u>1,038,517</u>	<u>23,870,187</u>
Total Expenditures	<u>\$ 87,840,084</u>	<u>\$ 112,860,109</u>	<u>\$ 22,836,279</u>	<u>\$ 38,930,286</u>	<u>\$ 262,466,758</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
 ASSESSED VALUATION AND TAX LEVY
 JUNE 30, 2016**

The assessed valuation of the tangible taxable property for the calendar years 2015 and 2014 for purposes of local taxation was as follows:

	Current Year	Prior Year
Real Estate:		
Residential	\$ 1,316,990,967	\$ 1,277,837,197
Agriculture	13,658,849	13,337,988
Commercial	527,890,503	521,477,388
Personal Property	395,992,890	382,462,313
TOTAL	\$ 2,254,533,209	\$ 2,195,114,886

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2015 for purposes of local taxation was as follows:

	Adjusted	Unadjusted
Operating Fund	\$ 1.9413	\$ 2.2378
Teachers Fund	2.4788	2.4788
Debt Service Fund	0.9719	0.9719
Capital Projects Fund	0.0736	0.0736
TOTAL	\$ 5.4656	\$ 5.7621

**COLUMBIA PUBLIC SCHOOL DISTRICT
 SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Regular</u>		<u>Handicapped Contracted</u>
	<u>District Owned</u>	<u>Contracted</u>	
Salary and Benefits	\$ 90,657	\$ -	\$ 29,528
Purchased Services	15,439	8,615,669	2,849,404
Supplies	8,663	215,268	71,851
Capital Outlay	<u>47,235</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 161,994</u>	<u>\$ 8,830,937</u>	<u>\$ 2,950,783</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2016**

1. Calendar

- A. Standard Day Length (SDL) – The total number of hours between the starting time of the first class and the dismissal time of the last class, minus the time allowed for lunch and one passing time, and minus Channel One time. Reported with 4 decimal places.

Grades 9-12

Juvenile Justice Center	6.2500	SDL
Frederick Douglass High	6.2000	SDL
All other building locations (Grades 9-12)	6.6500	SDL

Grades 6-8

6.6000 SDL

Grades 1-5

Center For Gifted Education	6.2500	SDL
-----------------------------	--------	-----

Grades K-5

Thomas Benton Elementary	6.3500	SDL
Blue Ridge Elementary	6.3500	SDL
New Haven Elementary	6.3500	SDL
Rock Bridge Elementary	6.3500	SDL
Russell Blvd Elementary	6.3500	SDL
Shepard Blvd Elementary	6.3500	SDL
All other building locations (Grades K-5)	6.6500	SDL

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

Grades 9-12

Juvenile Justice Center	1,077.50	Hours
Frederick Douglass High	1,068.60	Hours
David H. Hickman High	1,146.90	Hours
Muriel W. Battle High School	1,146.30	Hours
Rock Bridge Sr. High	1,147.10	Hours

Grades 6-8

1,138.40 Hours

Grades 1-5

Thomas Benton Elementary	1,094.90	Hours
Blue Ridge Elementary	1,096.10	Hours
New Haven Elementary	1,094.90	Hours
John Ridgeway Elementary	1,146.10	Hours
Rock Bridge Elementary	1,096.10	Hours
Russell Blvd. Elementary	1,094.90	Hours
Shepard Blvd. Elementary	1,095.50	Hours
Center For Gifted Education	1,077.50	Hours
All other building locations (Grades 1-5)	1,147.10	Hours

Grade Kindergarten

Thomas Benton Elementary	1,085.60	Hours
Blue Ridge Elementary	1,083.40	Hours
New Haven Elementary	1,082.80	Hours
John Ridgeway Elementary	1,146.10	Hours
Rock Bridge Elementary	1,083.40	Hours
Russell Blvd. Elementary	1,082.80	Hours
Shepard Blvd. Elementary	1,082.80	Hours
All other building locations (Grade K)	1,133.80	Hours

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2016
(continued)**

- C. The number of days classes were in session and pupils were under the direction of the teachers during this school year was 172 days for Kindergarten and 174 days for grades 1-12.

2. **Average Daily Attendance (ADA)**

Regular Term	Full-time & Part-time	Total
Grades K-5	7,844.9688	7,844.9688
Grades 6-8	3,645.7179	3,345.7179
Grades 9-12	4,401.0629	4,401.0629
Subtotal Regular Term	15,891.7496	15,891.7496
Summer School Subtotal		797.0784
Total Regular Term Plus Summer School ADA		16,688.8280

3. **September Membership**

	Full Time/ Part Time	Total
September Membership FTE Count	16,971.81	16,971.81

4. **Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)**

	Full Time/ Part Time	Total
State FTE Total		
Free	6,750.51	6,750.51
Reduced	789.41	789.41
Total	7,539.92	7,539.92

5. **Finance**

- | | |
|---|-----------|
| A. As required by Section 162.401, RSMo, a bond was purchased for the District's Treasurer in the total amount of: | \$100,000 |
| B. The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. | True |
| C. The District maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo. | True |
| D. Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. | True |
| E. If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. | N/A |

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2016
(continued)**

F.	The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
G.	The District has a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment.	True
H.	The amount spent for approved professional development committee plan activities was:	\$1,090,908.67
I.	All above "false" answers <u>must</u> be supported by a finding or management letter comment.	
	Finding #	None
	Management Letter Comment #	None
6.	<u>Transportation (Section 163.161, RSMo)</u>	
A.	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
B.	The District's school transportation ridership records are so maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
C.	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	• Eligible ADT	8,867.50
	• Ineligible ADT	523.00
D.	The District's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
E.	Actual odometer records show the total district-operated <u>and</u> contracted mileage for the year was:	3,265,949
	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route <u>and</u> disapproved miles (combined) was:	
	• Eligible Miles	2,566,910
	• Ineligible Miles (Non-Route/Disapproved)	575,861
F.	Number of days the District operated the school transportation system during the regular school year:	174
	All above "False" answers must be supported by a finding or management letter comment	
	Finding #	None
	Management Letter Comment #	None

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS – STATE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Budget

None

Attendance

None

Transportation

None

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS – STATE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Budget

None

Attendance

None

Transportation

The District's Board of Education approved the preliminary bus routes for the fiscal year ended June 30, 2015 at the December 2014 board meeting. The District's Board of Education is required to approve bus routes on or before the October board meeting.

The District resolved the finding in the current year by approving the preliminary bus routes at the October 2015 board meeting.

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

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We will incorporate the language in the Auditor's Report on pages 11-12

Single Audit Section

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor/ Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Direct Programs:			
Pell Grant	84.063	N/A	\$ 314,518
Federal Family Education Loans	84.032	N/A	343,987
Total			<u>658,505</u>
Passed Through State Department of Education:			
Title I, Part A Grants to LEAs	84.010	010-093	\$ 3,331,003
Title I, Part D Grants to LEAs	84.010	010-093	56,387
School Improvement Grant	84.010A	010-093	48,408
Title II. A - Improving Teacher Quality State Grants	84.367A	010-093	664,444
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B & High Needs Funds)	84.027A	010-093-EN	3,545,595
Special Education - Grants to States (IDEA Preschool)	84.173A	010-093-EC	481,833
Total Special Education Cluster			<u>4,027,428</u>
Vocational Education			
Career and Technical Education - Perkins Secondary	84.048A	010-093	272,833
Career and Technical Education - Perkins Post Secondary	84.048A	010-093	11,415
Vocational Rehabilitation	84.126	010-093	8,628
Total Career and Technical Education			<u>292,876</u>
Adult Education - Basic Grants to States	84.002A	010-093	328,909
Non-Traditional Grant Awareness	84.048A	010-093	12,399
Title III - LEP - English Language Acquisition State Grants	84.365A	010-093	148,308
Title III - IMM - English Language Acquisition State Grants	84.365A	010-093	28,065
School Improvement Grants - CADRE 3	84.377	010-093	278,817
Total			<u>9,217,044</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			
			\$ 9,875,549
<u>NATIONAL SCIENCE FOUNDATION</u>			
Passed Through Indian Hills Community College:			
MPEC - Education and Human Resources	47.076	010-093	\$ 28,527
TOTAL NATIONAL SCIENCE FOUNDATION			
			\$ 28,527

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor/ Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct Programs:			
Farm to Home Grant	10.575	N/A	\$ 69,137
Total			<u>69,137</u>
Passed Through State Department of Education:			
Child Nutrition Cluster			
National School Lunch Program	10.555	010-093	\$ 3,470,329
National School Snack Program	10.555	010-093	1,599
Special Milk Program for Children	10.556	010-093	6,324
National School Breakfast	10.553	010-093	1,253,632
Food Distribution	10.555	010-093	459,730
Total Child Nutrition Cluster			<u>5,191,614</u>
Fresh Fruit and Vegetable Program	10.582	010-093	<u>67,801</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			
			\$ 5,328,552
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through State Department of Education:			
Child Care and Development Block Grant	93.575	010-093	\$ 59,632
Total			<u>59,632</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND SENIOR SERVICES			
			\$ 59,632
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>			
Passed Through Missouri Arts Council:			
Promotion of the Arts - Partnership Agreements	45.025	010-093	\$ 4,508
Passed Through Missouri Secretary of State:			
School Nonfiction Collection Development	45.310	010-093	<u>9,957</u>
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			
			\$ 14,465
TOTAL FEDERAL FINANCIAL ASSISTANCE			
			\$ <u>15,306,725</u>

**COLUMBIA PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2016**

1. Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards of Columbia Public School District has been prepared to comply with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Uniform Guidance requires a schedule of expenditures of federal awards showing total expenditures for each federal financial assistance program as identified in the catalog of federal domestic assistance (CFDA), and identification of federal financial assistance programs which have not been assigned a CFDA number.

The accompanying schedule includes all federal financial assistance programs administered by Columbia Public School District.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the Uniform Guidance, which defines federal financial assistance as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

The schedule presents both Type A and Type B federal assistance programs administered by the District. The Uniform Guidance establishes the formula for determining the level of expenditures of disbursements to be used in defining Type A and Type B federal financial assistance programs. For the District, Type A programs are those which exceed \$750,000 in disbursements, expenditures, or distributions. The determination of major and nonmajor programs is based on the risk-based approach outlined in Uniform Guidance.

Basis of Accounting

The expenditures for each of the federal financial assistance programs are presented on the modified accrual basis, which recognizes expenditures of federal awards when the related liability is incurred.

Nonmonetary Assistance

The District receives commodities under the Food Distribution Program. The amount of expenditures presented on the Schedule of Expenditures of Federal Awards represent donated commodities used, which totaled \$459,730, valued at the cost assigned to those commodities by the U.S. Department of Agriculture.

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

Board of Education
Columbia Public School District
Columbia, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Columbia Public School District's (the "School District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 12, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Education
Columbia Public School District
Columbia, Missouri

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 12, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Columbia Public School District
Columbia, Missouri

Report on Compliance for Each Major Federal Program

We have audited the Columbia Public School District's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2016. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
December 12, 2016

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued: Unmodified Opinion
2. Internal control over financing reporting:
 - Material weakness(es) identified? ___ Yes X No
 - Significant deficiencies identified that are not considered to be material weaknesses?
 ___ Yes ___ No X None Reported
3. Noncompliance material to financial statements noted: ___ Yes X No

Federal Awards

1. Internal control over major programs:
 - Material weakness(es) identified? ___ Yes X No
 - Significant deficiencies identified that are not considered to be material weakness(es)?
 ___ Yes ___ No X None Reported
2. Type of auditor's report issued on compliance for major programs: Unmodified Opinion
3. Any audit findings which are required to be reported under Section 200.516(a) of the Uniform Guidance? ___ Yes X No
4. The School District's major federal programs were:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.556	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster (IDEA & ECSE)
84.010A	Title I – Grants to LEAs

5. Dollar threshold used to distinguish between type A and type B programs: \$750,000
6. Auditee qualified as low-risk auditee specified in Section 200.520 of the Uniform Guidance?
X Yes ___ No

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2016**

Financial Statement Findings

The audit did not disclose any noncompliance which is material to the basic financial statements of the School District.

Federal Award Findings and Questioned Costs

There were no audit findings related to internal control, compliance, questioned costs or fraud that related to federal awards for the year ended June 30, 2016.

**COLUMBIA PUBLIC SCHOOL DISTRICT
SCHEDULE OF RESOLUTIONS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

There were no findings or questioned costs in the prior year's audit findings to be resolved.

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APPENDIX C

**FORM OF
CONTINUING DISCLOSURE UNDERTAKING**

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CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of March 13, 2017 (this **“Continuing Disclosure Undertaking”**), is executed and delivered by **THE SCHOOL DISTRICT OF COLUMBIA, BOONE COUNTY, STATE OF MISSOURI** (the **“Issuer”**).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **\$10,000,000 General Obligation Improvement Bonds, Series 2017** (the **“Bonds”**), pursuant to a Resolution adopted by the governing body of the Issuer (the **“Resolution”**).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the **“Rule”**). The Issuer is the only **“obligated person”** with responsibility for continuing disclosure hereunder.

In consideration of the mutual covenants and agreements herein, the Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report filed by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

“Beneficial Owner” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“Material Events” means any of the events listed in **Section 3(a)** of this Continuing Disclosure Undertaking.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

- (a) The Issuer shall not later than **180 days** after the end of the Issuer’s fiscal year, commencing with the year ending June 30, 2017, filed with the MSRB, through EMMA, the following financial information and operating data (the “**Annual Report**”):
- (1) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles generally accepted in the United States. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the summary unaudited financial information contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the fiscal year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “**obligated person**” (as defined by the Rule), which have been filed with the MSRB and is available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

The Annual Report shall be filed with the MSRB in such a manner and format as prescribed by the MSRB.

If the Issuer has not submitted the Annual Report to the MSRB by the date required this **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with **Section 3**.

Section 3. Reporting of Material Events. Not later than 10 business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“**Material Events**”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other

- material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
 - (8) bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution or sale of property securing repayment of the Bonds, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
 - (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination

set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

**THE SCHOOL DISTRICT OF COLUMBIA,
BOONE COUNTY, STATE OF MISSOURI**

By: _____
President of the Board of Education

EXHIBIT A

**FINANCIAL INFORMATION AND OPERATING DATA TO BE
INCLUDED IN ANNUAL REPORT**

The following sections and tables contained in the final Official Statement:

GENERAL AND ECONOMIC INFORMATION CONCERNING THE DISTRICT:

Other District Statistics (*only* Average Daily Attendance and Current Expenditures per Average Daily Attendance)

DEBT STRUCTURE OF THE DISTRICT:

**Current Long-Term General Obligation Indebtedness
History of General Obligation Indebtedness**

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT:

Property Valuations:

Current Assessed Valuation

History of Property Valuations

Tax Rates:

History of Tax Levies

Tax Collection Record

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APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the “**Book-Entry System**”) maintained by The Depository Trust Company, New York, New York.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

The Depository Trust Company (“**DTC**”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “**banking organization**” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “**clearing corporation**” within the meaning of the New York Uniform Commercial Code, and a “**clearing agency**” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions of principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

* * *

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

The School District of Columbia,
Boone County, State of Missouri
Columbia, Missouri

Robert W. Baird & Co., Inc.
Red Bank, New Jersey

Re: \$10,000,000 The School District of Columbia, Boone County, State of Missouri, General
Obligation Improvement Bonds, Series 2017

Ladies and Gentlemen:

We have acted as bond counsel to The School District of Columbia, Boone County, State of Missouri (the "District") in connection with the issuance by the District of the above-captioned bonds (the "Bonds").

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon and subject to the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and legally binding general obligations of the District, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District.

2. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,