



Comprehensive Annual Financial Report

For the Fiscal Year ended June 30, 2008



Columbia Borough School District, Columbia, Pennsylvania

COLUMBIA BOROUGH SCHOOL DISTRICT
Columbia, Pennsylvania

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Prepared by: District Business Office

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Superintendent

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COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2008

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Introductory Section



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COLUMBIA BOROUGH SCHOOL DISTRICT
200 North Fifth Street, Columbia, PA 17512
Phone: 717-684-2283 - Fax: 717-681-2617

"Dedicated to Excellence..."

Barry W. Clippinger, Ed.D., Superintendent
P. Diane Frey, Ph.D., Assistant Superintendent
Laura E. Cowburn, PRSBA, Asst. to the Supt. for Business Services/Board Secretary

The district will not discriminate on the basis of race, color, sex, religion, national origin, disability, or age. District Contact person is the Superintendent of Schools.

December 11, 2008

CITIZENS OF COLUMBIA BOROUGH SCHOOL DISTRICT:

We are pleased to present the Comprehensive Annual Financial Report for Columbia Borough School District, Lancaster, County, Pennsylvania (the "District") for the fiscal year ended June 30, 2008. The District business office prepared this report. Responsibility for the accuracy of the data presented and the completeness and fairness of presentation, including all disclosures, rests with the District. We believe that the data is accurately presented in all material respects, that it is presented in a manner designed to fairly present the financial position and results of operations of the District as measured by the financial activity of the various funds, and that all disclosures necessary to enable a reader to gain the maximum understanding of the District's financial affairs have been included. This report has been prepared following the guidelines recommended by the Association of School Business Officials, International and the Government Finance Officers Association of the United State and Canada.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

The CAFR consists of four sections:

- (1) The Introductory Section. This section includes a transmittal letter, list of principal officials of the district, an organizational chart, and information on financial reporting achievements.
- (2) The Financial Section. The financial section consists of the independent auditor's report, the MD&A, basic financial statements, required supplemental information, and combining and individual fund statements and schedules. The basic financial statements present both an overview and a broad long-term perspective of the District as a whole in the government-wide financial statements.
- (3) The Statistical Section. Included in this section are a number of tables of unaudited data depicting the financial history, demographics and other miscellaneous information of the Columbia Borough School District for the past ten years, as well as some current information.
- (4) The Single Audit Section. The District complies with the requirements of the Single Audit concept, in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 (P.L. 104-156) and the United States Office of Management and Budget, Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." This section includes all related information, including the Schedule of Expenditures of Federal Awards, and the auditor's reports on the internal control structure and compliance with applicable laws and regulations.

The users of this report should review this Introductory Section and follow with the overview and analysis found in the Management Discussion of Analysis for a complete overview of the District activities.

A BRIEF DISTRICT HISTORY

Originally named Wright's Ferry and founded by John Wright in 1726, Columbia was an early center for turnpike, canal and railroad activity at an important Susquehanna River Crossing. As early as 1807, landowners such as Samuel Wright sold or donated land for the purpose of establishing a school. Prior to 1834, there was no system of schools in Pennsylvania. Bills were presented in the Pennsylvania Legislature for the establishment of schools and while the measures had support of Governor George Wolf, there was plenty of opposition. The greatest advocate was Thaddeus Stevens who at that time was a State Representative from Adams County and subsequently moved to Lancaster. Due to his work, the "Common School Law" was passed in 1834. Each district had to vote on the question whether they would accept it. A meeting for both Columbia and West Hempfield Township was held and at an election in 1834 both voted to adopt the system and were among the first districts to do so. Consequently, a local school board was created and Columbia became one of the first communities to accept that obligation and that of taxation to support its schools.

In 1854, the Public Ground Company (established to manage public property for the good of the citizenry) purchased ground for the construction of an academy, purchased from John L. Wright, 2-1/2 acres at \$700 per acre. Additional ground was purchased from John Houston Mifflin in 1856. The successful bidder to build this school was Michael Clepper at a bid of \$8,640.

The new school was to be operated by two boards of directors working jointly. In 1857, the school opened teaching higher mathematics and classical subjects with Professor Joseph Nikols as Principal. However, the Washington Institute, as it was called, was not a financial success and in 1863 the building was leased to the United States Government and used as a hospital for two months and housed wounded veterans of the battle of Gettysburg. In 1864, the building became a boarding school for boys directed by Professor H. S. Alexander.

The first schools in the Borough were one-room schools, housed in six different buildings and were not graded, all experiencing various degrees of success. The grading of schools was not undertaken until 1857. It was at this time that consolidation of the existing schools seemed to be the answer for improving the educational program.

In the early 1860's, a lot of ground was purchased on Cherry Street from William Hippy and upon this lot a 3-story building of 18 rooms was built. At the time it opened, only ten classrooms were finished but they housed the entire student population. The building was named the Union School because it was built to accommodate all the pupils who had formerly attended the six different schools in the Borough. The name subsequently changed to the Cherry Street School. It contained an auditorium with seating capacity of about four hundred, and this was called Union Hall and used for many local activities and events. The building was modeled after Broad Street high school in Philadelphia, and when finished in 1863, was rated as one of the largest and finest schools in the Commonwealth at that time, at a total construction cost of \$16,000 built by Liphart & Shuman.

In the early years, there was no superintendent, with the teacher working directly under the supervision of the school board. The Board advertised for the position, received fifty-seven applications and on April 1, 1875, Benjamin G. Ames, of Bridgeton, NJ, became the first superintendent of schools at an annual salary of \$1,400.

In 1876, the Public Ground Company leased the Washington Institute building, which had fallen into financial troubles, to the Columbia School Board for a period of twenty years at an annual rent of \$400. At that time, the Board moved the High and Grammar Schools to the Institute Building from the Cherry Street Building. The Grammar school students were moved to the Taylor Building in 1904, and in 1916, the Institute building was demolished. In its place was erected a new high school built on Park Street that opened in 1917. An addition was added to the high school in 1939, which was opened in 1940. The high school remained at the Park Street location until 1956. The current junior/senior high school was constructed and opened for students in 1957. It currently houses Grades 7-12.

A Brief History continued

The District has two elementary buildings, each housing grades K-6. The William G. Taylor Building was established in 1904 because of the shift of community growth away from the river. It was demolished in 1987 and the current Taylor Elementary School was opened in 1988. Park Elementary School was established when the high school moved to its new location on the hill. Renovations to transform the school into an elementary center occurred in 1980, with additional renovations in 1998.

During the fiscal year 2003-2004, a local congregation that was consolidating two churches, First English and St. John's Lutheran Churches, donated the vacant church and property to the District. This church's origination started in 1849 with the first Lutheran immigrants who did not understand German moving to the town. A lot of ground was purchased and in 1852 First English Church opened on Second Street and Alley H at a cost of \$6,390. Due to some differences of opinion, some members created a new church established in 1881, St. John's Lutheran Church. A new First English Church was constructed in 1954, where the building stands today, at the corner of Chestnut and North Fifth Street. The old church now houses the Columbia Historical Society. A Chapel was added to the First English Church in memory of parents Grant U. and Annie A. String and wife Reba Strine by son and husband Harry S. Strine. This section was used for small personal weddings and prayer and meditation. In 2000, both congregations remerged and moved into the St. John's Church and today, the former First English Church with the main entrance into the old Strine Memorial Chapel consolidated various administrative offices which were scattered throughout the other buildings into the District Administration Center which also houses a community day care program.

THE REPORTING ENTITY

The District is a school district of the third class organized under state law and located in Lancaster County in south central Pennsylvania.

The District is governed by a nine member Board of School Directors (the "Board"), elected for four-year terms. The Superintendent is the chief administrative officer of the District with overall responsibility for all aspects of operations, including education and finance. The Assistant to the Superintendent for Business Services is responsible for budget and financial operations. Both officials are selected by the Board and contracted in accordance with Pennsylvania School Law and relevant legislation.

The District provides a comprehensive educational system from kindergarten through grade twelve, including regular instruction, special instruction, vocational education and necessary support services. The Mission Statement of the District states: "The Columbia Borough School District provides a learning environment for each student to fulfill his/her highest academic potential. The District, in partnership with the community, will prepare each student to become an independent, life-long learner and a responsible, caring citizen." Recognition awarded to the District and its students each fiscal year provides evidence of this pursuit. To ensure the continued success of the District programs, a Strategic Plan was adopted by the Board that is utilized as a blueprint to ensure a comprehensive educational program that would enable all students of the District to fulfill their maximum potentials and to achieve success. Total enrollment as of October 1, 2008 is 1,397 in regular education classes operated by the district, and 1,491 total enrollment.

The District employs approximately 220 employees, including 135 teachers and administrators, and over 85 full- and part-time support personnel. The District's teachers are represented by the Columbia Education Association (CEA), an affiliate of the Pennsylvania State Education Association (PSEA), under a contract with the District, which expires June 30, 2009. The CEA has not had a strike in more than 26 years.

Legal Entities

The District presently operates two elementary schools and one junior/senior high school. Students in grades 10-12 also may attend the Lancaster County Career and Technology Center (the "LCCTC").

The LCCTC is a separate legal entity, which serves the sixteen public school districts in Lancaster County through a joint venture agreement. The District also participates in the Lancaster County Vo-Tech School Authority (Vo-Tech Authority) that was formed to provide LCCTC with the ability to acquire land and construct facilities for the LCCTC programs and services.

The District maintains other joint venture relationships with the following entities:

- Lancaster-Lebanon Intermediate Unit No. 13, an entity organized by the public school districts in Lancaster and Lebanon counties to provide special education services, as well as other services where a cost savings through a joint effort may be realized;
- Lancaster-Lebanon Joint Authority, an entity formed to provide the LLIU with the ability to acquire land and construct facilities for the LLIU programs and services;
- Lancaster County Academy, organized by nine public school districts in Lancaster County to provide alternative education services to identified students; and,
- Lancaster County Tax Collection Bureau organized to provide an efficient and consistent method of earned income tax collection and distribution to school districts, townships and municipalities.

ECONOMIC CONDITION

Columbia Borough School District is situated in the extreme west-central portion of Lancaster County in south-central Pennsylvania. The District comprises the same boundaries as the Borough of Columbia located on the east shore of the Susquehanna River, and comprises 2.4 square miles of Lancaster County's 946 square miles. Columbia is located approximately ten miles west of the City of Lancaster, which serves as the County Seat of government. Lancaster County is part of the middle Susquehanna River Basin, located adjacent to York County, separated by the Susquehanna River, west of Chester County, with the South Mountains and the Conewago Creek as natural barriers, and southwest of Berks County. The Pennsylvania-Maryland state line borders the southern tip of the county.

Although somewhat centrally located between the metropolitan areas of Lancaster, York and Harrisburg, the Borough is physically and economically linked to the Lancaster urbanized area. The main transportation links connecting Columbia Borough and the District with other parts of Lancaster County include U.S. Route 30, and PA Route 462 and 441. Route I-76 (the Pennsylvania Turnpike), Interstate 83, U.S. Route 30 and 222 and PA Routes 382 and 41 provide convenient access that links York and Lancaster Counties with Philadelphia, Pittsburgh, Wilmington, Baltimore and Washington D.C. Lebanon and Reading areas are also less than one hour's driving time.

Perhaps best known for the strong agricultural base, Lancaster County features a diverse cross-section of enterprises and industry sectors. While a number of those industries are rooted in agriculture, some were initiated to support the thriving local economy, while others moved here or opened operations in the area to take advantage of the business friendly environment.

Lancaster County agriculture contributes to the economy with more than 5,000 farms generating nearly \$800 million annually. This sector also is a top draw for our tourism industry which generates \$1.6 billion annually.

As a side line to the agricultural market, agribusinesses including CNH Case New Holland, Wenger's Feed Mill, Inc., Four Seasons Produce and many others contribute to the overall success of the local farming community. As a result, many popular food items are manufactured in this County, with the Turkey Hill brand widely recognized throughout the U.S.

Economic Condition continued

Our manufacturing sector provides 57,600 jobs, some in areas of aluminum sheet and cast plate produced by Alcoa to life-saving medications produced by Glaxo Smith Klein Biologicals.

There are some new opportunities on the horizon for Lancaster County. Although there have been some delays due to funding and future cost sharing of the Convention Center, it is expected that by Spring 2009 the Lancaster County Convention Center will be the newest state-of-the-art meeting and convention facility in South Central Pennsylvania.

In addition to this proposed convention center, a recently completed project was the new Clipper Stadium which houses the newly reformed minor league Lancaster Barnstormers baseball team. This stadium has brought added revenues to surrounding businesses boosting the Lancaster economy.

In recent years, the service and trade sectors have been experiencing growth. Healthcare and related industries are growing. Lancaster General is the County's top employer with 5,900 employees.

Columbia has had continued business development plans presented by an investor who has already refurbished many old buildings and converted them to antique centers creating an antique corridor to improve tourism in the Borough.

For the future, Turkey Hill, a local dairy company, is planning to purchase a site and construct "The Turkey Hill Experience," where visitors could make their own ice cream, see how the dairy operates and learn about farming. Other parts of the site might include an indoor "farm" with child-size toy equipment, a gift shop, a restaurant, event space for agri-based organizations and a Turkey Hill Minit Market.

Though plans are preliminary for now, it is estimated that buying and developing the site would cost \$10 million to \$12 million. The attraction would open in March 2010.

RECENT LEGISLATION

The Pennsylvania Tax Relief Act of 2006, also known as "Act 1," was signed into law by Governor Ed Rendell on June 27, 2006. This law follows the failed attempts of Act 50 of 1998 and Act 72 of 2004 to address property tax reform. Act 1 changes the timing and methods of school budgeting and how public education are funded. The key points of Act 1 include an expansion of the property tax and rent rebate program administered by the PA Department of Revenue, a referendum question on the May 2007 primary election ballot authorizing property tax reductions through an increase in earned income tax (EIT) or personal income tax (PIT), backend referenda to approve increases in taxes that are above an inflationary index, and installment payment options for real estate taxes.

Property Tax reduction

Act 1 required that a referendum question be placed on the May 2007 ballot. The voters were asked if they would like to increase the earned income tax or create a personal income tax to be used to reduce property taxes. This referendum question was voted down in Columbia Borough School District.

Gaming Funds

The state will use gaming revenues to provide further property tax relief to approved homesteads/farmstead properties. When the gaming revenue fund reaches \$400 million, the state will make allocations to school districts for property tax relief. This revenue fund distributed property tax relief for the 2008-2009 fiscal year. The school board can choose to accept or not to accept the gambling money. If the school board chooses not to accept the gaming funds, they must ask the voters if they would favor accepting the money. The District chose to accept the funds.

Recent Legislation continued

Homestead/Farmstead Applications

For taxpayers to be eligible to see any tax relief from the above provisions, they must send a homestead/farmstead application to the County assessor's office. School districts are required, under Act 1, to mail out applications to all homesteads and farmsteads by December 31 of each year. The mailing can be limited to those properties not currently approved. There were 2,137 approved homesteads and as of July 1, each received a credit on their tax bill in the amount of \$297.10, in most cases reducing the total tax to less than the prior year amount due.

Back-end referendum

Starting with the 2007-2008 school year, school districts are not permitted to increase the rate of real estate tax above an inflationary index which is published by the Pennsylvania Department of Education (PDE) by September of each year. If the school district wishes to raise real estate taxes more than the index, the district must submit for exceptions through PDE or the courts or the district may ask the voters for approval to raise taxes more than the index.

Because of the time lines stipulated in Act 1, the district has already started budgeting in September, 2008 for the 2009-2010 school year. The board will adopt a preliminary budget by January, 2009. This is the second year for budgeting three to four months earlier than the previous method of budgeting. Due to the earlier deadline, the district does not have any indication of State funding at the time of preliminary budget adoption.

The legislation also contains provisions for "exceptions" to the published maximum index increase. These exceptions identify some areas that may be a result of mandates or contracts in place, such as retirement contributions, health insurance, special education costs. If certain data identifies that the District has exceptional costs in some areas, these requests for exception may be approved to allow increases in millage above the index.

Installment payments

Beginning with the 2007-2008 school year, the State required districts to offer the option to pay real estate taxes on an installment basis to all registered homesteads/farmsteads. The Board decided to offer this option to all property owners, not only to those taxpayers who are eligible homestead/farmstead properties. The district has established that one-third of the tax bill is due by August 31, September 30 and October 31. The decision to establish these dates was to avoid any significant cash flow issues since the Board of School Directors chose to offer this option to all taxpayers. Any eligible taxpayer who wishes to pay their real estate tax on an installment basis will pay the flat amount. The taxpayer will not receive the 2% discount. If the taxpayer is late in paying an installment, a 10% penalty will be added and they are excluded from paying on an installment basis the following year.

MAJOR INITIATIVES

In conjunction with community members, parents, teachers, administrators, and school board members the Columbia Borough School District completed the Pennsylvania Department of Education's strategic planning process during the 2006-2007 school year. This process included updating the district's mission, vision, values, and goals, along with specific plans for curriculum and instruction, student services, technology, teacher induction, professional education, and special education. The Strategic Plan was approved by the Pennsylvania Department of Education in September 2007 and the plan spans six years through 2013, but will be re-evaluated at the mid-point in 2010.

Major Initiatives continued

Based on the examination of the data and consultation with the Strategic Planning Committee, the following educational and organizational goals have been established:

1. Graduation rate will meet an 80% threshold and/or show growth.
2. The NCLB targets for proficiency in mathematics will be met each year as measured by annual state-wide PSSA assessments.
3. The NCLB targets for proficiency in reading will be met each year as measured by annual state-wide PSSA assessments.
4. The NCLB targets for proficiency in science will be met each year as measured by annual state-wide PSSA assessments.
5. Student attendance will meet a 90% threshold and/or show growth.
6. The 95% participation rate in required state assessments will be met.
7. The district will improve communication with parents and with the community that fosters and encourages awareness and involvement in academic and extra-curricular activities.
8. The district will improve/create mentoring programs for students.

In order to best attain the established goals the District's curriculum and course sequence is being further aligned to the Pennsylvania Academic Standards making the district a more Standard Based School District. During the 2008-2009 school year, the district will further focus the curriculum alignment and curriculum Mapping Program incorporating the Learning-Focused Schools online format and strategies. The 4-Sight Assessments and other locally developed assessments will be used throughout the entire district to measure student performance. The district will continue to have Assessment Data Teams at the grade and department levels to better guide classroom instruction, tutoring and remedial instruction in both mathematics and reading to meet the NCLB targets for proficiency. The special education and regular education teachers will focus their instruction for the IEP students in both reading and mathematics to expand the instruction of the core content and also provide acceleration strategies to assist the students meet the NCLB proficiency targets either by the Safe Harbor or Pennsylvania Performance Index.

The District's professional staff will continued to be trained in a Content Literacy Program and Coaching Model. A second and third cohort of teachers at both the elementary and secondary level will be trained during the 2008-2009 school year by a contracted outside educational firm Lead To Learn. The professional staff will have extensive training and coaching on effective classroom instructional strategies and literacy programs in grades K-12 that focuses on the reading and writing across the curriculum. The administrative staff is also participating in professional development conducted by Lead-To-Learn on effective "Walk Through" and coaching procedures that will support and facilitate effective classroom instructional strategies.

The Columbia Borough High School received the year one Classroom of the Future Grant that provided state funding to upgrade and expand the use of technology for students and staff in the instructional/learning process at the high school level. The funds will provide for the equipping of twelve "Smart Classrooms" which will include laptop computers, interactive smart boards, projectors, digital cameras and sound systems plus three new mobile portable laptop labs with 25 computers. The grant also provides for thirty-five hours of online embedded learning for the high school professional staff on "Teaching in the 21st Century: The Need for Change.

The federal No Child Left Behind Law (NCLB) has required schools across the nation and in Pennsylvania since the 2002-2003 school year to meet established targets to make Adequate Yearly Progress (AYP). The targets have been established at the federal level so that all students across this nation are proficient in reading and mathematics by the year 2014. In Pennsylvania the established AYP targets are graduation/attendance rates, test participation and academic performance in reading and mathematics. This year for the second year in a row the Columbia Borough School District has met the

Major Initiatives continued

AYP targets as a district based on grade span scores that exceeded the targets of 63% proficient in reading and 56% proficient in mathematics. According to a report in the Lancaster Newspaper the Columbia Borough School District posted the highest gains in test scores in reading, mathematics and writing in Lancaster County.

At the building level Taylor Elementary School made AYP for the sixth year in a row by meeting the AYP targets for the building in attendance, participation and academic performance in reading and mathematics. The Columbia Jr/Sr High School made AYP based on making progress in Corrective Action I which means the total population of students and all identified subgroups made significant progress in reading and mathematics to meet the confidence interval established by the state or by the calculations of Safe Harbor or the Pennsylvania Performance Index. The academic performance targets are based on student subgroups that have more than 40 students in a subgroup that must meet the 63% proficient in reading and 56% proficient in mathematics. Park Elementary School did not make AYP based on three subgroups (Latin/ Hispanic, IEP, and Economic Disadvantaged) not meeting the academic performance level in reading. Based on the academic performance scores for all students, Park Elementary would have made Adequate Yearly Progress because the scores were above the 63% proficiency target for reading and 54% proficiency target for mathematics or they met the confidence interval established by the state or by the calculations of Safe Harbor or the Pennsylvania Performance Index plus the building met the other targets for participation and attendance rates. Since the three subgroups did not make AYP Park Elementary will be placed in School Improvement I and the district will be developing an improvement plan required by the Pennsylvania Department of Education to address the needs of the students in the three identified subgroups.

At all three buildings the faculty and administration is working to develop and facilitate opportunities for students to reach the proficiency targets in reading and mathematics in all grades K-12. The district provides for quarterly benchmark assessments to target areas of specific deficiency and implement instructional strategies to increase the mastery level of all students. Additional instructional time and tutoring in the targeted areas has been provided along with better alignment of the curriculum to the Pennsylvania Academic Standards. The established programs and the efforts by the faculty and staff have moved more of our students to the NCLB goal of all students meeting the performance targets by the year 2014.

The Columbia Borough School District hired the architectural firm of Reese, Lower, Patrick & Scott LLC, Architects to complete a Feasibility Study for the proposed renovation project at the Columbia Borough Junior/Senior High School. The Feasibility Study is a Pennsylvania Department of Education requirement under Basic Education Circular (BEC) 24 P.S. 7-733 – School Construction Reimbursement Criteria. The study must be completed prior to and within two years of the date of the Plan Con Part A Project Justification, submission. The study must provide an appraisal as to each facility's ability to meet current and planned educational program requirements, the degree to which the present facilities meet reasonably current construction standards, and an estimated cost of necessary repairs and improvements. The Feasibility Study was completed in August 2008 and a public presentation was conducted on September 4. The School Board has agreed to move forward into the design phase for the project and the established timeline for the project is go out for bid on the project in the Spring of 2009.

This year the district has developed and implemented a staff-to-student mentoring program that is defined as a one-to-one relationship between a student and staff member that occurs during the school year. Administrators, support staff and teachers are serving as mentors to seventy-one students in grades K – 11. The mentor provides consistent support, guidance, and concrete help to a student who is in need of a positive role model. Students involved in the mentoring program may be having attendance, academic, and/or discipline problems or may be going through a difficult period in their life in which they need extra support, or they simply need to have another significant adult present in their life. The goal of the staff to student mentoring program is to help students involved in the program to gain the skills and confidence to be responsible for their own futures.

Major Initiatives continued

The Columbia Borough School District is proud of its many accomplishments as it strives to achieve its mission and goals. It also remains committed to achieving future success through careful planning and vision.

ACCOUNTING SYSTEM

Internal Controls

Internal controls within the District are refined each year to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records. Changes in internal controls recognize that the cost of the control should not exceed the benefits likely to be derived. Cost and benefits are discussed with both the Board and the independent auditors, as changes become desirable. We believe the District's internal controls within the accounting system adequately safeguard assets and provide reasonable assurance as to proper recording of financial activity.

Fund Accounting

The District's accounting records are maintained according to the "fund" basis of accounting. Each fund is a separate accounting entity with its own set of self-balancing assets, liabilities and fund equities/retained earnings. The funds encompassing the District's financial affairs are described in the Financial Section.

Budgeting

The District budgets and expends funds following the Public School Code and according to procedures mandated by the Pennsylvania Department of Education.

The District's budgeting is a year-round process. Throughout the year, the budget is controlled by administrators, principals, supervisors and department chairs within program areas, and is reviewed monthly in order to assure funding plans are being implemented properly. Budgetary control is established by function and object within the general fund to monitor expenditures that cannot legally exceed appropriated amounts. The District also maintains an encumbrance accounting system to assist with budgetary controls.

Even with the advent of Act 1, budgeting has always begun during September through December for the beginning of reviewing future needs and forecasts of student enrollments, capital improvements, and inventory and supply needs which are translated into specific bids as required by the Public School Code.

The preliminary proposed budget, as required by Act 1, is a general estimate of anticipated revenues and expenditures forecasted and proposed by January. However, this estimated budget is provided to establish the justification for any tax increase needs and determine if taxing exceptions may be necessary.

Throughout the whole process, however, responsibility for development of budget requests occurs first at the building or department program area level. Each principal and program administrator reviews these estimates and builds budget requests during the month of January. These requests are then translated into monetary terms in the form of detailed budgetary schedules that are then reviewed during the months of February and March with supporting justification to the Superintendent.

In March, a preliminary review of the budgeting process is presented to the Board by the Superintendent and the Assistant to the Superintendent for Business Services outlining the general focus of the overall budget related to enrollment projections, staffing projections, capital improvements and financial consideration of the local and state funding sources. The response provided by the Board from this process is used in the final budget development during April and May.

Accounting System continued

A proposed budget is presented to the community in its proposed form during the months of May and June with final adoption of the budget occurring no later than the June 30. The spending plan is closely monitored in the business office after implementation on July 1. The budget is prepared consistent with generally accepted accounting principles.

Financial Policies

The Columbia Borough School District maintains Board Policies that include policies related to finances. Contained in this section is Board Policy 622 – Capitalization which is related to the Governmental Accounting Standards Board Statement 34. This policy outlines how capital assets shall be recorded which subsequently determines information for the District Government-Wide Financial Statements.

CASH MANAGEMENT

To enhance the cash management and earnings potential for District funds, the trust department of the District's depository, Union National Community Bank ("UNCB"), appointed by the Board, actively manages the idle cash of the District in coordination with the Assistant to the Superintendent for Business Services. An annual cash flow forecast is used as the guide for planning the investment strategy with on-going interaction between the Assistant to the Superintendent for Business Services and the bank officials to provide sufficient funds for daily operations.

Cash Management continued

The Board has also maintained an agreement with UNCB for a working cash investment service, which further invests the active cash by analyzing the cash position daily, and when the District balance exceeds a predetermined sweep threshold, the excess funds are automatically transferred into the designated investment option, while at the same time sweeping money back into the account as cash is required.

The District invests only in financial institutions approved by the Board, which maintain collateral pools as required by State law. State law further requires all District investments to be insured by the federal government or collateralized by federal government securities.

OTHER CONTROLS

Risk Management

The District self-insures some aspects of general property and liability insurance. In addition, the District maintains premium-based excess stop-loss insurance policies for property and liability coverage in adequate amounts for replacement of assets in the event of any extraordinary loss and for protection against legal claims. The District maintains its own comprehensive inventory. Each year additions and deletions are provided to an appraisal firm to update the replacement values for insurance purposes.

Every few years the appraisal firm does a complete appraisal of the District buildings and contents to verify insurance values.

The District participates in the LLIU Insurance Trust Consortium Pool for health benefits for the employees of the District. This program provides two options for employees, a managed care program – administered by Health America, and a Preferred Provider Option - administered by Coresource, Inc. The Pool has established a Healthcare Fund that will be utilized to pay claims of this District for claims in excess of \$60,000 but less than \$150,000. The District has stop-loss insurance for amounts over \$150,000.

Risk Management continued

The District participates in the Lancaster-Lebanon Public School Workers' Compensation Fund which was established in June 1994 for the purpose of (1) seeking the prevention or lessening of claims due to injuries of employees of the members and (2) pooling workers' compensation and occupational disease insurance risks, reserves, claims and losses, and providing self-insurance and reinsurance thereof.

The workers' compensation policy premium is based on prior years' claim experience. In an effort to control increases for future policy years, the District has an established Safety Committee providing safety information and in-service programs for safety awareness for all employees.

The District maintains student accident insurance for all students participating in interscholastic sports. Parents/guardians have an option to purchase school-time or 24-hour accident insurance for their children at very low premiums directly from this insurance plan.

Independent Audit

The District financial statements are audited annually by a firm of independent certified public accountants that includes a comprehensive annual audit of the District's financial affairs, as required by State Law. The firm of Sager, Swisher and Company, LLP, Columbia, Pennsylvania, has served as District auditor for over 29 years, and was selected to perform the audit for the fiscal year ended June 30, 2008. This audit was performed in accordance with generally accepted auditing standards. The audit report was issued in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. The Single Audit section is part of this reporting package.

The auditor's unqualified opinion rendered on the District's basic financial statements, and their report on the combining and individual fund statements and schedules, is included in the financial section of this Comprehensive Annual Financial Report.

LONG-TERM FINANCIAL PLANNING

The District is in a different position that it has been in the past for long-term financial planning. The imposition of Act 1 has added some limitations for future tax increases and the States requirement to restrict undesignated, unreserved fund balance in the General Fund has added additional pressure on future planning.

The Board understands this concept and looks beyond the current and up-coming fiscal year to be sure that enough money is set aside in reserves in fund balance to provide financial stability going forward. In addition, the Board has been actively using a Capital Reserve Fund to accumulate dollars which will be used to help phase in the upcoming anticipated additional debt service due to the proposed renovation of the High School.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to governmental entities whose Comprehensive Annual Financial Report (CAFR) has been judged to meet the standards required of this award. The District has received this award for the CAFR for the years beginning June 30, 1999 through June 30, 2007. We believe this report meets those standards and accordingly intend to submit again for this award.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

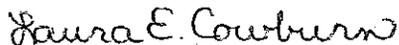
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Columbia Borough School District for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principals and applicable legal requirements.

ACKNOWLEDGMENTS

The preparation of this report was possible by the dedicated service of the entire Business Office staff. Sincere appreciation is extended to Sager, Swisher and Company, LLP, for their guidance and direction in the preparation of this report.

Finally, the support and commitment of excellence by the Columbia Borough School District Board of Education, administrators, professional and support staff were vital to the continuing efforts being made to improve our financial management and reporting.

Sincerely,



Laura E. Cowburn, PRSBA
Assistant to the Superintendent
For Business Services/Board Secretary



Barry W. Clippinger, Ed.D.
Superintendent

COLUMBIA BOROUGH SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2008

BOARD OF EDUCATION

President Thomas R. Strickler
Vice-President Kathleen L. Hohenadel
Secretary Laura E. Cowburn *
Member Dale M. Aston
Member David H. Cunningham
Member Quin Hartman
Member Cole F. Knighton
Member Donna L. Kreiser
Member Sara A. Linkous
Member Martin F. Moore
* Non-voting

OTHER BOARD SERVICES

Solicitor Nikolaus & Hohenadel
Treasurer Union National Community Bank
Independent Auditors Sager, Swisher and Company, LLP

CENTRAL ADMINISTRATIVE OFFICIALS

Superintendent Barry W. Clippinger, Ed.D.
Assistant Superintendent P. Diane Frey, Ph.D.
Assistant to the Superintendent for Business Services Laura E. Cowburn, PRSBA

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

COLUMBIA BOROUGH SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2007

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

Gnome E. Brendel

President

John D. Mueser

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Columbia Borough School
District, Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

COL
HIGH

Financial Section



1957

SAGER, SWISHER AND COMPANY, LLP

Certified Public Accountants and Consultants

Members

American Institute of
Certified Public Accountants

Pennsylvania Institute of
Certified Public Accountants

Partners

John D. Murr, CPA
Michael L. Reiner, CPA
Lori L. Royer, CPA

619 West Chestnut Street
Lancaster, Pennsylvania 17603

15 North Third Street
Columbia, Pennsylvania 17512

Consultants

Edward M. Sager, CPA
C. Edwin Swisher, III, CPA

INDEPENDENT AUDITOR'S REPORT

Board of School Directors
Columbia Borough School District
Columbia, PA 17512

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbia Borough School District, as of and for the year ended June 30, 2008, which collectively comprise the school district's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Columbia Borough School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbia Borough School District, as of June 30, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2008 on our consideration of the 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis on pages F-3 through F-15 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the school district's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Sager, Swisher and Company, LLP

Columbia, Pennsylvania
December 2, 2008

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2008**

The discussion and analysis of Columbia Borough School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The trends of prior years indicated that during the fiscal year 2007-2008, the Columbia Borough School District would experience another year of significant increases in the costs for instruction for special education and self-insured health benefits for our employees. Further, projected increases in the Public School Employees Retirement System (PSERS) employer contribution will continue to cause an additional drain on the financial resources of all schools in Pennsylvania.

The District completed the fiscal year 2007-2008 with net assets exceeding liabilities by \$12,272,144, a total overall increase from the prior year of \$185,153.

- The governmental activities total net assets increased slightly by \$169,790 which was due to normal depreciation of assets offset by a reduction in bond and notes payable liabilities.
- The District business-type activities, which are comprised of the Food Service fund, showed an increase of \$15,363 which consisted mostly of internal transfers between the Food Service fund and the General fund and also due to increased cash flow due to the increase in meal charges.
- At the end of the current fiscal year, the unreserved undesignated fund balance of the General Fund was \$1,354,959 compared to the prior year of \$1,524,101. This decrease represents a planned transfer from the General Fund to the Health Insurance Trust Fund of \$400,000.
- The Board continues to review the fund balance of the District and pledges to maintain the fund balance to within 5% or as high as the Pennsylvania Department of Education permits (currently 8% of the total budgeted expenditures), or in future years will budget to replenish the fund balance, should it be necessary.

USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of two distinct series of financial statements: district-wide and fund.

The first two statements (district-wide) are government-wide financial statements – the Statement of Net Assets and the Statement of Activities. These provide both long-term and short-term information about the District's overall financial status.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

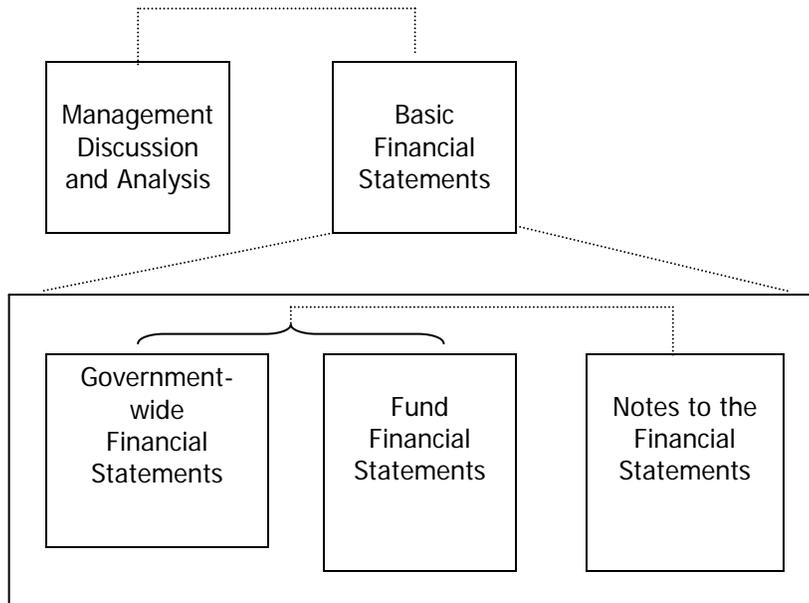
USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) continued

The remaining statements (fund) focus on individual parts of the District's operations in more detail than the government-wide statements. The governmental funds statements tell how general District services were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short- and long-term financial information about the activities that the District operates like a business. For this District this is our Food Service Fund. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Figure A-1 shows how the required parts of the Financial Section are arranged and relate to one another:

Figure A-1
Required components of
Columbia Borough School District's
Financial Report



**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) continued

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
Major Features of Columbia Borough School District's
Government-wide and Fund Financial Statements
Fund Statements

	Government-wide 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 education, administration and community services	Activities the District operates similar to private business – Food Services	Instances in which the District is the trustee or agent to someone else's resources – Scholarship Funds and Student Activity Funds
Required financial statements	Statement of net assets Statement of activities	Balance Sheet Statement of revenues, expenditures, and changes in fund balance	Statement of net assets Statement of revenues, expenses and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources 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, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets 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
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 payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

OVERVIEW OF FINANCIAL STATEMENTS

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 statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net assets are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the performance of the students.

The government-wide financial statements of the District are divided into two categories:

- Governmental activities – All of the District's basic services are included here, such as instruction, administration and community services. Property taxes and state and federal subsidies and grants finance most of these activities.
- Business type activities –The District operates a food service operation and charges fees to staff, students and visitors to help it cover the costs of the food service operation.

Fund Financial Statements

The District's fund financial statements, which begin on Page F - 22, provide detailed information about the most significant funds – not the District as a whole. Some funds are required by state law and by bond requirements.

Governmental funds – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary funds – These funds are used to account for the District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. When the District charges customers for services it provides – whether to outside customers or to other units in the District – these services are generally reported in proprietary funds. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flow, as shown on Pages F-30 through F-32.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

OVERVIEW OF FINANCIAL STATEMENTS continued

Fiduciary funds – The District is the trustee, or fiduciary, for some scholarship and agency funds. All of the District’s fiduciary activities are reported in separate Statements of Fiduciary Net Assets on Page F-33. We exclude these activities from the District’s other financial statement because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District’s total net assets were \$12,272,144 as of June 30, 2008.

Table A-1
Fiscal Year Ended June 30,
Net Assets

	<u>2008</u>			<u>2007</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current and other Assets	\$5,673,359	\$40,823	\$5,714,182	\$5,848,227	\$22,068	\$5,870,345
Capital assets	<u>25,771,483</u>	<u>30,275</u>	<u>25,801,758</u>	<u>26,585,270</u>	<u>35,676</u>	<u>26,620,946</u>
Total assets	<u>\$31,444,842</u>	<u>\$71,098</u>	<u>\$31,515,940</u>	<u>\$32,433,497</u>	<u>\$57,744</u>	<u>\$32,491,291</u>
Current and other Liabilities	\$3,147,323	\$7,247	\$3,154,570	\$3,040,019	\$9,256	\$3,049,275
Long-term liabilities	<u>16,089,226</u>	<u>0</u>	<u>16,089,226</u>	<u>17,354,975</u>	<u>0</u>	<u>17,354,975</u>
Total Liabilities	<u>19,236,549</u>	<u>7,247</u>	<u>19,243,796</u>	<u>20,394,994</u>	<u>9,256</u>	<u>20,404,250</u>
Net Assets						
Invested in capital assets, net of related debt	8,711,483	30,275	8,741,758	8,115,270	35,676	8,150,946
Restricted	6,223	0	6,223	6,157	0	6,157
Unrestricted	<u>3,490,587</u>	<u>33,576</u>	<u>3,524,163</u>	<u>3,917,076</u>	<u>12,812</u>	<u>3,929,888</u>
Total Net Assets	<u>\$12,208,293</u>	<u>\$63,851</u>	<u>\$12,272,144</u>	<u>\$12,038,503</u>	<u>\$48,488</u>	<u>\$12,086,991</u>

Most of the District’s net assets are invested in capital assets (buildings, land, and equipment). The remaining unrestricted net assets are a combination of designated and undesignated amounts. The designated balances are amounts set-aside to fund future purchases or capital projects as planned by the district.

The results of this year’s operations as a whole are reported in the Statement of Activities on Page F – 21. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District’s activities that are supported by other general revenues. The two largest general revenues are the Basic Education Subsidy provided by the State of Pennsylvania, and the local taxes assessed to community taxpayers.

Table A-2 takes the information from that Statement and rearranges it slightly in an effort to show the reader the district’s total revenues for the year.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE continued
Table A-2
Fiscal Year Ended June 30,
Changes in Net Assets

	<u>2008</u>			<u>2007</u>		
	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Revenues						
Program Revenues						
Charges for Services	\$104,814	\$310,373	\$415,187	\$111,272	\$289,293	\$400,565
Operating grants and contributions	3,572,697	416,653	3,989,350	3,467,510	377,911	3,845,421
Capital grants and contributions	672,412	--	672,412	796,135	--	796,135
General Revenues						
Property taxes	7,288,544	--	7,288,544	6,635,066	--	6,635,066
Other taxes	938,222	--	938,222	865,064	--	865,064
Grants, Subsidies and contributions, unrestricted	5,654,707	--	5,654,707	5,328,817	--	5,328,817
Special Item, Contribution of Capital Asset	--	--	--	--	--	--
Other	<u>306,536</u>	<u>442</u>	<u>306,978</u>	<u>436,010</u>	<u>474</u>	<u>436,484</u>
Total revenues	<u>\$18,537,932</u>	<u>\$727,468</u>	<u>\$19,265,400</u>	<u>\$17,639,874</u>	<u>\$667,678</u>	<u>\$18,307,552</u>
Expenses						
Instruction	\$11,942,674	--	\$11,942,674	\$11,260,400	--	\$11,260,400
Instructional student support	1,990,132	--	1,990,132	1,729,929	--	1,729,929
Administrative and financial support	1,511,881	--	1,511,881	1,495,332	--	1,495,332
Operation and maintenance of plant	1,500,881	--	1,500,881	2,002,796	--	2,002,796
Pupil Transportation	150,481	--	150,481	169,469	--	169,469
Student activities	440,195	--	440,195	467,584	--	467,584
Community Services	15,211	--	15,211	19,925	--	19,925
Interest on long-term debt	709,981	--	709,981	754,323	--	754,323
Unallocated depreciation expense	17,706	--	17,706	16,292	--	16,292
Food Services	--	<u>801,105</u>	<u>801,105</u>	--	<u>713,395</u>	<u>713,395</u>
Total expenses	<u>\$18,279,142</u>	<u>\$801,105</u>	<u>\$19,080,247</u>	<u>\$17,916,050</u>	<u>\$713,395</u>	<u>\$18,629,445</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE continued
Table A-2 continued
Fiscal Year Ended June 30,
Changes in Net Assets

	2008			2007		
	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Increase (decrease) in net assets	<u>\$258,790</u>	<u>\$(73,637)</u>	<u>\$185,153</u>	<u>(\$276,176)</u>	<u>(\$45,717)</u>	<u>(\$321,893)</u>
Transfers	<u>(89,000)</u>	<u>89,000</u>	<u>--</u>	<u>(7,200)</u>	<u>7,200</u>	<u>--</u>
Change in net assets Beginning Net Assets *	<u>169,790</u>	<u>15,363</u>	<u>185,153</u>	<u>(283,376)</u>	<u>(38,517)</u>	<u>(321,893)</u>
Ending Net assets	<u>\$12,208,293</u>	<u>\$63,851</u>	<u>\$12,272,144</u>	<u>\$12,038,503</u>	<u>\$48,488</u>	<u>\$12,086,991</u>

The tables below present the expenses of both the Governmental Activities and the Business-type Activities of the District. Table A-3 shows the District's eight largest functions - instruction, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, community services, as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table A-3
Fiscal Year Ended June 30,
Governmental Activities

<u>Functions/Programs</u>	<u>2008</u>		<u>2007</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$11,942,674	\$8,855,529	\$11,260,400	\$8,202,607
Instructional student support	1,990,132	1,637,695	1,729,929	1,455,095
Administrative	1,511,881	1,449,906	1,495,332	1,439,274
Operation and maintenance	1,500,881	1,417,515	2,002,796	1,921,484
Pupil transportation	150,481	123,556	169,469	141,597
Student activities	440,195	355,816	467,584	394,827
Community services	15,211	10,227	19,925	11,769
Interest on long-term debt	709,981	61,269	754,323	(41,812)
Unallocated depreciation expense	<u>17,706</u>	<u>17,706</u>	<u>16,292</u>	<u>16,292</u>
Total governmental activities	<u>\$18,279,142</u>	<u>13,929,219</u>	<u>\$17,916,050</u>	<u>13,541,133</u>
Less:				
Unrestricted grants, subsidies		<u>5,654,707</u>		<u>5,328,817</u>
Total needs from local Taxes and other revenues		<u>\$8,274,512</u>		<u>\$8,212,316</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE continued

Table A-4 reflects the activities of the Food Service program, the only Business-type activity of the District.

Table A-4
Fiscal Year Ended June 30,
Business-type Activities

<u>Functions/Programs</u>	<u>2008</u>		<u>2007</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Food Services	\$801,105	\$74,079	\$713,395	\$46,191
Less:				
Investment earnings		<u>442</u>		<u>474</u>
Total business-type activities		<u>\$73,637</u>		<u>\$45,717</u>

The Statement of Revenues, Expenses and Changes in Fund Net Assets for this proprietary fund will further detail the actual results of operations.

THE DISTRICT FUNDS

At June 30, 2008, the District governmental funds reported a combined total fund balance of \$3,563,730, which is a decrease of \$451,426. The primary reason for this decrease is as follows:

Health Insurance Trust Fund:

The District had been holding \$600,000 in Fund Balances in the General Fund for unanticipated health insurance costs above the budgeted amounts. In 2006-2007, the District established a Health Insurance Trust Fund which is a clearing account for all revenues and expenditures related to health insurance. As a result, \$400,000 was moved out of the General Fund to the Health Insurance Trust Fund, which is not part of the Governmental Funds.

General Fund Budget

During the fiscal year, the Board of School Directors (The Board) authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year, which is not prohibited by state law. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided on Pages F-28 through F-29.

The District applies for federal, state, and local grants and these grants cannot always be anticipated in the budgeting process. Budgeted revenues increased \$473,973 as a result of additional approved grants.

Budgeted expenditures and other financing uses also increased this same amount to compensate for the additional approved grants. Transfers between specific categories of expenditures/financing uses occur during the year. The most significant transfers occur from the budget reserve category to specific expenditure areas and transfers from the General Fund to the Debt Service Fund for payment of debt.

The Budgetary Reserve includes amounts that will be funded by designated fund balance for planned opportunities of expenditures for improvements/enhancements to the District operations. These amounts will only be appropriated into expenditure categories if the fiscal results of the prior year-end with a positive addition to fund balance, which exceeds the total of these projected expenditures. The Board is using this method of budgeting to control tax increases while also protecting the integrity of the fund balance.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

THE DISTRICT FUNDS continued

Capital Reserve Fund

The District has been accumulating money in the Capital Reserve Fund to assist in the long-term financial plan of renovations and additions to the high school. Generally, this fund maintains a balance of approximately \$100,000 to \$200,000 for unanticipated one-time capital expenditures as needed to keep the District facilities maintained. The ending fund balance as of June 30, 2008 was \$972,756. The ending fund balance as of June 30, 2007 is \$1,001,768, due to a \$29,012 use during 2007-2008. This ending fund balance will be used to help phase in the debt payments for future capital projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2008, the District had \$25,801,758 invested in a broad range of capital assets, including land, buildings and furniture and equipment. This amount represents a net decrease (including additions, deletions and depreciation) of \$819,188, or (.032%) from last year.

Table A-5 reflects the capital assets of both the governmental activities and the business-type activities of the District.

Table A-5
Governmental and Business-Type Activities
Fiscal Year Ended June 30,
Capital assets - net of depreciation

	<u>2008</u>		<u>2007</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Land	\$4,200	--	\$4,200	--
Site Improvements (Net of accumulated depreciation)	1,656,210	--	1,761,367	--
Building and Building Improvements (Net of accumulated depreciation)	23,296,608	\$--	24,003,103	\$--
Furniture & Equipment (Net of accumulated depreciation)	<u>814,465</u>	<u>30,275</u>	<u>816,600</u>	<u>35,676</u>
Total	<u>\$25,771,483</u>	<u>\$30,275</u>	<u>\$26,585,270</u>	<u>\$35,676</u>

The depreciation of assets resulted in the net decrease. The District changed the basis of valuation for furniture and equipment to exclude the composite groups of assets. More detailed information about our capital assets is included in Note 6 to the financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

CAPITAL ASSET AND DEBT ADMINISTRATION continued

DEBT ADMINISTRATION

As of July 1, 2007, the District's governmental activities had total outstanding bond principal of \$18,470,000. This debt consisted of a General Obligation Note, Series of 2001 for \$400,000, a General Obligation Bond, Series of 2003 for \$3,070,000, General Obligation Bond, Series of 2004 for \$9,195,000 and a General Obligation Bond, Series 2005 for \$5,805,000.

During the year, the District made payments against principal of \$1,410,000 resulting in ending outstanding debt as of June 30, 2008 of \$17,060,000:

Table A-6
Outstanding Debt

	2008	2007
General Obligation Notes/Bonds:		
- Bonds, Series of 2005	\$5,605,000	\$5,805,000
- Bonds, Series of 2004	8,790,000	9,195,000
- Bonds, Series of 2003	2,665,000	3,070,000
- Bonds, Series of 2001	<u>0</u>	<u>400,000</u>
Total	<u>\$17,060,000</u>	<u>\$18,470,000</u>

The district also made annual lease payments to the Lancaster County Career and Technology Center (LCCTC) for its 1998 bonds in the amount of \$22,591. As of June 30, 2008, the balance due by the LCCTC had been paid. Other obligations include accrued vacation pay and sick leave for specific employees of the District. More detailed information about our long-term liabilities is included in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's general obligation bond rating is a Moody's A1 enhanced and A3 underlying rating. The A1 enhanced rating is based upon the additional security for bonds provided by the Commonwealth of Pennsylvania Act 150 School District Intercept Program. The Act provides for undistributed state aid to be diverted to bond holders in the event of default. Moody's cited that the A3 rating reflects "the district's stable financial performance, limited tax base and manageable debt position." In addition, the current issues are insured by Financial Surety Assurance, Inc. (FSA) with current financial strength rating of Moody's Aaa.

The District does not expect significant growth in the near future given the residential nature of the local community and a lack of developable land within the District.

The Borough of Columbia has properties included in the State Program – Keystone Opportunity Zones (KOZ). Properties identified in these "zones" receive forgiveness for real property tax and business gross receipts taxes for a period of 13 years. In the year 2000, the Borough had 10 properties listed within these zones. Some properties were already tax exempt, but three of the properties received exemption from school property taxes with a total assessed value of \$105,100 or approximately \$2,000 in lost tax revenue. In April 2004, the Borough added 16 additional properties to this program. The total assessed value of these properties is \$2,853,700 resulting in future loss of tax revenue of \$54,220 for the remaining years of the program to fiscal year 2013-2014. The purpose of this program is to provide incentive for businesses to start up or move in to the community. The District does not believe that this tax loss will have a detrimental effect on the finances. This was taken into consideration in the 2007-2008 budgeting process.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES continued

In addition to the KOZ program, in April 2004, the School District agreed to provide tax relief for improvements made to certain deteriorated commercial property within the Local Economic Recovery Tax Abatement (LERTA) ordinance of the Borough of Columbia. The exemption is limited to the portion of additional assessment attributable to the actual cost of new construction or improvements. This exemption is effective for five years from the date of the improvements, after which time those additional assessments become fully taxable. While to date we have not had a property that qualifies for this exemption, this would not negatively impact our financial position as it only delays the date we begin collections on those improved assessments.

The revenue budget for the 2008-2009 year is \$1,645,560 more than the original budget for 2007-2008. This represents a 9.2% increase in budgeted revenues. The State budget added a supplement called "foundation funding" to the basic education funding which resulted in a total increase in that revenue item of \$564,607. Columbia has relied on Basic Education Subsidy to reduce the impact of education on the taxpayers. However, Special Education continues to be an ever increasing expense for the District, and this particular budget only increased \$33,844 for the same period. Therefore, the District applied for exceptions to exceed the adjusted index as prescribed by Act 1 for the increase to property tax. Those exceptions provided the District with the ability to raise taxes by 10.3%. At the same time, the State has reached a level of distribution of funds from the gaming revenues to offset property taxes. The gaming revenue distributed \$634,892 to Columbia to reduce the property tax bills for approved homesteads for 2008-09.

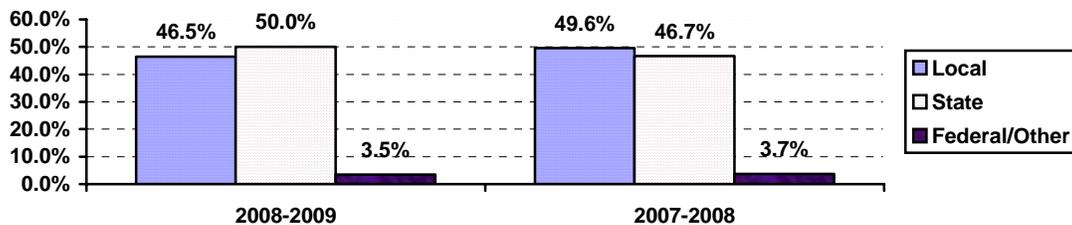
The expenditure budget for the 2008-2009 year is \$1,152,598 more than the original budget for 2007-2008, or a 6.1% increase. A large part of this increase can be attributed to the expenditures budgeted related to self-funded health insurance. As a result, the District established a Health Insurance Trust Fund during 2006-2007, and it is planned in the budget for 2007-2008 to move part of the previous designated fund balance amount of \$600,000 to this fund, which is part of this expenditure total. Because of these issues the District did increase the millage rate of 20.66 to 23.00 (\$1.00 per \$1,000 of assessed value), as noted above, resulting in a 10.3% increase in property taxes.

The comparison of revenue and expenditure categories is as follows:

Table A-7

BUDGETED REVENUES

	2008-2009	2007-2008
Local	46.5%	49.6%
State	50.0%	46.7%
Federal/Other	3.5%	3.7%

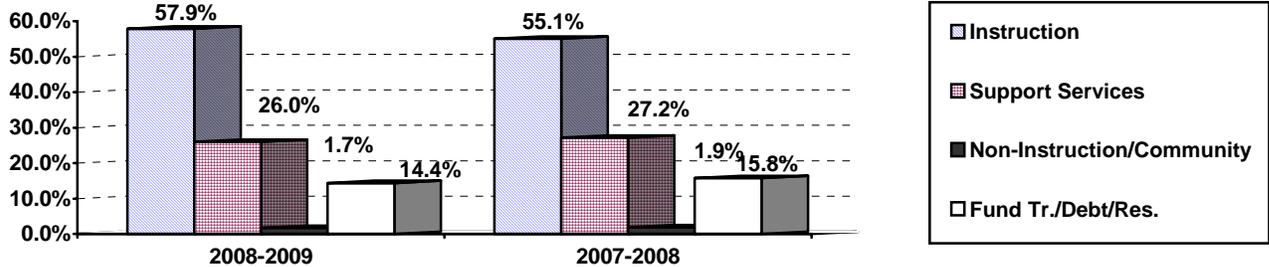


**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES continued

BUDGETED EXPENDITURES

	2008-2009	2007-2008
Instruction	57.9%	55.1%
Support Services	26.0%	27.2%
Non-Instruction/Community	1.7%	1.9%
Fund Transfers/Debt/Reserves	14.4%	15.8%



OTHER POST EMPLOYMENT BENEFITS

In an effort to value the potential liability for future reporting purposes, the District contracted with Conrad Siegel Actuaries for an Actuarial Valuation for Other Post Employment Benefits (OPEB) in accordance with GASB Statement No. 45, effective September 1, 2006. The purpose of this valuation was to determine the total liability and the annual required contribution (ARC) should the district decide to fund this liability through a separate trust fund. Our ARC is \$189,913, which is 2.45% of payroll as of this valuation. The District chose not to early implement any funding of this liability at this time, but will review this for future financial consideration.

FUTURE ECONOMIC FACTORS

At the time these financial statements were prepared and audited, the District was operating under the new property tax reform bill known as "Act 1." State gaming revenues and possible local earned income or personal income taxes could be used to fund property tax relief for homeowners. The plan was that until gaming revenues reach \$500 million, homeowners will not see any tax relief. Once the minimum level is obtained, the State will distribute the money to the school districts and the tax relief will come as an assessment reduction on tax bills as a pass-through by the district. The State estimates that savings related to the new law will range from \$110 to \$275 annually. Revenues were sufficient to make a distribution for the 2008-2009 budget year and the resulting savings on each approved homestead tax bill resulted in a credit of \$297. Additional real estate tax relief would have been seen if the borough residents approved a tax shifting referendum in the spring 2007 primary election. The tax shift would have imposed new personal income tax or earned income tax to replace the revenue used to pay for real estate tax relief. This would have shifted the source of school district revenues, since the district would get some local revenue through an income tax and in turn reduce the property tax. However, this proposal was voted down by a referendum vote of the community, so the taxing structure for the District did not change.

However, another piece of this legislation imposes School budget restrictions. Beginning with the 2007-2008 budget, school districts may not increase the real estate tax rate above an inflationary index percentage as determined by the State with an adjustment provided for less wealthy schools. Columbia's index for 2008-2009 is 6.3% while the base index is 4.4%. For the 2009-2010 budget year, the index for Columbia will be 5.9% while the base index is 4.1%. School districts that wish to increase millage beyond that percentage to maintain or improve existing programs must either apply for exceptions from the Department of Education or receive voter approval for an increase via a tax increase referendum question during the spring 2008 primary election. If the referendum tax question should fail, the District would be forced to cut or reduce programs from the budget. The District does not anticipate a referendum for 2009-2010.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

FUTURE ECONOMIC FACTORS continued

Referendum exceptions are built into Act 1 should a district need to raise taxes beyond the new inflationary index cap. The exception categories provide partial relief for increases in the cost of special education, retirement expenses and health care; emergencies and disasters; and some school construction projects.

The Court of Common Pleas will make decisions on some referendum exceptions, but most required approval from the Department of Education. As a result, the budget timeline for all schools has been accelerated to provide the Department with a preliminary proposed budget by the beginning of February each year along with the proposed exceptions so the Department has time to act upon the requested exceptions. The District did apply for exceptions and was able to raise property taxes by 10%, but the District must qualify each year through the exception process to go above the index or go to referendum in any future years

One other piece of this Act 1 legislation now requires school districts in July 2007 and after to provide the option of taxpayers to pay real estate taxes in installments. Previously this was optional by the district. An individual who chooses to pay in installments will pay the flat tax, with no discount offered, in three equal payments, due August 31, September 30, and October 31. If an installment payment is late, a 10 percent penalty will be added and the individual will not be eligible for the installment option the following year. The cash flow impact on all of the Act 1 requirements has not been fully realized, but to date, there has been no measurable negative cash flow impact, but it is being watched carefully by the District Board and Administration to ensure fiscal accountability.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact Laura E. Cowburn, PRSBA, Assistant to the Superintendent for Business Services/Board Secretary at Columbia Borough School District, 200 North Fifth Street, Columbia, PA 17512, (717) 684-2283.

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**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

JUNE 30, 2008

BASIC FINANCIAL STATEMENTS

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**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF NET ASSETS
JUNE 30, 2008**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 663,810	\$ 8,938	\$ 672,748
Investments	3,342,614	6,167	3,348,781
Taxes Receivable, Net	602,800	--	602,800
Internal Balances	(7,897)	7,897	--
Due from Other Governments	702,869	1,688	704,557
Other Receivables	11,140	5,898	17,038
Inventories	--	10,235	10,235
Prepaid Expenses	<u>27,940</u>	<u>--</u>	<u>27,940</u>
Total Current Assets	<u>5,343,276</u>	<u>40,823</u>	<u>5,384,099</u>
Noncurrent Assets:			
Land	4,200	--	4,200
Site Improvements (Net of Accumulated Depreciation)	1,656,210	--	1,656,210
Building and Building Improvements (Net of Accumulated Depreciation)	23,296,608	--	23,296,608
Furniture and Equipment (Net of Accumulated Depreciation)	814,465	30,275	844,740
Bond Issuance Costs (Net of Accumulated Amortization)	155,168	--	155,168
Bond Discount (Net of Accumulated Amortization)	<u>174,915</u>	<u>--</u>	<u>174,915</u>
Total Noncurrent Assets	<u>26,101,566</u>	<u>30,275</u>	<u>26,131,841</u>
TOTAL ASSETS	<u>\$ 31,444,842</u>	<u>\$ 71,098</u>	<u>\$ 31,515,940</u>
LIABILITIES			
Current Liabilities:			
Due to Other Governments	\$ 52,207	\$ --	\$ 52,207
Accounts Payable	275,995	--	275,995
Current Portion of Long-Term Debt	1,255,000	--	1,255,000
Current Portion of Compensated Absences	31,581	--	31,581
Accrued Salaries and Benefits	1,294,738	4,337	1,299,075
Payroll Deductions and Withholdings	117,854	--	117,854
Unearned Revenues	37,968	2,910	40,878
Other Current Liabilities	<u>81,980</u>	<u>--</u>	<u>81,980</u>
Total Current Liabilities	<u>3,147,323</u>	<u>7,247</u>	<u>3,154,570</u>
Noncurrent Liabilities:			
Bonds and Notes Payable, Net of Current Portion	15,805,000	--	15,805,000
Long-Term Portion of Compensated Absences	<u>284,226</u>	<u>--</u>	<u>284,226</u>
Total Noncurrent Liabilities	<u>16,089,226</u>	<u>--</u>	<u>16,089,226</u>
TOTAL LIABILITIES	<u>19,236,549</u>	<u>7,247</u>	<u>19,243,796</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	8,711,483	30,275	8,741,758
Restricted	6,223	--	6,223
Unrestricted	<u>3,490,587</u>	<u>33,576</u>	<u>3,524,163</u>
TOTAL NET ASSETS	<u>12,208,293</u>	<u>63,851</u>	<u>12,272,144</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 31,444,842</u>	<u>\$ 71,098</u>	<u>\$ 31,515,940</u>

The accompanying notes are an integral part of these financial statements.

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**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction	\$11,942,674	\$ 14,408	\$ 3,049,037	\$ 23,700	\$ (8,855,529)	\$ --	\$ (8,855,529)
Instructional Student Support	1,990,132	--	352,437	--	(1,637,695)	--	(1,637,695)
Administrative and Financial Support Services	1,511,881	--	61,975	--	(1,449,906)	--	(1,449,906)
Operation and Maintenance of Plant Services	1,500,881	41,718	41,648	--	(1,417,515)	--	(1,417,515)
Pupil Transportation	150,481	--	26,925	--	(123,556)	--	(123,556)
Student Activities	440,195	48,688	35,691	--	(355,816)	--	(355,816)
Community Services	15,211	--	4,984	--	(10,227)	--	(10,227)
Interest on Long-Term Debt	709,981	--	--	648,712	(61,269)	--	(61,269)
Unallocated Depreciation Expense*	17,706	--	--	--	(17,706)	--	(17,706)
Total Governmental Activities	18,279,142	104,814	3,572,697	672,412	(13,929,219)	--	(13,929,219)
Business-Type Activities:							
Food Services	801,105	310,373	416,653	--	--	(74,079)	(74,079)
Total Primary Government	\$19,080,247	\$ 415,187	\$ 3,989,350	\$ 672,412	(13,929,219)	(74,079)	(14,003,298)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					7,288,544	--	7,288,544
Public Utility Realty, Earned Income and Per Capita Taxes Levied for Specific Purposes, Net					938,222	--	938,222
Grants, Subsidies, and Contributions Not Restricted					5,654,707	--	5,654,707
Investment Earnings					284,750	442	285,192
Miscellaneous Income					21,786	--	21,786
Total General Revenues					14,188,009	442	14,188,451
Transfers					(89,000)	89,000	--
Change in Net Assets					169,790	15,363	185,153
Net Assets – July 1, 2007					12,038,503	48,488	12,086,991
Net Assets – June 30, 2008					\$12,208,293	\$ 63,851	\$12,272,144

*This amount excludes the depreciation that is included in the direct expenses of the functions presented.

The accompanying notes are an integral part of these financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

		Major Funds		Nonmajor Fund	Total Governmental Funds
	General Fund	Capital Reserve Fund	Debt Service Fund	Athletic Fund	
ASSETS					
Cash and Cash Equivalents	\$ 541,492	\$ 114,786	\$ --	\$ 7,532	\$ 663,810
Investments	2,603,728	738,886	--	--	3,342,614
Taxes Receivable (Net)	602,800	--	--	--	602,800
Due from Other Funds	306,791	119,084	--	--	425,875
Due from Other Governments	702,869	--	--	--	702,869
Other Receivables	4,918	--	--	--	4,918
Prepaid Expenditures	27,940	--	--	--	27,940
TOTAL ASSETS	\$ 4,790,538	\$ 972,756	\$ --	\$ 7,532	\$ 5,770,826
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to Other Funds	\$ 126,981	\$ --	\$ --	\$ --	\$ 126,981
Due to Other Governments	52,207	--	--	--	52,207
Accounts Payable	99,608	--	--	--	99,608
Accrued Salaries and Benefits	1,294,738	--	--	--	1,294,738
Payroll Deductions and Withholdings	117,854	--	--	--	117,854
Deferred Revenues	515,708	--	--	--	515,708
TOTAL LIABILITIES	2,207,096	--	--	--	2,207,096
FUND BALANCES					
Reserve for:					
Prepaid Expenditures	27,940	--	--	--	27,940
Capital Purposes	6,223	972,756	--	--	978,979
Athletic Purposes	--	--	--	7,532	7,532
Unreserved-Designated	1,194,320	--	--	--	1,194,320
Unreserved-Undesignated	1,354,959	--	--	--	1,354,959
TOTAL FUND BALANCES	2,583,442	972,756	--	7,532	3,563,730
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,790,538	\$ 972,756	\$ --	\$ 7,532	\$ 5,770,826

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The accompanying notes are an integral part of these financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008**

Total Fund Balances – Governmental Funds	\$ 3,563,730
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$33,905,977 , and the accumulated depreciation is \$8,134,494 .	25,771,483
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	477,740
Bond issuance costs and amounts of bond discounts, and similar items are reported in the governmental funds when debt is first issued. The statement of net assets reports these items as assets or liabilities with amortization over the life of the related debt. Bond issuance costs totaled \$254,872 with related accumulated amortization of \$99,704 . Bond discount totaled \$266,209 with accumulated amortization of \$91,294 .	330,083
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bonds/notes payable (17,060,000)	
Accrued interest on the bonds/notes (81,980)	
Compensated absences <u>(315,807)</u>	(17,457,787)
Internal service fund is used to account for medical insurance claims and premiums. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets.	<u>(476,956)</u>
TOTAL NET ASSETS – GOVERNMENTAL ACTIVITIES	<u>\$12,208,293</u>

The accompanying notes are an integral part of these financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>General Fund</u>	<u>Major Funds</u>		<u>Nonmajor Fund Athletic Fund</u>	<u>Total Governmental Funds</u>
		<u>Capital Reserve Fund</u>	<u>Debt Service Fund</u>		
REVENUES					
Local Sources:					
Real Estate Taxes and Penalties	\$ 7,199,532	\$ --	\$ --	\$ --	\$ 7,199,532
Other Taxes	938,223	--	--	--	938,223
Interest	248,560	36,142	--	48	284,750
Revenue from Intermediate Sources	421,524	--	--	--	421,524
Tuition	14,408	--	--	--	14,408
Revenue from Student Activities	19,461	--	--	48,688	68,149
Other Revenue	64,004	--	--	500	64,504
Refund of Prior Year Expenditures	<u>--</u>	<u>820</u>	<u>--</u>	<u>--</u>	<u>820</u>
Total Local Sources	8,905,712	36,962	--	49,236	8,991,910
State Sources	8,760,381	--	--	641	8,761,022
Federal Sources	<u>695,989</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>695,989</u>
TOTAL REVENUES	<u>18,362,082</u>	<u>36,962</u>	<u>--</u>	<u>49,877</u>	<u>18,448,921</u>
EXPENDITURES					
Current:					
Instruction	10,970,348	--	--	--	10,970,348
Support Services	4,822,136	49,661	--	--	4,871,797
Operation of Noninstructional Services	<u>298,287</u>	<u>16,313</u>	<u>--</u>	<u>141,457</u>	<u>456,057</u>
Total Current	<u>16,090,771</u>	<u>65,974</u>	<u>--</u>	<u>141,457</u>	<u>16,298,202</u>
Debt Service:					
Principal	--	--	1,410,000	--	1,410,000
Interest and Fiscal Charges	<u>--</u>	<u>--</u>	<u>703,145</u>	<u>--</u>	<u>703,145</u>
Total Debt Service	<u>--</u>	<u>--</u>	<u>2,113,145</u>	<u>--</u>	<u>2,113,145</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	General Fund	Major Funds		Nonmajor Fund Athletic Fund	Total Governmental Funds
		Capital Reserve Fund	Debt Service Fund		
TOTAL EXPENDITURES	\$ 16,090,771	\$ 65,974	\$ 2,113,145	\$ 141,457	\$ 18,411,347
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,271,311</u>	<u>(29,012)</u>	<u>(2,113,145)</u>	<u>(91,580)</u>	<u>37,574</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	--	--	2,113,145	99,000	2,212,145
Transfers Out	<u>(2,701,145)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(2,701,145)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,701,145)</u>	<u>--</u>	<u>2,113,145</u>	<u>99,000</u>	<u>(489,000)</u>
Net Change in Fund Balances	(429,834)	(29,012)	--	7,420	(451,426)
Fund Balance – July 1, 2007	<u>3,013,276</u>	<u>1,001,768</u>	<u>--</u>	<u>112</u>	<u>4,015,156</u>
Fund Balance – June 30, 2008	<u>\$ 2,583,442</u>	<u>\$ 972,756</u>	<u>\$ --</u>	<u>\$ 7,532</u>	<u>\$ 3,563,730</u>

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The accompanying notes are an integral part of these financial statements.

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**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Total net change in fund balance – governmental funds \$ (451,426)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the period.

Depreciation expense	\$ (946,795)	
Capital outlays	133,008	(813,787)

Because some property taxes will not be collected for several months after the District’s fiscal year ends, they are not considered as “available” revenues in the governmental funds. Deferred tax revenues increased by this amount this year.

89,011

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Repayment of bond principal \$1,410,000.

1,410,000

Internal service fund is used to account for medical insurance claims and premiums. The net revenue of certain activities of the internal service fund is reported with governmental activities.

(50,924)

Governmental funds report the issuance costs, bond discounts and other similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Amortization of bond issuance cost	\$ (17,518)	
Amortization of bond discount	<u>(18,191)</u>	(35,709)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Decrease in compensated absences	11,943
----------------------------------	--------

The governmental funds follow the purchase method of inventory; therefore, no inventory is reflected on the balance sheet. However, the statement of net assets uses the consumption method of inventory. All inventory was deemed consumed during the year.

OTHER

Net change in accrued interest expense on bonds payable	<u>10,682</u>
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Change in net assets of governmental activities \$ 169,790

The accompanying notes are an integral part of these financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local Revenues:				
Real Estate Taxes and Penalties	\$ 7,446,690	\$ 7,446,690	\$ 7,199,532	\$ (247,158)
Other Taxes	779,000	779,000	938,223	159,223
Interest	250,000	250,000	248,560	(1,440)
Revenues from Intermediate Sources	313,000	495,169	421,524	(73,645)
Tuition	22,500	22,500	14,408	(8,092)
Revenue from Student Activities	50,000	50,000	19,461	(30,539)
Other Revenue	70,000	71,000	64,004	(6,996)
Total Local Sources	8,931,190	9,114,359	8,905,712	(208,647)
State Program Revenues	8,395,013	8,458,836	8,760,381	301,545
Federal Program Revenues	661,612	888,593	695,989	(192,604)
TOTAL REVENUES	<u>17,987,815</u>	<u>18,461,788</u>	<u>18,362,082</u>	<u>(99,706)</u>
EXPENDITURES				
Current:				
Regular Programs	6,391,358	7,438,264	7,401,621	36,643
Special Programs	2,863,773	3,049,487	2,985,989	63,498
Vocational Programs	264,000	280,053	280,053	--
Other Instructional Programs	951,944	304,943	300,210	4,733
Community/Junior College Education	--	6,303	2,475	3,828
Support Services:				
Pupil Personnel Services	652,030	679,900	672,765	7,135
Instructional Staff Services	760,158	1,108,727	959,616	149,111
Administrative Services	937,065	913,255	893,216	20,039
Pupil Health	303,520	330,303	283,806	46,497
Business Services	317,418	303,852	277,802	26,050
Operation and Maintenance of Plant Services	1,429,957	1,384,997	1,334,469	50,528
Student Transportation Services	190,000	205,618	150,481	55,137
Central and Other Support Services	573,180	285,594	249,981	35,613
Operation of Noninstructional Services:				
Student Activities	338,349	316,234	283,076	33,158
Community Services	15,200	26,880	15,211	11,669
TOTAL EXPENDITURES	<u>15,987,952</u>	<u>16,634,410</u>	<u>16,090,771</u>	<u>543,639</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,999,863</u>	<u>1,827,378</u>	<u>2,271,311</u>	<u>443,933</u>

The accompanying notes are an integral part of these financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,648,145)	(2,702,145)	(2,701,145)	1,000
Budgetary Reserve	<u>(350,000)</u>	<u>(123,515)</u>	<u> --</u>	<u>123,515</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,998,145)</u>	<u>(2,825,660)</u>	<u>(2,701,145)</u>	<u>124,515</u>
Net Change in Fund balances	(998,282)	(998,282)	(429,834)	568,448
Fund Balance – July 1, 2007	<u>3,013,276</u>	<u>3,013,276</u>	<u>3,013,276</u>	<u> --</u>
Fund Balance – June 30, 2008	<u>\$ 2,014,994</u>	<u>\$ 2,014,994</u>	<u>\$ 2,583,442</u>	<u>\$ 568,448</u>

The accompanying notes are an integral part of these financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008**

	Business-Type Activities - <u>Enterprise Fund</u> Food Service	Governmental Activities - Internal Service Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 8,938	\$ --
Investments	6,167	--
Due from Other Funds	7,897	--
Due from Other Governments	1,688	--
Other Receivables	5,898	--
Inventories	<u>10,235</u>	<u>--</u>
Total Current Assets	<u>40,823</u>	<u>--</u>
Noncurrent Assets:		
Machinery and Equipment (Net of Accumulated Depreciation)	<u>30,275</u>	<u>--</u>
Total Noncurrent Assets	<u>30,275</u>	<u>--</u>
TOTAL ASSETS	<u>\$ 71,098</u>	<u>\$ --</u>
LIABILITIES		
Current Liabilities:		
Due to Other Funds	\$ --	\$ 300,569
Accounts Payable	--	176,387
Accrued Salaries and Benefits	4,337	--
Deferred Revenue	<u>2,910</u>	<u>--</u>
Total Current Liabilities	<u>7,247</u>	<u>476,956</u>
TOTAL LIABILITIES	<u>7,247</u>	<u>476,956</u>
NET ASSET		
Investment in Capital Assets	30,275	--
Unrestricted	<u>33,576</u>	<u>(476,956)</u>
TOTAL NET ASSETS	<u>63,851</u>	<u>(476,956)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 71,098</u>	<u>\$ --</u>

The accompanying notes are an integral part of these financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Business-Type Activities - <u>Enterprise Fund</u> Food Service	Governmental Activities - Internal Service Fund
OPERATING REVENUES:		
Health Insurance Premiums	\$ --	\$1,802,259
Lunch Sales	246,230	--
Breakfast Sales	7,048	--
Special Function Revenue	15,680	--
Contracted Service Revenue	38,661	--
Miscellaneous Revenue	<u>2,754</u>	<u>--</u>
 TOTAL OPERATING REVENUES	<u>310,373</u>	<u>1,802,259</u>
OPERATING EXPENSES:		
Salaries	261,088	--
Employee Benefits	79,904	--
Purchased Professional and Technical Services	2,326	--
Purchased Property Services	28,453	--
Other Purchased Services	521	--
Supplies	419,210	--
Dues and Fees	4,202	--
Depreciation	5,401	--
Health Insurance Claims	--	2,051,331
Insurance Expense	<u>--</u>	<u>201,852</u>
 TOTAL OPERATING EXPENSES	<u>801,105</u>	<u>2,253,183</u>
 OPERATING (LOSS)	<u>(490,732)</u>	<u>(450,924)</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings on Investments	442	--
State Sources	52,105	--
Federal Sources	<u>364,548</u>	<u>--</u>
 TOTAL NONOPERATING REVENUES (EXPENSES)	<u>417,095</u>	<u>--</u>
 LOSS BEFORE TRANSFERS	(73,637)	(450,924)
TRANSFER IN	<u>89,000</u>	<u>400,000</u>
 CHANGE IN NET ASSETS	15,363	(50,924)
TOTAL NET ASSETS – JULY 1, 2007	<u>48,488</u>	<u>(426,032)</u>
TOTAL NET ASSETS – JUNE 30, 2008	<u>\$ 63,851</u>	<u>\$ (476,956)</u>

The accompanying notes are an integral part of these financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Business-Type Activities - <u>Enterprise Fund</u> Food Service	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities		
Cash Received from Users	\$ 299,000	\$ --
Cash Received from Interfund Services Provided	--	1,802,259
Cash Payments to Employees for Services	(338,727)	(2,202,259)
Cash Payments to Suppliers for Goods and Services	(453,420)	--
Cash Payments for Other Operating Expenses	<u>(4,202)</u>	<u>--</u>
Net Cash (Used for) Operating Activities	<u>(497,349)</u>	<u>(400,000)</u>
Cash Flows from Noncapital Financing Activities		
State Sources	52,105	--
Federal Sources	364,548	--
Transfer In	<u>89,000</u>	<u>400,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>505,653</u>	<u>400,000</u>
Cash Flows from Capital and Related Financing Activities		
	<u>--</u>	<u>--</u>
Cash Flows from Investing Activities		
Earnings on Investments	442	--
Purchase of Investments	<u>(235)</u>	<u>--</u>
Net Cash Provided by Investing Activities	<u>207</u>	<u>--</u>
Net Increase in Cash and Cash Equivalents	8,511	--
Cash and Cash Equivalents Beginning of Year	<u>427</u>	<u>--</u>
Cash and Cash Equivalents End of Year	<u>\$ 8,938</u>	<u>\$ --</u>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:		
Operating (Loss)	<u>\$(490,732)</u>	<u>\$ (450,924)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:		
Depreciation	5,401	--
(Increase) in Due from Other Funds	(7,645)	--
(Increase) in Accounts Receivable	(5,029)	--
Decrease in Inventories	2,665	--
Increase in Due to Other Funds	--	37,892
Increase/(Decrease) in Accounts Payable	(2,540)	13,032
Increase in Accrued Salaries Benefits	2,265	--
(Decrease) in Deferred Revenue	<u>(1,734)</u>	<u>--</u>
Total Adjustments	<u>(6,617)</u>	<u>50,924</u>
Net Cash (Used for) Operating Activities	<u>\$(497,349)</u>	<u>\$ (400,000)</u>

The accompanying notes are an integral part of these financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008**

	<u>Student Activities</u>	<u>Private Purpose Trust</u>
ASSETS		
Cash and Cash Equivalents	\$ 13,927	\$ 44,350
Investments	<u>6,463</u>	<u>4,718</u>
TOTAL ASSETS	<u>\$ 20,390</u>	<u>\$ 49,068</u>
 LIABILITIES		
Due to Other Funds	\$ 6,223	\$ --
Due to Student Groups	<u>14,167</u>	<u>--</u>
TOTAL LIABILITIES	<u>20,390</u>	<u>--</u>
 NET ASSETS		
Held in Trust for Scholarships	<u>--</u>	<u>49,068</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ --</u>	<u>\$ 49,068</u>

The accompanying notes are an integral part of these financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Private Purpose Trust</u>
ADDITIONS	
Earnings on Investments	\$ 1,860
Contributions	<u>1,529</u>
TOTAL ADDITIONS	<u>3,389</u>
DEDUCTIONS	
Scholarships Awarded	<u>1,076</u>
CHANGE IN NET ASSETS	2,313
NET ASSETS – JULY 1, 2007	<u>46,755</u>
NET ASSETS – JUNE 30, 2008	<u>\$ 49,068</u>

The accompanying notes are an integral part of these financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Columbia Borough School District operates two elementary schools and one Junior/Senior High School in Lancaster County, Pennsylvania. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provision of the School Laws of Pennsylvania. The District operates under a locally elected nine member Board form of government.

The financial statements of Columbia Borough School District (the District) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

A. Reporting Entity

In evaluating the school as a reporting entity, management has addressed all potential component units which may or may not fall within the school's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the school's reporting entity are financial accountability and the nature and significance of the relationship. This report presents the activities of Columbia Borough School District. The school district is not a component unit of another reporting entity, nor does it have any component units.

The following joint ventures are not component units of Columbia Borough School District, and are not included in this report.

Lancaster County Career and Technology Center (LCCTC) - is a separate legal entity. It was organized by the sixteen public school districts in Lancaster County to provide services in the county. Each of the public school districts appoints one member to serve on the joint operating committee, and each has an ongoing financial responsibility to fund the LCCTC.

Lancaster County Vo-Tech School Authority (Vo-Tech Authority) - is a separate legal entity. The district is also a member of the Vo-Tech Authority. In 1968, the Vo-Tech Authority entered into an agreement with the member school districts and the Vo-Tech Board to acquire land and construct buildings to provide facilities for the operation of the LCCTC. In 1995, the Vo-Tech Authority entered into an additional agreement with the member districts and the Vo-Tech Board to provide for the upgrading and modernization of the facilities utilized by the LCCTC. In 1998, the Vo-Tech Authority entered into an additional agreement with the member districts and the Vo-Tech Board to advance refund the Vo-Tech Authority's 1995 bonds.

Lancaster-Lebanon Intermediate Unit #13 (LLIU) - is a separate legal entity. It was organized by the constituent school districts in Lancaster and Lebanon counties to provide services to the school districts. Each member school district appoints one member to serve on the Board of Directors of the LLIU. The district contracts with the LLIU for special education services for district students.

Lancaster County Academy (Academy) - is a separate legal entity. It was organized by eleven public school districts in Lancaster County to provide services in the county. Each of the public school districts appoints one member to serve on the joint operating committee. As a member district the school district has an ongoing financial responsibility to fund the operations of the Academy.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Lancaster County Tax Collection Bureau (the Bureau) - is a separate legal entity. The District participates with sixteen other school districts for the collection of earned income taxes. Each public school district appoints one member to serve on the joint operating committee. The Bureau's operating expenditures are deducted from the distributions which are made quarterly. The local municipalities also share the expenditures on the same basis as the school districts.

Lancaster-Lebanon Joint Authority (Joint Authority) - is a separate legal entity. The Joint Authority was incorporated on February 14, 1980 under the Municipality Authorities Act of May 2, 1945, P.L. 382, as amended by the Boards of School Directors of the 22 school districts located in Lancaster and Lebanon counties. The school districts established the Joint Authority for the purpose of acquiring, holding, constructing, improving, maintaining, operating, owning, and/or leasing projects for public school purposes and for purposes of the LLIU. The district did not have any financial transactions with the Joint Authority during the year ended June 30, 2008.

Complete financial statements for each of the entities described above can be obtained from the administrative office of each.

B. Fund Accounting

The accounts of the school district are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

C. Basis of Presentation

Government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the school district. Interfund accounts receivable, accounts payable and transfers are eliminated in the government-wide financial statements. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately in the government-wide financial statements from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the school district. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the school district's enterprise fund are food service charges. Operating expenses for the school district's enterprise fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports the following major governmental funds:

The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be in another fund.

The capital reserve fund accounts for transfers from other funds and related investment earnings for capital outlays not accounted for in another fund.

The debt service fund accounts for accumulation of resources for, and the payment of long-term debt principal, interest and related costs.

The District operates one enterprise fund, the food service fund. This fund accounts for the activities of the District's food service program.

The District accounts for assets held by the District in a trustee capacity in a private-purpose trust fund. This fund accounts for activities in the various scholarship accounts, whose sole purpose is to provide annual scholarships to particular students as prescribed by donor stipulations.

The District accounts for assets held as an agent for various student activities in an agency fund.

Additionally, the District reports the following nonmajor governmental fund:

The athletic fund accounts for gate receipts and other revenues from athletic events and all costs of the district's athletic program.

D. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds within the fiduciary fund group have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

The 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 government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. 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.

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

E. Budgets and Budgetary Accounting

An operating budget is adopted prior to the beginning of each year for the general fund on a modified accrual basis of accounting. The general fund is the only fund for which a budget is legally required.

The Pennsylvania School Code dictates specific procedures relative to adoption of the School District's budget and reporting of its financial statements, specifically:

The School District, before levying annual school taxes, is required to prepare an operating budget for the succeeding fiscal year.

The School District is required to publish notice by advertisement, at least once in two newspapers of general circulation in the municipality in which it is located, and within fifteen days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative office of the School District.

Notice that public hearings will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least ten days prior to when final action on adoption is taken by the Board.

Legal budgetary control is maintained at the sub-function/major object level. The Board of School Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action in accordance with the Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without Board approval. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at or below the level of budgetary control and includes the effect of approved budget amendments. The Board of School Directors made several supplemental budgetary appropriations throughout the year which resulted in an increase in the general fund budget in the amount of \$473,973. The entire supplemental budgetary appropriation was a result of program budgets prescribed by federal and state agencies.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (Continued)

In order to preserve a portion of an appropriation for which an expenditure has been committed by a purchase order, contract or other form of commitment, an encumbrance is recorded. Encumbrances outstanding at year-end are reported in the fund financial statements as reservations of fund balances.

Included in the general fund budget are program budgets as prescribed by the federal and state agencies funding the program. These budgets are approved on a program by program basis by the federal and state funding agencies.

F. Encumbrances

Encumbrances at year-end are reported in the fund financial statements as reservations of fund balance since they do not constitute expenditures or liabilities, but serve as authorization for expenditures in the subsequent year. As of June 30, 2008, the district did not have any encumbrances.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

H. Inventories

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used.

A physical inventory of the cafeteria fund food and supplies was taken as of June 30, 2008. The inventory consisted of government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies, both valued at cost using the first-in, first-out (FIFO) method. Any unused commodities donated by the federal government at June 30, 2008 are reported as deferred revenue.

I. Prepaid Expenses

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

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the school district as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20
Site Improvements	15
Furniture	20
Vehicles	10
Equipment	5 to 10
Computer Software	3
Library/Workbooks	15

Proprietary fund equipment purchases are capitalized in the proprietary fund at cost and depreciated on a straight-line basis over 12 years at the rate of 8.33% per year

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activity columns in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and discounts on debt issuances are reported as other financing sources. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as administration expenditures.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. Proprietary Fund FASB Usage

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed for proprietary activity financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The district has elected not to follow subsequent private-sector guidance.

N. Cash, Cash Equivalents and Investments

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

All investments are stated at cost including accrued interest which approximates fair value.

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the governmental fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Capital related differences include non-facility related fixed asset purchases are recorded as an expenditure in the functional categories listed under current expenditures in the government fund statements and capitalization and recording of depreciation expense in the statement of activities.

NOTE 3 - DEPOSITS AND INVESTMENTS

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to invest its monies as follows:

Obligations of (1) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (3) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation are authorized to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository.

The fair values of deposits are equal to the cost of deposits. Investments are stated at cost including accrued interest, which approximates fair value.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Cash

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. As of June 30, 2008, \$751,636 of the District's bank balance of \$921,082 was exposed to custodial credit risk as:

Uninsured and collateral held by the pledging bank's trust department not in the District's name	<u>\$ 751,636</u>
	<u>\$ 751,636</u>

Reconciliation to Financial Statements

Uncollateralized amount above	\$ 751,636
Plus: Insured Amount	124,990
Less: Outstanding Checks	(385,239)
Plus: Deposits in Transit	<u>194,091</u>
Carrying Amount – Bank Balances	\$ 685,478
Plus: Petty Cash	1,199
Pooled Cash Equivalents	44,456
Less: Outstanding Checks on Pooled Cash Equivalents	<u>(108)</u>
Total Cash per Financial Statements	<u>\$ 731,025</u>

Investments

As of June 30, 2008, the District had the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificates of Deposit	6 - 30 Months	\$ 3,227,050
PA Local Government Investment Trust (PLGIT)		12,630
PA School District Liquid Asset Fund (PSDLAF)		<u>120,282</u>
Total		<u>\$ 3,359,962</u>

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Management does monitor rates of returns for investments on a monthly basis.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

The District has no investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2008, the District's investment in Susquehanna Bank's certificates of deposit was rated AAA by Moody's, the certificates of deposit invested in Union National Community Bank was not rated, the investments in PA Local Government Investment Trust and PA School District Liquid Fund was rated AAAM by Standard & Poor's.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The District's policy does not specifically address custodial credit risk, however the District's investments are in accordance with the District's investment plan. The investments of the District are reviewed monthly by the board of directors. As of June 30, 2008, \$3,224,036 of the District's investments of \$3,359,962 was exposed to custodial credit risk as:

Insurance or Registered	\$ 3,014
Uninsured or unregistered held by the counterparty or by its trust department not in the District's name	3,224,036
	\$ 3,227,050

The balance of \$132,912 consist of pooled investments in PLGIT and PSDLAF. PSDLAF and PLGIT are not subject to regulatory oversight. Each participant in the pool owns a pro-rata share of deposits and investments held by the pool.

As of October 3, 2008, the Federal Deposit Insurance Corporation (FDIC) insurance coverage increased to \$250,000, which will expire December 31, 2009.

Concentration of Credit Risk – Deposits and Investments

The District's policy does not specifically address concentration of credit risk. Any investment of the District that is not insured is collateralized under Act 72 unless it is part of a pooled investment.

More than 5% of the District's deposits and investments are in Union National Community Bank. Total deposits and investments as of June 30, 2008 was \$4,281,044 of which \$4,100,662 were invested at Union National Community Bank. This represents 96% of the District's deposits and investments. \$120,282 was invested in PA School District Liquid Asset Fund, which represents 3% of the District's deposits and investment. \$57,086 and \$3,014 were invested in the PA Local Government Investment Trust and Susquehanna Bank respectively, which represents 1% of the District's deposits and investments.

NOTE 4 - REAL ESTATE AND PER CAPITA TAXES AND DEFERRED REVENUE

Based upon assessments provided by the County, the school district bills and collects its own property taxes. The school district tax rate for the year ended June 30, 2008 was 20.66 mills (\$20.66 per \$1,000 of assessed valuation) as levied by the Board of School Directors. The Board of School Directors also levies per capita taxes based on the census of residents in the school district. The tax rate under Section 679 is \$5/person and under Act 511 is \$10/person. The total per capita tax levied by the district is \$15/person. The School District also levies earned income tax. The earned income tax is ½ of 1% of earned wages. This tax is collected by the county agency and remitted to the School District. In addition, the District collects the local services tax, which is \$5 per employee of employers located in the Borough. The Borough collects this tax and remits the District's portion to the District. The schedule for real estate and per capita taxes levied for each fiscal year is as follows:

July 1	- Levy Date
July 1 – August 31	- 2% Discount Period
September 1 – October 31	- Face Payment Period
November 1 – December 31	- 10% Penalty Period
December 31	- Lien Date

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 4 - REAL ESTATE AND PER CAPITA TAXES AND DEFERRED REVENUE (Continued)

The school district, in accordance with GAAP, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by the administration. A portion of the net amount estimated to be collectible which was measurable and available within 60 days was recognized as revenue and the balance deferred in the fund financial statements.

The balances at June 30, 2008 are as follows:

	<u>Gross Taxes Receivable</u>	<u>Allowance for Uncollectible Taxes</u>	<u>Net Estimated to be Collectible</u>	<u>Tax Revenue Recognized</u>	<u>Deferred Taxes</u>
Real Estate	\$ 519,942	\$ --	\$ 519,942	\$ 123,157	\$ 396,785
Interims	1,295	--	1,295	--	1,295
Per Capita	<u>259,132</u>	<u>177,568</u>	<u>81,564</u>	<u>1,905</u>	<u>79,659</u>
TOTAL	<u>\$ 780,369</u>	<u>\$ 177,568</u>	<u>\$ 602,801</u>	<u>\$ 125,062</u>	<u>\$ 477,739</u>

The deferred revenue balance in the general fund in the fund financial statements of \$ 515,708 consists of the following:

Deferred Taxes	\$ 477,739
Federal Grants	5,555
State Grants	785
Student Activity Accounts	<u>31,629</u>
TOTAL	<u>\$ 515,708</u>

NOTE 5 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments represent receivables for revenues earned by the school district. At June 30, 2008, the following amounts are due from other governmental units:

	<u>General Fund</u>
Federal (through the state)	\$ 94,573
State	221,563
Local	<u>386,733</u>
	<u>\$ 702,869</u>

NOTE 6 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 4,200	\$ --	\$ --	\$ 4,200
Total Capital Assets Not Being Depreciated	<u>4,200</u>	<u>--</u>	<u>--</u>	<u>4,200</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 6 - CHANGES IN CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Being Depreciated				
Site Improvements	2,716,735	--	--	2,716,735
Buildings	29,139,161	20,442	--	29,159,603
Furniture and Fixtures	942,857	--	--	942,857
Library Books	425,965	45,283	--	471,248
Vehicles	268,995	--	--	268,995
Equipment	<u>288,401</u>	<u>67,283</u>	<u>13,345</u>	<u>342,339</u>
Total Assets Being Depreciated	<u>33,782,114</u>	<u>133,008</u>	<u>13,345</u>	<u>33,901,777</u>
Less Accumulated Depreciation For:				
Site Improvements	955,369	105,156	--	1,060,525
Buildings	5,136,059	726,936	--	5,862,995
Furniture and Fixtures	529,907	39,107	--	569,014
Library Books	235,418	34,313	--	269,731
Vehicles	177,735	17,627	--	195,362
Equipment	<u>166,556</u>	<u>23,656</u>	<u>13,345</u>	<u>176,867</u>
Total Accumulated Depreciation	<u>7,201,044</u>	<u>946,795</u>	<u>13,345</u>	<u>8,134,494</u>
Total Capital Assets, Being Depreciated, Net	<u>26,581,070</u>	<u>(813,787)</u>	<u>--</u>	<u>25,767,283</u>
Governmental Activities, Capital Assets, Net	<u>\$26,585,270</u>	<u>\$ (813,787)</u>	<u>\$ --</u>	<u>\$ 25,771,483</u>
Business-Type Activities				
Capital Assets Being Depreciated				
Equipment	\$ 120,941	\$ --	\$ --	\$ 120,941
Total Capital Assets, Being Depreciated	<u>120,941</u>	<u>--</u>	<u>--</u>	<u>120,941</u>
Less Accumulated Depreciation For:				
Equipment	<u>85,265</u>	<u>5,401</u>	<u>--</u>	<u>90,666</u>
Total Accumulated Depreciation	<u>85,265</u>	<u>5,401</u>	<u>--</u>	<u>90,666</u>
Total Capital Assets Being Depreciated, Net	<u>35,676</u>	<u>(5,401)</u>	<u>--</u>	<u>30,275</u>
Business-Type Activities Capital Assets, Net	<u>\$ 35,676</u>	<u>\$ (5,401)</u>	<u>\$ --</u>	<u>\$ 30,275</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 6 - CHANGES IN CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:		
Instruction:		
Regular	\$	520,411
Special		209,946
Support Services:		
Pupil Personnel		7,259
Instructional Staff		7,259
Administration		30,771
Pupil Health		7,258
Operation and Maintenance of Plant		127,249
Operation of Noninstructional Services:		
Student Activities		18,936
Unallocated Depreciation Expense		<u>17,706</u>
Total Depreciation Expense – Governmental Activities	<u>\$</u>	<u>946,795</u>
 Business-Type Activities		
Cafeteria	<u>\$</u>	<u>5,401</u>
Total Depreciation expense – Business-Type Activities	<u>\$</u>	<u>5,401</u>

NOTE 7 - LONG-TERM DEBT

During the fiscal year ended June 30, 2008, long-term debt changed as follows:

	Bonds/Notes Payable	Compensated Absences	Total Long-Term Debt
Beginning of Year	\$ 18,470,000	\$ 327,750	\$ 18,797,750
Principal Retirement	(1,410,000)	--	(1,410,000)
(Decrease) in Compensated Absences	--	(2,763)	(2,763)
Pay-Outs of Compensated Absences	--	(9,180)	(9,180)
End of Year	<u>\$ 17,060,000</u>	<u>\$ 315,807</u>	<u>\$ 17,375,807</u>
Current Portion	1,255,000	31,581	1,286,581

The payments of long-term debt are to be funded by the general fund and debt service fund.

The school district does not currently have any long-term liabilities for business-type activities.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 7 - LONG-TERM DEBT (Continued)

The future annual payments required to amortize all outstanding debt and obligations, except for the compensated absences, as of June 30, 2008, including total interest payments are as follows:

Year Ended June 30,	General Obligation Bonds		
	Interest	Principal	Total
2009	\$ 664,730	\$ 1,255,000	\$ 1,919,730
2010	627,690	1,295,000	1,922,690
2011	586,548	1,335,000	1,921,548
2012	541,693	1,385,000	1,926,693
2013	491,139	710,000	1,201,139
2014-2018	2,034,354	4,025,000	6,059,354
2019-2023	1,139,951	5,000,000	6,139,951
2024-2026	152,585	2,055,000	2,207,585
TOTAL	<u>\$6,238,690</u>	<u>\$ 17,060,000</u>	<u>\$ 23,298,690</u>

General Obligation Bonds, Series of 2001

On September 15, 2001, the school district issued general obligation bonds in the amount of \$3,810,000. The purpose of the bonds is to (1) currently refund the school district's outstanding General Obligation Bonds, Series A of 1996 and (2) pay the costs of issuing the bonds. The bonds bear interest rates ranging from 2.50% to 3.85% with principal maturities from March 2002 through March 2008. The balance outstanding as of June 30, 2008 was \$0-

General Obligation Bonds, Series of 2003

On November 21, 2002, the Board of School Directors adopted a resolution to incur non-electoral debt evidenced by General Obligation Bonds, Series of 2003 dated January 1, 2003 in the amount of \$4,160,000. The purpose of the bonds is (1) to advance refund the general obligation notes, series of 1998 and (2) to pay the costs of issuing and insuring the bonds. The bonds bear interest rates ranging from 2.0% to 3.7% with principal maturities from February 2003 through February 2012. The balance outstanding as of June 30, 2008 was \$2,665,000.

General Obligation Bonds, Series of 2004

On May 15, 2004, the school district issued general obligation bonds in the amount of \$9,995,000. The purpose of the bonds is to (1) finance renovations, additions and alterations to existing school facilities, the administrative building project and other miscellaneous capital expenditures, and (2) pay the costs of issuing the bonds. The bonds bear interest rates ranging from 1.30% to 4.65% with principal maturities from June 2005 through June 2024. The balance outstanding as of June 30, 2008 was \$8,790,000.

General Obligation Bonds, Series of 2005

On July 1, 2005, the school district issued general obligation bonds in the amount of \$6,000,000. The purpose of the bonds is to (1) finance renovations, additions and alterations to existing school facilities and other miscellaneous capital expenditures, and (2) pay the costs of issuing the bonds. The bonds bear interest rates ranging from 2.70% to 4.45% with principal maturities from June 2007 through June 2026. The balance outstanding as of June 30, 2008 was \$5,605,000.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 7 - LONG-TERM DEBT (Continued)

Compensated Absences

Vacation – The school district administrators and support staff are granted vacation in varying amounts, based on individual contracts and on length of service. Administrators with accumulated vacation days in excess of thirty days and who are unable to take vacation, the number of vacation days over thirty is transferred to sick leave. Support staff must utilize vacation days earned during a school year by June 30th of the following school year or be forfeited.

Sick Leave – The school district allows all employees to accumulate their unused sick leave as specified in negotiated labor contracts, employee handbooks or individual employment handbooks. Sick leave use is based on a last-in first-out (LIFO) basis. Sick leave provisions for each employee group are:

<u>Group</u>	<u>Days per Year</u>	<u>Accumulation</u>	<u>Lump Sum Payout</u>
Administrators	Per Contract	Unlimited	Per Contract
Teachers and Other Licensed Professionals	10	Unlimited	Per Negotiated Labor Contract
Secretary/Clerical Staff	10	Unlimited	\$22/Day Times a
Maintenance and Custodians	10	Unlimited	Maximum 225 Days.
Cafeteria Personnel	10	Unlimited	Must be 55 Years of
Aides	10	Unlimited	Age with 10 Years Employment with the District

Accumulated compensated absences for teachers and other licensed professionals are estimated by management based on the following assumptions:

- Persons over age 50 with 10 or more years of service with the District will become retirees of the district
- Persons over age 50 with less than 10 years of service with the District or persons under age 50 with more than 10 years of service with the District are 50% likely to be retirees of the District

Salary-related payments associated with the payment of compensated absences are included in the total liability accrual for compensated absences.

NOTE 8 - SELF INSURANCE – HEALTH BENEFITS

The school district is participating in the insurance consortium with the Lancaster-Lebanon Intermediate Unit No. 13 to provide for the medical care for eligible employees and their dependents. The intermediate unit, which administers the plan, monitors the school's deposits into the school district trust account to be held for the benefits described above and Healthguard, the HMO plan administrator, processes and pays the claims. The school district was limited in liability to \$60,000 per individual claim and the pool was limited in liability to \$150,000 per individual claim. The school district was limited in liability to \$2,339,895 in total per year by purchasing specific and aggregate stop-loss insurance coverage. Management has designated \$600,000 of its fund balance at June 30, 2008 for the future payment of claims. The district has recorded a liability for claims incurred prior to June 30, 2008 and paid subsequently in the amount of \$176,387. The claim liability is reflected in accounts payable in the health insurance fund.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 8 - SELF INSURANCE - HEALTH BENEFITS (Continued)

CHANGE IN AGGREGATE CLAIM LIABILITIES - HEALTH BENEFITS

<u>Year Ended June 30,</u>	<u>2008</u>	<u>2007</u>
Claim Liability – Beginning of Year	\$ 163,355	\$ 161,866
Current Year Claims and Changes in Estimates	2,064,363	2,148,718
Claim Payments by School District	<u>(2,051,331)</u>	<u>(2,147,229)</u>
Claim Liability – End of Year	<u>\$ 176,387</u>	<u>\$ 163,355</u>

NOTE 9 - PENSION PLAN

Plan Description

School districts in the Commonwealth of Pennsylvania participate in the Public School Employees' Retirement System (the System), a governmental cost sharing multiple-employer defined benefit plan. The System provides retirement and disability, legislatively mandated *ad hoc* cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants. Authority is established by the Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended)(24 Pa. C.S. 8101-8535).

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Barbara D. Flurie, Office of Financial Management, Public School Employees' Retirement System, P.O. Box 125, Harrisburg, PA 17108-0125. The report is also available on the PSERS web-site on the Internet at www.psers.state.pa.us./publications/cafr/index.htm.

Contributions and Funding Policy

The contribution policy is established in the Public School Employees' Retirement Code and requires contributions by active members, employers, and the Commonwealth. Active members who joined the System prior to July 22, 1983 contribute at 5.25 percent (Membership Class TC) or at 6.50 percent (Membership Class TD) of the member's qualifying compensation. For members joining the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, the contribution rate is 6.25 percent (Membership Class TC) or at 7.50 percent (Membership Class TD) of the member's qualifying compensation. Members who joined the System after June 30, 2001 contribute at 7.50 percent (automatic Membership Class TD). For all new hires and for members who elected class TD membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Contributions required of employers are based upon an actuarial valuation. For the fiscal year ended June 30, 2008, the rate of employer's contribution was 7.13 percent of covered payroll. The 7.13 percent rate is composed of a pension contribution rate of 6.44 percent for pension benefits and .69 percent for healthcare insurance premium assistance.

Columbia Borough School District's contributions to the System for the years ending June 30, 2008, 2007, and 2006 were \$599,006, \$518,297 and, \$345,093, respectively, equal to the required contributions for each year.

NOTE 10 - OPERATING LEASES

On January 4, 1995, each of the sixteen public school districts in the county signed lease rental agreements with the Lancaster County Vo-Tech Authority (the "Authority"). The Authority issued \$18,000,000 of bonds that year and each district agreed to make payments of their pro-rated share of the Authority's debt service. Each district's prorated shares are calculated annually based on assessed market value.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 10 - OPERATING LEASES (Continued)

On October 1, 1998 the Authority issued guaranteed lease revenue bonds in the amount of \$17,725,000 in order to advance refund the 1995 bonds and to pay the cost of the new bond issuance. The bonds bear interest rates ranging from 3.65% to 5.25%.

During the years ended June 30, 2008 and 2007 the district paid \$22,591 and \$23,789 respectively in operating lease payments for its pro-rated share of the Authority's debt service.

The future annual lease payments for the district's pro-rated share are as follows:

<u>Year Ended June 30,</u>	
2009	\$ 22,605
2010	<u>22,617</u>
	<u>\$ 45,222</u>

NOTE 11 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Board of School Directors adopted a policy to permit any professional employee who retires at age 50 or later to continue group insurance coverage to age 65 by remitting the monthly premium to the school district. To be eligible an employee must have been employed ten or more years with participation in the Public School Employees' Retirement System and five years of service in the Columbia Borough School District. Coverage is limited to dependents that were included one year prior to the employee's retirement. All group insurance coverage terminates upon either eligibility for Medicare, nonreceipt of premium within 30 days of the due date, or insurance coverage by another employer. Coverage does not include life insurance or dental insurance. The retiree's cost of group insurance is calculated by the plan administrator and is based on projected expenditures for the year. The retiree's premium for the group insurance is payable in advance on a monthly basis. The school district has elected to finance post employment benefits on a pay-as-you go basis. The school district recognizes expenditures for post employment group insurance when claims are filed with the plan administrator. The District is responsible for all claims in excess of the premiums received by the qualified retirees. The District is limited in liability in accordance with the Lancaster-Lebanon Intermediate Unit No. 13 insurance consortium as stated in Note 8. Currently, there are five participants receiving benefits. The total claims paid on behalf of these participants and premiums paid by the participants to the school district, for the year ended June 30, 2008, were \$28,578 and \$39,687, respectively. The District has elected not to early implement GASB 45.

NOTE 12 - CONTINGENT LIABILITIES

Grant Programs

The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 13 - PARTICIPATION IN RISK SHARING POOL

The District has elected to become a member of a self-insurance pool for worker's compensation insurance with the Lancaster-Lebanon Intermediate Unit No. 13, Lancaster County Academy and sixteen other school districts and local education agencies. The district entered into an agreement which states that the district pays an annual premium to the fund for the purpose of seeking prevention or lessening of claims due to injuries of employees of the members and to pool worker's compensation and occupational disease insurance risks, reserves, claims and losses and to provide self-insurance and re-insurance thereof. Each member is assessed an amount based on their covered payroll and prior experience of worker's compensation claims. All claims are then paid from the pool with reinsurance being purchased by the pool for claims in excess of \$350,000 per occurrence. Claims are paid on an aggregate basis, and separate accounts for each member are not maintained. If there is a deficiency in the pooled funds, each member is assessed an amount equal to their proportional share as described above.

As of June 30, 2008 the school district is not aware of any additional assessments relating to the fund.

NOTE 14 - DUE TO/FROM OTHER FUNDS AND TRANSFERS

Interfund receivable and payable balances as of June 30, 2008 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 307,844	\$ 128,033
Capital Reserve Fund	119,084	--
Enterprise Fund	8,949	1,052
Agency Fund	--	6,223
Internal Service Fund	--	<u>300,569</u>
	<u>\$ 435,877</u>	<u>\$ 435,877</u>

Interfund balances consist of health insurance claims paid from the general fund and not reimbursed by the health insurance fund until July 2008. Amounts due to the general fund from the agency fund represents monies set aside from graduating classes to purchase a marquee sign for the high school. Interfund balances also consist of a transfer to the capital reserve fund to be used for future capital purchases.

Interfund Transfers:

	<u>Transfer to Other Funds</u>	<u>Transfer from Other Funds</u>
General Fund	\$ 2,701,145	\$ --
Debt Service Fund	--	2,113,145
Internal Service Fund	--	400,000
Enterprise Fund	--	89,000
Athletic Fund	--	<u>99,000</u>
	<u>\$ 2,701,145</u>	<u>\$ 2,701,145</u>

The district typically transfers a budgeted dollar amount from the general fund to the athletic fund to assist the athletic fund in providing for the various sporting events and activities throughout the year. The amount of the transfer was \$99,000. Also, the district typically pays a majority of its debt service out of the debt service fund, therefore, the general fund transfers enough dollars each year to pay the annual debt service. The amount transferred was \$2,113,145. The general fund also made a transfer of \$89,000 to the enterprise fund during the year to provide assistance with cost of operating the food service fund. The district transferred \$400,000 from the general fund to the health insurance fund to pay health insurance claims.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 15 - FUND BALANCE/NET ASSETS

Unreserved - Designated Fund Balance

The fund balance designations in the general fund totaling \$1,194,320 represents \$600,000 set aside for future payment of medical insurance claims, \$89,000 for special education claims and \$505,320 reserved for expenditures budgeted for 2008-2009.

The fund balance designation in the capital reserve fund totaling \$872,916 represents funds for the high school project.

Deficit Fund Balance - Health Insurance Fund

The District has a deficit balance in the health insurance fund of \$476,956. The balance is to be funded from future transfers from the general fund.

Net Assets - Restricted

Restricted net assets consists of \$6,223 restricted by the Class of 2006 and 2007 for the purchase of a marquee sign for the high school.

NOTE 16 - RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended June 30, 2008 and the two previous fiscal years, no settlements exceeded insurance coverage.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**INDIVIDUAL FUND SCHEDULES OF REVENUE AND OTHER
FINANCING SOURCES COMPARED WITH BUDGET – GENERAL
FUND AND EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET – GENERAL FUND
JUNE 30, 2008**

The General Fund is used to account for most of the current operating revenues and expenditures including certain capital outlays and certain debt service expenditures. All tax revenues and other receipts and expenditures not specified by law or contractual agreement to another fund type are accounted for in the General Fund. This includes revenues and expenditures for federal programs.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED WITH BUDGET – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Revenue</u>	<u>Variance Positive (Negative)</u>
REVENUE FROM LOCAL SOURCES					
Current Real Estate Taxes	\$ 6,821,690	\$ --	\$ 6,821,690	\$ 6,774,541	\$ (47,149)
Interim Real Estate Taxes	10,000	--	10,000	3,972	(6,028)
Public Utility Realty Tax	10,000	--	10,000	11,301	1,301
Payments in Lieu of Current Taxes	11,000	--	11,000	11,000	--
Current Per Capita Taxes – Sec. 679	24,000	--	24,000	19,925	(4,075)
Current Per Capita Taxes – Act 511	44,000	--	44,000	39,850	(4,150)
Emergency Municipal Services Tax	10,000	--	10,000	5,297	(4,703)
Current Earned Income Taxes	680,000	--	680,000	838,831	158,831
Delinquent Taxes	615,000	--	615,000	433,038	(181,962)
Interest on Investments	250,000	--	250,000	248,560	(1,440)
Revenue from Intermediate Sources – Federal Funds	313,000	173,621	486,621	403,390	(83,231)
Revenue from Intermediate Sources – State Funds	--	8,548	8,548	14,700	6,152
Revenue from Intermediate Sources – Other Funds	--	--	--	3,434	3,434
Rentals	45,000	--	45,000	41,718	(3,282)
Contributions and Donations from Private Sources	5,000	--	5,000	468	(4,532)
Tuition from Patrons	22,500	--	22,500	14,408	(8,092)
Student Activity Income	50,000	--	50,000	19,461	(30,539)
Miscellaneous Revenue	<u>20,000</u>	<u>1,000</u>	<u>21,000</u>	<u>21,818</u>	<u>818</u>
TOTAL REVENUE FROM LOCAL SOURCES	<u>8,931,190</u>	<u>183,169</u>	<u>9,114,359</u>	<u>8,905,712</u>	<u>(208,647)</u>
REVENUE FROM STATE SOURCES					
Basic Instructional Subsidy	5,565,811	--	5,565,811	5,606,900	41,089
Charter Schools – Nonpublic	40,000	--	40,000	47,807	7,807
Tuition for Orphans and Children - Placed in Private Homes	80,000	--	80,000	53,405	(26,595)
School Improvement Grant	--	9,500	9,500	9,500	--
Homebound Instruction	800	--	800	1,770	970
Alternative Education	--	12,924	12,924	11,519	(1,405)
Migratory Children	--	--	--	280	280
Special Education of Exceptional Pupils	1,150,320	--	1,150,320	1,150,350	30
Education Assistance Program	165,661	(3)	165,658	147,947	(17,711)
Transportation	13,000	--	13,000	11,307	(1,693)
Rentals	421,826	--	421,826	648,712	226,886
Medical, Dental and Nurse Services	33,000	--	33,000	29,785	(3,215)
Extra Grants	314,531	41,402	355,933	349,438	(6,495)
Revenue for Social Security Payments	315,764	--	315,764	341,184	25,420
Revenue for Retirement Payments	<u>294,300</u>	<u>--</u>	<u>294,300</u>	<u>350,477</u>	<u>56,177</u>
TOTAL REVENUE FROM STATE SOURCES	<u>8,395,013</u>	<u>63,823</u>	<u>8,458,836</u>	<u>8,760,381</u>	<u>301,545</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED WITH BUDGET – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Revenue</u>	<u>Variance Positive (Negative)</u>
REVENUE FROM FEDERAL SOURCES					
Education of Disadvantaged Children, ESEA, Title I	548,787	142,113	690,900	543,187	(147,713)
Title II	99,605	55,040	154,645	111,551	(43,094)
Title V – Innovative Education	5,220	(2,631)	2,589	2,589	--
Safe and Drug Free Schools	--	9,180	9,180	7,006	(2,174)
Other Restricted Federal Grants in Aid through the Commonwealth	<u>8,000</u>	<u>23,279</u>	<u>31,279</u>	<u>31,656</u>	<u>377</u>
TOTAL REVENUE FROM FEDERAL SOURCES	<u>661,612</u>	<u>226,981</u>	<u>888,593</u>	<u>695,989</u>	<u>(192,604)</u>
TOTAL REVENUES	<u>\$ 17,987,815</u>	<u>\$ 473,973</u>	<u>\$ 18,461,788</u>	<u>\$ 18,362,082</u>	<u>\$ (99,706)</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Expenditures</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES					
INSTRUCTION					
REGULAR PROGRAMS					
Salaries	\$ 4,367,250	\$ 414,015	\$ 4,781,265	\$ 4,770,379	\$ 10,886
Employee Benefits	1,266,210	211,796	1,478,006	1,465,056	12,950
Purchased Professional and Technical Services	169,213	91,957	261,170	261,153	17
Purchased Property Services	35,688	(7,100)	28,588	27,962	626
Other Purchased Services	164,050	98,162	262,212	253,812	8,400
Supplies	289,062	75,794	364,856	361,197	3,659
Property	99,100	160,820	259,920	259,815	105
Other Objects	<u>785</u>	<u>1,462</u>	<u>2,247</u>	<u>2,247</u>	<u>--</u>
TOTAL REGULAR PROGRAMS	<u>6,391,358</u>	<u>1,046,906</u>	<u>7,438,264</u>	<u>7,401,621</u>	<u>36,643</u>
SPECIAL PROGRAMS					
Salaries	849,732	(6,000)	843,732	841,204	2,528
Employee Benefits	278,935	6,000	284,935	283,344	1,591
Purchased Professional and Technical Services	1,515,906	153,494	1,669,400	1,624,474	44,926
Purchased Property Services	35,000	(14,000)	21,000	20,560	440
Other Purchased Services	154,000	35,000	189,000	181,031	7,969
Supplies	<u>30,200</u>	<u>11,220</u>	<u>41,420</u>	<u>35,376</u>	<u>6,044</u>
TOTAL SPECIAL PROGRAMS	<u>2,863,773</u>	<u>185,714</u>	<u>3,049,487</u>	<u>2,985,989</u>	<u>63,498</u>
VOCATIONAL EDUCATION PROGRAMS					
Other Purchased Services	<u>264,000</u>	<u>16,053</u>	<u>280,053</u>	<u>280,053</u>	<u>--</u>
TOTAL VOCATIONAL EDUCATION PROGRAMS	<u>264,000</u>	<u>16,053</u>	<u>280,053</u>	<u>280,053</u>	<u>--</u>
OTHER INSTRUCTIONAL PROGRAMS					
Salaries	657,099	(477,124)	179,975	179,725	250
Employee Benefits	181,765	(118,516)	63,249	63,246	3
Purchased Professional and Technical Services	36,643	(12,639)	24,004	23,495	509
Other Purchased Services	450	2,150	2,600	901	1,699
Supplies	<u>75,987</u>	<u>(40,872)</u>	<u>35,115</u>	<u>32,843</u>	<u>2,272</u>
TOTAL OTHER INSTRUCTIONAL PROGRAMS	<u>951,944</u>	<u>(647,001)</u>	<u>304,943</u>	<u>300,210</u>	<u>4,733</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Expenditures</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES (Continued)					
COMMUNITY/JUNIOR COLLEGE					
EDUCATION					
Other Purchased Services	--	3,000	3,000	1,050	1,950
Supplies	--	2,953	2,953	1,075	1,878
Other Objects	--	350	350	350	--
TOTAL COMMUNITY/JUNIOR COLLEGE EDUCATION	<u>--</u>	<u>6,303</u>	<u>6,303</u>	<u>2,475</u>	<u>3,828</u>
TOTAL INSTRUCTION	<u>10,471,075</u>	<u>607,975</u>	<u>11,079,050</u>	<u>10,970,348</u>	<u>108,702</u>
SUPPORT SERVICES					
PUPIL PERSONNEL					
Salaries	444,042	13,600	457,642	457,582	60
Employee Benefits	142,408	(4,900)	137,508	136,646	862
Purchased Professional and Technical Services	34,425	4,700	39,125	39,098	27
Purchased Property Services	5,000	600	5,600	5,570	30
Other Purchased Services	9,100	5,771	14,871	10,053	4,818
Supplies	15,305	4,481	19,786	18,945	841
Property	1,500	3,533	5,033	4,786	247
Other Objects	250	85	335	85	250
TOTAL PUPIL PERSONNEL	<u>652,030</u>	<u>27,870</u>	<u>679,900</u>	<u>672,765</u>	<u>7,135</u>
INSTRUCTIONAL STAFF					
Salaries	327,848	145,298	473,146	473,145	1
Employee Benefits	198,445	79,071	277,516	277,182	334
Purchased Professional and Technical Services	31,974	157,827	189,801	117,681	72,120
Purchased Property Services	4,540	(4,540)	--	--	--
Other Purchased Services	153,716	(91,551)	62,165	23,064	39,101
Supplies	36,085	34,424	70,509	63,404	7,105
Property	4,940	27,850	32,790	2,608	30,182
Other Objects	2,610	190	2,800	2,532	268
TOTAL INSTRUCTIONAL STAFF	<u>760,158</u>	<u>348,569</u>	<u>1,108,727</u>	<u>959,616</u>	<u>149,111</u>
ADMINISTRATION					
Salaries	564,721	(73,700)	491,021	490,535	486
Employee Benefits	198,468	(20,700)	177,768	168,443	9,325
Purchased Professional and Technical Services	77,925	75,600	153,525	153,504	21
Purchased Property Services	18,000	6,600	24,600	24,563	37
Other Purchased Services	43,136	(12,500)	30,636	29,766	870
Supplies	22,050	890	22,940	19,208	3,732
Property	3,300	--	3,300	--	3,300
Other Objects	9,465	--	9,465	7,197	2,268
TOTAL ADMINISTRATION	<u>937,065</u>	<u>(23,810)</u>	<u>913,255</u>	<u>893,216</u>	<u>20,039</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Expenditures</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES (Continued)					
SUPPORT SERVICES (Continued)					
PUPIL HEALTH					
Salaries	142,541	5,500	148,041	146,210	1,831
Employee Benefits	44,214	5,960	50,174	49,079	1,095
Purchased Professional and Technical Services	109,000	20,380	129,380	86,160	43,220
Purchased Property Services	5,850	(5,496)	354	45	309
Other Purchased Services	350	40	390	390	--
Supplies	<u>1,565</u>	<u>399</u>	<u>1,964</u>	<u>1,922</u>	<u>42</u>
TOTAL PUPIL HEALTH	<u>303,520</u>	<u>26,783</u>	<u>330,303</u>	<u>283,806</u>	<u>46,497</u>
BUSINESS					
Salaries	166,988	1,000	167,988	167,829	159
Employee Benefits	64,025	(5,301)	58,724	48,845	9,879
Purchased Professional and Technical Services	28,555	(3,000)	25,555	21,760	3,795
Purchased Property Services	15,310	(1,200)	14,110	8,044	6,066
Other Purchased Services	10,475	(2,300)	8,175	4,381	3,794
Supplies	13,700	(1,400)	12,300	10,259	2,041
Property	2,000	(2,000)	--	--	--
Other Objects	<u>16,365</u>	<u>635</u>	<u>17,000</u>	<u>16,684</u>	<u>316</u>
TOTAL BUSINESS	<u>317,418</u>	<u>(13,566)</u>	<u>303,852</u>	<u>277,802</u>	<u>26,050</u>
OPERATION AND MAINTENANCE OF PLANT SERVICES					
Salaries	539,151	(34,900)	504,251	502,462	1,789
Employee Benefits	226,331	(21,100)	205,231	189,709	15,522
Purchased Professional and Technical Services	1,000	--	1,000	306	694
Purchased Property Services	350,994	6,200	357,194	344,494	12,700
Other Purchased Services	68,447	3,900	72,347	72,309	38
Supplies	234,755	(1,460)	233,295	213,935	19,360
Property	9,099	2,000	11,099	10,679	420
Other Objects	<u>180</u>	<u>400</u>	<u>580</u>	<u>575</u>	<u>5</u>
TOTAL OPERATION AND SERVICES	<u>1,429,957</u>	<u>(44,960)</u>	<u>1,384,997</u>	<u>1,334,469</u>	<u>50,528</u>
STUDENT TRANSPORTATION					
Other Purchased Services	<u>190,000</u>	<u>15,618</u>	<u>205,618</u>	<u>150,481</u>	<u>55,137</u>
TOTAL STUDENT TRANSPORTATION	<u>190,000</u>	<u>15,618</u>	<u>205,618</u>	<u>150,481</u>	<u>55,137</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Expenditures</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES (Continued)					
SUPPORT SERVICES (Continued)					
CENTRAL SUPPORT SERVICES					
Salaries	129,675	(60,500)	69,175	69,025	150
Employee Benefits	45,298	(9,000)	36,298	32,910	3,388
Purchased Professional and Technical Services	1,700	--	1,700	111	1,589
Purchased Property Services	35,927	--	35,927	30,008	5,919
Other Purchased Services	129,940	(57,038)	72,902	70,079	2,823
Supplies	30,640	1,850	32,490	18,920	13,570
Property	186,500	(162,898)	23,602	21,647	1,955
Other Objects	5,700	--	5,700	129	5,571
TOTAL CENTRAL SUPPORT SERVICES	<u>565,380</u>	<u>(287,586)</u>	<u>277,794</u>	<u>242,829</u>	<u>34,965</u>
OTHER SUPPORT SERVICES					
Other Purchased Services	7,800	--	7,800	7,152	648
TOTAL OTHER SUPPORT SERVICES	<u>7,800</u>	<u>--</u>	<u>7,800</u>	<u>7,152</u>	<u>648</u>
TOTAL SUPPORT SERVICES	<u>5,163,328</u>	<u>48,918</u>	<u>5,212,246</u>	<u>4,822,136</u>	<u>390,110</u>
OPERATION OF NONINSTRUCTIONAL SERVICES					
STUDENT ACTIVITIES					
Salaries	178,203	3,785	181,988	181,969	19
Employee Benefits	37,352	3,211	40,563	40,559	4
Purchased Professional and Technical Services	1,500	2,300	3,800	3,770	30
Purchased Property Services	2,240	1,525	3,765	3,634	131
Other Purchased Services	14,000	507	14,507	10,051	4,456
Supplies	95,919	(48,283)	47,636	23,163	24,473
Property	6,995	13,985	20,980	17,727	3,253
Other Objects	2,140	855	2,995	2,203	792
TOTAL STUDENT ACTIVITIES	<u>338,349</u>	<u>(22,115)</u>	<u>316,234</u>	<u>283,076</u>	<u>33,158</u>
COMMUNITY SERVICES					
Salaries	--	800	800	541	259
Employee Benefits	--	80	80	62	18
Purchased Professional and Technical Services	--	470	470	470	--
Other Purchased Services	15,200	(200)	15,000	10,227	4,773
Supplies	--	10,530	10,530	3,911	6,619
TOTAL COMMUNITY SERVICES	<u>15,200</u>	<u>11,680</u>	<u>26,880</u>	<u>15,211</u>	<u>11,669</u>
TOTAL OPERATION OF NON- INSTRUCTIONAL SERVICES	<u>353,549</u>	<u>(10,435)</u>	<u>343,114</u>	<u>298,287</u>	<u>44,827</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Expenditures</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES (Continued)					
TOTAL EXPENDITURES	<u>15,987,952</u>	<u>646,458</u>	<u>16,634,410</u>	<u>16,090,771</u>	<u>543,639</u>
OTHER FINANCING USES					
INTERFUND TRANSFERS	<u>2,648,145</u>	<u>54,000</u>	<u>2,702,145</u>	<u>2,701,145</u>	<u>1,000</u>
BUDGETARY RESERVE	<u>350,000</u>	<u>(226,485)</u>	<u>123,515</u>	<u>--</u>	<u>123,515</u>
TOTAL OTHER FINANCING USES	<u>2,998,145</u>	<u>(172,485)</u>	<u>2,825,660</u>	<u>2,701,145</u>	<u>124,515</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 18,986,097</u>	<u>\$ 473,973</u>	<u>\$ 19,460,070</u>	<u>\$ 18,791,916</u>	<u>\$ 668,154</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA
COMBINING STATEMENTS – FIDUCIARY FUND
JUNE 30, 2008**

Fiduciary Fund

Agency Fund This fund accounts for assets held as an agent for various student activities.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2008</u>
ASSETS				
Cash and Cash Equivalents	\$ 28,153	\$ 32,193	\$ 39,956	\$ 20,390
Other Receivables	<u>20</u>	<u>--</u>	<u>20</u>	<u>--</u>
TOTAL ASSETS	<u>\$ 28,173</u>	<u>\$ 32,193</u>	<u>\$ 39,976</u>	<u>\$ 20,390</u>
 LIABILITIES				
Due to Other Funds	\$ 6,157	\$ 66	\$ --	\$ 6,223
Due to Student Other Groups	<u>22,016</u>	<u>32,127</u>	<u>39,976</u>	<u>14,167</u>
TOTAL LIABILITIES	<u>\$ 28,173</u>	<u>\$ 32,193</u>	<u>\$ 39,976</u>	<u>\$ 20,390</u>

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Statistical Section



1957

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA

STATISTICAL SECTION

This section provides further details as a context for better understanding of the financial statements.

<u>Contents</u>	<u>Begins Page</u>
Financial Trends These schedules contain trend information to help the reader understand how financial performance has changed over time.	1
Revenue Capacity These schedules contain information to help the reader assess the Columbia Borough School District's most significant local revenue sources and property taxes.	20
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the ability to issue additional debt in the future.	31
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	35
Operating Information These schedule contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	40

Sources: The information in these schedules is derived from the comprehensive annual financial reports for fiscal years ended June 30, 1999 - June 30, 2008 unless otherwise noted. The Columbia Borough School District implemented GASB Statement 34 in fiscal year 2001.

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
NET ASSETS BY COMPONENT
Last Eight Fiscal Years*
Accrual basis of accounting
Unaudited

	2001	2002	2003
Governmental activities			
Invested in capital assets, net of related debt	\$ 6,478,028	6,875,641	6,841,868
Restricted	-	-	-
Unrestricted	<u>2,838,070</u>	<u>2,959,802</u>	<u>2,911,266</u>
Total governmental activities net assets	<u>9,316,098</u>	<u>9,835,443</u>	<u>9,753,134</u>
Business-type activities			
Invested in capital assets, net of related debt	65,384	57,830	56,734
Unrestricted	<u>65,646</u>	<u>51,571</u>	<u>13,519</u>
Total business-type activities net assets	<u>\$ 131,030</u>	<u>\$ 109,401</u>	<u>\$ 70,253</u>
Total primary government			
Invested in capital assets, net of related debt	6,543,412	6,933,471	6,898,602
Restricted	-	-	-
Unrestricted	<u>2,903,716</u>	<u>3,011,373</u>	<u>2,924,785</u>
Total primary government	<u>9,447,128</u>	<u>9,944,844</u>	<u>9,823,387</u>

Source: District Audited Financial Statements

* GASB 34 was implemented in 2001. Over time, ten fiscal years will be presented.

June 30,

2004	2005	2006	2007	2008
7,867,082	8,551,297	9,312,239	8,115,270	8,711,483
-	-	-	6,157	6,223
<u>3,703,009</u>	<u>3,834,664</u>	<u>4,470,549</u>	<u>3,917,076</u>	<u>3,490,587</u>
<u>11,570,091</u>	<u>12,385,961</u>	<u>13,782,788</u>	<u>12,038,503</u>	<u>12,208,293</u>
49,203	47,896	41,516	35,676	30,275
6,299	43,666	45,489	12,812	33,576
<u>\$ 55,502</u>	<u>\$ 91,562</u>	<u>\$ 87,005</u>	<u>\$ 48,488</u>	<u>\$ 63,851</u>
7,916,285	8,599,193	9,353,755	8,150,946	8,741,758
-	-	-	6,157	6,223
<u>3,709,308</u>	<u>3,878,330</u>	<u>4,516,038</u>	<u>3,929,888</u>	<u>3,524,163</u>
<u>11,625,593</u>	<u>12,477,523</u>	<u>13,869,793</u>	<u>12,086,991</u>	<u>12,272,144</u>

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
 Last Eight Fiscal Years*
Accrual basis of accounting
Unaudited

	<u>2003</u>	<u>2004</u>
Expenses		
Governmental activities		
Instruction	\$ 8,363,498	\$ 8,542,190
Instructional Student Support	1,007,428	1,047,590
Administrative and Financial Support Services	1,231,309	1,364,584
Operation and Maintenance of Plant Services	1,148,412	1,161,577
Pupil Transportation	94,332	117,887
Student Activities	362,807	334,305
Community Services	15,033	13,483
Interest on Long-term Debt	348,225	259,159
Unallocated depreciation expense	14,247	12,475
Total Governmental Activities	<u>12,585,291</u>	<u>12,853,250</u>
Business-type Activities		
Food Services	<u>604,997</u>	<u>618,485</u>
Total primary government expenses	<u>13,190,288</u>	<u>13,471,735</u>
Program revenues		
Governmental activities		
Charges for service	56,296	55,813
Operating Grants and Contributions	1,985,806	2,561,558
Capital Grants and Contributions	348,134	397,499
Total governmental program revenues	<u>2,390,236</u>	<u>3,014,870</u>
Business-type activities		
Charges for service	293,600	285,939
Operating Grants and Contributions	256,333	282,646
Total business-type program revenues	<u>549,933</u>	<u>568,585</u>
Total primary government program revenues	<u>\$ 3,490,102</u>	<u>\$ 4,152,040</u>
Net revenues (expenses)		
Governmental activities	\$ (10,195,055)	\$ (9,838,380)
Business-type activities	<u>(55,064)</u>	<u>(49,900)</u>
Total primary governmental expense	<u>(10,250,119)</u>	<u>(9,888,280)</u>

Source: District Audited Financial Statements

* GASB 34 not implemented until fiscal year 2001

June 30,

2005	2006	2007	2008
\$ 9,339,850	\$ 9,756,823	\$ 11,260,400	\$ 11,942,674
1,124,404	1,398,504	1,729,929	1,990,132
1,461,335	1,323,898	1,495,332	1,511,881
1,234,212	1,317,998	2,002,796	1,500,881
142,253	152,422	169,469	150,481
351,799	357,208	467,584	440,195
18,293	20,420	19,925	15,211
609,822	785,122	754,323	709,981
12,499	16,918	16,292	17,706
<u>14,294,467</u>	<u>15,129,313</u>	<u>17,916,050</u>	<u>18,279,142</u>
<u>635,978</u>	<u>722,645</u>	<u>713,395</u>	<u>801,105</u>
<u>14,930,445</u>	<u>15,851,958</u>	<u>18,629,445</u>	<u>19,080,247</u>
49,239	103,187	111,272	104,814
3,027,621	3,049,447	3,467,510	3,572,697
384,469	749,793	796,135	672,412
<u>3,461,329</u>	<u>3,902,427</u>	<u>4,374,917</u>	<u>4,349,923</u>
300,891	300,322	289,293	310,373
342,585	381,956	377,911	416,653
<u>643,476</u>	<u>682,278</u>	<u>667,204</u>	<u>727,026</u>
<u>\$ 4,748,281</u>	<u>\$ 5,266,983</u>	<u>\$ 5,709,325</u>	<u>\$ 5,803,975</u>
\$ (10,833,138)	\$ (11,226,886)	\$ (13,541,133)	\$ (13,929,219)
7,498	(40,367)	(46,191)	(74,079)
<u>(10,825,640)</u>	<u>(11,267,253)</u>	<u>(13,587,324)</u>	<u>(14,003,298)</u>

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE continued
 Last Eight Fiscal Years*
Accrual basis of accounting
Unaudited

	2003	2004
General Revenues		
Governmental activities		
Taxes:		
Property taxes levied for general purposes, net	5,181,172	5,714,378
Public utility realty, earned income and per capita taxes levied for general purposes, net	745,332	770,121
Grants, subsidies and contributions not restricted	4,077,237	4,242,397
Investment earnings	110,890	71,214
Miscellaneous Income	23,115	48,917
Special item - Contribution of capital asset	-	1,000,000
Transfers	<u>(25,000)</u>	<u>(35,000)</u>
Total governmental activities	10,112,746	11,812,027
Business-type activities		
Investment earnings	989	149
Miscellaneous income	-	-
Transfers	<u>25,000</u>	<u>35,000</u>
Total business-type activities	25,989	35,149
Total primary government	<u>10,138,735</u>	<u>11,847,176</u>
Changes in net assets		
Governmental activities	(82,309)	1,973,647
Business-type activities	<u>(29,075)</u>	<u>(14,751)</u>
Total primary government	<u>\$ (111,384)</u>	<u>\$ 1,958,896</u>

Source: District Audited Financial Statements

* GASB 34 was implemented in 2001. Over time, ten fiscal years will be presented.

June 30,

2005	2006	2007	2008
6,111,033	6,672,370	6,635,066	7,288,544
778,936	913,408	865,064	938,222
4,422,743	4,679,866	5,328,817	5,654,707
329,406	364,681	387,352	284,750
31,890	25,525	48,658	21,786
-	-	-	-
<u>(25,000)</u>	<u>(32,137)</u>	<u>(7,200)</u>	<u>(89,000)</u>
11,649,008	12,623,713	13,257,757	14,099,009
219	457	474	442
3,343	3,216	-	-
<u>25,000</u>	<u>32,137</u>	<u>7,200</u>	<u>89,000</u>
28,562	35,810	7,674	89,442
<u>11,677,570</u>	<u>12,659,523</u>	<u>13,265,431</u>	<u>14,188,451</u>
815,870	1,396,827	(283,376)	169,790
<u>36,060</u>	<u>(4,557)</u>	<u>(38,517)</u>	<u>15,363</u>
<u>\$ 851,930</u>	<u>\$ 1,392,270</u>	<u>\$ (321,893)</u>	<u>\$ 185,153</u>

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 GOVERNMENTAL FUNDS - FUND BALANCES

Last Eight Fiscal Years*

Modified accrual basis of accounting

Unaudited

	June 30,			
	2001	2002	2003	2004
General Fund				
Reserved	\$ 32,259	\$ 62,983	\$ 23,935	\$ 17,293
Unreserved				
Designated	508,000	468,000	981,639	1,156,465
Undesignated	1,178,846	1,445,575	891,196	1,272,431
Total general fund	<u>1,719,105</u>	<u>1,976,558</u>	<u>1,896,770</u>	<u>2,446,189</u>
All other governmental funds				
Reserved				
Debt Service	-	-	-	10,481
Capital purposes	896,974	783,165	761,564	10,451,145
Athletic purposes	58,618	10,728	10,157	782
Total all other governmental funds	<u>\$ 955,592</u>	<u>\$ 793,893</u>	<u>\$ 771,721</u>	<u>\$ 10,462,408</u>

Note: This schedule is prepared on the modified accrual basis of accounting.

Source: District Audited Financial Statements

* GASB 34 was implemented in 2001. Over time, ten fiscal years will be presented.

2005	2006	2007	2008
\$ 30,694	\$ 19,955	\$ 29,175	\$ 34,163
977,000	1,150,146	1,460,000	1,194,320
<u>1,690,832</u>	<u>1,552,719</u>	<u>1,524,101</u>	<u>1,354,959</u>
<u>2,698,526</u>	<u>2,722,820</u>	<u>3,013,276</u>	<u>2,583,442</u>
-	-	-	-
4,710,690	2,359,757	1,001,768	972,756
508	449	112	7,532
<u>\$ 4,711,198</u>	<u>\$ 2,360,206</u>	<u>\$ 1,001,880</u>	<u>\$ 980,288</u>

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 GOVERNMENTAL FUNDS - CHANGES IN FUND BALANCES

Last Eight Fiscal Years*

Modified accrual basis of accounting

Unaudited

	June 30,			
	2001	2002	2003	2004
Revenues				
Local Sources				
Real estate taxes and penalties	\$ 4,950,501	\$ 5,017,503	\$ 5,218,978	\$ 5,717,739
Other taxes	758,743	772,460	745,332	770,121
Interest	254,317	98,087	110,890	71,214
Revenue from intermediate sources	69,827	76,621	78,764	162,246
Tuition	17,837	12,241	10,490	11,411
Revenue from student activities	127,059	52,576	78,083	67,586
Other revenue	45,560	27,967	33,850	34,812
Refund of prior year expenses	-	-	-	252,856
Total local sources	<u>6,223,844</u>	<u>6,057,455</u>	<u>6,276,387</u>	<u>7,087,985</u>
State sources	5,395,871	5,864,280	6,003,175	6,229,994
Federal sources	<u>334,837</u>	<u>260,093</u>	<u>281,546</u>	<u>545,579</u>
Total revenues	<u>11,954,552</u>	<u>12,181,828</u>	<u>12,561,108</u>	<u>13,863,558</u>
Expenditures				
Current:				
Instruction	6,910,266	7,392,781	7,932,054	8,177,853
Support services	2,941,908	3,188,997	3,489,951	3,802,001
Operation of noninstructional services	<u>350,636</u>	<u>324,691</u>	<u>362,603</u>	<u>334,948</u>
Total current expenditures	10,202,810	10,906,469	11,784,608	12,314,802
Capital outlay				
Facilities acquisition, construction and improvement services	<u>17,247</u>	<u>80,411</u>	<u>33,857</u>	<u>207,178</u>
Total capital outlay	17,247	80,411	33,857	207,178
Debt service				
Principal	670,000	4,455,000	695,000	840,000
Interest and fiscal charges	<u>385,190</u>	<u>411,467</u>	<u>214,007</u>	<u>222,038</u>
Total debt service	<u>1,055,190</u>	<u>4,866,467</u>	<u>909,007</u>	<u>1,062,038</u>

	2005	2006	2007	2008
\$	6,111,432	\$ 6,746,480	\$ 6,648,817	\$ 7,199,532
	772,271	913,408	865,064	938,223
	329,406	364,681	387,352	284,750
	317,963	316,021	417,336	421,524
	7,090	18,772	31,292	14,408
	79,335	60,826	58,341	68,149
	36,548	66,800	90,840	64,504
	162	1,802	6,440	820
	<u>7,654,207</u>	<u>8,488,790</u>	<u>8,505,482</u>	<u>8,991,910</u>
	6,801,037	7,580,309	8,464,319	8,761,022
	<u>673,267</u>	<u>563,315</u>	<u>681,864</u>	<u>695,989</u>
	<u>15,128,511</u>	<u>16,632,414</u>	<u>17,651,665</u>	<u>18,448,921</u>
	9,034,094	9,239,267	10,261,815	10,970,348
	3,935,431	4,730,312	4,771,783	4,871,797
	356,724	398,807	466,222	456,057
	<u>13,326,249</u>	<u>14,368,386</u>	<u>15,499,820</u>	<u>16,298,202</u>
	<u>5,824,241</u>	<u>7,106,493</u>	<u>2,314,126</u>	<u>-</u>
	5,824,241	7,106,493	2,314,126	-
	860,000	1,270,000	1,505,000	1,410,000
	592,454	756,517	746,160	703,145
	<u>1,452,454</u>	<u>2,026,517</u>	<u>2,251,160</u>	<u>2,113,145</u>

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 GOVERNMENTAL FUNDS - CHANGES IN FUND BALANCES continued
 Last Seven Fiscal Years*
 Modified accrual basis of accounting
 Unaudited

	June 30,			
	2001	2002	2003	2004
Refund or prior year's receipts	-	-	-	1,134
Total expenditures	<u>11,275,247</u>	<u>15,853,347</u>	<u>12,727,472</u>	<u>13,585,152</u>
Excess (deficiency) of revenues over expenditures	679,305	(3,671,519)	(166,364)	278,406
Other financing sources (uses)				
Interfund transfers	-	-	(25,000)	(35,000)
Bond issue proceeds	-	3,810,000	4,160,000	9,995,000
Debt service on refinancing	-	-	(4,075,276)	-
Refund of prior year expenditures	-	-	4,480	-
Sale/compensation for fixed assets	<u>7,500</u>	<u>19,375</u>	<u>200</u>	<u>1,700</u>
Total other financing sources (uses)	<u>7,500</u>	<u>3,829,375</u>	<u>64,404</u>	<u>9,961,700</u>
Net change in fund balances	<u>\$ 686,805</u>	<u>\$ 157,856</u>	<u>\$ (101,960)</u>	<u>\$ 10,240,106</u>
Ratio of debt service to noncapital expenditures	6.57%	40.85%	5.90%	6.82%

Source: District Audited Financial Statements

* GASB 34 was implemented in 2001. Over time, ten fiscal years will be presented.

2005	2006	2007	2008
-	14,060	138	-
<u>20,602,944</u>	<u>23,515,456</u>	<u>20,065,244</u>	<u>18,411,347</u>
(5,474,433)	(6,883,042)	(2,413,579)	37,574
(25,000)	-	(7,200)	(489,000)
-	-	-	-
-	-	-	-
-	-	-	-
560	-	1,960	-
<u>(24,440)</u>	<u>-</u>	<u>(5,240)</u>	<u>(489,000)</u>
<u>\$ (5,498,873)</u>	<u>\$ (6,883,042)</u>	<u>\$ (2,418,819)</u>	<u>\$ (451,426)</u>
6.45%	8.84%	9.71%	8.65%

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 GENERAL FUND REVENUES AND OTHER FINANCING SOURCES BY SOURCE
 Last ten fiscal years
 Modified accrual basis of accounting
 Unaudited

Fiscal Year:	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Local Sources:				
Real Estate Taxes (Current)	\$ 4,352,513	\$ 4,609,630	\$ 4,683,907	\$ 4,667,162
Interim Real Estate Taxes	2,830	9,233	1,800	28,216
Public Utility Tax	52,061	45,611	20,499	11,438
Payment in Lieu of Tax	6,000	6,000	16,394	11,520
Per Capita Taxes - Sec. 679 (Current)	24,740	25,427	26,727	25,792
Per Capita Taxes - Act 511 (Current)	49,481	50,854	53,453	51,598
Earned Income Taxes (Current)	570,227	628,483	658,064	664,375
Delinquent Taxes	228,902	218,898	248,401	329,862
Earnings from Investments	116,057	156,829	208,669	73,303
Other Sources	163,202	82,700	102,031	116,829
State Sources:				
Instructional Subsidy	3,494,316	3,593,585	3,679,032	3,937,739
Rentals & Sinking Payments	519,983	556,586	366,213	371,865
Special Education	502,476	597,254	727,655	1,001,658
Transportation	10,575	10,066	9,368	10,136
Retirement Subsidy	170,212	134,761	58,603	35,468
Social Security Subsidy	215,805	229,016	236,914	240,564
Other Sources	152,907	293,008	317,756	266,850
Federal Sources:				
Total Federal Sources	222,821	330,233	334,838	260,093
Other Sources:				
Total Other Sources	<u>210</u>	<u>3,150</u>	<u>23,069</u>	<u>10,650</u>
Total revenues and other financing sources	<u>\$ 10,855,318</u>	<u>\$ 11,581,324</u>	<u>\$ 11,773,391</u>	<u>\$ 12,115,117</u>

Source: District Audited Financial Statements

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$	4,861,653	\$ 5,261,579	\$ 5,611,670	\$ 6,072,328	\$ 6,159,949	\$ 6,774,541
	28,621	13,150	2,059	12,760	3,976	3,972
	9,535	10,499	7,994	10,792	11,231	11,301
	11,520	5,520	14,400	11,000	11,000	11,000
	23,927	22,030	21,534	21,044	20,179	19,925
	47,853	44,062	43,051	52,583	53,141	39,850
	655,852	672,493	675,072	818,988	762,824	838,831
	325,349	458,527	497,703	661,392	491,580	433,038
	98,456	40,319	69,387	240,713	262,680	248,560
	167,405	488,194	410,698	419,904	566,220	524,694
	4,070,348	4,237,066	4,406,391	4,640,570	5,297,739	5,606,900
	336,669	387,208	384,469	749,793	796,135	648,712
	1,019,928	1,054,336	1,080,193	1,110,514	1,142,076	1,150,350
	10,179	12,551	13,272	12,040	13,204	11,307
	49,749	140,195	165,444	183,952	313,921	350,477
	260,014	263,364	282,075	297,933	325,865	341,184
	256,106	135,025	468,956	584,807	574,721	651,451
	281,546	545,579	673,267	563,315	681,864	695,989
	<u>200</u>	<u>1,700</u>	<u>560</u>	<u>25</u>	<u>1,960</u>	<u>-</u>
\$	<u>12,514,909</u>	<u>13,793,397</u>	<u>14,828,194</u>	<u>16,464,453</u>	<u>17,490,266</u>	<u>18,362,082</u>

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES BY FUNCTION

Last ten fiscal years

Modified accrual basis of accounting

Unaudited

Fiscal Year:	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Current:				
Instruction:				
Regular programs - elementary/secondary	\$ 4,838,837	\$ 5,109,548	\$ 4,819,517	\$ 5,142,420
Special programs - elementary/secondary	979,959	1,393,252	1,478,008	1,624,532
Vocational education programs	366,772	194,105	204,202	242,198
Other instructional programs - elementary/secondary	182,977	318,522	398,546	378,631
Community/Junior College	1,875	1,179	-	-
Support Services:				
Pupil personnel	380,185	307,733	308,363	371,100
Instructional staff	230,239	222,295	337,657	337,679
Administration	709,237	745,004	772,143	768,430
Pupil health	132,995	147,374	140,171	162,020
Business office	226,730	232,315	204,566	217,040
Operation and maintenance of plant	899,166	958,746	942,186	1,017,106
Student transportation services	67,493	77,200	94,743	98,257
Central support	66,538	128,869	126,856	154,451
Other support services	7,662	7,610	7,855	7,690
Noninstructional services:				
Student activities	122,324	148,557	138,820	188,724
Community services	46,395	13,367	13,768	20,667
Facilities Improvements:	-	10,225	-	-
Debt Service:	345	893	-	-
Total current expenditures	9,259,729	10,016,794	9,987,402	10,730,945
Refund of prior year's receipts	-	-	-	-
Other financing uses	<u>1,252,082</u>	<u>1,297,640</u>	<u>1,335,190</u>	<u>1,115,786</u>
Total expenditures and other financing uses	<u>\$ 10,511,811</u>	<u>\$ 11,314,434</u>	<u>\$ 11,322,592</u>	<u>\$ 11,846,731</u>

Source: District Audited Financial Statements

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$	5,535,840	\$ 5,363,553	\$ 5,680,746	\$ 5,861,535	\$ 6,556,980	\$ 7,401,621
	1,720,305	1,932,651	2,211,944	2,302,888	2,650,397	2,985,989
	294,771	271,265	257,174	275,443	252,591	280,053
	381,139	610,384	884,230	798,381	800,749	300,210
	-	-	-	1,020	1,098	2,475
	415,810	414,040	381,563	496,029	625,172	672,765
	426,024	469,230	668,440	722,272	823,822	959,616
	796,228	918,611	860,137	869,625	843,402	893,216
	149,361	166,751	188,140	212,805	229,861	283,806
	196,390	187,736	189,776	245,871	274,867	277,802
	1,058,569	1,074,510	1,082,494	1,185,926	1,366,839	1,334,469
	94,332	117,887	142,253	152,422	169,469	150,481
	261,894	228,093	239,163	262,001	239,993	242,829
	7,545	7,060	7,300	7,746	7,265	7,152
	248,449	210,551	205,230	213,698	275,600	283,076
	15,034	13,483	18,294	20,421	19,926	15,211
	-	-	-	-	-	-
	-	-	-	-	138	-
	<u>11,601,690</u>	<u>11,985,806</u>	<u>13,016,884</u>	<u>13,628,083</u>	<u>15,138,169</u>	<u>16,090,771</u>
	-	1,134	-	14,060	-	-
	<u>993,007</u>	<u>1,257,038</u>	<u>1,558,973</u>	<u>2,798,017</u>	<u>2,061,641</u>	<u>2,701,145</u>
\$	<u>12,594,697</u>	<u>13,243,978</u>	<u>14,575,857</u>	<u>16,440,160</u>	<u>17,199,810</u>	<u>18,791,916</u>

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 GENERAL FUND COST PER PUPIL FOR EXPENDITURES AND OTHER FINANCING USES
 Last ten fiscal years
Unaudited

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Total current expenditures	\$ 9,259,729	\$ 10,016,794	\$ 9,987,402	\$ 10,730,945	\$ 11,601,690
Current Expenditures per pupil	\$ 6,068	\$ 6,764	\$ 6,726	\$ 7,055	\$ 7,553
Total expenditures and other financing uses	\$ 10,511,811	\$ 11,314,434	\$ 11,322,592	\$ 11,846,731	\$ 12,594,697
Total Expenditures per pupil	\$ 6,888	\$ 7,640	\$ 7,625	\$ 7,789	\$ 8,200

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 11,985,806	\$ 13,016,884	\$ 13,628,083	\$ 15,138,031	\$ 16,090,711
\$ 8,176	\$ 8,910	\$ 9,277	\$ 10,305	\$ 11,452
\$ 13,243,978	\$ 14,575,857	\$ 16,426,100	\$ 17,199,672	\$ 18,791,916
\$ 9,034	\$ 9,977	\$ 11,182	\$ 11,708	\$ 13,375

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Seven Fiscal Years
Unaudited

Calendar Year	Assessed Value				
	Residential Property	Industrial Property	Commercial Property	Agricultural Property	Total Taxable Assessed Value
2002	227,245,400	17,862,300	57,032,600	426,000	302,566,300
2003	229,938,200	16,568,100	56,761,500	426,000	303,693,800
2004	231,855,800	16,568,100	59,422,000	426,000	308,271,900
2005*	270,905,600	18,404,000	66,760,200	250,500	356,320,300
2006	271,349,800	18,245,400	66,444,100	500,500	356,539,800
2007	273,143,900	19,932,000	64,972,900	543,000	358,591,800
2008**	273,310,800	19,773,500	64,291,000	549,500	357,924,800

Sources:

Lancaster County Assessment Office
 State Tax Equalization Board

*County-wide reassessment done in Lancaster County, Pennsylvania

**Estimated as of 11-7-2008

***Calculated at 100% of the total direct tax rate times assessed value. No reduction has been taken for anticipated collection rates.

**** Per \$1,000 of assessed value

Note: Data prior to 2002 not available in this format. Will continue to build this schedule to ten years of data over time.

<u>Total Direct Tax Rate***</u>	<u>Estimated Actual Taxable Value***</u>	<u>Total Real Market Value</u>	<u>Total Assessed Value</u>	<u>Assessed Value as a percentage of Real Market Value</u>
16.50	4,992,344	254,166,200	304,816,300	119.93%
17.00	5,162,795	254,565,000	305,575,200	120.04%
19.00	5,857,166	269,743,300	309,828,500	114.86%
18.77	6,688,132	269,743,300	357,940,900	132.70%
18.77	6,692,252	298,528,100	358,147,100	119.97%
20.66	7,408,507	298,908,100	358,506,600	119.94%
23.00	8,232,270	not available	not available	

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)
 DIRECT AND OVERLAPPING GOVERNMENTS

Last ten collection (calendar) years

Unaudited

<u>YEAR</u>	<u>COLUMBIA BOROUGH SCHOOL DISTRICT</u>	<u>BOROUGH OF COLUMBIA</u>	<u>LANCASTER COUNTY</u>	<u>TOTAL</u>
1999	16.140	4.436	2.515	23.091
2000	16.500	4.660	2.515	23.675
2001	16.500	4.660	2.613	23.773
2002	17.000	5.400	2.613	25.013
2003	19.000	6.150	2.847	27.997
2004	20.000	6.150	3.205	29.355
2005 1)	18.770	5.760	2.962	27.492
2006	18.770	6.260	2.962	27.992
2007	20.660	6.260	3.189	30.109
2008	23.000	7.750	3.416	34.166

Source: Local Government Officials

1) County-wide reassessment done in Lancaster County, Pennsylvania

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COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
PROPERTY TAX LEVIES AND COLLECTIONS
Last ten fiscal years
Unaudited

<u>Year</u>	<u>Adjusted Assessed Valuation</u>	<u>Millage</u>	<u>Adjusted Levy</u>	<u>Modified Accrual Total Year of Levy Collections</u>	<u>Year Collections as a Percent Of Total Adjusted Levy</u>
1998-1999	\$ 305,559,179	15.19	\$ 4,641,247	\$ 4,322,603	93.13%
1999-2000	\$ 303,388,603	16.14	\$ 4,894,024	\$ 4,618,864	94.38%
2000-2001	\$ 303,141,225	16.50	\$ 5,001,662	\$ 4,685,706	93.68%
2001-2002	\$ 305,345,800	16.50	\$ 5,019,923	\$ 4,695,412	93.54%
2002-2003	\$ 308,926,110	17.00	\$ 5,235,433	\$ 4,890,274	93.41%
2003-2004	\$ 309,168,000	19.00	\$ 5,756,335	\$ 5,274,729	91.63%
2004-2005	\$ 309,168,600	20.00	\$ 6,183,372	\$ 5,613,729	90.79%
2005-2006	\$ 357,871,100	18.77	\$ 6,717,243	\$ 6,085,088	90.59%
2006-2007	\$ 358,499,300	18.77	\$ 6,729,034	\$ 6,200,960	92.15%
2007-2008	\$ 359,116,300	20.66	\$ 7,419,343	\$ 6,809,564	91.78%

Source: District Financial Reports

1) County-wide reassessment done in Lancaster County, Pennsylvania

	<u>Modified Accrual Total Plus Delinquent Collections</u>	<u>Total Collections as a Percent of Total Adjusted Levy</u>	<u>Modified Accrual Subsequent Collections</u>
\$	4,545,701	97.94%	\$ 223,098
\$	4,823,392	98.56%	\$ 204,528
\$	4,922,891	98.43%	\$ 237,185
\$	5,006,016	99.72%	\$ 310,604
\$	5,207,459	99.47%	\$ 317,185
\$	5,717,739	99.33%	\$ 443,010
\$	6,184,119	100.01%	\$ 570,390
\$	6,726,570	100.14%	\$ 641,482
\$	6,675,210	99.20%	\$ 474,250
\$	7,230,583	97.46%	\$ 421,019

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
CONSTRUCTION PERMITS AND MARKET VALUES

Last ten fiscal years

Unaudited

	Lancaster County Number of Units	Market Value
1998	3,849	\$451,570,900
1999	3,504	\$434,999,300
2000	3,719	\$500,085,500
2001	3,806	\$425,854,400
2002	3,322	\$367,545,500
2003	3,833	\$467,475,900
2004	805	\$207,394,100
2005*	4,771	\$812,186,700
2006	4,801	\$534,587,800
2007	3,263	\$487,067,600

Source: Lancaster County Assessors Officials

Note: Amounts are based on interim appraisals for new construction and additions, which are added to the following year's real estate.

* Denotes new assessment year.

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 GOVERNMENTAL FUNDS - MOST SIGNIFICANT OWN-SOURCE REVENUES
 Last Eight Fiscal Years
Unaudited

<u>Fiscal Year</u>		<u>Property Taxes</u>		<u>Other Taxes</u>		<u>Total</u>
2001	\$	4,950,501	\$	758,743	\$	5,709,244
2002		5,017,503		772,460		5,789,963
2003		5,218,978		745,332		5,964,310
2004		5,717,739		770,121		6,487,860
2005		6,111,432		772,271		6,883,703
2006		6,746,480		913,408		7,659,888
2007		6,648,817		865,064		7,513,881
2008		7,199,532		938,223		8,137,755

Source: District Financial Reports

Note: Information not available prior to 2001 in comparable data. Will continue to build schedule until ten years of data is available.

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 TEN LARGEST REAL PROPERTY TAXPAYERS
 CURRENT YEAR AND SIX YEARS AGO
Unaudited

Taxpayer	Business/Property	2008 Assessed Value	Rank	Percentage of Total Taxable District Assessment
Luthercare	Residential facility	\$ 6,886,000	1	1.92%
Susquehanna Valley Nursing	Residential facility	4,970,900	2	1.38%
Supply Sales (Anvil International)	Pipe fittings/iron castings	3,400,000	3	0.95%
Helest Realty Corp/Colonial Metals	Manufacturing	3,341,800	4	0.93%
R & S Manufacturing	Electrical motors	2,863,000	5	0.80%
Columbia Hospital Home	Medical facility	2,746,200	6	0.76%
Columbia Plaza Associates	Shopping center	2,420,300	7	0.67%
M & M Realty	Property holdings	2,136,900	8	0.60%
Safe Harbor Water Power Co.	Rentals and property holdings	1,046,900	9	0.29%
Gordon Waste Co.	Property holdings	990,600	10	
Kahn Lucas (Lancaster IDA)	Manufacturing			
Water Tower Associates	Apartments			
	Total	<u>\$ 30,802,600</u>		8.58%
	Total real property taxables	<u>\$ 359,116,300</u>		
	Total taxables and exempts	\$ 404,955,600		

Source: School District Officials

Over time, a ten year comparison will be provided.

	2002 Assessed Value	Rank	Percentage of Total Taxable District Assessment
\$	6,800,000	1	2.25%
	4,503,200	2	1.49%
	3,600,000	3	1.19%
	2,842,900	5	0.94%
	3,197,000	4	1.06%
			0.00%
	2,262,300	6	0.75%
	1,669,300	8	0.55%
	1,487,100	9	0.49%
	1,327,200	10	0.44%
	2,131,800	7	0.71%
\$	<u>29,820,800</u>		8.30%
\$	<u>301,986,700</u>		
\$	344,519,600		

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 BANK DEPOSIT INFORMATION
 Last ten calendar years
 Unaudited

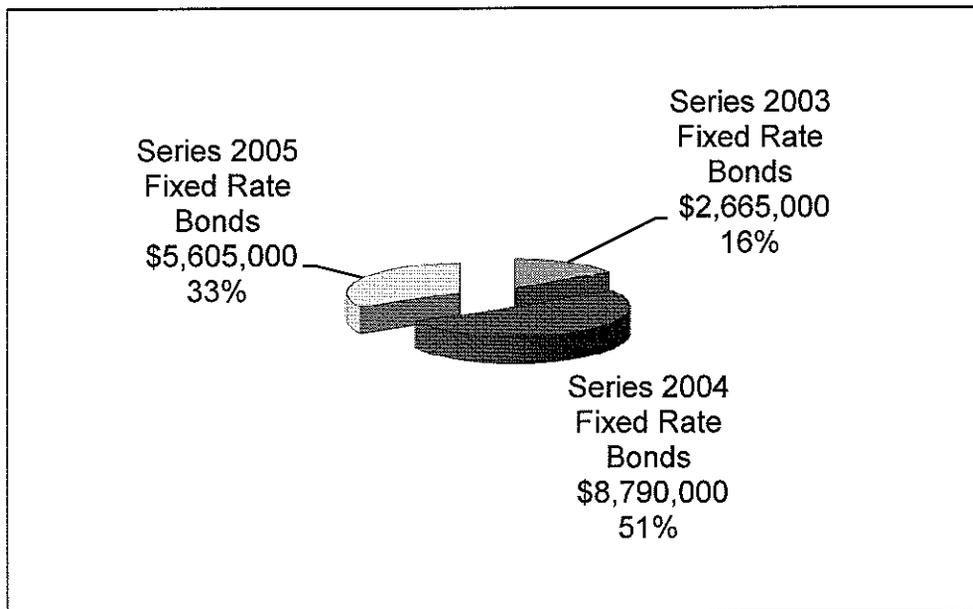
As of <u>6/30/</u>	<u>Total Bank Deposits</u>		
	<u>Union National Community Bank*</u>	<u>LANCO Federal Credit Union**</u>	<u>Total FDIC Insured Institutions Lancaster County*</u>
1998	\$ 188,986,000	\$ 21,669,651	\$ 5,237,152,000
1999	\$ 205,848,000	\$ 24,254,526	\$ 5,312,000,000
2000	\$ 216,359,000	\$ 25,605,564	\$ 5,832,000,000
2001	\$ 213,688,000	\$ 27,487,729	\$ 6,035,000,000
2002	\$ 212,535,000	\$ 31,538,771	\$ 6,034,697,000
2003	\$ 229,032,000	\$ 35,797,877	\$ 7,056,000,000
2004	\$ 252,199,000	\$ 37,574,392	\$ 7,380,086,000
2005	\$ 297,349,000	\$ 42,239,557	\$ 7,677,000,000
2006	\$ 330,877,000	\$ 36,340,605	\$ 8,103,302,000
2007	\$ 356,822,000	\$ 39,632,875	\$ 9,183,025,000
2008	\$ 372,531,000	\$ 46,872,340	\$ 8,804,000,000

Sources: * Federal Deposit Insurance Corporation Summary of Deposits
 ** CreditUnions.com by Callahan & Associates, Inc
 1001 Connecticut Avenue, NW, 10th Floor, Washington, D.C. 20036

Note: Information is only available on an institute-wide basis, as reported above,
 not by school district. Union National Community Bank is the districts
 primary depository.

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 GROSS PRINCIPAL DEBT OUTSTANDING
 June 30, 2008
 Unaudited

As of Fiscal Year Ending June 30	2003 G.O. Bonds	2004 G.O. Bonds	2005 G.O. Bonds	Total
2009	635,000	415,000	205,000	1,255,000
2010	655,000	425,000	215,000	1,295,000
2011	675,000	440,000	220,000	1,335,000
2012	700,000	455,000	230,000	1,385,000
2013		470,000	240,000	710,000
2014		490,000	255,000	745,000
2015		505,000	265,000	770,000
2016		525,000	275,000	800,000
2017		545,000	290,000	835,000
2018		570,000	305,000	875,000
2019		590,000	320,000	910,000
2020		615,000	340,000	955,000
2021		640,000	355,000	995,000
2022		670,000	375,000	1,045,000
2023		700,000	395,000	1,095,000
2024		735,000	415,000	1,150,000
2025			440,000	440,000
2026			465,000	465,000
2027				-
2028				-
Total	\$ 2,665,000	\$ 8,790,000	\$ 5,605,000	\$ 17,060,000



Source: Debt Sinking Fund Statements

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT**
 June 30, 2008
 Unaudited

<u>Governmental unit</u>	<u>Gross Outstanding</u>	<u>Percent Overlapping</u>
Direct Debt:		
Nonelectoral General Obligation Debt*	\$ 17,060,000	100.00%
Lease Rental Debt	<u>55,088</u>	100.00%
Total Direct Debt	<u>17,115,088</u>	
Overlapping Debt:		
Lancaster County General Obligation Bonds (1)	<u>2,845,650</u>	1.24%
Total Direct and Overlapping Debt:	<u>\$ 19,960,738</u>	

*Includes Series of 2001, 2003, 2004, 2005 Bonds

** Note: The Local Government Unit Debt Act(Act 52 of 1978, re-enacted and amending Act 185 of 1972) describes debt limits for all local government units in Pennsylvania.

(1) Pro rata 1.24% share of the outstanding debt of the County of Lancaster (\$237,581,723) as reported by the State Tax Equalization Board and Lancaster County

Sources:

Debt Sinking Fund Statements
 School District Annual Financial Reports
 LCCTC Annual Financial Reports
 Lancaster County Comptroller's Office

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 COMPUTATION OF LEGAL DEBT MARGIN
 June 30, 2008
 Unaudited

Total revenues and other sources less deductions for exclusions in accordance with the Local Government Unit Debt Act:

	Fiscal Year <u>Ended 6/30/2006</u>	Fiscal Year <u>Ended 6/30/2007</u>	Fiscal Year <u>Ended 6/30/2008</u>
Net revenues:	\$ 15,714,660	\$ 16,694,131	\$ 17,713,370
Total revenues for three fiscal years, ending in 2005, 2006, and 2007			\$ 50,122,161
Borrowing base - average total revenues for three-year period			\$ 16,707,387
A. Non-electoral debt			
Outstanding principal			
		Series 2003	2,665,000
		Series 2004	8,790,000
		Series 2005	<u>5,605,000</u>
		Total	\$ 17,060,000
B. Lease rental debt			
		Outstanding principal under lease agreements	<u>55,088</u>
		Total non-electoral and lease rental debt	<u>\$ 17,115,088</u>
Computation of non-electoral borrowing capacity			
		A. Debt limit - 225% of borrowing base	\$ 37,591,621
		B. Less: total non-electoral and lease rental debt	<u>\$ 17,115,088</u>
		C. 2008 borrowing capacity	<u>\$ 20,476,533</u>
Prior years borrowing capacity:			
	2007		\$ 16,588,591
	2006		\$ 12,698,430
	2005		\$ 14,668,424
	2004		\$ 11,727,490
	2003		\$ 19,355,797
	2002		\$ 18,283,556
	2001		\$ 16,717,140
	2000		\$ 14,456,724
	1999		\$ 11,911,510

Sources:

- Debt Sinking Fund Statements
- School District Annual Financial Reports
- LCCTC Annual Financial Reports

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
 AND NET BONDED DEBT PER CAPITA
 Last ten fiscal years
 Unaudited

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Median Household Income (3)</u>	<u>Fiscal Year Gross Outstanding Bonded Debt</u>	<u>Fiscal Year Net Outstanding Bonded Debt</u>	<u>Estimated Net Bonded Debt per Capita</u>	<u>Ratio of Net Bonded Debt to Assessed Value (%)</u>	<u>Estimated Net Bonded Debt Per Household Income</u>
1998-99	10,701	\$ 305,303,900	\$ 32,385	\$ 5,295,000	\$ 2,743,892	\$ 256	0.90%	\$ 84.73
1999-00	10,701	\$ 304,751,600	\$ 32,385	\$ 8,735,000	\$ 6,300,654	\$ 589	2.07%	\$ 194.55
2000-01	10,311	\$ 302,695,100	\$ 32,385	\$ 8,065,000	\$ 5,939,975	\$ 576	1.96%	\$ 183.42
2001-02	10,311	\$ 302,159,600	\$ 32,385	\$ 11,145,000	\$ 5,629,960	\$ 546	1.86%	\$ 173.84
2002-03	10,311	\$ 304,816,300	\$ 32,385	\$ 10,710,000	\$ 8,810,820	\$ 855	2.89%	\$ 272.06
2003-04	10,311	\$ 306,722,000	\$ 32,385	\$ 16,105,000	\$ 13,245,568	\$ 1,285	4.32%	\$ 409.00
2004-05	10,311	\$ 309,828,500	\$ 32,385	\$ 15,245,000	\$ 13,953,847	\$ 1,353	4.50%	\$ 430.87
2005-06	10,311	\$ 357,940,900	\$ 32,385	\$ 19,975,000	\$ 14,511,984	\$ 1,407	4.05%	\$ 448.11
2006-07	10,311	\$ 358,147,100	\$ 32,385	\$ 18,470,000	\$ 12,964,631	\$ 1,257	3.62%	\$ 400.33
2007-08	10,311	\$ 358,506,600	\$ 32,385	\$ 17,060,000	\$ 11,979,219	\$ 1,162	3.34%	\$ 369.90

Notes:

(1) U.S. Census Bureau

(2) State Tax Equalization Board (County re-assessed property values in 2005)

(3) U.S. Census Bureau 1999 dollars

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 POPULATION TRENDS

Unaudited

<u>Year</u>	<u>School District</u>	<u>Lancaster County</u>	<u>Pennsylvania</u>	<u>United States</u>
1970	11,237	320,079	11,793,909	205,052,174
1980	10,466	362,346	11,863,895	227,224,681
1990	10,701	422,822	11,881,643	249,438,712
2000	10,311	471,743	12,281,054	281,421,906
2004*	10,159	486,361	12,406,292	293,655,404
2005*	<i>Unavailable</i>	489,936	12,429,616	296,410,404
2006*	10,070	494,486	12,440,621	299,398,484
2007*	10,046	498,465	12,432,792	301,621,157

Source: U.S. Bureau of the Census, Decennial Census

**U.S. Bureau of the Census, Population estimates*

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years
Unaudited

LANCASTER COUNTY INFORMATION

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (amounts expressed in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (3)</u>	<u>Local Unemployment Rate (4)</u>
1998	464,272	12,058,301	25,972	34.5	2.9%
1999	467,879	12,519,977	26,759	34.8	2.7%
2000	471,743	13,569,528	28,765	36.1	2.8%
2001	474,552	13,528,256	28,507	36.5	3.4%
2002	478,360	13,669,563	28,476	36.8	3.9%
2003	482,605	14,215,570	29,456	37.0	4.1%
2004	486,361	14,975,120	30,790	37.1	3.9%
2005	489,936	15,605,000	31,809	37.3	3.6%
2006	494,486	16,571,788	33,556	37.5	3.6%
2007	498,465	*	*	*	3.4%

Sources:

- (1) Population: 1997-2004 Estimates updated by Bureau of Economic Analysis, U.S. Department of Commerce
 2005-2006 - Estimates provided by U.S. Census Bureau and are based on Fiscal Year
- (2) 1997-2005 - Estimates updated by Bureau of Economic Analysis, U.S. Department of Commerce
- (3) Population Estimates, U.S. Census Bureau; based on fiscal year
- (4) U.S. Department of Labor, Bureau of Labor Statistics
- (5) PA Department of Education

COLUMBIA
BOROUGH
SCHOOL
DISTRICT

<u>County School Enrollment (5)</u>	<u>Enrollment(5)</u>
84,985	1,510
85,647	1,526
85,569	1,481
85,571	1,485
85,836	1,521
86,364	1,536
85,996	1,466
86,471	1,461
87,209	1,469
87,480	1431

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 TEN LARGEST AREA EMPLOYERS*
Unaudited

	2007		
<u>LANCASTER COUNTY EMPLOYERS (1)</u>	<u>Employees (2)</u>	<u>Rank (1)</u>	<u>Percentage of Total County Employment</u>
Lancaster General Hospital	6,984	1	2.70%
R.R. Donnelley & Sons Company	2,950	2	1.14%
Manheim Auto Auction, Inc.	2,513	3	0.97%
Lancaster County	2,080	4	0.80%
Ephrata Community Hospital Inc.	1,836	5	0.71%
Dart Container Corporation	1,806	6	0.70%
Armstrong World Industries Inc.	1,794	7	0.69%
School District of Lancaster	1,647	8	0.64%
QVC NETWORK INC	1,586	9	0.61%
Weis Markets Inc.	1,383	10	0.53%
New Holland North America Inc.			
Tyson Foods Inc.			
Total	<u>24,579</u>		9.49%
Total Employees in County	<u>259,000 (1)</u>		

Source:

* County of Lancaster, Pennsylvania

(1) Center for Workforce Information & Analysis, PA Department of Labor & Industry

(2) Individual Employers

1998

<u>Employees (1)</u>	<u>Rank (1)</u>	<u>Percentage of Total County Employment</u>
3,184	3	1.51
3,284	2	1.56
1,440	6	0.68
2,297	4	1.09
3,647	1	1.73
1,331	9	0.63
1,279	10	0.61
1,425	8	0.68
1,757	5	0.84
1,427	7	0.68
<u>21,071</u>		
<u>210,273</u> (1)		

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 SALARY DATA FOR CLASSROOM TEACHERS
 As of November 1, 2008
 Unaudited

SALARIES FOR TEACHERS WHO TEACH IN CLASSROOMS CURRENT YEAR

Total number of full-time teachers - base salary only

SALARY GROUPS	Number of Teachers with BS, BS+	Number of Teachers with M Ed, M Ed+	Total of all Teachers
\$60,000 and Over	5	38	43
\$57,000 - \$59,999			0
\$54,000 - \$56,999		5	5
\$51,000 - \$53,999		6	6
\$48,000 - \$50,999	1	11	12
\$45,000 - \$47,999	16	7	23
\$42,000 - \$44,999	6	5	11
\$39,000 - \$41,999	5		5
\$36,000 - \$38,999	19		19
\$33,000 - \$35,999			0
\$30,000 - \$32,999			0
Below \$30,000			0
Total # of Teachers	52	72	124

	B.S.	M.Ed	D.Ed
Highest Salary Actually Paid	\$ 62,112	\$ 72,462	\$ 72,462
Lowest Salary Actually Paid	\$ 36,896	\$ 42,351	

Total salaries	\$ 6,523,323
Full-time classroom teachers	124
Average classroom teacher salary for 2007-08	\$ 52,607.44

Source: District Personnel Records

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 PROFESSIONAL AND ADMINISTRATIVE STAFF SUMMARY
 As of November 1, 2007
 Unaudited

	<u>Total</u>	<u>Male</u>	<u>Female</u>
Total	133	36	97
Full Time	130	33	92
Part Time	2	0	3
<u>Years of Service</u>			
1 or less	13	4	2
2 to 10	66	18	48
11 to 20	23	3	19
21 to 30	18	6	12
30+	13	3	10
<u>Age</u>			
Under 30	26	7	19
30 to 50	56	20	36
Over 50	51	9	42
<u>Education Degree Levels</u>			
High School	1	1	0
Bachelors	82	25	57
Masters	47	9	38
Doctors	3	2	1
<u>Description</u>			
Elementary Teachers	51	8	43
Secondary Teachers	53	23	30
Guidance/Library/Nurse/Other	21	2	19
Total Instructional	125	33	92
Administrative/Supervisory	8	3	5

Source: District Personnel Records

Note: 2008 Data not compiled at the time of this report

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 SUPPORT STAFF SUMMARY
 As of November 1, 2008
 Unaudited

<u>Position Category</u>	<u>Gender</u>	<u>F/T</u>	<u>P/T</u>	<u>Total</u>
Instructional Aides	Male	0	0	0
	Female	3	0	3
Administrative Support	Male	0	0	0
	Female	13	2	15
Library/media support	Male	0	0	0
	Female	2	0	1
Maintenance	Male	12	6	18
	Female	5	2	7
Cafeteria	Male	0	1	1
	Female	3	17	20
Total	Male	12	7	19
	Female	26	21	46
Total		38	72	110

Source: District Personnel Records

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 DISTRICT FACILITIES
 As of November 1, 2008
 Unaudited

<u>Building</u>	<u>Original Construction Date</u>	<u>Architectural Area</u>	<u>Renovation Date(s)</u>	<u>Grades</u>	<u>Building Capacity</u>	<u>2007-2008 Enrollment</u>
Elementary Schools						
Park	Unknown	84,202	1981, 1997, 2006	K-6	706	472
Taylor*	1988	37,370	1997, 2006	K-6	340	299
Secondary School						
Junior Senior High	1957	116,326	1989, 1997	7-12	820	630**
Field House	1996	9,752	1996	Athletics	n/a	n/a
District Administration Center	1955	19,816	2005	Admin.	n/a	n/a

Note: Enrollments include all students housed
 and served in district-operated facilities

* Taylor elementary was originally constructed in 1904 and renovated in 1960. In 1988, the original building
 was demolished and rebuilt.

** Does not include full-day Vo-Tech students

Source: Pennsylvania Department of Education (PDE) and District records

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 ENROLLMENT PROJECTIONS

Unaudited

<u>YEAR</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>Elementary</u>
HISTORICAL DATA								
2002-03	104	124	117	118	114	111	135	823
2003-04	98	128	102	114	106	115	107	770
2004-05	94	111	115	96	107	105	112	740
2005-06	127	100	110	113	95	100	112	757
2006-07	117	111	96	107	106	98	103	738
PROJECTED DATA								
2007-08	116	113	105	93	101	105	99	732
2008-09	99	116	107	102	88	100	106	718
2009-10	100	99	110	104	96	87	101	697
2010-11	104	101	94	106	98	95	88	686
2011-12	102	104	96	91	100	97	96	686
2012-13	101	103	99	93	86	99	98	679
2013-14	100	101	98	96	88	85	100	668
2014-15	98	100	96	95	90	87	86	652
2015-16	97	99	95	93	89	89	88	650
2016-2017	95	97	94	92	88	88	90	644

Source: Historical data - actual enrollment as reported to State, October 1 of each year.
 Projected data - prepared by the Pennsylvania Department of Education, August, 2007

Notes: Excludes students in full-time out-of-district special education, comprehensive AVTSSs, charter schools, state-owned schools, consortium-operated alternative high schools, and juvenile correctional institutes.

Actual 2007-08 Data and projections not available at time of CAFR report date

<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Secondary</u>	<u>TOTAL</u>	<u>Inc / -Dec</u>	<u>% Lancaster County</u>	<u>% of Lancaster County</u>
144	133	119	114	106	97	713	1,536	0.99%	70,397	2.18%
139	132	114	113	114	84	696	1,466	-4.56%	70,068	2.09%
109	134	137	118	118	105	721	1,461	-0.34%	70,548	2.07%
114	113	129	130	114	112	712	1,469	0.55%	70,902	2.07%
113	113	105	133	128	101	693	1,431	-2.59%	70,922	2.02%
104	111	107	104	133	114	673	1,405	-1.82%	70,522	1.99%
100	102	105	106	104	118	635	1,353	-3.70%	70,259	1.93%
107	98	97	104	106	92	604	1,301	-3.84%	69,953	1.86%
102	105	93	96	104	94	594	1,280	-1.61%	69,924	1.83%
89	100	99	92	96	92	568	1,254	-2.03%	69,939	1.79%
97	87	95	98	92	85	554	1,233	-1.67%	69,944	1.76%
99	95	82	94	98	82	550	1,218	-1.22%	70,344	1.73%
101	97	90	81	94	87	550	1,202	-1.31%	70,750	1.70%
87	99	92	89	81	83	531	1,181	-1.75%	71,251	1.66%
89	85	94	91	89	72	520	1,164	-1.44%	71,694	1.62%

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 AVERAGE DAILY ATTENDANCE REPORT

Last six fiscal years*

Unaudited

	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>
Kindergarten				
ADA	102.957	97.774	91.949	92.339
ADM	107.636	105.431	98.082	97.331
Attendance	95.70%	92.70%	93.70%	94.90%
Elementary				
ADA	728.764	691.387	649.915	628.317
ADM	769.735	729.003	682.759	659.911
Attendance	94.70%	94.80%	95.20%	95.20%
Secondary				
ADA	619.793	654.426	676.960	687.633
ADM	693.741	736.698	746.254	754.690
Attendance	89.30%	88.80%	90.70%	91.10%
District Total				
ADA	1,451.514	1,443.587	1,418.824	1,408.289
ADM	1,571.112	1,571.132	1,527.095	1,511.932
Attendance	92.40%	91.90%	92.90%	93.10%

Source: Pennsylvania Department of Education

* Years data is available in this format

ADA - Average Daily Attendance

ADM - Average Daily Membership

2005-2006

2006-2007

115.775
121.505
95.30%

108.976
115.190
94.60%

616.375
645.484
95.50%

605.056
632.932
95.60%

681.274
745.974
91.30%

645.881
711.478
91.80%

1,413.424
1,512.963
93.40%

1,359.913
1,459.600
93.20%

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 NATIONAL SCHOOL LUNCH PROGRAM FREE AND REDUCED DATA
 Last ten fiscal years*
 Unaudited

<u>Building</u>	Percentage of Participation Fiscal Years					
	<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>
<u>Columbia Jr./Sr. High School</u>						
Free	14.00%	20.00%	22.73%	26.53%	21.75%	21.65%
Reduced	5.00%	5.00%	6.74%	9.20%	10.57%	10.39%
<u>Park Elementary School</u>						
Free	31.00%	38.00%	34.39%	36.02%	38.81%	49.75%
Reduced	9.00%	10.00%	12.15%	10.92%	11.29%	13.00%
<u>Taylor Elementary School</u>						
Free	23.00%	22.00%	21.07%	21.35%	20.06%	23.27%
Reduced	4.00%	5.00%	9.12%	9.94%	8.60%	8.73%
<u>Total</u>						
Free	23.00%	27.00%	26.56%	28.63%	27.21%	30.19%
Reduced	6.00%	7.00%	9.19%	9.96%	10.40%	10.82%

Source: Pennsylvania Department of Education
 School District Data

* Available district data

<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
28.36%	36.56%	31.71%	30.02%
9.01%	11.45%	8.80%	11.36%
48.78%	53.32%	58.13%	63.96%
10.64%	8.14%	7.57%	13.13%
28.82%	35.35%	29.51%	28.93%
10.07%	4.04%	11.11%	10.36%
34.96%	41.73%	39.76%	41.41%
9.75%	8.86%	8.88%	11.76%

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 SCHEDULE OF INSURANCE
 FISCAL YEAR ENDED JUNE 30, 2009

Unaudited

COVERAGE	AMOUNTS OR LIMITS	TERM IN YEARS	EXPIRES
1. PROPERTY a. Building and contents	\$39,065,197 \$1,000,000 per occ./ annual aggregate for flood and earthquake Auto Physical Signs Valuable Papers Damage - ACV EDP Equipment hardware EDP Equipment in transit EDP Media/data software	1	7/1/2009
2. EXCESS PROPERTY a. Building and contents	\$550,000,000 occurrence excess of \$2,000,000 \$9,000,000 annual aggregate flood and earthquake	1	7/1/2009
3. GENERAL LIABILITY a. General aggregate limit	\$2,000,000 per occ./ \$4,000,000 annual aggregate \$50,000 Fire Damage limit any one fire - Damage to rented premises \$5,000 medical	1	7/1/2009
4. Excess liability	\$8,000,000 Each Occurrence per member \$8,000,000 Annual Member Aggregate	1	7/1/2009
5. Boiler and machinery a. Equipment breakdown limit - Property damage - business income - extra expense - service interruption - perishable goods - computer equipment - demolition and ICC - expediting expense - hazardous substances - CFC refrigerants - newly acquired locations	\$50,000,000 included included included included included included \$1,000,000 included \$2,000,000 included \$10,000,000	1	7/1/2009
6. Automobile liability (w/personal injury) Uninsured motorists Underinsured motorists Hired Auto Non-Owned Auto	\$2,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$5,000 medical	1	7/1/2009
7. Commercial crime Employee dishonesty Forgery/alteration Theft, disappearance & destruction (inside and outside	\$500,000/loss \$500,000/loss \$100,000/loss	1	7/1/2009

COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
Selective Insurance Co. of the Southeast	S1323581	\$14,044	\$1,000 maintenance deductible \$100,000 SIR
Travelers Indemnity Insurance Company of America	KTKXSP545D871108	\$9,683	
Selective Insurance Co. of the Southeast	S1323581	(included in Selective property premium)	\$1,000 maintenance deductible \$100,000 SIR
Insurance Company of the State of Pennsylvania (AIG)	4890618	\$4,660	Deductible: N/A Includes: Each occurrence limit General aggregate limit Products completed operations aggregate \$1,000 deductible
Hartford Steam Boiler Inspection and Insurance Company	4910564	\$2,465	
Selective Insurance Co. of the Southeast	S1323581	(included in Selective property premium)	\$1,000 maintenance deductible \$100,000 SIR
Travelers Casualty and Surety Company of America	103634368	\$502	Deductible: \$10,000 per occ

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 SCHEDULE OF INSURANCE (continued)
 YEAR ENDED JUNE 30, 2008
 Unaudited

COVERAGE	AMOUNTS OR LIMITS	TERM IN YEARS	EXPIRES
8. SCHOOL BOARD LEGAL LIABILITY		1	7/1/2009
a. General aggregate limit	\$2,000,000 each claim./ \$2,000,000 annual agg		
9. School accident - interscholastic sports/ football coverage	\$1,000,000 maximum benefit (primary excess over \$100)	1	8/11/2009
- voluntary student accident coverage	\$1,000,000 maximum benefit		
10. Storage tank system third party liability and cleanup	\$1,000,000 Each Claim/\$2,000,000 Total for all Claims	1	1/1/2009
11. Workers' compensation insurance	Specific Only Specific Limit: Statutory Empl. Liabil. \$1,000,000/occ./accid.	1	7/1/2009
12. Life insurance	Administrators: 2 times salary Professional staff: \$20,000 maximum Support staff: \$20,000 (full-time)	1	7/1/2009
13. Accidental death and dismemberment	Administrators: 2 times salary Professional staff: \$20,000 maximum Support staff: \$20,000 (full-time)	1	7/1/2009

COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
Selective Insurance Co. of the Southeast	S1323581	(included in Selective property premium)	\$1,000 maintenance deductible \$100,000 SIR
Ace American Insurance Company	N01022696-3744-9-K12 Plan AA Plan A	\$6,255	No deductible Two year benefit indemnity period continuous coverage School-time rate - \$22.00 24-hour rate - \$88.00
Zurich	USC3834720-04	\$2,345	Deductible: \$2,500
Safety National Casualty Company	AGC2G78PA	Total premium: \$49836 Loss Fund Allocation: \$17,940.96 36% \$19,934.400 40% \$11,960.64 24%	Deductible: \$350,000 each claim
Fortis Benefits		\$0.13 of \$1,000 covered payroll	
Fortis Benefits		\$0.02 of \$1,000 covered payroll	

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 CURRICULUM REVIEW CYCLE
Unaudited

Curriculum

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
Math								
Art								
Music	4th	5th	6th	1st	2nd	3rd	4th	5th
Physical Education	4th	5th	6th	1st	2nd	3rd	4th	5th
Reading/Literature	4th	5th	6th	1st	2nd	3rd	4th	5th
Spelling/Handwriting	4th	5th	6th	1st	2nd	3rd	4th	5th
English/Writing	5th	6th	1st	2nd	3rd	4th	5th	6th
World Language	5th	6th	1st	2nd	3rd	4th	5th	6th
Science/Health	5th	6th	1st	2nd	3rd	4th	5th	6th
Family & Consumer Science	1st 1st	2nd 2nd	3rd 3rd	4th 4th	5th 5th	6th 6th	1st 1st	2nd 2nd
Social Studies								
Technology Education								
Business Education	2nd 2nd 2nd	3rd 3rd 3rd	4th 4th 4th	5th 5th 5th	6th 6th 6th	1st 1st 1st	2nd 2nd 2nd	3rd 3rd 3rd

First Year – Needs Assessment (Review achievement test scores; look at Chapter 4 regulations and find areas of alignment with current curriculum; obtain feedback from staff regarding strengths/weaknesses of current curriculum). Over the summer write the first draft of planned courses.

Second Year – Adapt/Adopt – Design and carry out a plan for reviewing materials on market; decide on purchases; present priority list of resources to Curriculum Committee for review; present priority list to Board of Education. Order; in-service as needed.

Third Year – Implement – Continue with in-service time; meet to review implementation; revise curriculum if needed.

Fourth Year – Utilization – Any comments, suggestions, etc., should be directed to department heads.

Fifth Year – Utilization – Same as above.

Sixth Year – Survey – Review achievement test scores; review research in the area; contact other districts about their program; PDE input; prepare for Needs Assessment for the following year.

COL
HIGH

Single Audit Section



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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Board of School Directors
Columbia Borough School District
Columbia, PA 17512

We have audited the basic financial statements of the Columbia Borough School District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 2, 2008. These basic financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on the basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming opinions on the basic financial statements of Columbia Borough School District taken as a whole. The accompanying schedule of expenditures of federal awards presented on pages SA-2 through SA-3 for the year ended June 30, 2008, which is also the responsibility of the management of Columbia Borough School District, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Sager, Swisher and Company, LLP

Columbia, Pennsylvania
December 2, 2008

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

Federal Grantor/Pass Through Grantor/Program Title	Source Code	Federal CFDA Number	Pass- Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue at July 1, 2007	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue at June 30, 2008
U.S. DEPARTMENT OF EDUCATION										
Passed Through the Pennsylvania Department of Education:										
Title I	I	84.010	013-07-0092	7/1/06-9/30/07	\$ 507,160	\$ 168,078	\$ 149,296	\$ 18,782	\$ 18,782	\$ --
Title I	I	84.010	013-08-0092	8/28/07-9/30/08	542,346	427,814	--	465,174	465,174	37,360
Title I - School Improvement	I	84.010	042-07-0092	4/2/07-9/30/08	33,000	27,500	(2,196)	25,305	25,305	(4,391)
Title I - School Improvement	I	84.010	042-08-0092	1/2/08-9/30/09	98,000	23,333	--	32,025	32,025	8,692
Title I - Academic Achievement	I	84.010	077-07-0092	7/1/07-9/30/08	2,076	2,076	--	1,900	1,900	(176)
Title IIA	I	84.367	020-08-0092	8/28/07-9/30/08	93,117	46,558	--	50,023	50,023	3,465
Title IIA	I	84.367	020-07-0092	7/1/06-9/30/07	92,886	43,325	(18,203)	61,528	61,528	--
Title IIA	I	84.367	020-06-0092	7/1/05-9/30/07	93,671	6,245	6,245	--	--	--
Title V	I	84.298	011-07-0092	7/1/06-9/30/07	2,503	1,836	1,836	--	--	--
Title V	I	84.298	011-08-0092	8/28/07-9/30/08	2,589	2,589	--	2,589	2,589	--
Drug Free Schools Grant	I	84.186	100-07-0092	9/13/06-3/31/08	8,885	683	387	296	296	--
Drug Free Schools Grant	I	84.186	100-08-0092	7/1/07-9/30/08	8,883	7,698	--	6,709	6,709	(989)
Passed Through the Lancaster-Lebanon Intermediate Unit No. 13:										
IDEA Grant	I	84.027	062-08-0013	7/1/07-6/30/08	368,536	298,536	--	368,536	368,536 *	70,000
IDEA Grant	I	84.027	062-07-0013	7/1/06-6/30/07	379,726	86,609	86,609	--	--	--
Passed Through Allegheny Intermediate Unit										
IDEA Mini Grant	I	84.027	062-08-0077	8/1/07-6/30/08	10,000	--	--	6,086	6,086 *	6,086
TOTAL U.S. DEPARTMENT OF EDUCATION						1,142,880	223,974	1,038,953	1,038,953	120,047
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES										
Passed Through the Workforce Investment Board										
Youth Exploration	I	93.558	07-TANF-03	10/1/07-6/30/08	13,150	--	--	13,150	13,150	13,150
Youth Exploration	I	93.558	06-TANF-03	10/1/06-6/30/07	15,000	14,608	14,608	--	--	--
Passed Through Lancaster Lebanon Intermediate Unit No. 13										
ACCESS Transportation	I	93.778	N/A	7/1/07-6/30/08	N/A	15,618	--	15,618	15,618	--
Passed Through the Pennsylvania Department of Education										
Medical Assistance Program - Administration	I	93.778	N/A	7/1/06-6/30/07	N/A	316	316	--	--	--
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						30,542	14,924	28,768	28,768	13,150

SA - 2

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Source Code</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Grant Period Beginning/ Ending Date</u>	<u>Program or Award Amount</u>	<u>Total Received for the Year</u>	<u>Accrued or (Deferred) Revenue at July 1, 2007</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued or (Deferred) Revenue at June 30, 2008</u>
<u>U. S. DEPARTMENT OF AGRICULTURE</u>										
Passed Through the Pennsylvania Department of Education:										
National School Lunch Program	I	10.555	N/A	7/1/06-6/30/07	N/A	7,149	7,149	--	--	--
School Breakfast Program	I	10.553	N/A	7/1/06-6/30/07	N/A	1,722	1,722	--	--	--
Summer Food Service Program For Children	I	10.559	N/A	7/1/07-6/30/08	N/A	999	--	999	999	--
National School Lunch Program	I	10.555	N/A	7/1/07-6/30/08	N/A	237,714	--	274,886	274,886	37,172
School Breakfast Program	I	10.553	N/A	7/1/07-6/30/08	N/A	47,752	--	55,636	55,636	7,884
Passed Through the Pennsylvania Department of Agriculture:										
Value of USDA Donated Commodities	I	10.550	N/A	7/1/07-6/30/08	N/A	(a) <u>30,627</u>	(b) <u>(3,518)</u>	<u>33,026</u>	(c) <u>33,026</u>	(d) <u>(1,119)</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE						<u>325,963</u>	<u>5,353</u>	<u>364,547</u>	<u>364,547</u>	<u>43,937</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS						<u>\$1,499,385</u>	<u>\$ 244,251</u>	<u>\$ 1,432,268</u>	<u>\$1,432,268</u>	<u>\$ 177,134</u>

SA - 3

D - Direct Funding
I - Indirect Funding

Test of 25% Rule: (Low Risk Entity)

* Programs Selected for Testing:
IDEA & Inclusive Practices Mini Grant \$374,622

Selected for Testing 374,622
Total Federal Expenditures 1,432,268 = 26.2%

The accompanying notes are an integral part of these financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

NOTE 2 – VALUE OF USDA DONATED COMMODITIES LEGEND

- a) Total commodities received from the Pennsylvania Department of Agriculture valued at fair market value.
- b) Beginning inventory at July 1, 2007.
- c) Total amount of commodities used.
- d) Ending inventory at June 30, 2008.

NOTE 3 – ACCESS PROGRAM

The ACCESS Program is a medical assistance program that reimburses local educational agencies for direct, eligible health-related services provided to enrolled special needs students. Reimbursements are federal money but are classified as fee-for-service revenues and are not considered federal financial assistance. Because only federal financial assistance is included on the Schedule of Expenditures of Federal Awards, ACCESS reimbursements are not included on the Schedule. The amount of ACCESS funding received for the year ended June 30, 2008 was \$16,000 which is listed on the PDE confirmation as program #044-007092 under CFDA #93.778. Also included is \$15,656 of ACCESS funding from 06/07 which was deferred.

NOTE 4 – RECONCILIATION OF ACCRUED OR (DEFERRED) REVENUE

Accrued or (Deferred) Revenue at June 30, 2007	\$242,732
Add: Funds Refunded for Title II-D - 055-06-0092	1,203
Medical Access Program - Administration shown as received in 2006/2007, not received until July 2007.	<u>316</u>
Accrued or (Deferred) Revenue at July 1, 2007	<u>\$244,251</u>

The accompanying notes are an integral part of these financial statements.

SAGER, SWISHER AND COMPANY, LLP

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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 School Directors
Columbia Borough School District
Columbia, Pennsylvania

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Columbia Borough School District as of and for the year ended June 30, 2008, which collectively comprise the Columbia Borough School District's basic financial statements and have issued our report thereon dated December 2, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Columbia Borough School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Columbia Borough School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Columbia Borough School District's internal control over financial reporting.

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Columbia Borough School District, in a separate letter dated December 2, 2008.

This report is intended solely for the information and use of the school board, management, the Pennsylvania Department of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sager, Swisher and Company, LLP

Columbia, Pennsylvania
December 2, 2008

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

Board of School Directors
Columbia Borough School District
Columbia, Pennsylvania

Compliance

We have audited the compliance of Columbia Borough School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Columbia Borough School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Columbia Borough School District's management. Our responsibility is to express an opinion on Columbia Borough School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Columbia Borough School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Columbia Borough School District's compliance with those requirements.

In our opinion, Columbia Borough School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Columbia Borough School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Columbia Borough School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented and detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the school board, management, the Pennsylvania Department of Education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sager, Swisher and Company, LLP

Columbia, Pennsylvania
December 2, 2008

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

The following is a summary of Auditors' results

1. An unqualified opinion was issued for Columbia Borough School District for the year ended June 30, 2008.
2. No material weaknesses are reported in the 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.
3. Our audit disclosed no material instances of noncompliance in connection with the financial statements.
4. No material weaknesses relating to the audit of the major federal programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major Federal Awards Programs expresses an unqualified opinion.
6. Our audit disclosed no findings or questioned costs required to be reported under OMB Circular A-133.
7. As of June 30, 2008, Columbia Borough School District had the following program considered major:

IDEA Grant	CFDA #84.027
------------	--------------
8. Columbia Borough School District uses Federal Program expenditures equal to or exceeding \$300,000 to identify Type A programs. The district had three Type A programs for the year ended June 30, 2008.
9. For the year ended June 30, 2008, Columbia Borough School District was identified as a low risk entity.

Financial Statement Findings:

- There were no current year findings.

Federal Awards Findings and Questioned Costs:

- There were no current year findings or questioned costs.

The view from up on the Hill

