

**AUDIT COMMUNICATIONS LETTER FOR
COLUMBIA PUBLIC SCHOOL DISTRICT
COLUMBIA, MISSOURI**

JUNE 30, 2005

GK&C
GERDING, KORTE & CHITWOOD

Professional Corporation
Certified Public Accountants

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September 9, 2005

Certified Public Accountants

To the Audit Committee and Board of Education
Columbia Public School District

Columbia, Missouri

20 South Fifth Street
Columbia, MO 65201
(573) 449-1599

We have audited the financial statements of Columbia Public School District (the "District") for the year ended June 30, 2005, and have issued our report thereon dated September 9, 2005. Our professional standards require that we provide you with the

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following information related to our audit.

SECTION ONE

Professional Standards Communication

Our Responsibility Under U. S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our assessment letter dated 11/03/2005, the financial statements of the [redacted] are not

[The remainder of the page is redacted with black bars.]

Significant Accounting Policies

Management has the responsibility for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the

~~appropriateness of accounting policies and their application. The significant accounting policies~~

by the Columbia Public School District are described in Note 1 to the financial statements. Governmental Accounting Standard No. 39 was adopted during 2005 resulting in the inclusion of The Columbia Public School District Foundation in the ~~basic~~ financial statements of the District. The

SECTION TWO

Financial Reporting Issues

Independent Auditors' Report

Our opinion on the financial statements is an unqualified opinion on the District's general purpose financial statements.

Internal Control

We are not reporting any material weaknesses in the internal controls of the District.

Compliance

With respect to compliance we have issued three separate reports. In the three reports we are not reporting any instances of material noncompliance with laws, regulations or contracts that have a

SECTION THREE

Observations and Recommendations

During our audit, we became aware of matters that are opportunities for strengthening internal controls. The following paragraphs summarize our comments and suggestions regarding those matters.

Payroll Time Sheet Controls

During our testing of payroll related internal controls, we noted an area where internal control could be improved. At least one individual at each building has access to the portion of the automated

time sheet system that allows for corrections to employees' time. These corrections are referred to as "edits" and allow for adjustments to employee time for compensated absences and other changes to time as might be necessary. However, we noted instances where normal time was regularly entered into the payroll time sheet system as edits for the person with the overall edit responsibility.

All employees should use the software as designed to log-in and log-out each day so that time is tracked by the system. Edits override the normal payroll control procedure and should not be used



MEMORANDUM

TO: Board of Education Members

DATE: December 13, 2005

At the conclusion of the annual audit it is customary for the auditors to provide the administration, the Audit Committee, and the Board of Education with a communications letter. The purpose of the communications letter is to provide the district with comments and suggestions which the auditors believe will improve internal controls and operating efficiency. Below I have provided our