



Comprehensive Annual Financial Report

For the Fiscal Year ended June 30, 2010



Columbia Borough School District, Columbia, Pennsylvania

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COLUMBIA BOROUGH SCHOOL DISTRICT

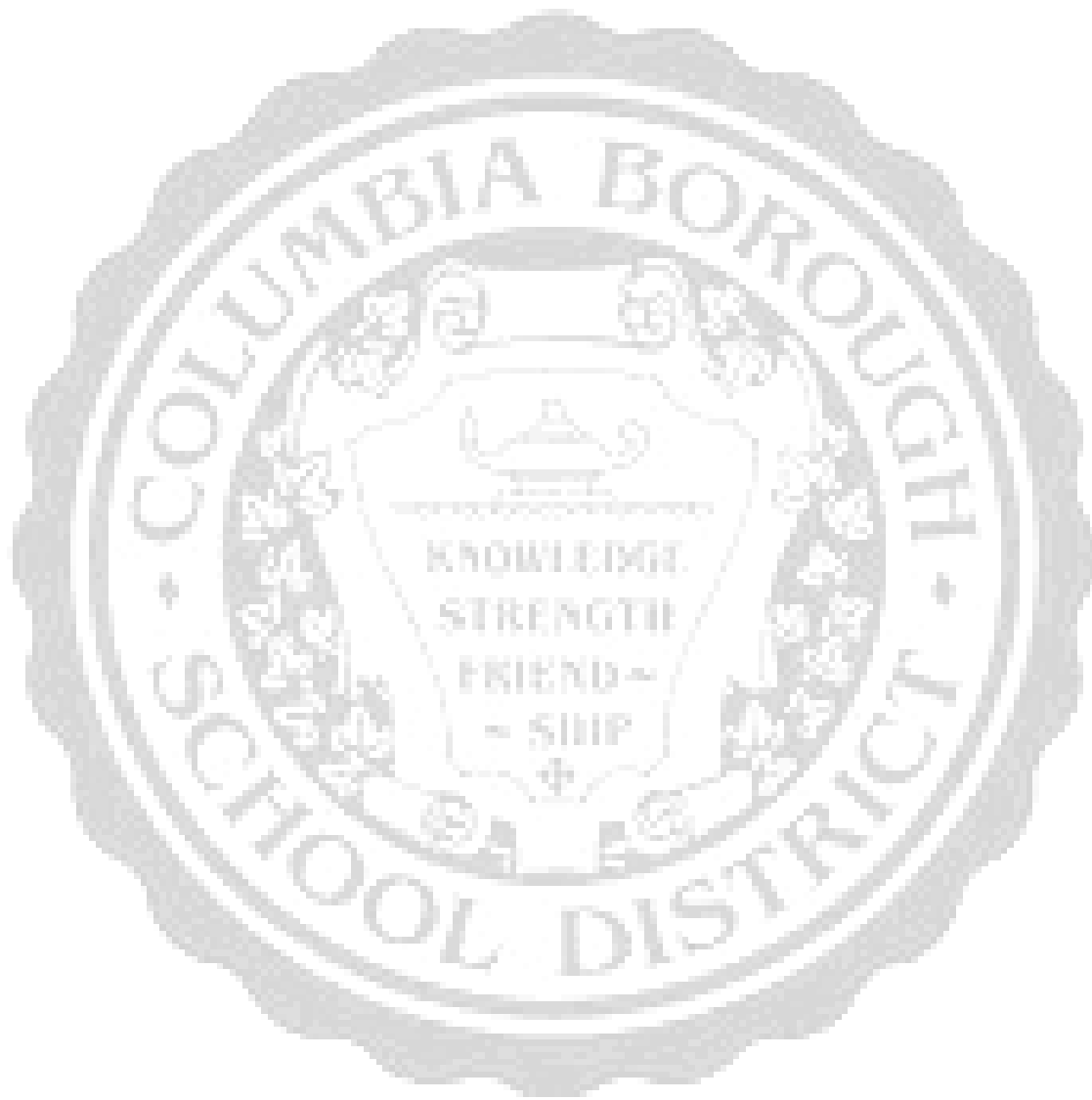
Columbia, Pennsylvania

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Prepared by: District Business Office

Mrs. Laura E. Cowburn, RSBS, PRSBA
Assistant to the Superintendent for
Business Services/Board Secretary

Dr. Barry W. Clippinger
Superintendent



COMPLIANCE STATEMENT

The Columbia Borough School District continues its policy of non-discrimination on the basis of race, age, sex, religion, color, national origin, handicap or disability as applicable in its educational programs, activities, or employment policies as required by Title IX of the 1972 Educational Amendments Title VI of the Civil Disabilities Act and all other applicable state, federal and local laws and ordinances.

For information regarding Title IX compliance, Section 504 compliance, or the Americans with Disabilities Act, contact Dr. Barry W. Clippinger, Ed.D., Columbia Borough School District, 200 N. 5th Street, Columbia, PA 17512, (717) 684-2283.

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2010

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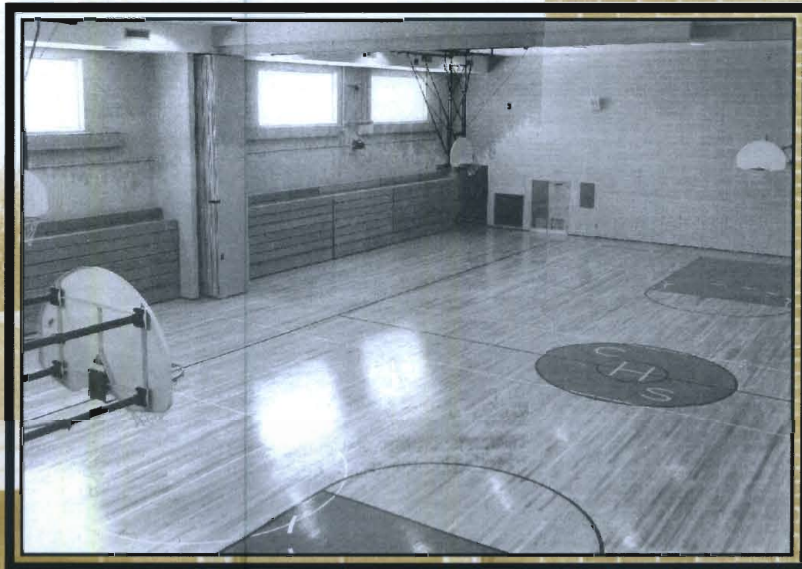
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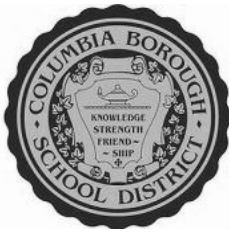
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Introductory Section



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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 9, 2010

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, 2010. 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 Management Discussion and Analysis (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 MD&A 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.

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.

A Brief History continued

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. Strine 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 the chief financial officer and 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, 2010 is 1,344 in regular education classes operated by the district, and 1,436 total enrollment.

The District employs approximately 207 regular employees, including 134 teachers and administrators, and over 73 full- and part-time support personnel as well as seasonal coaching and extra-curricular staff. 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, 2013. 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 Reporting Entity continued

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

- Lancaster-Lebanon Intermediate Unit No. 13 (the “LLIU”), 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 2.3 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 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.

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 in Lancaster County. In 2005, Lancaster added the new Clipper Stadium which houses the newly reformed minor league Lancaster Barnstormers baseball team. This stadium continues to bring added revenues to surrounding businesses boosting the Lancaster economy.

Economic Condition continued

On June 18, 2009 the Lancaster County Convention Center and Lancaster Marriott at Penn Square opened a state-of-the-art meeting and convention facility in downtown Lancaster City providing more than 90,000 square feet of combined space for conventions, events and trade shows.

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 7,000 employees. The hospital is currently investigating plans for an expansion into northeast Lancaster County.

One of the newest projects in Lancaster County is located in the Borough of Columbia. This new "experience" will renovate the 1899 historic Ashley & Bailey Silk Mill which had been abandoned for over 25 years. Turkey Hill, a local dairy company, started construction of "The Turkey Hill Experience," where visitors can make their own ice cream, see how the dairy operates and learn about farming. Other parts of the site are scheduled to 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. It is scheduled to open in the spring of 2011. Because of its location along Route 30 and Route 441, it is expected to bring a significant number of tourists into the area.

In other news, the Borough of Columbia has been awarded the 2010 Governor's Award for Local Government Excellence in Promoting Community & Economic Revitalization. The award was for the Columbia Borough River Park Revitalization & Expansion Project. The award is the result of seven years work by the River Park Steering Committee. The River Park Steering Committee started discussions on revitalizing the River Park in 2003 and has been meeting monthly since. Construction on the project started in late fall 2009 and is expected to be completed by May 1st, 2010 in time for the boating season. During 2010, the River Park completed a three lane motorized boat ramp, new canoe/kayak ramp, increased parking, lights, a fishing pier and docks. The River Park Steering Committee is exploring the possibility of adding a pavilion this year until a permanent building can be constructed as part of phase 1A at a later date.

In addition, construction is scheduled to commence as early as 2011 on SR441, the major north-south arterial running through the center of Columbia's downtown historic area. SR 441 is used for both local vehicular traffic in the Borough and for truck traffic hauling waste and other materials to US 30 and the local land fill. The Borough Council's initiative to move the road is part of its strategic plan to rejuvenate the historic downtown.

The project is designed to reduce the number of vehicles that travel through downtown Columbia. Large and heavy trucks generate vibration that potentially undermines the foundations of some of the Borough's oldest structures. In addition, the trucks' travel through the downtown area has caused multiple accidents with other vehicles and pedestrians, and contributes to air and noise pollution in the Borough. The relocation would reduce the number of trucks by approximately 600 per day, and will enhance the overall downtown revitalization of businesses and residences.

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. 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.

Recent Legislation (continued)

Gaming Funds

When the gaming revenue fund exceeds \$400 million, the state makes allocations to school districts for property tax relief to provide further property tax relief to approved homesteads/farmstead properties. This revenue fund distributed property tax relief for the 2008-2009 and 2009-2010 fiscal years. 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 both years.

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. The homestead/farmstead program has resulted in the following:

<u>Tax Year</u>	<u>Approved Homestead/Farmstead</u>	<u>Tax Relief per Homestead/Farmstead</u>
2008	2,137	\$297.10
2009	2,205	\$288.62
2010	2,234	\$284.62

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 (the "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. The Index is an average of the Pennsylvania Statewide Average Weekly Wage rate and the Federal Department of Labor Employment Cost Index.

The history of the Index is:

<u>For use in School Year:</u>	<u>2011-2012</u>	<u>2010-2011</u>	<u>2009-2010</u>	<u>2008-2009</u>	<u>2007-2008</u>
SAWW	\$854.53	\$846.71	\$824.79	\$788.47	\$756.18
ECI	114.2	112.1	108.8	105.0	100.5
SAWW % Increase	.9%	2.7%	4.6%	4.3%	2.8%
ECI % Increase	1.9%	3.0%	3.6%	4.5%	4.0%
Base Index:	1.4%	2.9%	4.1%	4.4%	3.4%

The result of the decline of the Index is declining tax revenue increases.

Because of the time lines stipulated in Act 1, the district has already started budgeting in September, 2010 for the 2011-12 school year. Due to the earlier deadline, the district does not have the advantage of plans for 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. The board will either adopt a resolution committing to stay within the "index" for property tax increase or will adopt a preliminary proposed budget in February outlining the need for exceptions and submit this to PDE for approval.

Recent Legislation (continued)

In addition, Pennsylvania has a new Governor beginning January 18, 2011. In the first year of office, the state budget is presented one month later (first week of March rather than February) to give the Governor preparation time. When a new Governor takes office, there is always uncertainty of how the new administration may change the state support of education.

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 District offers this option to all property owners, not only to those taxpayers who are eligible homestead/farmstead properties. One-third of the tax bill is due by August 31, September 30 and October 31. The decision to establish these dates avoids 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 base 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.

Impact of American Recovery and Reinvestment Act (ARRA) Funding

The enacted state budget for 2010-2011 includes \$5,776,086,000 for Basic Education Funding, paid from a combination of state and ARRA federal stimulus funds. This amount is a \$250,000,000 increase (4.52%) over the amount appropriated in 2009-2010. However, because certain federal funding came in below the expected amount, on August 18 Governor Rendell announced a decision to reduce the enacted BEF increase to \$200,000,000.

The result for the District was a reduction in anticipated Basic Education revenues of \$6,837,619 to \$6,772,373 – or a total reduction of \$65,246. This reduction is not anticipated to cause any financial issues during this fiscal year.

However, over the past two years, the State budget has been balanced by using ARRA funding to meet its financial obligation for basic education. This year's funding includes \$770,664 of federal ARRA funds. The actual state funds are \$6,001,709, an amount that is less than state funds received for the 2008-2009 fiscal year for Basic Education subsidy. The potential gap in funding for the 2011-2012 fiscal year could be significant.

Pennsylvania School Employees Retirement System

Pennsylvania provides a defined benefit pension system to retirees. Due to economic conditions, the system is projecting escalating increases to the employer cost. The rate caps limit the amount the pension component of the employer contribution rate can increase over the prior year's rate as follows:

- FY 2011/12 - not more than 3.0% plus the premium assistance contribution rate
- FY 2012/13 - not more than 3.5% plus the premium assistance contribution rate
- FY 2013/14 - not more than 4.5% plus the premium assistance contribution rate

The rate cap then remains at 4.5% until the employer contribution rate is less than the rate cap. While these rates are well below the original projections, the rates are still above the Index (discussed above) and the current rate of inflation.

The District is currently in discussions related to long-range budget reductions to address all issues discussed above.

MAJOR INITIATIVES

The 16 months, 17 million dollar renovation project that began on July 1, 2009 at the Columbia Jr./Sr. High School was completed on November 17, 2010. This project included the addition of a Middle School Wing with new classrooms for grades 7 and 8. An expanded Media Center with a computer lab and instructional classroom space was added along with an auditorium style Large Group Instruction Area that will seat 125 students. The Media Production Lab was upgraded with the inclusion of a TV Studio. The Gymnasium and Lobby Area was expanded along with renovations to the Kitchen, Nurse's Office and Main Office/Student

Major Initiatives continued

Services Area. All of the instructional classrooms were renovated and upgraded for new instructional technology including interactive white boards in every classroom. Security at the building was upgraded with the installation of an interior and exterior video camera system plus upgrades to the fire and key card security systems. The building was also equipped for energy efficiency with a geo-thermal HVAC system and new lighting systems. This completed renovation project will provide a 21st century instructional facility for the students of this community.

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. For the 2009-2010 school year the Columbia Borough School District has met the AYP targets as a district based on grade span scores that exceeded the targets of 63% proficient in reading and 56% proficient in mathematics.

At the building level Taylor Elementary School made AYP by meeting thirteen out of the thirteen AYP targets for the building in attendance, participation and academic performance in reading and mathematics. Park Elementary School made AYP based on making progress in School Improvement II 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 Growth Model. 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. Columbia Junior/Senior High School did not make AYP based on one subgroup, IEP Students not meeting the academic performance level in mathematics. Based on the academic performance scores for all students, the Jr./Sr. High School 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 Growth Model and the building met eighteen out of the nineteen targets for participation, graduation rate and academic performance. Since the one subgroup did not make AYP Columbia Borough Jr./Sr. High School will be placed in Corrective Action II 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 one identified subgroup and the building.

At all three buildings the faculty and administration are 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.

At the elementary level the professional staff was trained in the Response-To-Intervention (RTI) Model. The Taylor and Park Elementary Schools have implemented in 2009-2010 school year the RTI Model and continue to expand the model which includes "Star Groups" reading periods for grades K-6 for the 2010-2011 school year. The professional staff continues to 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 for iObservation Program to use the new software program to implement more pervasive and consistent "Walk Through and Coaching" procedures and feedback that will support and facilitate effective classroom instructional strategies.

The District's Dual Credit Program with Harrisburg Area Community College that has offered a total of 6 courses (English Composition I, English Composition II, Healthful Living, Basic Fitness I, History of the United States I and History of the United States II) where students could earn a total of 15 college credits plus 3 high school credits has been expanded for the 2010-2011 school year. A partnership with Clarion University and partially funded by a Columbia Education Foundation Grant was established to offer students college online courses as dual credit as an independent study during each semester. The following 3 credit undergraduate courses were

Major Initiatives continued

offered: The Visual Arts, The Literary Experience, Excursions in Mathematics, General Psychology and Basic Earth Science.

To facilitate a more consistent discipline and classroom management plan across the entire school district, the entire professional staff and administration was trained in a proactive and positive approach to classroom management called "CHAMPS" (Conversation, Help, Activity, Movement, Participation, Success). The practical strategies presented in the program help classroom teachers to structure their classrooms to prompt responsible student behavior; overtly teach students how to behave responsibly in every classroom situation and focus more time, attention and energy on acknowledging responsible behavior to ensure that they respond in brief, calm and consistent manner.

The district continues to implement 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 students in grades K-12. 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 future.

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 coordinators 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.

Accounting System continued

Budgeting begins during September through December for the review of 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, 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 December. These requests are then translated into monetary terms in the form of detailed budgetary schedules that are then reviewed during the months of January through 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.

A 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 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.

Due to the economy and the imposition of Act 1, the District is in a different position than it has been in the past for long-term financial planning. The economy has challenged taxpayers, and 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 these concepts 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. The Board is finalizing the Fund Balance Management policy for compliance with the new Governmental Accounting Standards Board Statement 54. This policy will govern the management and limitations of fund balances of the governmental funds of the district. In addition, the Board has been actively using a Capital Reserve Fund to accumulate dollars which will be used to help phase in debt service due to the renovation of the High School.

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 30 years, and was selected to perform the audit for the fiscal year ended June 30, 2010. 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.

Accounting System continued

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.

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, 2009. 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, 2009. 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, 2010

BOARD OF EDUCATION

President Thomas R. Strickler
Vice-President Donna L. Kreiser
Secretary Laura E. Cowburn *
Member David H. Cunningham
Member Vernon R. Detz, Jr.
Member Terry A. Doutrich
Member Quin Hartman
Member Kathleen Hohenadel
Member Cole F. Knighton
Member David T. Mountz
* Non-voting

OTHER BOARD SERVICES

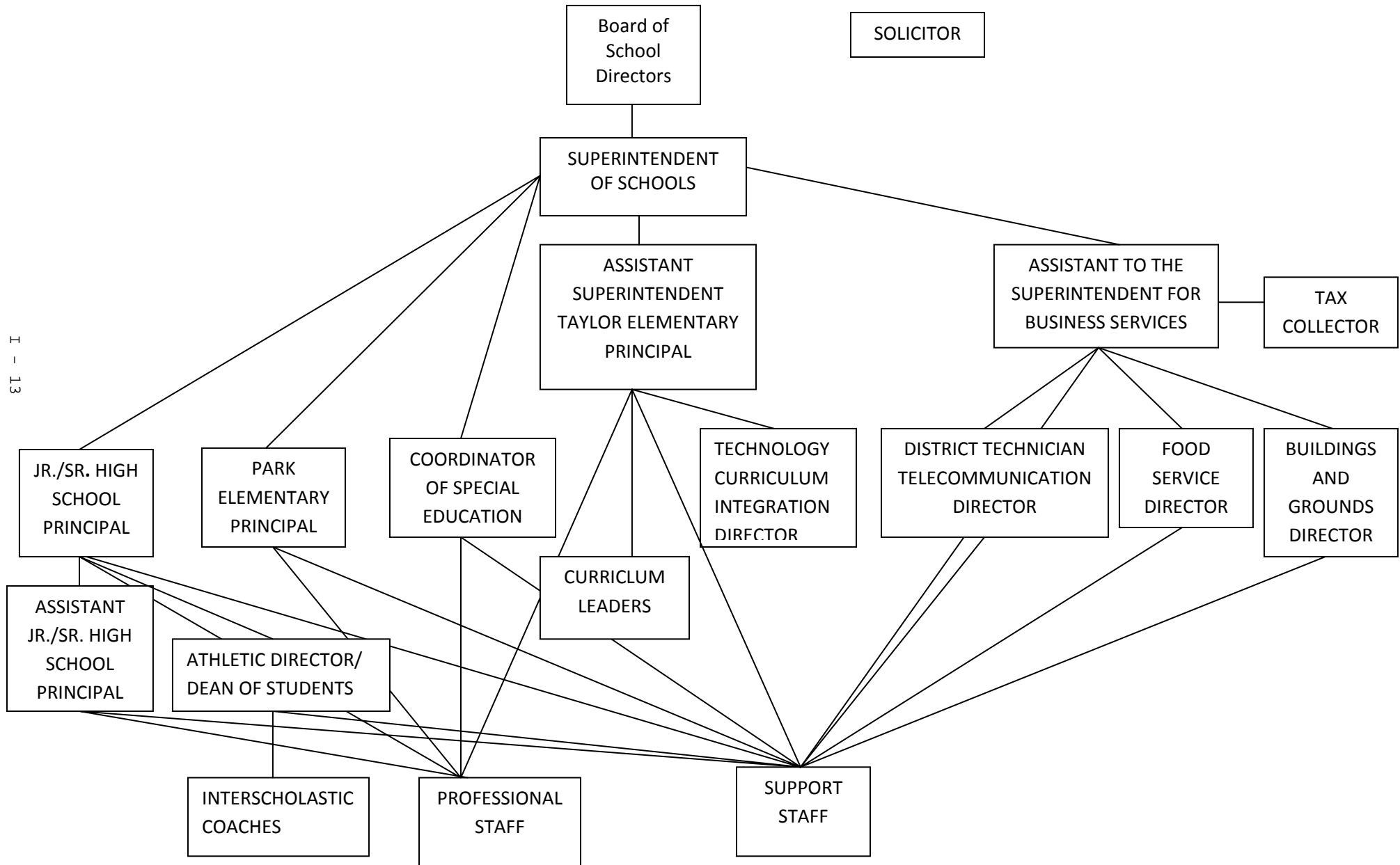
Solicitor Nikolaus & Hohenadel
Treasurer Union National Community Bank
Independent Auditors Sager, Swisher and Company, LLP

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

COLUMBIA BOROUGH SCHOOL DISTRICT

2010-2011 ORGANIZATIONAL CHART



**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, 2009

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

Evin Green

President

John D. Mason

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, 2009

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



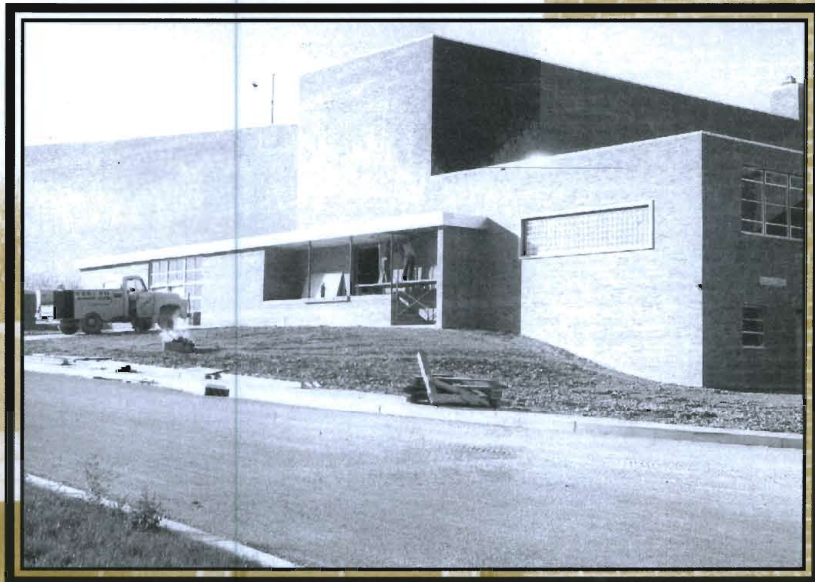
President

Executive Director

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Financial Section



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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, 2010, 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, 2010, 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 November 4, 2010 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 should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages F-3 through F-15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Columbia Borough School District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sager, Swisher and Company, LLP

Columbia, Pennsylvania
November 4, 2010

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2010**

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, 2010. 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 2009-2010 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, while the legislature reduced the current contribution rates for the Public School Employees Retirement System (PSERS) from the actuarial rate projected during this fiscal year, the projected increases in the employer contribution rate in future years resulted in budgeting a reserve to hedge the additional drain on the financial resources of all schools in Pennsylvania.

The District completed the fiscal year 2009-2010 with net assets exceeding liabilities by \$13,512,333, a total overall increase from the prior year of \$1,035,843.

- The governmental activities total net assets increased by \$1,048,726 which was mostly due to bond financing cash available and construction in progress at the Columbia Jr./Sr. High School
- The District business-type activities, which are comprised of the Food Service fund, showed a decrease of \$12,883 which was a result of operating although there was a transfer in funding from the General Fund of \$10,500.
- At the end of the current fiscal year, the unreserved undesignated fund balance of the General Fund was \$1,806,311 compared to the prior year of \$1,406,932 which rebuilds the fund balance to the maximum allowed by legislation.
- 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**

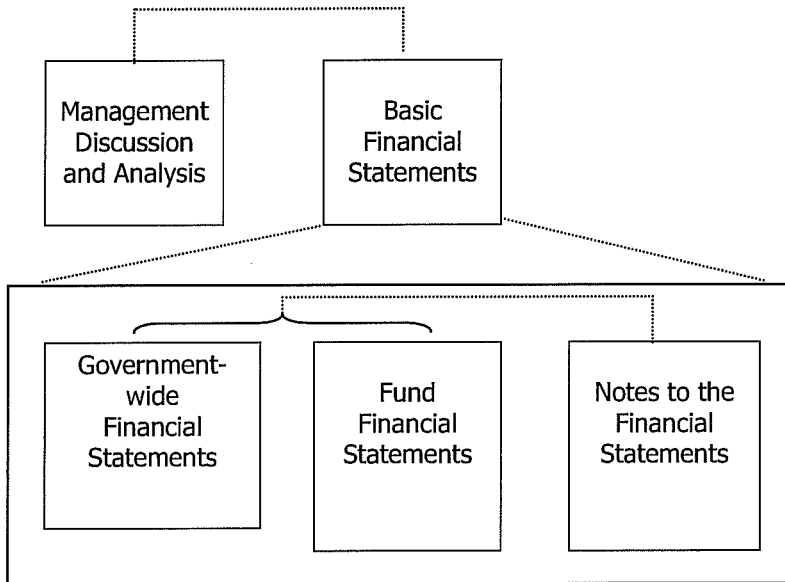
USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) continued

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 \$13,512,333 as of June 30, 2010.

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

	<u>2010</u>			<u>2009</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	\$12,303,856	\$7,703	\$12,311,559	\$5,499,594	\$12,515	\$5,512,109
Capital assets	<u>36,625,338</u>	<u>20,220</u>	<u>36,645,558</u>	<u>25,804,809</u>	<u>25,146</u>	<u>25,829,955</u>
Total assets	<u>\$48,929,194</u>	<u>\$27,923</u>	<u>\$48,957,117</u>	<u>\$31,304,403</u>	<u>\$37,661</u>	<u>\$31,342,064</u>
Current and other Liabilities	\$4,678,440	\$10,761	\$4,689,201	\$3,647,346	\$7,616	\$3,654,962
Long-term liabilities	<u>30,755,583</u>	<u>0</u>	<u>30,755,583</u>	<u>15,210,612</u>	<u>0</u>	<u>15,210,612</u>
Total Liabilities	<u>35,434,023</u>	<u>10,761</u>	<u>35,444,784</u>	<u>18,857,958</u>	<u>7,616</u>	<u>18,865,574</u>
Net Assets						
Invested in capital assets, net of related debt	9,141,272	20,220	9,161,492	8,708,031	25,146	8,733,177
Restricted	6,694	0	6,694	6,302	0	6,302
Unrestricted	<u>4,347,205</u>	<u>(3,058)</u>	<u>4,344,147</u>	<u>3,732,112</u>	<u>4,899</u>	<u>3,737,011</u>
Total Net Assets	<u>\$13,495,171</u>	<u>\$17,162</u>	<u>\$13,512,333</u>	<u>\$12,446,445</u>	<u>\$30,045</u>	<u>\$12,476,490</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>Governmental</u> <u>Activities</u>	<u>2010</u> <u>Business-</u> <u>type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>2009</u> <u>Business-</u> <u>type</u> <u>Activities</u>	<u>Total</u>
Revenues						
Program						
Revenues						
Charges for	\$83,785	\$243,553	\$327,338	\$114,957	\$313,021	\$427,978
Services						
Operating	4,763,722	544,418	5,308,140	3,854,434	464,581	4,319,015
grants and						
contributions						
Capital grants	968,261	--	968,261	531,274	--	531,274
and						
contributions						
General						
Revenues						
Property taxes	7,952,194	--	7,952,194	7,489,278	--	7,489,278
Other taxes	947,073	--	947,073	890,027	--	890,027
Grants,	6,639,364	--	6,639,364	6,604,860	--	6,604,860
Subsidies and						
contributions,						
unrestricted						
Other	<u>218,512</u>	<u>408</u>	<u>218,920</u>	<u>271,287</u>	<u>560</u>	<u>271,847</u>
Total revenues	<u>\$21,572,911</u>	<u>\$788,379</u>	<u>22,361,290</u>	<u>\$19,756,117</u>	<u>\$778,162</u>	<u>\$20,534,279</u>
Expenses						
Instruction	\$12,966,000	--	\$12,966,000	\$12,493,857	--	\$12,493,857
Instructional	2,247,914	--	2,247,914	2,296,669	--	2,296,669
student support						
Administrative	1,819,372	--	1,819,372	1,663,309	--	1,663,309
and financial						
support						
Operation and	1,697,303	--	1,697,303	1,568,148	--	1,568,148
maintenance of						
plant						
Pupil	177,060	--	177,060	206,927	--	206,927
Transportation						
Student activities	497,454	--	497,454	491,152	--	491,152
Community	28,516	--	28,516	22,265	--	22,265
Services						
Interest on long-	1,061,975	--	1,061,975	757,819	--	757,819
term debt						
Unallocated	18,091	--	18,091	17,819	--	17,819
depreciation						
expense						
Food Services	--	<u>811,762</u>	<u>811,762</u>	--	<u>811,968</u>	<u>811,968</u>
Total expenses	<u>\$20,513,685</u>	<u>\$811,762</u>	<u>\$21,325,447</u>	<u>\$19,517,965</u>	<u>\$811,968</u>	<u>\$20,329,933</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

	<u>2010</u>			<u>2009</u>		
	<u>Governmental</u>	<u>Business-</u>		<u>Governmental</u>	<u>Business-</u>	
	<u>Activities</u>	<u>type</u>	<u>Total</u>	<u>Activities</u>	<u>type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Increase (decrease) in net assets	<u>\$1,059,226</u>	<u>(\$23,383)</u>	<u>\$1,035,843</u>	<u>\$238,152</u>	<u>(\$33,806)</u>	<u>\$204,346</u>
Transfers	(10,500)	10,500	--	--	--	--
Change in net assets	<u>1,048,726</u>	<u>(12,883)</u>	<u>1,035,843</u>	<u>238,152</u>	<u>(33,806)</u>	<u>204,346</u>
Beginning Net Assets *	<u>12,446,445</u>	<u>30,045</u>	<u>12,476,490</u>	<u>12,208,293</u>	<u>63,851</u>	<u>12,272,144</u>
Ending Net assets	<u>\$13,495,171</u>	<u>\$17,162</u>	<u>\$13,512,333</u>	<u>\$12,446,445</u>	<u>\$30,045</u>	<u>\$12,476,490</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>2010</u>		<u>2009</u>	
<u>Functions/Programs</u>	<u>Total Cost of</u>	<u>Net Cost of</u>	<u>Total Cost of</u>	<u>Net Cost of</u>
	<u>Services</u>	<u>Services</u>	<u>Services</u>	<u>Services</u>
Instruction	\$12,966,000	\$8,734,515	\$12,493,857	\$9,157,660
Instructional student support	2,247,914	1,827,146	2,296,669	1,745,106
Administrative	1,819,372	1,608,116	1,663,309	1,607,075
Operation and maintenance	1,697,303	1,612,080	1,568,148	1,494,808
Pupil transportation	177,060	136,115	206,927	183,425
Student activities	497,454	427,804	491,152	401,100
Community services	28,516	12,755	22,265	11,221
Interest on long-term debt	1,061,975	321,295	757,819	399,086
Unallocated depreciation expense	<u>18,091</u>	<u>18,091</u>	<u>17,819</u>	<u>17,819</u>
Total governmental activities	\$20,513,685	14,697,917	\$19,517,965	15,017,300
Less:				
Unrestricted grants, subsidies		<u>6,639,364</u>		<u>6,604,860</u>
Total needs from local Taxes and other revenues		<u>\$8,058,553</u>		<u>\$8,412,440</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>2010</u>		<u>2009</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	\$811,762	\$23,791	\$811,968	\$34,366
Less: Investment earnings		<u>408</u>		<u>560</u>
Total business-type activities		<u>\$23,383</u>		<u>\$33,806</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, 2010, the District governmental funds reported a combined total fund balance of \$8,605,569, which is an increase of \$5,666,975. The primary reason for this increase is as follows:

Capital Projects Fund:

The District entered into a building renovation/addition project at the Columbia Jr./Sr. High School. Funds were still available to complete continuing construction in the amount of \$4,953,641.

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. Estimated Federal American Recovery and Reinvestment Act (ARRA) funding was budgeted in budgetary reserve and transferred to the appropriate expenditure categories once the funds were established. The District received \$789,776 for State Fiscal Stabilization Funds (SFSF) for 2009-2010 general operating expenditures. In addition, part of the two year money for Title I and IDEA programs were budgeted. Budgeted revenues increased \$281,395 as a result of adjustments to the ARRA estimated funds as well as 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, 2009 was \$1,089,973. The ending fund balance as of June 30, 2010 is \$1,212,074, which included interest income of \$22,101 and a transfer in from the General Fund of \$100,000. This ending fund balance will be used to help phase in the debt payments for future capital projects.

Internal Service Fund

The District accounts for actual health premiums and claims of employees through an Internal Service Fund. The net asset balance as of June 30, 2009 was (\$514,997). The net asset balance as of June 30, 2010 is (\$149,673) as a result of additional budgeted transfers from the General Fund to address the negative net asset position. Additional information about the Districts self-insured health benefits is contained in Note 8, Pages F-48 and F-49.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2010, the District had \$36,645,558 invested in a broad range of capital assets, including land, buildings and furniture and equipment. This amount represents a net increase (including additions, deletions and depreciation) of \$10,815,603 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>2010</u>		<u>2009</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)	1,449,722	--	1,551,054	--
Building and Building Improvements (Net of accumulated depreciation)	21,817,186	\$--	22,569,501	\$--
Construction in progress	12,616,052	--	881,778	--
Furniture & Equipment (Net of accumulated depreciation)	<u>738,178</u>	<u>20,220</u>	<u>798,276</u>	<u>25,146</u>
Total	<u>\$36,625,338</u>	<u>\$20,220</u>	<u>\$25,804,809</u>	<u>\$25,146</u>

The construction in progress resulted in the overall net increase. More detailed information about our capital assets is included in Note 6 to the financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

DEBT ADMINISTRATION

As of July 1, 2009, the District's governmental activities had total outstanding bond principal of \$16,215,000. This debt consisted of a General Obligation Bond, Series of 2009 for \$8,785,000, General Obligation Bond, Series of 2005 for \$5,400,000 and a General Obligation Bond, Series 2003 for \$2,030,000.

During the year, the District chose to refund the General Obligation Bonds, Series of 2003 and 2005 and issued two new General Obligation Bonds, Series of 2009A and 2010, for a net increase in debt principal of \$17,280,000. The District made payments against principal of \$1,285,000 resulting in ending outstanding debt as of June 30, 2010 of \$32,210,000:

Table A-6
Outstanding Debt

	2010	2009
General Obligation Notes/Bonds:		
- Bonds, Series of 2010	\$12,510,000	--
- Bonds, Series of 2009A	\$11,395,000	--
- Bonds, Series of 2009	\$8,305,000	\$8,785,000
- Bonds, Series of 2005	--	5,400,000
- Bonds, Series of 2003	--	<u>2,030,000</u>
Total	<u>\$32,210,000</u>	<u>\$16,215,000</u>

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 tax loss has not had a detrimental effect on the District finances. This was taken into consideration in the 2009-2010 budgeting process.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES continued

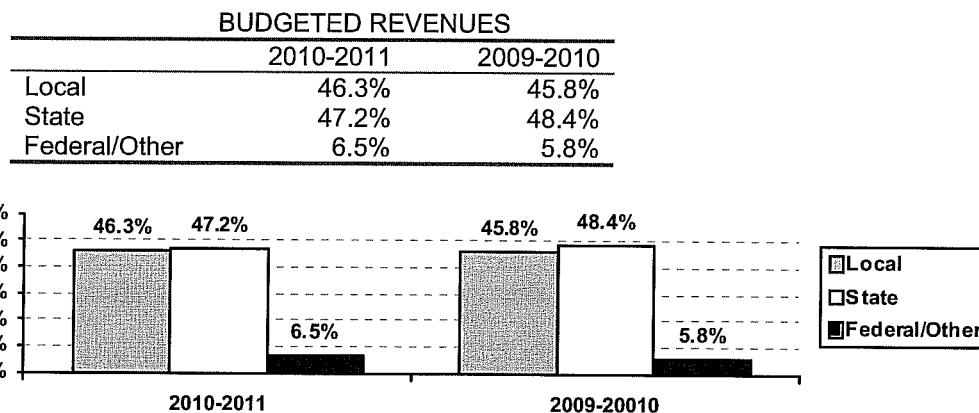
In addition to the KOZ program, in April 2004, the School District agreed to provide tax relief for improvements made to certain deteriorated commercial property within the Local Economic Recovery Tax Abatement (LERTA) ordinance of the Borough of Columbia. The exemption is limited to the portion of additional 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 2010-2011 year is \$62,317 less than the original budget for 2009-2010. This represents less than a 1% decrease in budgeted revenues. Columbia has relied on Basic Education Subsidy to reduce the impact of education on the taxpayers. That funding source increased by 3.4%. However, Special Education continues to be an ever increasing expense for the District, and this particular funding source did not have any increase for the district. The overall budgeted dollars went down because of one-time American Recovery and Reinvestment Act sources during the 2009-2010 budget year.

The expenditure budget for the 2010-2011 year is \$80,307 more than the original budget for 2009-2010, or a 0.4% increase. The additional ARRA revenues budgeted in 2009-2010 also had the offsetting expenditures associated with that which resulted in a large part in holding down the overall increase. Since not all revenue sources experienced an increase, the District did need to increase the millage rate of 24.357 to 25.37 (\$1.00 per \$1,000 of assessed value), as noted above, resulting in a 4.1% increase in property taxes.

The comparison of revenue and expenditure categories is as follows:

Table A-7

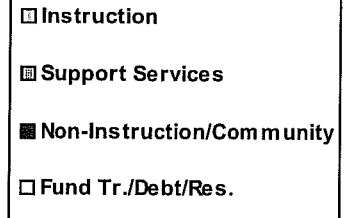
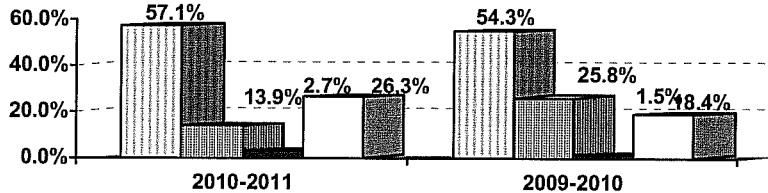


**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES continued

BUDGETED EXPENDITURES

	2010-2011	2009-2010
Instruction	57.1%	54.3%
Support Services	13.9%	25.8%
Non-Instruction/Community	2.7%	1.5%
Fund Transfers/Debt/Reserves	26.3%	18.4%



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 amount reflected on the Statement of Net Assets Page F-19 reflects the Noncurrent Liability of \$124,265. The District chose not to establish a trust fund for funding this liability at this time, but may review this for future financial consideration.

FUTURE ECONOMIC FACTORS

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 2010-2011 is 4.2% while the base index is 2.9%. For the 2011-2012 budget year, the index for Columbia will be 2.0% while the base index is 1.4%. 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 2011 primary election. If the District determined that a referendum tax question should be posted and 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 2011-12.

**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 not apply for exceptions for the 2010-2011 budget but did raise property taxes 4.1% - almost to the index of 4.2%.

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, 2010

BASIC FINANCIAL STATEMENTS

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**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF NET ASSETS
JUNE 30, 2010**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 4,445,294	\$ 8,079	\$ 4,453,373
Investments	5,425,332	6,277	5,431,609
Taxes Receivable, Net	710,660	--	710,660
Internal Balances	14,328	(14,328)	--
Due from Other Governments	1,363,808	--	1,363,808
Other Receivables	26,493	--	26,493
Inventories	--	7,675	7,675
Prepaid Expenses	<u>14,035</u>	<u>--</u>	<u>14,035</u>
Total Current Assets	<u>11,999,950</u>	<u>7,703</u>	<u>12,007,653</u>
Noncurrent Assets:			
Land	4,200	--	4,200
Site Improvements (Net of Accumulated Depreciation)	1,449,722	--	1,449,722
Building and Building Improvements (Net of Accumulated Depreciation)	21,817,186	--	21,817,186
Furniture and Equipment (Net of Accumulated Depreciation)	738,178	20,220	758,398
Construction in Progress	12,616,052	--	12,616,052
Bond Issuance Costs (Net of Accumulated Amortization)	<u>303,906</u>	<u>--</u>	<u>303,906</u>
Total Noncurrent Assets	<u>36,929,244</u>	<u>20,220</u>	<u>36,949,464</u>
TOTAL ASSETS	<u>\$ 48,929,194</u>	<u>\$ 27,923</u>	<u>\$ 48,957,117</u>
LIABILITIES			
Current Liabilities:			
Due to Other Governments	\$ 112,045	\$ 982	\$ 113,027
Accounts Payable	1,211,555	24	1,211,579
Current Portion of Long-Term Debt	1,455,000	--	1,455,000
Current Portion of Compensated Absences	31,987	--	31,987
Accrued Salaries and Benefits	1,459,986	4,651	1,464,637
Payroll Deductions and Withholdings	110,280	--	110,280
Unearned Revenues	91,184	5,104	96,288
Other Current Liabilities	<u>206,403</u>	<u>--</u>	<u>206,403</u>
Total Current Liabilities	<u>4,678,440</u>	<u>10,761</u>	<u>4,689,201</u>
Noncurrent Liabilities:			
Bonds and Notes Payable, Net of Current Portion	30,755,000	--	30,755,000
Bond Discount (Net of Accumulated Amortization)	(411,568)	--	(411,568)
Long-Term Portion of Compensated Absences	287,886	--	287,886
Other Post-Employment Benefits	<u>124,265</u>	<u>--</u>	<u>124,265</u>
Total Noncurrent Liabilities	<u>30,755,583</u>	<u>--</u>	<u>30,755,583</u>
TOTAL LIABILITIES	<u>35,434,023</u>	<u>10,761</u>	<u>35,444,784</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	9,141,272	20,220	9,161,492
Restricted	6,694	--	6,694
Unrestricted	<u>4,347,205</u>	<u>(3,058)</u>	<u>4,344,147</u>
TOTAL NET ASSETS	<u>13,495,171</u>	<u>17,162</u>	<u>13,512,333</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 48,929,194</u>	<u>\$ 27,923</u>	<u>\$ 48,957,117</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, 2010**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental Activities:						
Instruction	\$ 12,966,000	\$ 11,744	\$ 4,119,251	\$ 100,490	\$ (8,734,515)	\$ (8,734,515)
Instructional Student Support	2,247,914	--	418,107	2,661	(1,827,146)	(1,827,146)
Administrative and Financial Support Services	1,819,372	--	86,826	124,430	(1,608,116)	(1,608,116)
Operation and Maintenance of Plant Services	1,697,303	38,491	46,732	--	(1,612,080)	(1,612,080)
Pupil Transportation	177,060	--	40,945	--	(136,115)	(136,115)
Student Activities	497,454	33,550	36,100	--	(427,804)	(427,804)
Community Services	28,516	--	15,761	--	(12,755)	(12,755)
Interest on Long-Term Debt	1,061,975	--	--	740,680	(321,295)	(321,295)
Unallocated Depreciation Expense*	18,091	--	--	--	(18,091)	(18,091)
Total Governmental Activities	20,513,685	83,785	4,763,722	968,261	(14,697,917)	(14,697,917)
Business-Type Activities:						
Food Services	811,762	243,553	544,418	--	--	(23,791)
Total Primary Government	\$ 21,325,447	\$ 327,338	\$ 5,308,140	\$ 968,261	(14,697,917)	(23,791)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net					7,952,194	7,952,194
Public Utility Realty, Earned Income and Per Capita Taxes Levied for Specific Purposes, Net					947,073	947,073
Grants, Subsidies, and Contributions Not Restricted					6,639,364	6,639,364
Investment Earnings					184,351	184,759
Miscellaneous Income					34,161	34,161
Total General Revenues					15,757,143	15,757,551
Transfers					(10,500)	--
Change in Net Assets					1,048,726	(12,883)
Net Assets -- July 1, 2009					12,446,445	30,045
Net Assets -- June 30, 2010					\$ 13,495,171	\$ 17,162
						\$ 13,512,333

*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, 2010**

	Major Funds				Nonmajor Fund	Total Governmental Funds
	General Fund	Capital Reserve Fund	Capital Projects Fund	Debt Service Fund	Athletic Fund	
ASSETS						
Cash and Cash Equivalents	\$ 3,838,287	\$ 243,802	\$ 353,641	\$ --	\$ 9,564	\$ 4,445,294
Investments	100,978	724,354	4,600,000	--	--	5,425,332
Taxes Receivable (Net)	710,660	--	--	--	--	710,660
Due from Other Funds	136,155	243,918	--	--	--	380,073
Due from Other Governments	1,363,808	--	--	--	--	1,363,808
Other Receivables	20,124	--	--	--	--	20,124
Prepaid Expenditures	14,035	--	--	--	--	14,035
TOTAL ASSETS	<u>\$ 6,184,047</u>	<u>\$ 1,212,074</u>	<u>\$ 4,953,641</u>	<u>\$ --</u>	<u>\$ 9,564</u>	<u>\$ 12,359,326</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Due to Other Funds	\$ 219,084	--	\$ 131,864	\$ --	\$ 7,994	\$ 358,942
Due to Other Governments	112,046	--	--	--	--	112,046
Accounts Payable	250,999	--	811,317	--	--	1,062,316
Accrued Salaries and Benefits	1,459,986	--	--	--	--	1,459,986
Payroll Deductions and Withholdings	110,280	--	--	--	--	110,280
Deferred Revenues	650,187	--	--	--	--	650,187
TOTAL LIABILITIES	<u>2,802,582</u>	<u>--</u>	<u>943,181</u>	<u>--</u>	<u>7,994</u>	<u>3,753,757</u>
FUND BALANCES						
Reserve for:						
Prepaid Expenditures	14,035	--	--	--	--	14,035
Capital Purposes	6,694	1,212,074	4,010,460	--	--	5,229,228
Athletic Purposes	--	--	--	--	1,570	1,570
Unreserved-Designated	1,554,425	--	--	--	--	1,554,425
Unreserved-Undesignated	1,806,311	--	--	--	--	1,806,311
TOTAL FUND BALANCES	<u>3,381,465</u>	<u>1,212,074</u>	<u>4,010,460</u>	<u>--</u>	<u>1,570</u>	<u>8,605,569</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,184,047</u>	<u>\$ 1,212,074</u>	<u>\$ 4,953,641</u>	<u>\$ --</u>	<u>\$ 9,564</u>	<u>\$ 12,359,326</u>

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, 2010**

Total Fund Balances – Governmental Funds	\$ 8,605,569
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 \$46,658,781 , and the accumulated depreciation is \$10,033,443 .	36,625,338
--	------------

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.	559,003
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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 \$447,310 with related accumulated amortization of \$143,403 . Bond discount totaled \$523,783 with accumulated amortization of \$112,215 .	715,475
--	---------

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	(32,210,000)	
Accrued interest on the bonds/notes	(206,403)	
Compensated absences	(319,873)	
Other post-employment benefits	<u>(124,265)</u>	(32,860,541)

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>(149,673)</u>
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TOTAL NET ASSETS – GOVERNMENTAL ACTIVITIES	<u>\$ 13,495,171</u>
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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, 2010**

	Major Funds				Nonmajor Fund Athletic Funds	Total Governmental Funds
	General Fund	Capital Reserve Fund	Capital Projects Fund	Debt Service Fund		
REVENUES						
Local Sources						
Real Estate Taxes and Penalties	\$ 7,932,848	\$ --	\$ --	\$ --	--	\$ 7,932,848
Other Taxes	947,073	--	--	--	--	947,073
Interest	138,171	12,601	32,736	718	125	184,351
Revenue from Intermediate Sources	766,428	--	--	--	--	766,428
Tuition	11,744	--	--	--	--	11,744
Revenue from Student Activities	21,779	--	--	--	33,550	55,329
Other Revenue	104,533	--	--	--	--	104,533
Refund of Prior Year's Expenditures	--	9,500	--	--	--	9,500
Total Local Sources	<u>9,922,576</u>	<u>22,101</u>	<u>32,736</u>	<u>718</u>	<u>33,675</u>	<u>10,011,806</u>
State Sources	9,758,305	--	--	--	576	9,758,881
Federal Sources	<u>1,784,593</u>	--	--	--	--	<u>1,784,593</u>
TOTAL REVENUES	<u>21,465,474</u>	<u>22,101</u>	<u>32,736</u>	<u>718</u>	<u>34,251</u>	<u>21,555,280</u>
EXPENDITURES						
Current						
Instruction	12,473,915	--	94,564	--	--	12,568,479
Support Services	5,784,423	--	263,486	--	--	6,047,909
Operation of Non-Instructional Services	<u>382,442</u>	--	--	--	<u>126,257</u>	<u>508,699</u>
Total Current	<u>18,640,780</u>	<u>--</u>	<u>358,050</u>	<u>--</u>	<u>126,257</u>	<u>19,125,087</u>
Capital Outlay						
Facilities, Acquisition, Construction and Improvement Services	--	--	11,603,753	--	--	11,603,753
Total Capital Outlay	--	--	<u>11,603,753</u>	--	--	<u>11,603,753</u>
Debt Service						
Principal	--	--	--	1,285,000	--	1,285,000
Interest and Fiscal Charges	--	--	--	<u>829,337</u>	--	<u>829,337</u>
Total Debt Service	--	--	--	<u>2,114,337</u>	--	<u>2,114,337</u>
Refunds of Prior Year's Receipts	<u>42</u>	--	--	--	--	<u>42</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General Fund	Capital Reserve Fund	Capital Projects Fund	Athletic Fund	
TOTAL EXPENDITURES	\$ 18,640,822	\$ --	\$ 11,961,803	\$ 126,257	\$ 32,843,219
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,824,652	22,101	(11,929,067)	(92,006)	(11,287,939)
OTHER FINANCING SOURCES (USES)					
Transfers In	--	100,000	--	92,006	2,164,316
Transfers Out	(2,174,816)	--	--	--	(2,174,816)
Sales/Compensation for Capital Assets	2,800	--	--	--	2,800
Bond Proceeds	--	--	17,138,691	--	24,710,000
Bond Issue Discount	--	--	(317,386)	--	(317,386)
Debt Service on Refunding	--	--	--	--	(7,430,000)
TOTAL OTHER FINANCING SOURCES (USES)	(2,172,016)	100,000	16,821,305	92,006	16,954,914
Net Change in Fund Balances	652,636	122,101	4,892,238	--	5,666,975
Fund Balance -- July 1, 2009	2,728,829	1,089,973	(881,778)	1,570	2,938,594
Fund Balance -- June 30, 2010	\$ 3,381,465	\$ 1,212,074	\$ 4,010,460	\$ 1,570	\$ 8,605,569

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, 2010**

Total net change in fund balance – governmental funds \$ 5,666,975

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	\$ (967,412)	
Capital outlays	11,792,456	10,825,044

The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net assets. (4,515)

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. 19,346

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 \$8,715,000. 8,715,000

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. 365,324

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:

Issuance of General Obligation Bonds	\$ (24,710,000)	
Bond Issuance Costs	227,531	
Bond Discount	317,386	
Amortization of bond issuance cost	(94,931)	
Amortization of bond discount	<u>(71,903)</u>	(24,331,917)

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: (23,269)

(Increase) in compensated absences

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.

Some expenditures reported in the governmental funds do not require the use of current financial resources and, however, the cost of other post-employment benefits is recorded as a noncurrent liability as required by GASB Statement No. 45. (45,597)

OTHER

Net change in accrued interest expense on bonds payable	<u>(137,665)</u>
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Change in net assets of governmental activities **\$ 1,048,726**

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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Local Revenues				
Real Estate Taxes and Penalties	\$ 7,764,617	\$ 7,764,617	\$ 7,932,848	\$ 168,231
Other Taxes	891,000	891,000	947,073	56,073
Interest	150,000	150,000	138,171	(11,829)
Revenues from Intermediate Sources	791,400	863,549	766,428	(97,121)
Tuition	22,500	22,500	11,744	(10,756)
Revenue from Student Activities	50,000	50,000	21,779	(28,221)
Other Revenue	<u>70,000</u>	<u>89,775</u>	<u>104,533</u>	<u>14,758</u>
Total Local Sources	9,739,517	9,831,441	9,922,576	91,135
State Program Revenues	10,305,809	9,772,431	9,758,305	(14,126)
Federal Program Revenues	<u>1,236,747</u>	<u>1,959,596</u>	<u>1,784,593</u>	<u>(175,003)</u>
TOTAL REVENUES	<u>21,282,073</u>	<u>21,563,468</u>	<u>21,465,474</u>	<u>(97,994)</u>
EXPENDITURES				
Current				
Regular Programs	7,354,969	8,331,615	8,219,047	112,568
Special Programs	3,305,064	3,697,153	3,569,611	127,542
Vocational Programs	276,000	354,000	353,682	318
Other Instructional Programs	941,361	422,594	330,585	92,009
Nonpublic School Programs	--	18,400	--	18,400
Higher Education Programs	--	4,046	990	3,056
Support Services				
Pupil Personnel Services	752,201	732,866	711,301	21,565
Instructional Staff Services	847,429	1,276,269	1,203,387	72,882
Administrative Services	1,026,970	981,020	945,191	35,829
Pupil Health	358,985	369,486	351,779	17,707
Business Services	331,632	330,133	282,680	47,453
Operation and Maintenance of Plant Services	1,704,612	1,707,063	1,596,904	110,159
Student Transportation Services	170,000	178,000	177,060	940
Central and Other Support Services	445,254	629,781	516,121	113,660
Operation of Noninstructional Services				
Student Activities	312,956	379,581	353,998	25,583
Community Services	17,110	35,365	28,444	6,921
Refund of Prior Year's Receipts	<u>--</u>	<u>50</u>	<u>42</u>	<u>8</u>
TOTAL EXPENDITURES	<u>17,844,543</u>	<u>19,447,422</u>	<u>18,640,822</u>	<u>806,600</u>
EXCESS OF REVENUES OVER				
EXPENDITURES	<u>3,437,530</u>	<u>2,116,046</u>	<u>2,824,652</u>	<u>708,606</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,255,543)	(2,188,542)	(2,174,816)	13,726
Sale/Compensation for Capital Assets	--	--	2,800	2,800
Budgetary Reserve	<u>(1,774,147)</u>	<u>(519,664)</u>	<u>--</u>	<u>519,664</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,029,690)</u>	<u>(2,708,206)</u>	<u>(2,172,016)</u>	<u>536,190</u>
Net Change in Fund balances	(592,160)	(592,160)	652,636	1,244,796
Fund Balance – July 1, 2009	<u>2,728,829</u>	<u>2,728,829</u>	<u>2,728,829</u>	<u>--</u>
Fund Balance – June 30, 2010	<u>\$ 2,136,669</u>	<u>\$ 2,136,669</u>	<u>\$ 3,381,465</u>	<u>\$ 1,244,796</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, 2010**

	<u>Business-Type Activities - Enterprise Fund Food Service</u>	<u>Governmental Activities - Internal Service Fund</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 8,079	\$ --
Investments	6,277	--
Inventories	<u>7,675</u>	<u>--</u>
Total Current Assets	<u>22,031</u>	<u>--</u>
Noncurrent Assets		
Machinery and Equipment (Net of Accumulated Depreciation)	<u>20,220</u>	<u>--</u>
Total Noncurrent Assets	<u>20,220</u>	<u>--</u>
TOTAL ASSETS	<u>\$ 42,251</u>	<u>\$ --</u>
LIABILITIES		
Current Liabilities		
Due to Other Funds	\$ 14,328	\$ 434
Due to Other Governments	982	--
Accounts Payable	24	149,239
Accrued Salaries and Benefits	4,651	--
Deferred Revenue	<u>5,104</u>	<u>--</u>
Total Current Liabilities	<u>25,089</u>	<u>149,673</u>
TOTAL LIABILITIES	<u>25,089</u>	<u>149,673</u>
NET ASSET		
Investment in Capital Assets	20,220	--
Unrestricted	<u>(3,058)</u>	<u>(149,673)</u>
TOTAL NET ASSETS	<u>17,162</u>	<u>(149,673)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 42,251</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, 2010**

	<u>Business-Type Activities - Enterprise Fund Food Service</u>	<u>Governmental Activities - Internal Service Fund</u>
OPERATING REVENUES		
Health Insurance Premiums	\$ --	\$2,637,308
Lunch Sales	206,117	--
Breakfast Sales	6,196	--
Special Function Revenue	13,822	--
Contracted Service Revenue	14,725	--
Miscellaneous Revenue	<u>2,693</u>	<u>--</u>
TOTAL OPERATING REVENUES	<u>243,553</u>	<u>2,637,308</u>
OPERATING EXPENSES		
Salaries	284,247	--
Employee Benefits	87,978	--
Purchased Property Services	24,506	--
Other Purchased Services	574	--
Supplies	408,304	--
Dues and Fees	1,227	--
Depreciation	4,926	--
Health Insurance Claims	--	2,000,834
Insurance Expense	<u>--</u>	<u>271,150</u>
TOTAL OPERATING EXPENSES	<u>811,762</u>	<u>2,271,984</u>
OPERATING INCOME/(LOSS)	<u>(568,209)</u>	<u>365,324</u>
NONOPERATING REVENUES (EXPENSES)		
Earnings on Investments	408	--
State Sources	52,671	--
Federal Sources	<u>491,747</u>	<u>--</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>544,826</u>	<u>--</u>
INCOME/(LOSS) BEFORE TRANSFERS	(23,383)	365,324
TRANSFER IN	<u>10,500</u>	<u>--</u>
CHANGE IN NET ASSETS	(12,883)	365,324
TOTAL NET ASSETS – JULY 1, 2009	<u>30,045</u>	<u>(514,997)</u>
TOTAL NET ASSETS – JUNE 30, 2010	<u>\$ 17,162</u>	<u>\$ (149,673)</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, 2010**

	Business-Type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities		
Cash Received from Users	\$ 245,793	\$ --
Cash Received from Interfund Services Provided	--	2,327,685
Cash Payments to Employees for Services	(348,618)	(2,327,685)
Cash Payments to Suppliers for Goods and Services	(378,850)	--
Cash Payments for Other Operating Expenses	<u>(1,227)</u>	<u>--</u>
Net Cash (Used for) Operating Activities	<u>(482,902)</u>	<u>--</u>
Cash Flows from Noncapital Financing Activities		
State Sources	51,535	--
Federal Sources	422,607	--
Transfer In	<u>10,500</u>	<u>--</u>
Net Cash Provided by Noncapital Financing Activities	<u>484,642</u>	<u>--</u>
Cash Flows from Capital and Related Financing Activities	<u>--</u>	<u>--</u>
Cash Flows from Investing Activities		
Earnings on Investments	408	--
Purchase of Investments	<u>(15)</u>	<u>--</u>
Net Cash Provided by Investing Activities	<u>393</u>	<u>--</u>
Net Increase in Cash and Cash Equivalents	2,133	--
Cash and Cash Equivalents Beginning of Year	<u>5,946</u>	<u>--</u>
Cash and Cash Equivalents End of Year	<u>\$ 8,079</u>	<u>\$ --</u>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:		
Operating Income (Loss)	<u>\$ (568,209)</u>	<u>\$ 365,324</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:		
Depreciation	4,926	--
USDA Donated Commodities	50,049	--
(Increase) in Due from Other Funds	(1,944)	--
Decrease in Accounts Receivable	3,995	--
Decrease in Inventories	2,810	--
(Decrease)/Increase in Due to Other Funds	982	--
Increase in Due to Other Governments	22,327	(309,623)
(Decrease) in Accounts Payable	(142)	(55,701)
Increase in Accrued Salaries Benefits	1,163	--
Increase in Deferred Revenue	<u>1,141</u>	<u>--</u>
Total Adjustments	<u>85,307</u>	<u>(365,324)</u>
Net Cash (Used for) Operating Activities	<u>\$ (482,902)</u>	<u>\$ --</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
USDA Donated Commodities	<u>\$ 50,049</u>	<u>\$ --</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, 2010**

	<u>Student Activities</u>	<u>Private Purpose Trust Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 3,825	\$ 46,674
Investments	<u>6,570</u>	<u>65,320</u>
TOTAL ASSETS	<u>\$ 10,395</u>	<u>\$ 111,994</u>
LIABILITIES		
Due to Other Funds	\$ 6,369	\$ --
Due to Student Groups	4,026	--
Accounts Payable	<u>--</u>	<u>--</u>
TOTAL LIABILITIES	<u>10,395</u>	<u>--</u>
NET ASSETS		
Held in Trust for Scholarships	--	51,460
Held in Trust for Music Purposes	<u>--</u>	<u>60,534</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,395</u>	<u>\$ 111,994</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, 2010**

	<u>Private Purpose Trust Fund</u>
ADDITIONS	
Earnings on Investments	\$ 308
Contributions	<u>200</u>
TOTAL ADDITIONS	<u>508</u>
DEDUCTIONS	
Scholarships Awarded	653
Other Community Services	<u>8,850</u>
CHANGE IN NET ASSETS	(8,995)
NET ASSETS – JULY 1, 2009	<u>120,989</u>
NET ASSETS – JUNE 30, 2010	<u><u>\$ 111,994</u></u>

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

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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.

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 twelve 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, 2010**

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 and eighty-three municipalities for the collection of earned income taxes. Each public school district appoints one member to serve on the joint operating committee with one member from the municipalities represented by each of the sixteen school districts. 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, 2010.

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.

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.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

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 capital projects fund accounts for financial resources used in the acquisition and construction of major capital facilities.

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 fund also accounts for monies in the Irene Hinkle Music Fund, whose purpose is to provide the resources to purchase music equipment as prescribed by the donor.

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

The internal service fund accounts for health insurance premiums and claims of the District.

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, 2010**

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 (for example, 1100-100). 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 \$281,395. 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, 2010**

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, 2010, 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, 2010. 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, 2010 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. Prepaid expenses are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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.

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.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

O. Date of Management's Review

Management has evaluated subsequent events through November 4, 2010, the date the financial statements were available to be issued.

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, 2010**

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, 2010, \$4,237,254 of the District's bank balance of \$4,487,254 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>\$ 4,237,254</u>
	<u>\$ 4,237,254</u>

Reconciliation to Financial Statements

Uninsured amount above	\$ 4,237,254
Plus: Insured Amount	250,000
Less: Outstanding Checks	(492,954)
Plus: Deposits in Transit	<u>109,257</u>
Carrying Amount – Bank Balances	\$ 4,103,557
Plus: Pooled Cash Equivalents	1,506,320
Less: Outstanding Checks on Pooled Cash Equivalents	<u>(1,106,005)</u>

Total Cash per Financial Statements	<u>\$ 4,503,872</u>
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Investments

As of June 30, 2010, the District had the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificates of Deposit	6 - 30 Months	\$ 607,497
PA Local Government Investment Trust (PLGIT)		73,381
PA School District Liquid Asset Fund (PSDLAF)		<u>4,822,621</u>
Total		<u>\$ 5,503,499</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. The weighted average maturity of the external investment pool assets is 41 days. The District's investments in external investment pools are maintained for a period less than 12 months and are payable on demand. Management does monitor rates of returns for investments on a monthly basis.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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, 2010, the District's investment in Susquehanna Bank's certificates of deposit was rated Baa2 by Moody's, the certificates of deposit invested in Union National Community Bank were 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, 2010, \$604,346 of the District's investments of \$5,503,499 was exposed to custodial credit risk as:

Insured or Registered	\$ 3,151
Uninsured or unregistered held by the counterparty or by its trust department not in the District's name	<u>604,346</u>
	<u>\$ 607,497</u>

The balance of \$4,896,002 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, 2013. The FDIC also extended the Transaction Account Guarantee (TAG) program through December 31, 2010 to provide additional insured coverage on non-interest bearing accounts. Union National Community Bank is participating in the TAG program.

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, 2010 was \$11,497,073 of which \$5,091,600 were invested at Union National Community Bank. This represents 44% of the District's deposits and investments. \$6,282,163 was invested in PA School District Liquid Asset Fund, which represents 55% of the District's deposits and investment. \$120,159 and \$3,151 were invested in the PA Local Government Investment Trust and Susquehanna Bank respectively, which represents 1% of the District's deposits and investments.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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, 2010 was 24.357 mills (\$24.36 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

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, 2010 are as follows:

	Gross Taxes Receivable	Allowance for Uncollectible Taxes	Net Estimated to be Collectible	Tax Revenue Recognized	Deferred Taxes
Real Estate	\$ 614,836	\$ --	\$ 614,836	\$ 150,594	\$ 464,242
Interims	1,109	--	1,109	--	1,109
Per Capita	<u>290,025</u>	<u>195,310</u>	<u>94,715</u>	<u>1,063</u>	<u>93,652</u>
Total	<u>\$ 905,970</u>	<u>\$ 195,310</u>	<u>\$ 710,660</u>	<u>\$ 151,657</u>	<u>\$ 559,003</u>

The deferred revenue balance in the general fund in the fund financial statements of \$650,187 consists of the following:

Deferred Taxes	\$ 559,003
Grants	48,908
Student Activity Accounts	15,916
Other Deferred Revenue	<u>26,360</u>
Total	<u>\$ 650,187</u>

NOTE 5 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments represent receivables for revenues earned by the school district. At June 30, 2010, the following amounts are due from other governmental units:

	General Fund
Federal (through the state)	\$ 254,490
State	800,892
Local	<u>308,426</u>
Total	<u>\$1,363,808</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 6 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 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
Construction in Progress	<u>881,778</u>	<u>11,734,274</u>	<u>--</u>	<u>12,616,052</u>
Total Capital Assets Not Being Depreciated	<u>885,978</u>	<u>11,734,274</u>	<u>--</u>	<u>12,620,252</u>
Capital Assets Being Depreciated				
Site Improvements	2,716,735	--	--	2,716,735
Buildings	29,159,603	--	--	29,159,603
Furniture and Fixtures	942,857	--	--	942,857
Library Books	471,248	52,783	--	524,031
Vehicles	338,663	--	--	338,663
Equipment	<u>371,231</u>	<u>5,399</u>	<u>19,990</u>	<u>356,640</u>
Total Assets Being Depreciated	<u>34,000,337</u>	<u>58,182</u>	<u>19,990</u>	<u>34,038,529</u>
Less Accumulated Depreciation For:				
Site Improvements	1,165,681	101,332	--	1,267,013
Buildings	6,590,104	752,313	--	7,342,417
Furniture and Fixtures	597,677	28,160	--	625,837
Library Books	301,517	33,204	--	334,721
Vehicles	218,347	23,608	--	241,955
Equipment	<u>208,180</u>	<u>28,795</u>	<u>15,475</u>	<u>221,500</u>
Total Accumulated Depreciation	<u>9,081,506</u>	<u>967,412</u>	<u>15,475</u>	<u>10,033,443</u>
Total Capital Assets, Being Depreciated, Net	<u>24,918,831</u>	<u>(909,230)</u>	<u>4,515</u>	<u>24,005,086</u>
Governmental Activities, Capital Assets, Net	<u>\$ 25,804,809</u>	<u>\$10,825,044</u>	<u>\$ 4,515</u>	<u>\$ 36,625,338</u>
Business-Type Activities				
Capital Assets Being Depreciated				
Equipment	\$ 74,690	\$ --	\$ --	\$ 74,690
Total Capital Assets, Being Depreciated	<u>74,690</u>	<u>--</u>	<u>--</u>	<u>74,690</u>
Less Accumulated Depreciation For:				
Equipment	<u>49,544</u>	<u>4,926</u>	<u>--</u>	<u>54,470</u>
Total Accumulated Depreciation	<u>49,544</u>	<u>4,926</u>	<u>--</u>	<u>54,470</u>
Total Capital Assets Being Depreciated, Net	<u>25,146</u>	<u>(4,926)</u>	<u>--</u>	<u>20,220</u>
Business-Type Activities Capital Assets, Net	<u>\$ 25,146</u>	<u>\$ (4,926)</u>	<u>\$ --</u>	<u>\$ 20,220</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 6 - CHANGES IN CAPITAL ASSETS (Continued)

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

Governmental Activities:

Instruction:	
Regular	\$ 520,242
Special	226,019
Support Services:	
Pupil Personnel	7,417
Instructional Staff	7,417
Administration	31,441
Pupil Health	7,417
Operation and Maintenance of Plant	130,020
Operation of Noninstructional Services:	
Student Activities	19,348
Unallocated Depreciation Expense	<u>18,091</u>
Total Depreciation Expense – Governmental Activities	<u><u>\$ 967,412</u></u>

Business-Type Activities

Cafeteria	<u>\$ 4,926</u>
Total Depreciation expense – Business-Type Activities	<u><u>\$ 4,926</u></u>

NOTE 7 - LONG-TERM DEBT

During the fiscal year ended June 30, 2010, long-term debt changed as follows:

	<u>Bonds/Notes Payable</u>	<u>Compensated Absences</u>	<u>Total Long-Term Debt</u>
Beginning of Year	\$ 16,215,000	\$ 296,604	\$ 16,511,604
Additional Borrowings	24,710,000	--	24,710,000
Principal Retirement	(8,715,000)	--	(8,715,000)
Increase in Compensated Absences	--	43,377	43,377
Decrease in Compensated Absences	--	(11,164)	(11,164)
Pay-Outs of Compensated Absences	--	(8,945)	(8,945)
End of Year	<u><u>\$ 32,210,000</u></u>	<u><u>\$ 319,872</u></u>	<u><u>\$ 32,529,872</u></u>
Current Portion	1,455,000	31,987	1,486,987

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.

Payments for compensated absences are funded by the general fund.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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, 2010, including total interest payments are as follows:

Year Ended June 30,	General Obligation Bonds		Total
	Interest	Principal	
2011	\$ 1,107,762	\$ 1,455,000	\$ 2,562,762
2012	1,078,662	1,490,000	2,568,662
2013	1,042,787	1,585,000	2,627,787
2014	1,001,037	1,630,000	2,631,037
2015	957,587	1,675,000	2,632,587
2016-2020	3,982,167	9,160,000	13,142,167
2021-2025	2,157,768	10,840,000	12,997,768
2026-2027	257,596	4,375,000	4,632,596
Total	<u>\$ 11,585,366</u>	<u>\$ 32,210,000</u>	<u>\$ 43,795,366</u>

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 bonds were refunded by Series A of 2009 bonds.

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 bonds were refunded by Series of 2010 bonds.

General Obligation Bonds, Series of 2009

On April 30, 2009, the school district issued general obligation bonds in the amount of \$9,165,000. The purpose of the bonds is (1) to refund the General Obligation Bonds, Series of 2004 and (2) to pay the costs of issuing the bonds. The bonds bear interest rates ranging from 2.0% to 4.0% with principal maturities from June 2009 through June 2024. The balance outstanding as of June 30, 2010 was \$8,305,000.

General Obligation Bonds, Series A of 2009

On August 7, 2009, the school district issued general obligation bonds in the amount of \$12,065,000. The purpose of the bonds is to (1) refund the General Obligation bonds, Series of 2003, (2) finance renovations to existing school facilities, and (3) pay the costs of issuing the bonds. The bonds bear interest rates ranging from 2% to 4.25% with principal maturities from February 2010 through February 2024. The balance outstanding as of June 30, 2010 was \$11,395,000.

General Obligation Bonds, Series of 2010

On March 2, 2010, the school district issued general obligation bonds in the amount of \$12,645,000. The purpose of the bonds is to (1) refund the General Obligation Bonds, Series of 2005, (2) finance renovations to existing school facilities, and (3) pay the costs of issuing the bonds. The bonds bear interest rates ranging from 1% to 4% with principal maturities from June 2010 through June 2027. The balance outstanding as of June 30, 2010 was \$12,510,000.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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 \$2,565,828 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, 2010 for the future payment of claims. The district has recorded a liability for claims incurred prior to June 30, 2010 and paid subsequently in the amount of \$149,239. 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, 2010**

NOTE 8 - SELF INSURANCE - HEALTH BENEFITS (Continued)

CHANGE IN AGGREGATE CLAIM LIABILITIES - HEALTH BENEFITS

<u>Year Ended June 30,</u>	<u>2010</u>	<u>2009</u>
Claim Liability – Beginning of Year	\$ 204,940	\$ 176,387
Current Year Claims and Changes in Estimates	2,000,834	1,895,937
Claim Payments by School District	<u>(2,056,535)</u>	<u>(1,867,384)</u>
Claim Liability – End of Year	<u>\$ 149,239</u>	<u>\$ 204,940</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, 2010, the rate of employer's contribution was 4.78 percent of covered payroll. The 4.78 percent rate is composed of a pension contribution rate of 4.00 percent for pension benefits and .78 percent for healthcare insurance premium assistance.

Columbia Borough School District's contributions to the System for the years ending June 30, 2010, 2009, and 2008 were \$414,719, \$437,546 and, \$599,006, respectively, equal to the required contributions for each year.

NOTE 10 - OPERATING LEASES

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, 2010 and 2009 the district paid \$13,661 and \$22,209 respectively in operating lease payments for its pro-rated share of the Authority's debt service. The bonds were paid off as of June 30, 2010.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 11 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

The District has implemented Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions," for certain post-employment healthcare benefits provided by the District.

The District's post-employment healthcare plan is a single-employer defined benefit healthcare plan. The plan permits 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, non-receipt 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 Board of School Directors has the authority to establish and amend benefit provisions through the collective bargaining process with members of the professional staff, an agreement with administrative employees, and support staff contracts. The plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

Funding Policy

The contribution requirements of plan members are established and may be amended by the Board of School Directors. The required contribution is based on projected pay-as-you-go financing requirements. Plan members receiving benefits contributed \$74,325 through their required monthly contributions.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District's OPEB cost for the year, the amount actually contributed to the plan and changes in the District's net OPEB obligation to the plan.

Annual Required Contribution	\$ 189,913
Interest on Net OPEB Obligation	3,933
Adjustment to Annual Required Contribution	<u>(5,117)</u>
Annual OPEB Cost (Expense)	188,729
Contributions Made (Estimated)	<u>(143,132)</u>
Increase in Net OPEB Obligation	45,597
Net OPEB Obligation – Beginning of Year	<u>78,668</u>
Net OPEB Obligation – End of Year	<u><u>\$ 124,265</u></u>

The district contributed 75.8% and 58.6% of the annual postemployment benefit cost for the years ended June 30, 2010 and 2009 respectively.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 11 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Funded Status and Funding Progress

Historical trend information required to be disclosed, beginning as of September 1, 2006 is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability Entry Age</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Payroll</u>
9-1-06	\$ --	\$1,584,657	\$1,584,657	0.00%	\$7,743,110	20.47%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

An actuarial study as of September 1, 2006 was completed by Conrad M. Siegel, Inc. for purposes of GASB Statement No. 45 reporting. The actuarial cost method used was the entry age normal cost method. The following significant assumptions were used in the actuarial valuations as of January 1, 2006; (1) a 5.0% rate of return; (2) rates of turnover ranging from 5.4% at age 25 to 10.4% at age 60; (3) mortality life expectancies are assumed separate rates for preretirement and postretirement using the rates in the PSERS defined benefit pension plan actuarial valuation; (4) no disability was assumed (5) retirement rates are based on PSERS plan experience and vary by age, gender and service; (6) 90% of support staff are assumed to elect coverage on retiring and 100% of all others are assumed to elect coverage on retiring (7) 50% percent of employees married at retirement and have a spouse covered by the plan at retirement; (8) wives are assumed to be three years younger than their husbands; (9) per capita claims cost used; (10) retirees contributions are assumed to increase at the same rate as the health care cost trend rate; and (11) health care cost 10.0% in 2006, decreasing 1% per year to a rate of 5% in 2011 and later.

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, 2010**

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 eighteen 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, 2010 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, 2010 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 136,155	\$ 219,084
Capital Reserve Fund	243,918	--
Capital Projects Fund	--	131,864
Athletic Fund	--	7,994
Enterprise Fund	--	14,328
Agency Fund	--	6,369
Internal Service Fund	--	434
	<u>\$ 380,073</u>	<u>\$ 380,073</u>

Interfund balances consist of health insurance claims paid from the general fund and not reimbursed by the health insurance fund until July 2010. 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 expenditures paid by the capital reserve and general funds for the capital projects fund. Amounts due to the general fund from the cafeteria fund and athletic fund are for normal operating expenditures.

Interfund Transfers:

	<u>Transfer to Other Funds</u>	<u>Transfer from Other Funds</u>
General Fund	\$ 2,174,816	\$ --
Debt Service Fund	--	1,972,310
Capital Reserve Fund	--	100,000
Enterprise Fund	--	10,500
Athletic Fund	--	92,006
	<u>\$ 2,174,816</u>	<u>\$ 2,174,816</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 14 - DUE TO/FROM OTHER FUNDS AND TRANSFERS (Continued)

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 \$92,006. 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 \$1,972,310. The general fund also made a transfer of \$100,000 to the capital reserve fund during the year to be used for future capital purchases. The general fund made a transfer of \$10,500 to the cafeteria fund to assist with normal operating expenditures.

NOTE 15 - CURRENT BOND REFINANCING

The District issued a \$12,065,000 (Series A of 2009) general obligation bond for a current refunding of \$2,030,000 for Series of 2003. The refunding resulted in \$35,107 gross debt service savings over the next 3 years, and an economic gain of \$34,019.

The district also issued a \$12,645,000 (Series of 2010) general obligation bond for a current refunding of \$5,400,000 for Series of 2005. The refunding resulted in \$160,739 gross debt service savings over the next 17 years, and an economic gain of \$155,193.

NOTE 16 - FUND BALANCE/NET ASSETS

Fund Balance – Unreserved - Designated

The fund balance designations in the general fund totaling \$1,554,425 represents \$600,000 set aside for future payment of medical insurance claims, \$434,425 for the PSERS stabilization fund, and \$520,000 reserved for expenditures budgeted for 2010-2011.

Net Assets - Deficit

Health Insurance Fund

The District has a deficit unrestricted net assets in the health insurance fund of \$149,673. The deficit is to be funded from future transfers from the general fund.

Cafeteria Fund

The District has a deficit unrestricted net assets in the cafeteria fund of \$3,058. The deficit is to be funded by future revenues.

Invested in Capital Assets, Net of Related Debt

Total Capital Assets (Net of Accumulated Depreciation)	<u>\$ 36,625,338</u>
Bonds Payable	\$ 32,210,000
Less: Bond Issuance Costs	(303,906)
Less: Bond Discount	(411,568)
Less: Debt Related to Unspent Bond Proceeds	<u>(4,010,460)</u>
Net Outstanding Debt	<u>27,484,066</u>
Invested in Capital Assets, Net of Related Debt	<u>\$ 9,141,272</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 16 - FUND BALANCE/NET ASSETS (Continued)

Net Assets - Restricted

Restricted net assets of \$6,694 consists of \$6,339 restricted by the Class of 2006 and 2007 for the purchase of a marquee sign for the high school and \$355 restricted by the Class of 2010 for the purchase of trees for the high school.

NOTE 17 - 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, 2010 and the two previous fiscal years, no settlements exceeded insurance coverage.

NOTE 18 – COMMITMENT

As of June 30, 2010, the District is involved in a capital project for renovations/additions to the junior/senior high school. The District had the following commitments as of June 30, 2010:

	<u>Contract Amounts</u>	<u>Amount Paid-to-Date</u>	<u>Commitments Outstanding</u>
General Construction	\$ 7,169,901	\$ 5,344,808	\$ 1,825,093
Plumbing Construction	895,860	641,064	254,796
HVAC Construction	4,074,840	3,191,048	883,792
Electrical Construction	<u>2,250,381</u>	<u>1,583,826</u>	<u>666,555</u>
	<u>\$ 14,390,982</u>	<u>\$ 10,760,746</u>	<u>\$ 3,630,236</u>

**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, 2010**

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, 2010**

	<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	\$ 7,293,617	\$ --	\$ 7,293,617	\$ 7,320,882	\$ 27,265
Interim Real Estate Taxes	10,000	--	10,000	8,865	(1,135)
Public Utility Realty Tax	10,000	--	10,000	11,422	1,422
Payments in Lieu of Current Taxes	11,000	--	11,000	11,000	--
Current Per Capita Taxes – Sec. 679	20,000	--	20,000	21,271	1,271
Current Per Capita Taxes – Act 511	40,000	--	40,000	42,543	2,543
Local Services Tax	7,000	--	7,000	8,499	1,499
Current Earned Income Taxes	800,000	--	800,000	849,750	49,750
Delinquent Taxes	464,000	--	464,000	605,689	141,689
Interest on Investments	150,000	--	150,000	138,171	(11,829)
Revenue from Intermediate Sources – Federal Funds	791,400	72,149	863,549	765,869	(97,680)
Revenue from Intermediate Sources – Other Funds	--	--	--	559	559
Rentals	45,000	--	45,000	38,491	(6,509)
Contributions and Donations from Private Sources	5,000	875	5,875	11,290	5,415
Tuition from Patrons	22,500	--	22,500	11,744	(10,756)
Student Activity Income	50,000	--	50,000	21,779	(28,221)
Miscellaneous Revenue	<u>20,000</u>	<u>18,900</u>	<u>38,900</u>	<u>54,752</u>	<u>15,852</u>
TOTAL REVENUE FROM LOCAL SOURCES	<u>9,739,517</u>	<u>91,924</u>	<u>9,831,441</u>	<u>9,922,576</u>	<u>91,135</u>
REVENUE FROM STATE SOURCES					
Basic Instructional Subsidy	6,682,007	(512,968)	6,169,039	5,875,893	(293,146)
Charter Schools – Nonpublic	140,000	--	140,000	115,774	(24,226)
Tuition for Orphans and Children - Placed in Private Homes	60,000	--	60,000	35,610	(24,390)
Homebound Instruction	1,000	--	1,000	--	(1,000)
Migratory Children	--	--	--	160	160
Special Education of Exceptional Pupils	1,169,405	--	1,169,405	1,244,453	75,048
Education Assistance Program	165,658	(26,664)	138,994	107,414	(31,580)
Transportation	14,000	--	14,000	11,374	(2,626)
Rentals	524,169	--	524,169	740,680	216,511
Medical, Dental and Nurse Services	32,000	--	32,000	28,416	(3,584)
State Property Tax Reduction Allocation	636,407	--	636,407	636,407	--
Extra Grants	325,644	6,254	331,898	328,843	(3,055)
Revenue for Social Security Payments	337,499	--	337,499	376,474	38,975
Revenue for Retirement Payments	<u>218,020</u>	<u>--</u>	<u>218,020</u>	<u>256,807</u>	<u>38,787</u>
TOTAL REVENUE FROM STATE SOURCES	<u>10,305,809</u>	<u>(533,378)</u>	<u>9,772,431</u>	<u>9,758,305</u>	<u>(14,126)</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, 2010**

	<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					
State Fiscal Stabilization Fund	313,700	512,968	826,668	789,776	(36,892)
Education of Disadvantaged Children, ESEA, Title I	777,247	137,462	914,709	814,703	(100,006)
Title II	105,800	62,043	167,843	135,034	(32,809)
Safe and Drug Free Schools	--	10,376	10,376	8,264	(2,112)
Other Restricted Federal Grants in Aid through the Commonwealth	<u>40,000</u>	<u>--</u>	<u>40,000</u>	<u>36,816</u>	<u>(3,184)</u>
TOTAL REVENUE FROM FEDERAL SOURCES	<u>1,236,747</u>	<u>722,849</u>	<u>1,959,596</u>	<u>1,784,593</u>	<u>(175,003)</u>
TOTAL REVENUES	<u>21,282,073</u>	<u>281,395</u>	<u>21,563,468</u>	<u>21,465,474</u>	<u>(97,994)</u>
OTHER FINANCING SOURCES					
Sale or Compensation for Loss of Capital Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,800</u>	<u>2,800</u>
TOTAL OTHER FINANCING SOURCES	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,800</u>	<u>2,800</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 21,282,073</u>	<u>\$ 281,395</u>	<u>\$ 21,563,468</u>	<u>\$ 21,468,274</u>	<u>\$ (95,194)</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, 2010**

	<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	\$ 4,549,563	\$ 454,270	\$ 5,003,833	\$ 4,985,678	\$ 18,155
Employee Benefits	1,580,718	304,799	1,885,517	1,883,691	1,826
Purchased Professional and Technical Services	313,700	(9,392)	304,308	304,307	1
Purchased Property Services	29,285	7,000	36,285	33,444	2,841
Other Purchased Services	315,300	7,822	323,122	322,405	717
Supplies	386,749	198,502	585,251	548,184	37,067
Property	178,274	13,645	191,919	140,245	51,674
Other Objects	<u>1,380</u>	<u>--</u>	<u>1,380</u>	<u>1,093</u>	<u>287</u>
TOTAL REGULAR PROGRAMS	<u>7,354,969</u>	<u>976,646</u>	<u>8,331,615</u>	<u>8,219,047</u>	<u>112,568</u>
SPECIAL PROGRAMS					
Salaries	915,468	--	915,468	861,249	54,219
Employee Benefits	355,591	3,500	359,091	358,915	176
Purchased Professional and Technical Services	1,600,000	406,673	2,006,673	2,004,696	1,977
Purchased Property Services	35,000	(10,000)	25,000	23,843	1,157
Other Purchased Services	273,000	19,178	292,178	285,794	6,384
Supplies	126,005	(27,512)	98,493	34,889	63,604
Other Objects	<u>--</u>	<u>250</u>	<u>250</u>	<u>225</u>	<u>25</u>
TOTAL SPECIAL PROGRAMS	<u>3,305,064</u>	<u>392,089</u>	<u>3,697,153</u>	<u>3,569,611</u>	<u>127,542</u>
VOCATIONAL EDUCATION PROGRAMS					
Purchased Professional and Technical Services	--	80,379	80,379	80,061	318
Other Purchased Services	<u>276,000</u>	<u>(2,379)</u>	<u>273,621</u>	<u>273,621</u>	<u>--</u>
TOTAL VOCATIONAL EDUCATION PROGRAMS	<u>276,000</u>	<u>78,000</u>	<u>354,000</u>	<u>353,682</u>	<u>318</u>
OTHER INSTRUCTIONAL PROGRAMS					
Salaries	651,910	(461,956)	189,954	179,141	10,813
Employee Benefits	215,640	(139,305)	76,335	76,333	2
Purchased Professional and Technical Services	70,661	45,152	115,813	54,264	61,549
Purchased Property Services	450	(450)	--	--	--
Other Purchased Services	2,700	(505)	2,195	1,282	913
Supplies	<u>--</u>	<u>38,297</u>	<u>38,297</u>	<u>19,565</u>	<u>18,732</u>
TOTAL OTHER INSTRUCTIONAL PROGRAMS	<u>941,361</u>	<u>(518,767)</u>	<u>422,594</u>	<u>330,585</u>	<u>92,009</u>
NONPUBLIC SCHOOL PROGRAMS					
Purchased Professional and Services	<u>--</u>	<u>18,400</u>	<u>18,400</u>	<u>--</u>	<u>18,400</u>
TOTAL NONPUBLIC SCHOOL PROGRAMS	<u>--</u>	<u>18,400</u>	<u>18,400</u>	<u>--</u>	<u>18,400</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, 2010**

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Expenditures</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES (Continued)					
HIGHER EDUCATION PROGRAMS					
Other Purchased Services	--	3,000	3,000	850	2,150
Other Objects	--	1,046	1,046	140	906
TOTAL HIGHER EDUCATION PROGRAMS	--	4,046	4,046	990	3,056
TOTAL INSTRUCTION	<u>11,877,394</u>	<u>950,414</u>	<u>12,827,808</u>	<u>12,473,915</u>	<u>353,893</u>
SUPPORT SERVICES					
PUPIL PERSONNEL					
Salaries	504,910	(25,175)	479,735	470,161	9,574
Employee Benefits	193,137	(1,567)	191,570	190,396	1,174
Purchased Professional and Technical Services	29,000	785	29,785	26,899	2,886
Purchased Property Services	5,000	820	5,820	5,811	9
Other Purchased Services	6,600	2,600	9,200	8,920	280
Supplies	11,804	3,202	15,006	8,879	6,127
Property	1,500	--	1,500	--	1,500
Other Objects	250	--	250	235	15
TOTAL PUPIL PERSONNEL	<u>752,201</u>	<u>(19,335)</u>	<u>732,866</u>	<u>711,301</u>	<u>21,565</u>
INSTRUCTIONAL STAFF					
Salaries	361,532	164,548	526,080	503,003	23,077
Employee Benefits	252,758	80,249	333,007	332,449	558
Purchased Professional and Technical Services	47,905	160,495	208,400	180,987	27,413
Purchased Property Services	1,200	5,900	7,100	6,038	1,062
Other Purchased Services	85,112	(35,218)	49,894	37,429	12,465
Supplies	37,012	94,071	131,083	127,730	3,353
Property	59,100	(41,205)	17,895	13,251	4,644
Other Objects	2,810	--	2,810	2,500	310
TOTAL INSTRUCTIONAL STAFF	<u>847,429</u>	<u>428,840</u>	<u>1,276,269</u>	<u>1,203,387</u>	<u>72,882</u>
ADMINISTRATION					
Salaries	589,617	(24,450)	565,167	565,151	16
Employee Benefits	240,364	(10,000)	230,364	226,999	3,365
Purchased Professional and Technical Services	92,100	--	92,100	72,992	19,108
Purchased Property Services	16,398	1,100	17,498	17,484	14
Other Purchased Services	52,076	(13,200)	38,876	36,057	2,819
Supplies	23,450	--	23,450	17,542	5,908
Property	3,300	600	3,900	1,766	2,134
Other Objects	9,665	--	9,665	7,200	2,465
TOTAL ADMINISTRATION	<u>1,026,970</u>	<u>(45,950)</u>	<u>981,020</u>	<u>945,191</u>	<u>35,829</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, 2010**

	<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	167,991	--	167,991	157,744	10,247
Employee Benefits	59,686	6,500	66,186	65,946	240
Purchased Professional and Technical Services	123,581	4,000	127,581	125,990	1,591
Purchased Property Services	5,850	(400)	5,450	--	5,450
Other Purchased Services	262	1	263	173	90
Supplies	<u>1,615</u>	<u>400</u>	<u>2,015</u>	<u>1,926</u>	<u>89</u>
TOTAL PUPIL HEALTH	<u>358,985</u>	<u>10,501</u>	<u>369,486</u>	<u>351,779</u>	<u>17,707</u>
BUSINESS					
Salaries	176,666	2,000	178,666	178,481	185
Employee Benefits	62,226	--	62,226	61,757	469
Purchased Professional and Technical Services	32,875	(2,000)	30,875	14,114	16,761
Purchased Property Services	12,900	--	12,900	7,504	5,396
Other Purchased Services	10,125	(1,500)	8,625	5,391	3,234
Supplies	13,700	--	13,700	4,430	9,270
Property	2,000	--	2,000	1,882	118
Other Objects	<u>21,140</u>	<u>--</u>	<u>21,140</u>	<u>9,121</u>	<u>12,019</u>
TOTAL BUSINESS	<u>331,633</u>	<u>(1,500)</u>	<u>330,133</u>	<u>282,680</u>	<u>47,453</u>
OPERATION AND MAINTENANCE OF PLANT SERVICES					
Salaries	579,542	(550)	578,992	575,246	3,746
Employee Benefits	294,861	301	295,162	295,114	48
Purchased Professional and Technical Services	1,000	--	1,000	--	1,000
Purchased Property Services	450,321	--	450,321	399,693	50,628
Other Purchased Services	63,920	13,500	77,420	77,266	154
Supplies	307,930	(11,535)	296,395	243,578	52,817
Property	6,858	300	7,158	5,442	1,716
Other Objects	<u>180</u>	<u>434</u>	<u>614</u>	<u>565</u>	<u>49</u>
TOTAL OPERATION AND SERVICES	<u>1,704,612</u>	<u>2,451</u>	<u>1,707,063</u>	<u>1,596,904</u>	<u>110,159</u>
STUDENT TRANSPORTATION					
Other Purchased Services	<u>170,000</u>	<u>8,000</u>	<u>178,000</u>	<u>177,060</u>	<u>940</u>
TOTAL STUDENT TRANSPORTATION	<u>170,000</u>	<u>8,000</u>	<u>178,000</u>	<u>177,060</u>	<u>940</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, 2010**

	<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	161,424	(48,570)	112,854	112,797	57
Employee Benefits	72,130	5,951	78,081	75,110	2,971
Purchased Professional and Technical Services	6,900	7,900	14,800	14,432	368
Purchased Property Services	50,489	(5,000)	45,489	20,180	25,309
Other Purchased Services	91,611	(3,500)	88,111	85,166	2,945
Supplies	32,000	64,905	96,905	55,147	41,758
Property	4,000	162,841	166,841	135,467	31,374
Other Objects	18,500	--	18,500	12,038	6,462
TOTAL CENTRAL SUPPORT SERVICES	<u>437,054</u>	<u>184,527</u>	<u>621,581</u>	<u>510,337</u>	<u>111,244</u>
OTHER SUPPORT SERVICES					
Other Purchased Services	8,200	--	8,200	5,784	2,416
TOTAL OTHER SUPPORT SERVICES	<u>8,200</u>	<u>--</u>	<u>8,200</u>	<u>5,784</u>	<u>2,416</u>
TOTAL SUPPORT SERVICES	<u>5,637,083</u>	<u>567,535</u>	<u>6,204,618</u>	<u>5,784,423</u>	<u>420,195</u>
OPERATION OF NONINSTRUCTIONAL SERVICES					
STUDENT ACTIVITIES					
Salaries	167,254	37,000	204,254	203,886	368
Employee Benefits	48,292	(2,000)	46,292	45,458	834
Purchased Professional and Technical Services	2,500	34,585	37,085	37,085	--
Purchased Property Services	2,550	1,500	4,050	3,515	535
Other Purchased Services	15,000	--	15,000	12,062	2,938
Supplies	73,910	(4,460)	69,450	48,730	20,720
Other Objects	3,450	--	3,450	3,262	188
TOTAL STUDENT ACTIVITIES	<u>312,956</u>	<u>66,625</u>	<u>379,581</u>	<u>353,998</u>	<u>25,583</u>
COMMUNITY SERVICES					
Salaries	--	7,101	7,101	7,101	--
Employee Benefits	--	799	799	742	57
Other Purchased Services	17,110	(1,770)	15,340	10,664	4,676
Supplies	--	12,125	12,125	9,937	2,188
TOTAL COMMUNITY SERVICES	<u>17,110</u>	<u>18,225</u>	<u>35,365</u>	<u>28,444</u>	<u>6,921</u>
TOTAL OPERATION OF NON- INSTRUCTIONAL SERVICES	<u>330,066</u>	<u>84,880</u>	<u>414,946</u>	<u>382,442</u>	<u>32,504</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, 2010**

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Expenditures</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES (Continued)					
Refund of Prior Year's Receipts	<u>---</u>	<u>50</u>	<u>50</u>	<u>42</u>	<u>8</u>
TOTAL EXPENDITURES	<u>17,844,543</u>	<u>1,602,879</u>	<u>19,447,422</u>	<u>18,640,822</u>	<u>806,600</u>
OTHER FINANCING USES					
INTERFUND TRANSFERS	<u>2,255,543</u>	<u>(67,001)</u>	<u>2,188,542</u>	<u>2,174,816</u>	<u>13,726</u>
BUDGETARY RESERVE	<u>1,774,147</u>	<u>(1,254,483)</u>	<u>519,664</u>	<u>---</u>	<u>519,664</u>
TOTAL OTHER FINANCING USES	<u>4,029,690</u>	<u>(1,321,484)</u>	<u>2,708,206</u>	<u>2,174,816</u>	<u>533,390</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 21,874,233</u>	<u>\$ 281,395</u>	<u>\$ 22,155,628</u>	<u>\$ 20,815,638</u>	<u>\$ 1,339,990</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**COMBINING STATEMENTS – FIDUCIARY FUNDS
JUNE 30, 2010**

Fiduciary Funds

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

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 fund also accounts for monies in the Irene Hinkle Music Fund, whose purpose is to provide the resources to purchase music equipment as prescribed by the donor.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2010</u>
ASSETS				
Cash, Cash Equivalents and Investments	\$ <u>15,625</u>	\$ <u>17,480</u>	\$ <u>22,710</u>	\$ <u>10,395</u>
TOTAL ASSETS	\$ <u>15,625</u>	\$ <u>17,480</u>	\$ <u>22,710</u>	\$ <u>10,395</u>
LIABILITIES				
Due to Other Funds	\$ 5,375	\$ 994	\$ --	\$ 6,369
Due to Student Other Groups	9,290	18,407	23,671	4,026
Accounts Payable	<u>960</u>	<u>--</u>	<u>960</u>	<u>--</u>
TOTAL LIABILITIES	\$ <u>15,625</u>	\$ <u>19,401</u>	\$ <u>24,631</u>	\$ <u>10,395</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010**

	<u>Private Purpose Trust Fund</u>		
	<u>Scholarship Fund</u>	<u>Irene Hinkle Music Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 46,674	\$ --	\$ 46,674
Investments	<u>4,786</u>	<u>60,534</u>	<u>65,320</u>
TOTAL ASSETS	<u>\$ 51,460</u>	<u>\$ 60,534</u>	<u>\$ 111,994</u>
LIABILITIES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
NET ASSETS			
Held in Trust for Scholarships	51,460	--	51,460
Held in Trust for Music Purposes	<u>--</u>	<u>60,534</u>	<u>60,534</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 51,460</u>	<u>\$ 60,534</u>	<u>\$ 111,994</u>

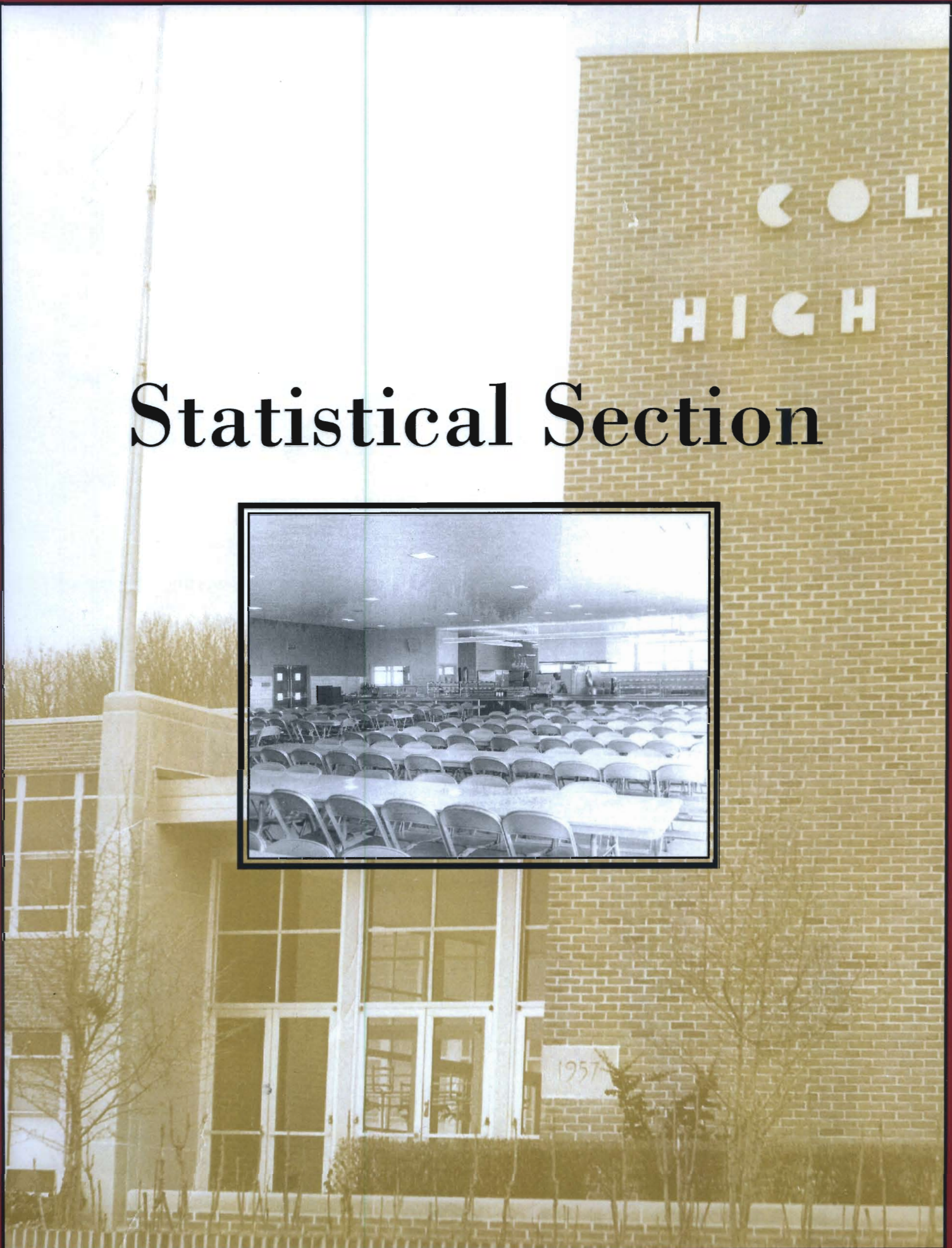
**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010**

	<u>Private Purpose Trust Fund</u>		
	<u>Scholarship Fund</u>	<u>Irene Hinkle Music Fund</u>	<u>Total</u>
ADDITIONS			
Earnings on Investments	\$ 182	\$ 126	\$ 308
Contributions	<u>200</u>	<u>--</u>	<u>200</u>
TOTAL ADDITIONS	<u>\$ 382</u>	<u>\$ 126</u>	<u>\$ 508</u>
DEDUCTIONS			
Scholarships Awarded	\$ 653	\$ --	\$ 653
Other Community Services	<u>--</u>	<u>8,850</u>	<u>8,850</u>
TOTAL DEDUCTIONS	<u>653</u>	<u>8,850</u>	<u>9,503</u>
CHANGE IN NET ASSETS	<u>(271)</u>	<u>(8,724)</u>	<u>(8,995)</u>
NET ASSETS – JULY 1, 2009	<u>51,731</u>	<u>(69,258)</u>	<u>120,989</u>
NET ASSETS – JUNE 30, 2010	<u>\$ 51,460</u>	<u>\$ 60,534</u>	<u>\$ 111,994</u>

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Statistical Section



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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.	2
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.	45
Sources: The information in these schedules is derived from the comprehensive annual financial reports for fiscal years ended June 30, 2001 - June 30, 2010 unless otherwise noted.	

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
NET ASSETS BY COMPONENT
Last ten fiscal years
Accrual basis of accounting
Unaudited

	2001	2002	2003	2004
Governmental activities				
Invested in capital assets, net of related debt	\$ 6,478,028	6,875,641	6,841,868	7,867,082
Restricted	-	-	-	-
Unrestricted	<u>2,838,070</u>	<u>2,959,802</u>	<u>2,911,266</u>	<u>3,703,009</u>
Total governmental activities net assets	<u>9,316,098</u>	<u>9,835,443</u>	<u>9,753,134</u>	<u>11,570,091</u>
Business-type activities				
Invested in capital assets, net of related debt	65,384	57,830	56,734	49,203
Unrestricted	<u>65,646</u>	<u>51,571</u>	<u>13,519</u>	<u>6,299</u>
Total business-type activities net assets	<u>\$ 131,030</u>	<u>\$ 109,401</u>	<u>\$ 70,253</u>	<u>\$ 55,502</u>
Total primary government				
Invested in capital assets, net of related debt	6,543,412	6,933,471	6,898,602	7,916,285
Restricted	-	-	-	-
Unrestricted	<u>2,903,716</u>	<u>3,011,373</u>	<u>2,924,785</u>	<u>3,709,308</u>
Total primary government	<u>9,447,128</u>	<u>9,944,844</u>	<u>9,823,387</u>	<u>11,625,593</u>

Source: District Audited Financial Statements

June 30,					
2005	2006	2007	2008	2009	2010
8,551,297	9,312,239	8,115,270	8,711,483	8,708,031	9,141,272
-	-	6,157	6,223	6,302	6,694
<u>3,834,664</u>	<u>4,470,549</u>	<u>3,917,076</u>	<u>3,490,587</u>	<u>3,732,112</u>	<u>4,347,205</u>
<u>12,385,961</u>	<u>13,782,788</u>	<u>12,038,503</u>	<u>12,208,293</u>	<u>12,446,445</u>	<u>13,495,171</u>
47,896	41,516	35,676	30,275	25,146	20,220
<u>43,666</u>	<u>45,489</u>	<u>12,812</u>	<u>33,576</u>	<u>4,899</u>	<u>(3,058)</u>
<u>\$ 91,562</u>	<u>\$ 87,005</u>	<u>\$ 48,488</u>	<u>\$ 63,851</u>	<u>\$ 30,045</u>	<u>\$ 17,162</u>
8,599,193	9,353,755	8,150,946	8,741,758	8,733,177	9,161,492
-	-	6,157	6,223	6,302	6,694
<u>3,878,330</u>	<u>4,516,038</u>	<u>3,929,888</u>	<u>3,524,163</u>	<u>3,737,011</u>	<u>4,344,147</u>
<u>12,477,523</u>	<u>13,869,793</u>	<u>12,086,991</u>	<u>12,272,144</u>	<u>12,476,490</u>	<u>13,512,333</u>

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
Last ten fiscal years
Accrual basis of accounting
Unaudited

	2001	2002	2003	2004
Expenses				
Governmental activities				
Instruction	\$ 7,097,167	\$ 7,702,365	\$ 8,363,498	\$ 8,542,190
Instructional Student Support	786,216	868,752	1,007,428	1,047,590
Administrative and Financial Support Services	1,107,793	1,187,543	1,231,309	1,364,584
Operation and Maintenance of Plant Services	1,049,439	1,108,019	1,148,412	1,161,577
Pupil Transportation	94,743	98,257	94,332	117,887
Student Activities	338,075	310,136	362,807	334,305
Community Services	13,768	20,667	15,033	13,483
Interest on Long-term Debt	438,371	315,850	348,225	259,159
Unallocated depreciation expense	316,091	14,241	14,247	12,475
Total Governmental Activities	<u>11,241,663</u>	<u>11,625,830</u>	<u>12,585,291</u>	<u>12,853,250</u>
Business-type Activities				
Food Services	<u>558,239</u>	<u>569,044</u>	<u>604,997</u>	<u>618,485</u>
Total primary government expenses	<u>11,799,902</u>	<u>12,194,874</u>	<u>13,190,288</u>	<u>13,471,735</u>
Program revenues				
Governmental activities				
Charges for service	148,723	76,327	56,296	55,813
Operating Grants and Contributions	1,697,787	1,884,252	1,985,806	2,561,558
Capital Grants and Contributions	<u>425,359</u>	<u>374,567</u>	<u>348,134</u>	<u>397,499</u>
Total governmental program revenues	2,271,869	2,335,146	2,390,236	3,014,870
Business-type activities				
Charges for service	282,346	286,989	293,600	285,939
Operating Grants and Contributions	<u>236,600</u>	<u>258,163</u>	<u>256,333</u>	<u>282,646</u>
Total business-type program revenues	518,946	545,152	549,933	568,585
Total primary government program revenues	<u>\$ 3,309,761</u>	<u>\$ 3,425,450</u>	<u>\$ 3,490,102</u>	<u>\$ 4,152,040</u>
Net revenues (expenses)				
Governmental activities	\$ (8,969,794)	\$ (9,290,684)	\$ (10,195,055)	\$ (9,838,380)
Business-type activities	<u>(39,293)</u>	<u>(23,892)</u>	<u>(55,064)</u>	<u>(49,900)</u>
Total primary governmental expense	<u>(9,009,087)</u>	<u>(9,314,576)</u>	<u>(10,250,119)</u>	<u>(9,888,280)</u>

Source: District Audited Financial Statements

June 30,					
2005	2006	2007	2008	2009	2010
\$ 9,339,850	\$ 9,756,823	\$ 11,260,400	\$ 11,942,674	\$ 12,493,857	\$ 12,966,000
1,124,404	1,398,504	1,729,929	1,990,132	2,296,669	2,247,914
1,461,335	1,323,898	1,495,332	1,511,881	1,663,309	1,819,372
1,234,212	1,317,998	2,002,796	1,500,881	1,568,148	1,697,303
142,253	152,422	169,469	150,481	206,927	177,060
351,799	357,208	467,584	440,195	491,152	497,454
18,293	20,420	19,925	15,211	22,265	28,516
609,822	785,122	754,323	709,981	757,819	1,061,975
12,499	16,918	16,292	17,706	17,819	18,091
<u>14,294,467</u>	<u>15,129,313</u>	<u>17,916,050</u>	<u>18,279,142</u>	<u>19,517,965</u>	<u>20,513,685</u>
<u>635,978</u>	<u>722,645</u>	<u>713,395</u>	<u>801,105</u>	<u>811,968</u>	<u>811,762</u>
<u>14,930,445</u>	<u>15,851,958</u>	<u>18,629,445</u>	<u>19,080,247</u>	<u>20,329,933</u>	<u>21,325,447</u>
49,239	103,187	111,272	104,814	114,957	83,785
3,027,621	3,049,447	3,467,510	3,572,697	3,854,434	4,763,722
<u>384,469</u>	<u>749,793</u>	<u>796,135</u>	<u>672,412</u>	<u>531,274</u>	<u>968,261</u>
3,461,329	3,902,427	4,374,917	4,349,923	4,500,665	5,815,768
300,891	300,322	289,293	310,373	313,021	243,553
<u>342,585</u>	<u>381,956</u>	<u>377,911</u>	<u>416,653</u>	<u>464,581</u>	<u>544,418</u>
643,476	682,278	667,204	727,026	777,602	787,971
<u>\$ 4,748,281</u>	<u>\$ 5,266,983</u>	<u>\$ 5,709,325</u>	<u>\$ 5,803,975</u>	<u>\$ 6,055,869</u>	<u>\$ 7,391,710</u>
\$ (10,833,138)	\$ (11,226,886)	\$ (13,541,133)	\$ (13,929,219)	\$ (15,017,300)	\$ (14,697,917)
<u>7,498</u>	<u>(40,367)</u>	<u>(46,191)</u>	<u>(74,079)</u>	<u>(34,366)</u>	<u>(23,791)</u>
<u>(10,825,640)</u>	<u>(11,267,253)</u>	<u>(13,587,324)</u>	<u>(14,003,298)</u>	<u>(15,051,666)</u>	<u>(14,721,708)</u>

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE continued
Last ten fiscal years
Accrual basis of accounting
Unaudited

	2001	2002	2003	2004
General Revenues				
Governmental activities				
Taxes:				
Property taxes levied for general purposes, net	5,076,940	5,019,745	5,181,172	5,714,378
Public utility realty, earned income and per capita taxes levied for general purposes, net	758,743	772,460	745,332	770,121
Grants, subsidies and contributions not restricted	3,679,112	3,942,175	4,077,237	4,242,397
Investment earnings	254,317	98,087	110,890	71,214
Miscellaneous Income	47,510	28,430	23,115	48,917
Special item - Contribution of capital asset	-	-	-	1,000,000
Transfers	-	-	(25,000)	(35,000)
Total governmental activities	9,816,622	9,860,897	10,112,746	11,812,027
Business-type activities				
Investment earnings	4,417	2,263	989	149
Miscellaneous income	-	-	-	-
Transfers	-	-	25,000	35,000
Total business-type activities	4,417	2,263	25,989	35,149
Total primary government	9,821,039	9,863,160	10,138,735	11,847,176
Changes in net assets				
Governmental activities	846,828	570,213	(82,309)	1,973,647
Business-type activities	(34,876)	(21,629)	(29,075)	(14,751)
Total primary government	\$ 811,952	\$ 548,584	\$ (111,384)	\$ 1,958,896

Source: District Audited Financial Statements

June 30,					
2005	2006	2007	2008	2009	2010
6,111,033	6,672,370	6,635,066	7,288,544	7,489,278	7,952,194
778,936	913,408	865,064	938,222	890,027	947,073
4,422,743	4,679,866	5,328,817	5,654,707	6,604,860	6,639,364
329,406	364,681	387,352	284,750	252,676	184,351
31,890	25,525	48,658	21,786	18,611	34,161
-	-	-	-	-	-
(25,000)	(32,137)	(7,200)	(89,000)	-	(10,500)
11,649,008	12,623,713	13,257,757	14,099,009	15,255,452	15,746,643
219	457	474	442	560	408
3,343	3,216	-	-	-	-
25,000	32,137	7,200	89,000	-	10,500
28,562	35,810	7,674	89,442	560	10,908
<u>11,677,570</u>	<u>12,659,523</u>	<u>13,265,431</u>	<u>14,188,451</u>	<u>15,256,012</u>	<u>15,757,551</u>
815,870	1,396,827	(283,376)	169,790	238,152	1,048,726
36,060	(4,557)	(38,517)	15,363	(33,806)	(12,883)
<u>\$ 851,930</u>	<u>\$ 1,392,270</u>	<u>\$ (321,893)</u>	<u>\$ 185,153</u>	<u>\$ 204,346</u>	<u>\$ 1,035,843</u>

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
GOVERNMENTAL FUNDS - FUND BALANCES

Last ten fiscal years

Modified accrual basis of accounting

Unaudited

	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	<u>1,178,846</u>	<u>1,445,575</u>	<u>891,196</u>	<u>1,272,431</u>
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	<u>58,618</u>	<u>10,728</u>	<u>10,157</u>	<u>782</u>
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

June 30,					
2005	2006	2007	2008	2009	2010
\$ 30,694	\$ 19,955	\$ 29,175	\$ 34,163	28,047	20,729
977,000	1,150,146	1,460,000	1,194,320	1,293,850	1,554,425
<u>1,690,832</u>	<u>1,552,719</u>	<u>1,524,101</u>	<u>1,354,959</u>	<u>1,406,932</u>	<u>1,806,311</u>
<u>2,698,526</u>	<u>2,722,820</u>	<u>3,013,276</u>	<u>2,583,442</u>	<u>2,728,829</u>	<u>3,381,465</u>
-	-	-	-	-	-
4,710,690	2,359,757	1,001,768	972,756	208,195	5,222,534
508	449	112	7,532	1,570	1,570
<u>\$ 4,711,198</u>	<u>\$ 2,360,206</u>	<u>\$ 1,001,880</u>	<u>\$ 980,288</u>	<u>\$ 209,765</u>	<u>\$ 5,224,104</u>

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

Last ten fiscal years

Modified accrual basis of accounting

Unaudited

	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	6,223,844	6,057,455	6,276,387	7,087,985
State sources	5,395,871	5,864,280	6,003,175	6,229,994
Federal sources	334,837	260,093	281,546	545,579
Total revenues	11,954,552	12,181,828	12,561,108	13,863,558
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	350,636	324,691	362,603	334,948
Total current expenditures	10,202,810	10,906,469	11,784,608	12,314,802
Capital outlay				
Facilities acquisition, construction and improvement services	17,247	80,411	33,857	207,178
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	385,190	411,467	214,007	222,038
Total debt service	1,055,190	4,866,467	909,007	1,062,038

June 30,					
2005	2006	2007	2008	2009	2010
\$ 6,111,432	\$ 6,746,480	\$ 6,648,817	\$ 7,199,532	\$ 7,438,360	\$ 7,932,848
772,271	913,408	865,064	938,223	879,027	947,073
329,406	364,681	387,352	284,750	252,676	184,351
317,963	316,021	417,336	421,524	475,792	766,428
7,090	18,772	31,292	14,408	21,230	11,744
79,335	60,826	58,341	68,149	76,561	55,329
36,548	66,800	90,840	64,504	71,357	104,533
162	1,802	6,440	820	-	9,500
<u>7,654,207</u>	<u>8,488,790</u>	<u>8,505,482</u>	<u>8,991,910</u>	<u>9,215,003</u>	<u>10,011,806</u>
6,801,037	7,580,309	8,464,319	8,761,022	9,652,621	9,758,881
<u>673,267</u>	<u>563,315</u>	<u>681,864</u>	<u>695,989</u>	<u>826,375</u>	<u>1,784,593</u>
<u>15,128,511</u>	<u>16,632,414</u>	<u>17,651,665</u>	<u>18,448,921</u>	<u>19,693,999</u>	<u>21,555,280</u>
9,034,094	9,239,267	10,261,815	10,970,348	11,721,048	12,568,479
3,935,431	4,730,312	4,771,783	4,871,797	5,504,140	6,047,909
<u>356,724</u>	<u>398,807</u>	<u>466,222</u>	<u>456,057</u>	<u>561,936</u>	<u>508,699</u>
<u>13,326,249</u>	<u>14,368,386</u>	<u>15,499,820</u>	<u>16,298,202</u>	<u>17,787,124</u>	<u>19,125,087</u>
<u>5,824,241</u>	<u>7,106,493</u>	<u>2,314,126</u>	<u>-</u>	<u>879,955</u>	<u>11,603,753</u>
5,824,241	7,106,493	2,314,126	-	879,955	11,603,753
860,000	1,270,000	1,505,000	1,410,000	1,220,000	1,285,000
<u>592,454</u>	<u>756,517</u>	<u>746,160</u>	<u>703,145</u>	<u>690,139</u>	<u>829,337</u>
<u>1,452,454</u>	<u>2,026,517</u>	<u>2,251,160</u>	<u>2,113,145</u>	<u>1,910,139</u>	<u>2,114,337</u>

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
GOVERNMENTAL FUNDS - CHANGES IN FUND BALANCES continued
Last ten fiscal years*
Modified accrual basis of accounting
Unaudited

	2001	2002	2003	2004
Refund or prior year's receipts	-	-	-	1,134
Total expenditures	11,275,247	15,853,347	12,727,472	13,585,152
Excess (dificiency) 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	7,500	19,375	200	1,700
Total other financing souces (uses)	7,500	3,829,375	64,404	9,961,700
Net change in fund balances	\$ 686,805	\$ 157,856	\$ (101,960)	\$ 10,240,106
Ratio of debt service to noncapital expenditures	9.42%	31.74%	7.29%	8.07%

Source: District Audited Financial Statements

June 30,					
2005	2006	2007	2008	2009	2010
-	14,060	138	-	7,915	42
<u>20,602,944</u>	<u>23,515,456</u>	<u>20,065,244</u>	<u>18,411,347</u>	<u>20,585,133</u>	<u>32,843,219</u>
(5,474,433)	(6,883,042)	(2,413,579)	37,574	(891,134)	(11,287,939)
(25,000)	-	(7,200)	(489,000)	-	(10,500)
-	-	-	-	9,055,798	24,710,000
-	-	-	-	(8,790,000)	(7,430,000)
-	-	-	-	-	(317,386)
560	-	1,960	-	200	2,800
<u>(24,440)</u>	<u>-</u>	<u>(5,240)</u>	<u>(489,000)</u>	<u>265,998</u>	<u>16,954,914</u>
<u>\$ (5,498,873)</u>	<u>\$ (6,883,042)</u>	<u>\$ (2,418,819)</u>	<u>\$ (451,426)</u>	<u>\$ (625,136)</u>	<u>\$ 5,666,975</u>
10.05%	13.05%	12.55%	11.56%	9.75%	10.04%

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Local Sources:				
Real Estate Taxes (Current)	\$ 4,683,907	\$ 4,667,162	\$ 4,861,653	\$ 5,261,579
Interim Real Estate Taxes	1,800	28,216	28,621	13,150
Public Utility Tax	20,499	11,438	9,535	10,499
Payment in Lieu of Tax	16,394	11,520	11,520	5,520
Per Capita Taxes - Sec. 679 (Current)	26,727	25,792	23,927	22,030
Per Capita Taxes - Act 511 (Current)	53,453	51,598	47,853	44,062
Earned Income Taxes (Current)	658,064	664,375	655,852	672,493
Delinquent Taxes	248,401	329,862	325,349	458,527
Earnings from Investments	208,669	73,303	98,456	40,319
Other Sources	102,031	116,829	167,405	488,194
State Sources:				
Instructional Subsidy	3,679,032	3,937,739	4,070,348	4,237,066
State Property Tax Reduction	-	-	-	-
Rentals & Sinking Payments	366,213	371,865	336,669	387,208
Special Education	727,655	1,001,658	1,019,928	1,054,336
Transportation	9,368	10,136	10,179	12,551
Retirement Subsidy	58,603	35,468	49,749	140,195
Social Security Subsidy	236,914	240,564	260,014	263,364
Other Sources	317,756	266,850	256,106	135,025
Federal Sources:				
Total Federal Sources	334,838	260,093	281,546	545,579
Other Sources:				
Total Other Sources	<u>23,069</u>	<u>10,650</u>	<u>200</u>	<u>1,700</u>
Total revenues and other financing sources	<u>\$ 11,773,391</u>	<u>\$ 12,115,117</u>	<u>\$ 12,514,909</u>	<u>\$ 13,793,397</u>

Source: District Audited Financial Statements

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 5,611,670	\$ 6,072,328	\$ 6,159,949	\$ 6,774,541	\$ 6,894,125	\$ 7,320,882
2,059	12,760	3,976	3,972	1,225	8,865
7,994	10,792	11,231	11,301	10,004	11,422
14,400	11,000	11,000	11,000	11,000	11,000
21,534	21,044	20,179	19,925	21,664	21,272
43,051	52,583	53,141	39,850	57,265	51,042
675,072	818,988	762,824	838,831	776,857	849,750
497,703	661,392	491,580	433,038	545,247	605,689
69,387	240,713	262,680	248,560	228,308	138,171
410,698	419,904	566,220	524,694	589,093	904,483
4,406,391	4,640,570	5,297,739	5,606,900	6,120,962	5,875,893
-	-	-	-	634,892	636,407
384,469	749,793	796,135	648,712	358,733	740,680
1,080,193	1,110,514	1,142,076	1,150,350	1,169,619	1,244,453
13,272	12,040	13,204	11,307	11,924	11,374
165,444	183,952	313,921	350,477	238,650	256,807
282,075	297,933	325,865	341,184	357,728	376,474
468,956	584,807	574,721	651,451	759,525	616,217
673,267	563,315	681,864	695,989	826,375	1,784,593
<u>560</u>	<u>25</u>	<u>1,960</u>	<u>-</u>	<u>200</u>	<u>2,800</u>
<u>\$ 14,828,194</u>	<u>\$ 16,464,453</u>	<u>\$ 17,490,266</u>	<u>\$ 18,362,082</u>	<u>\$ 19,613,397</u>	<u>\$ 21,468,273</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Current:				
Instruction:				
Regular programs - elementary/secondary	\$ 4,819,517	\$ 5,142,420	\$ 5,535,840	\$ 5,363,553
Special programs - elementary/secondary	1,478,008	1,624,532	1,720,305	1,932,651
Vocational education programs	204,202	242,198	294,771	271,265
Other instructional programs - elementary/secondary	398,546	378,631	381,139	610,384
Community/Junior College	-	-	-	-
Support Services:				
Pupil personnel	308,363	371,100	415,810	414,040
Instructional staff	337,657	337,679	426,024	469,230
Administration	772,143	768,430	796,228	918,611
Pupil health	140,171	162,020	149,361	166,751
Business office	204,566	217,040	196,390	187,736
Operation and maintenance of plant	942,186	1,017,106	1,058,569	1,074,510
Student transportation services	94,743	98,257	94,332	117,887
Central support	126,856	154,451	261,894	228,093
Other support services	7,855	7,690	7,545	7,060
Noninstructional services:				
Student activities	138,820	188,724	248,449	210,551
Community services	13,768	20,667	15,034	13,483
Facilities Improvements:	-	-	-	-
Debt Service:	-	-	-	-
Total current expenditures	9,987,402	10,730,945	11,601,690	11,985,806
Refund of prior year's receipts	-	-	-	1,134
Other financing uses	<u>1,335,190</u>	<u>1,115,786</u>	<u>993,007</u>	<u>1,257,038</u>
Total expenditures and other financing uses	<u>\$ 11,322,592</u>	<u>\$ 11,846,731</u>	<u>\$ 12,594,697</u>	<u>\$ 13,243,978</u>

Source: District Audited Financial Statements

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 5,680,746	\$ 5,861,535	\$ 6,556,980	\$ 7,401,621	\$ 8,008,637	\$ 8,219,047
2,211,944	2,302,888	2,650,397	2,985,989	3,094,490	3,569,611
257,174	275,443	252,591	280,053	327,522	353,682
884,230	798,381	800,749	300,210	289,192	330,585
-	1,020	1,098	2,475	1,207	990
381,563	496,029	625,172	672,765	675,434	711,301
668,440	722,272	823,822	959,616	1,308,498	1,203,387
860,137	869,625	843,402	893,216	865,249	945,191
188,140	212,805	229,861	283,806	286,816	351,779
189,776	245,871	274,867	277,802	295,377	282,680
1,082,494	1,185,926	1,366,839	1,334,469	1,432,116	1,596,904
142,253	152,422	169,469	150,481	206,927	177,060
239,163	262,001	239,993	242,829	312,382	510,337
7,300	7,746	7,265	7,152	6,757	5,784
205,230	213,698	275,600	283,076	307,415	353,998
18,294	20,421	19,926	15,211	22,243	28,444
-	-	-	-	-	-
-	-	138	-	-	-
13,016,884	13,628,083	15,138,169	16,090,771	17,440,264	18,640,779
-	14,060	-	-	7,915	42
<u>1,558,973</u>	<u>2,798,017</u>	<u>2,061,641</u>	<u>2,701,145</u>	<u>2,019,830</u>	<u>2,174,816</u>
<u>\$ 14,575,857</u>	<u>\$ 16,440,160</u>	<u>\$ 17,199,810</u>	<u>\$ 18,791,916</u>	<u>\$ 19,468,009</u>	<u>\$ 20,815,637</u>

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Total current expenditures	\$ 9,987,402	\$ 10,730,945	\$ 11,601,690	\$ 11,985,806	\$ 13,016,884
Current Expenditures per pupil	\$ 6,726	\$ 7,055	\$ 7,553	\$ 8,176	\$ 8,910
Total expenditures and other financing uses	\$ 11,322,592	\$ 11,846,731	\$ 12,594,697	\$ 13,243,978	\$ 14,575,857
Total Expenditures per pupil	\$ 7,625	\$ 7,789	\$ 8,200	\$ 9,034	\$ 9,977

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 13,628,083	\$ 15,138,031	\$ 16,090,711	\$ 17,440,264	\$ 18,640,779
\$ 9,277	\$ 10,579	\$ 11,213	\$ 12,675	\$ 13,596
\$ 16,426,100	\$ 17,199,672	\$ 18,791,916	\$ 19,468,009	\$ 20,815,637
\$ 11,182	\$ 12,019	\$ 13,095	\$ 14,148	\$ 15,183

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

<u>Calendar Year</u>	<u>Assessed Value</u>				
	<u>Residential Property</u>	<u>Industrial Property</u>	<u>Commercial Property</u>	<u>Agricultural Property</u>	<u>Total Taxable Assessed Value</u>
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
2009	273,050,600	19,396,000	62,044,000	582,400	355,073,000
2010	273,050,600	19,396,000	62,044,000	582,400	355,073,000

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	323,714,200	358,591,800	110.77%
24.357	8,648,513	not available	not available	not available
25.370	9,008,202	not available	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>
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
2009	24.357	8.000	3.416	35.773
2010	25.370	8.000	3.416	36.786

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>Homestead Exemption (2)</u>	<u>Millage</u>		<u>Adjusted Levy</u>		<u>Modified Accrual Total Year of Levy Collections</u>
2000-2001	\$	303,141,225	\$	-	16.50	\$	5,001,662	\$	4,685,706
2001-2002	\$	305,345,800	\$	-	16.50	\$	5,019,923	\$	4,695,412
2002-2003	\$	308,926,110	\$	-	17.00	\$	5,235,433	\$	4,890,274
2003-2004	\$	309,168,000	\$	-	19.00	\$	5,756,335	\$	5,274,729
2004-2005	\$	309,168,600	\$	-	20.00	\$	6,183,372	\$	5,613,729
2005-2006	(1) \$	357,871,100	\$	-	18.77	\$	6,717,243	\$	6,085,088
2006-2007	\$	358,499,300	\$	-	18.77	\$	6,729,034	\$	6,200,960
2007-2008	\$	359,116,300	\$	-	20.66	\$	7,419,343	\$	6,809,564
2008-2009	\$	358,604,200	\$	27,603,629	23.00	\$	7,613,015	\$	6,929,002
2009-2010	\$	357,758,700	\$	26,117,400	24.36	\$	8,077,787	\$	7,357,537

Source: District Financial Reports

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

(2) State of Pennsylvania Tax Relief Assessment adjustment related to State Subsidy allocation

Year Collections as a Percent Of Total <u>Adjusted Levy</u>		Modified Accrual Total Plus Delinquent <u>Collections</u>	Total Collections as a Percent of Total Adjusted <u>Levy</u>		Modified Accrual Subsequent <u>Collections</u>
93.68%	\$	4,922,891	98.43%	\$	237,185
93.54%	\$	5,006,016	99.72%	\$	310,604
93.41%	\$	5,207,459	99.47%	\$	317,185
91.63%	\$	5,717,739	99.33%	\$	443,010
90.79%	\$	6,184,119	100.01%	\$	570,390
90.59%	\$	6,726,570	100.14%	\$	641,482
92.15%	\$	6,675,210	99.20%	\$	474,250
91.78%	\$	7,230,583	97.46%	\$	421,019
91.02%	\$	7,461,013	98.00%	\$	532,011
91.08%	\$	7,949,638	98.41%	\$	592,101

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 CONSTRUCTION PERMITS AND MARKET VALUES
 Last ten fiscal years
Unaudited

	Lancaster County Number of Units	Market Value
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
2008	2,611	\$378,074,100
2009	2,772	\$407,368,900

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 Ten Fiscal Years
Unaudited

<u>Fiscal Year</u>		<u>Property Taxes</u>		<u>Other Taxes</u>		<u>Total</u>
2001	\$	5,076,940	\$	758,743	\$	5,835,683
2002		5,019,745		772,460		5,792,205
2003		5,181,172		745,332		5,926,504
2004		5,714,378		770,121		6,484,499
2005		6,111,033		778,936		6,889,969
2006		6,672,370		913,408		7,585,778
2007		6,635,066		865,064		7,500,130
2008		7,288,544		938,222		8,226,766
2009		7,489,278		890,027		8,379,305
2010		7,952,194		947,073		8,899,267

Source: District Financial Reports

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 TEN LARGEST REAL PROPERTY TAXPAYERS
 Current year and ten years ago
Unaudited

Taxpayer	Business/Property	2010 Assessed Value	Rank	Percentage of Total Taxable District Assessment
Luthercare	Residential facility	\$ 6,886,000	1	1.92%
Supply Sales (Anvil International)	Pipe fittings/iron castings	3,400,000	2	0.95%
Susquehanna Valley Nursing	Residential facility	3,290,900	3	0.92%
R & S Manufacturing	Electrical motors	2,863,000	4	0.80%
Columbia Hospital Home	Medical facility	2,746,200	5	0.77%
Southern End Properties, Ltd.	Shopping center	2,420,300	6	0.68%
M & M Realty	Property holdings	1,881,700	7	0.53%
Safe Harbor Water Power Co.	Rentals and property holdings	1,046,900	8	0.29%
Gordon Waste Co.	Property holdings	990,600	9	0.28%
Timothy B. Funk	Ridge Terrace Apartments	955,300	10	0.27%
Plane Street Housing, LLP	Water Tower Apartments			
Helest Realty Corp/Colonial Metals	Manufacturing			
Kahn Lucas (Lancaster IDA)	Manufacturing			
	Total	<u>\$ 26,480,900</u>		7.40%
	Total real property taxables	<u>\$ 357,758,700</u>		
	<i>Total taxables and exempts</i>	<i>\$ 403,900,800</i>		

Source: School District Officials

	2001 Assessed Value	Rank	Percentage of Total Taxable District Assessment
\$	5,780,000	1	1.67%
	4,697,200	2	1.36%
	4,503,200	3	1.30%
	3,244,500	4	0.94%
	2,262,300	6	0.65%
	1,915,400	8	0.55%
	1,490,900	10	0.43%
	2,131,800	7	0.62%
	2,882,600	5	0.83%
	1,846,400	9	0.53%
\$	<u>30,754,300</u>		8.60%
\$	<u>346,470,900</u>		
\$	344,519,600		

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

Total Bank Deposits

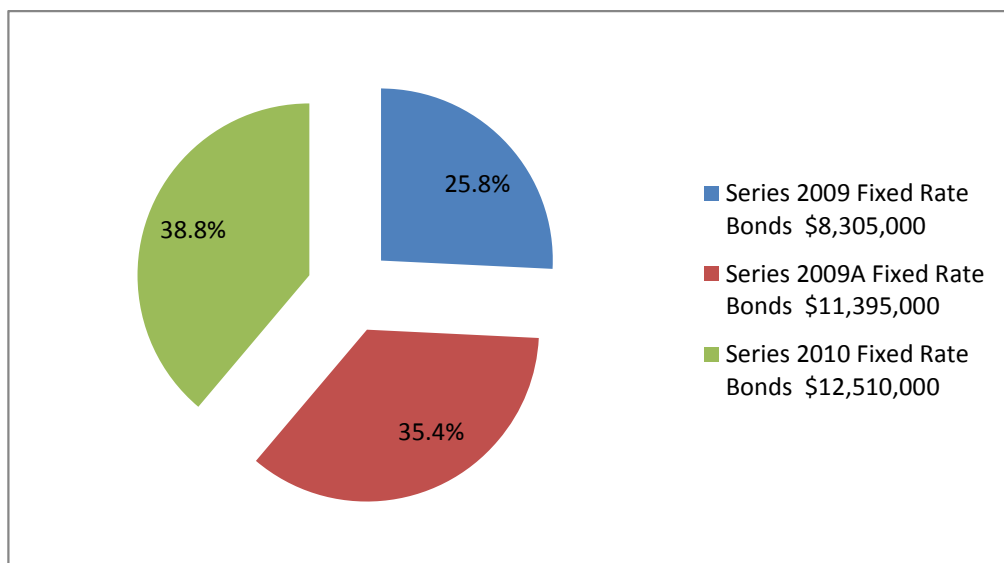
<u>June 30,</u>	<u>Union National Community Bank*</u>	<u>LANCO Federal Credit Union**</u>	<u>Total FDIC Insured Institutions Lancaster County*</u>
2001	\$ 213,688,000	\$ 27,487,729	\$ 6,035,000,000
2002	\$ 212,535,000	\$ 31,538,771	\$ 6,369,000,000
2003	\$ 229,033,000	\$ 35,891,027	\$ 7,056,000,000
2004	\$ 252,199,000	\$ 37,574,392	\$ 7,380,000,000
2005	\$ 287,038,000	\$ 38,224,308	\$ 7,677,000,000
2006	\$ 330,877,000	\$ 38,349,384	\$ 8,102,000,000
2007	\$ 356,822,000	\$ 39,632,875	\$ 8,371,000,000
2008	\$ 372,531,000	\$ 42,037,764	\$ 8,804,000,000
2009	\$ 425,932,000	\$ 45,787,368	\$ 9,053,000,000
2010	\$ 413,866,000	\$ 48,337,272	\$ 9,409,390,000

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, 2010
Unaudited

As of Fiscal Year Ending June 30	2009 G.O. Bonds	2009A G.O. Bonds	2010 G.O. Bonds	Total
2011	490,000	700,000	265,000	1,455,000
2012	500,000	715,000	275,000	1,490,000
2013	510,000	750,000	325,000	1,585,000
2014	525,000	770,000	335,000	1,630,000
2015	540,000	800,000	335,000	1,675,000
2016	550,000	830,000	335,000	1,715,000
2017	570,000	855,000	345,000	1,770,000
2018	595,000	885,000	350,000	1,830,000
2019	610,000	925,000	355,000	1,890,000
2020	630,000	955,000	370,000	1,955,000
2021	660,000	1,000,000	375,000	2,035,000
2022	680,000	1,035,000	395,000	2,110,000
2023	710,000	1,075,000	415,000	2,200,000
2024	735,000	100,000	1,440,000	2,275,000
2025			2,220,000	2,220,000
2026			2,310,000	2,310,000
2027			2,065,000	2,065,000
Total	\$ 8,305,000	\$ 11,395,000	\$ 12,510,000	\$ 32,210,000



Source: Debt Sinking Fund Statements

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT**
 June 30, 2010
Unaudited

<u>Governmental unit</u>	<u>Gross Outstanding</u>	<u>Percent Overlapping</u>
Direct Debt:		
Nonelectoral General Obligation Debt*	\$ 32,210,000	100.00%
Overlapping Debt:		
Lancaster County General Obligation Bonds (1)	<u>2,914,445</u>	1.24%
Total Direct and Overlapping Debt:	<u>\$ 35,124,445</u>	

*Includes Series of 2009, 2009A, 2010 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 (\$240,847,659)
 As reported by DCDC on June 30, 2010

Sources:

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

COLUMBIA BOROUGH SCHOOL DISTRICT
 COMPUTATION OF LEGAL DEBT MARGIN
 June 30, 2010
Unaudited

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

	<u>Fiscal Year Ended 6/30/2008</u>	<u>Fiscal Year Ended 6/30/2009</u>	<u>Fiscal Year Ended 6/30/2010</u>
Net revenues:	\$ 17,713,370	\$ 19,254,663	\$ 20,724,794
Total revenues for three fiscal years, ending in 2008, 2009 and 2010		\$ 57,692,827	
Borrowing base - average total revenues for three-year period		19,230,942	
A. Non-electoral debt			
Outstanding principal			
Series 2009		8,305,000	
Series 2009A		11,395,000	
Series 2010		12,510,000	
Total non-electoral debt		<u>32,210,000</u>	
Computation of non-electoral borrowing capacity			
A. Debt limit - 225% of borrowing base		43,269,620	
B. Less: total non-electoral debt		<u>32,210,000</u>	
C. 2010 borrowing capacity		\$ 11,059,620	

Sources:
 Debt sinking fund statements
 School district annual financial reports

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
LEGAL DEBT MARGIN INFORMATION
Last ten fiscal years
Unaudited

Fiscal Year	(A) Three-year Average <u>Revenue</u>	(B) Legal Debt <u>Limit</u>	Debt Applicable to Limit	Legal Debt <u>Margin</u>	Legal Debt <u>Margin %</u>
2009-2010	\$ 19,230,942	\$ 43,269,620	\$ 32,210,000	\$ 11,059,620	25.56%
2008-2009	17,877,388	40,224,123	16,243,256	23,980,867	59.62%
2007-2008	16,707,387	37,591,621	17,115,088	20,476,533	54.47%
2006-2007	15,617,505	35,139,386	18,550,796	16,588,590	47.21%
2005-2006	14,521,524	32,673,429	23,260,387	9,413,042	28.81%
2004-2005	13,341,158	30,017,606	15,349,181	14,668,425	48.87%
2003-2004	12,437,450	27,984,263	16,256,774	11,727,489	41.91%
2002-2003	11,768,614	26,479,382	7,123,584	19,355,798	73.10%
2001-2002	11,510,245	25,898,051	7,614,495	18,283,556	70.60%
2000-2001	11,109,687	24,996,796	8,279,657	16,717,139	66.88%

(A) The total government debt act (Act 52 of 1978, re-enacting and amending Act 185 of 1972) describes debt limits for all local governments in Pennsylvania. The "Debt Act" is administered by the Pennsylvania Department of Community Affairs.

(B) 225% of borrowing base

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>
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	\$ 306,772,000	\$ 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
2008-09	10,311	\$ 358,591,800	\$ 32,385	\$ 16,215,000	\$ 14,703,000	\$ 1,426	4.10%	\$ 454.01
2009-10	10,311	\$ 357,758,700	\$ 32,385	\$ 32,210,000	\$ 24,157,500	\$ 2,343	6.75%	\$ 745.95

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

* The Department of Education has not issued reimbursement percentages for the latest construction projects; therefore, this is estimated.

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*	10,127	485,401	12,335,652	292,892,127
2005*	10,061	488,884	12,351,881	295,560,549
2006*	10,047	493,321	12,388,055	298,362,973
2007*	10,035	497,955	12,419,930	301,290,332
2008*	10,033	502,370	12,448,279	304,059,724
2009*	10,089	507,766	12,604,767	307,006,550

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

**U.S. Bureau of the Census, Population estimates as of 7/1*

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

LANCASTER COUNTY INFORMATION					
Calendar Year	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income (2)	Median Age (3)	Local Unemployment Rate (4)
2000	471,818	13,894,301	29,448	36.1	2.5%
2001	474,420	14,001,997	29,514	36.5	3.4%
2002	478,078	14,117,696	29,530	36.8	3.8%
2003	481,803	14,671,245	30,451	37.0	3.5%
2004	485,676	15,511,217	31,937	37.1	3.4%
2005	489,258	16,152,563	33,014	37.3	3.3%
2006	494,393	16,932,320	34,249	37.5	3.0%
2007	499,364	17,874,220	35,794	37.5	3.3%
2008	503,807	18,303,388	36,330	37.7	5.1%
2009	507,766	*	*	*	7.5%

Sources:

- (1) Population: 2000-2008 - Estimates updated by Bureau of Economic Analysis, U.S. Department of Commerce
 2009 - Estimate provided by U.S. Census Bureau
- (2) Personal Income: 2000-2008 - Estimates updated by Bureau of Economic Analysis,
 U.S. Department of Commerce
- (3) Per Capita Personal Income: 2000-2008 Estimates updated by Bureau of Economic Analysis,
 U.S. Department of Commerce
- (4) Median Age: Population Estimates, U.S. Census Bureau
- (5) School Enrollment: PA Department of Education
- (6) Local Unemployment Rate: U.S. Department of Labor, Bureau of Labor Statistics

Note: Prior year data has been updated to the most current information available by going to the above sources.

* Information not available for this year.

	COLUMBIA BOROUGH SCHOOL DISTRICT
<u>County School Enrollment (5)</u>	<u>Enrollment(5)</u>
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
87,909	1435
86,411	1376

;

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 TEN LARGEST AREA EMPLOYERS
Unaudited

<u>LANCASTER COUNTY EMPLOYERS (1)</u>	<u>2009</u>		<u>Percentage of Total County Employment</u>
	<u>Employees (2)</u>	<u>Rank (1)</u>	
Lancaster General Hospital	7,123	1	3.27%
R.R.Donnelley & Sons Company	2,723	2	1.25%
Manheim Auto Auction, Inc.	2,165	3	0.99%
Lancaster County	2,110	4	0.97%
Ephrata Community Hospital Inc.	1,906	5	0.87%
Armstrong World Industries Inc.	1,654	6	0.76%
School District of Lancaster	1,643	7	0.75%
Dart Container Corporation	1,582	8	0.73%
Masonic Homes	1,452	9	0.67%
Turkey Hill LP	1,400	10	0.64%
High Industries, Inc.			
Weis Markets Inc.			
New Holland North America Inc.			
Tyson Foods Inc.			
Total	<u>23,758</u>		10.90%
Total Employees in County	<u>217,929 (1)</u>		

Source: County of Lancaster, Pennsylvania

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

(2) Individual Employers

* Data not available

2000		
<u>Employees (1)</u>	<u>Rank (1)</u>	<u>Percentage of Total County Employment</u>
4,634	2	2.28%
*	1	*
1,726	6	0.85%
2,529	4	1.24%
*	3	*
1,371	9	0.67%
1,341	10	0.66%
*	5	*
*	7	*
*	8	*
*	9	*
<hr/>		
*		
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203,415 (1)		
<hr/>		

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
Lancaster County School District Selected Data with State Rankings
Unaudited

School District	2010-11 MV/PI Aid Ratio	Rank	2008-09 WADM	2008-09 ADM	Rank	2008-09 Eq Mills
Cocalico SD	0.4999	341	4,015.361	3,493.537	151	20.3
Columbia Borough SD	0.7016	99	1,726.430	1,478.451	358	25.8
Conestoga Valley SD	0.3101	448	4,770.583	4,113.918	115	14.8
Donegal SD	0.5331	310	3,319.429	2,917.712	196	21.9
Eastern Lancaster Co SD	0.2929	452	3,822.735	3,291.706	167	14.1
Elizabethtown Area SD	0.5096	328	4,639.774	4,045.709	120	18.8
Ephrata Area SD	0.4435	382	4,671.312	4,094.694	117	19.4
Hempfield SD	0.4109	403	8,388.703	7,301.311	41	18.8
Lampeter-Strasburg SD	0.4162	400	3,857.990	3,343.390	162	18.8
Lancaster SD	0.6990	103	12,896.100	11,305.806	16	25.7
Manheim Central SD	0.3923	412	3,606.662	3,045.551	186	16.9
Manheim Twp SD	0.3404	437	6,608.962	5,808.390	59	17.8
Penn Manor SD	0.4616	370	6,200.650	5,374.368	74	17.3
Pequea Valley SD	0.2554	464	2,221.087	1,873.747	301	16.2
Solanco SD	0.4455	380	4,489.459	3,885.562	128	12.4
Warwick SD	0.4705	362	5,403.730	4,691.346	88	18.4

Source: Pennsylvania Department of Education

Rank: 500 Pennsylvania School Districts

MV/PI AR: Market Value/Personal Income Aid Ratio

WADM: Weighted Average Daily Membership

ADM: Average Daily Membership

Eq Mills: Equalized Mills

Pop/SqM: Population per Square Mile

AIE/WADM: Actual Instruction Expense per Weighted Average Daily Membership

Exp/ADM: Total Expenditures per Average Daily Membership

Rank	2000 Pop per Sq Mile	Rank	2008-09 AIE per WADM	Rank	2008-09 Exp per ADM	Rank
157	421.2	208	\$6,884.97	295	\$11,926.89	331
43	3,903.4	35	\$7,471.23	199	\$13,167.84	192
383	509.2	186	\$6,989.69	277	\$11,532.29	376
108	468.1	193	\$7,254.40	235	\$12,116.13	309
404	300.9	248	\$7,364.59	218	\$12,186.53	294
200	491.1	191	\$6,680.22	342	\$10,806.39	446
180	693.2	157	\$7,416.59	207	\$12,662.59	241
200	982.8	125	\$7,693.96	170	\$12,601.80	251
200	531.5	180	\$7,397.46	211	\$12,080.71	314
44	5,223.8	16	\$7,388.68	212	\$14,986.40	78
289	263.1	265	\$7,185.94	241	\$12,836.11	224
243	1,388.8	104	\$7,640.91	177	\$12,014.22	321
268	329.8	235	\$6,361.07	396	\$11,703.63	359
325	241.2	278	\$7,633.09	179	\$15,245.71	67
461	153.6	327	\$6,239.62	426	\$10,955.13	435
219	710.1	154	\$6,501.14	365	\$11,277.00	400

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
Lancaster County School District Student/Teacher Data
Unaudited

District	2008-2009 School Year				
	Total Schools	K-12 Total Students	Classroom Teachers FTE	Student/ Teacher Ratio	ELL Students
Cocalico	6	3,464	235.9	14.7	81
Columbia	3	1,376	116.0	11.9	41
Conestoga Valley	6	4,007	267.5	15.0	232
Donegal	6	2,815	164.1	17.2	64
Eastern Lancaster	5	3,244	217.0	14.9	86
Elizabethtown	7	3,950	259.8	15.2	51
Ephrata	6	4,079	256.1	15.9	116
Hempfield	10	7,081	381.9	18.5	289
Lampeter-Strasburg	6	3,291	218.6	15.1	46
Lancaster	20	11,351	848.8	13.4	2,070
Manheim Central	5	2,931	204.9	14.3	31
Manheim Township	9	5,710	378.4	15.1	248
Penn Manor	10	5,207	356.0	14.6	79
Pequea Valley	5	1,829	135.4	13.5	14
Solanco	7	3,776	240.9	15.7	31
Warwick	6	4,562	298.0	15.3	55

Source: National Center for Education Statistics

Percent ELL	IEP Students	Percent IEP
2.3%	574	16.6%
3.0%	355	25.8%
5.8%	548	13.7%
2.3%	540	19.2%
2.7%	436	13.4%
1.3%	576	14.6%
2.8%	643	15.8%
4.1%	1,241	17.5%
1.4%	526	16.0%
18.2%	2,378	20.9%
1.1%	522	17.8%
4.3%	705	12.3%
1.5%	913	17.5%
0.8%	363	19.8%
0.8%	514	13.6%
1.2%	711	15.6%

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 SALARY DATA FOR CLASSROOM TEACHERS
 As of November 1, 2010
 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	3	38	41
\$57,000 - \$59,999		6	6
\$54,000 - \$56,999		10	10
\$51,000 - \$53,999	1	10	11
\$48,000 - \$50,999	10	8	18
\$45,000 - \$47,999	5	9	14
\$42,000 - \$44,999	1	2	3
\$39,000 - \$41,999	7		7
\$36,000 - \$38,999	10		10
\$33,000 - \$35,999			0
\$30,000 - \$32,999			0
Below \$30,000			0
Total # of Teachers	37	83	120

	B.S.	M.Ed	D.Ed
Highest Salary Actually Paid	\$ 63,712	\$ 76,101	\$ 76,101
Lowest Salary Actually Paid	\$ 36,238	\$ 44,428	

Total salaries \$ 6,679,840

Full-time classroom teachers 120

Average classroom teacher salary for 2010-11 \$ 55,665.33

Source: District Personnel Records

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 PROFESSIONAL AND ADMINISTRATIVE STAFF SUMMARY
 As of November 1, 2010
Unaudited

	<u>Total</u>	<u>Male</u>	<u>Female</u>
Total	134	37	97
Full Time	132	37	95
Part Time	2	0	2
<u>Years of Service</u>			
1 or less	3	0	3
2 to 10	59	18	41
11 to 20	33	8	25
21 to 30	26	6	20
30+	13	5	8
<u>Age</u>			
Under 30	23	4	19
30 to 50	64	22	42
Over 50	47	11	36
<u>Education Degree Levels</u>			
High School	1	1	0
Associates	1	1	0
Bachelors	38	16	22
Masters	91	17	74
Doctors	3	2	1
<u>Description</u>			
Elementary Teachers	51	9	42
Secondary Teachers	50	20	30
Guidance/Library/Nurse/Other	21	3	18
Total Instructional	122	32	90
Administrative/Supervisory	12	5	7

Source: District Personnel Records

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 SUPPORT STAFF SUMMARY
 As of November 1, 2010
Unaudited

<u>Position Category</u>	<u>Gender</u>	<u>F/T</u>	<u>P/T</u>	<u>Total</u>
Instructional aides	Male	1	0	1
	Female	2	0	2
Administrative support	Male	0	0	0
	Female	13	2	15
Library/media support	Male	0	0	0
	Female	2	0	2
Maintenance	Male	13	3	16
	Female	5	0	5
Cafeteria	Male	0	0	0
	Female	3	18	21
Computer technician	Male	1	0	1
	Female	0	0	0
Playground aides	Male	0	1	1
	Female	0	5	5
School monitor	Male	0	0	0
	Female	0	2	2
Health room assistant	Male	0	0	0
	Female	1	1	2
Total	Male	15	4	19
	Female	26	28	54
Total		41	32	73

Source: District Personnel Records

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
DISTRICT FACILITIES
As of November 1, 2009
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>2009-2010 Enrollment</u>
Elementary Schools						
Park	Unknown	82,076	1981, 1997, 2006	K-6	706	448
Taylor*	1988	37,370	1997, 2006	K-6	340	307
Secondary School						
Junior Senior High	1957	160,957	1989, 1997, 2010	7-12	1014	616**
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								
2005-06	127	100	110	113	95	100	112	757
2006-07	117	111	96	107	106	98	103	738
2007-08	129	114	112	101	100	105	104	765
2008-09	123	124	121	109	92	98	102	769
2009-10	113	120	121	106	107	91	97	755
PROJECTED DATA								
2010-11	119	112	110	127	112	112	92	784
2011-12	128	102	99	98	113	107	100	747
2012-13	140	110	103	99	89	111	110	762
2013-14	142	120	111	103	90	88	115	769
2014-15	144	122	121	110	94	89	91	771
2015-16	147	124	123	120	100	93	92	799
2016-17	149	126	125	122	109	98	96	825
2017-18	152	128	127	124	111	107	101	850
2018-19	154	131	129	126	113	109	110	872

Source: Historical data - actual enrollment as reported to State, October 1 of each year.
 Projected data - prepared by the Pennsylvania Department of Education, January 2009

Notes: Excludes students in full-time out-of-district special education, comprehensive AVTSs, 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>
114	113	129	130	114	112	712	1,469	0.55%	69,585	2.11%
113	113	105	133	128	101	693	1,431	-2.59%	69,835	2.05%
111	104	115	109	116	115	670	1,435	0.28%	69,621	2.06%
111	106	114	104	90	82	607	1,376	-4.11%	68,504	2.01%
103	111	101	118	97	86	616	1,371	-0.36%	68,265	2.01%
89	98	122	86	97	84	576	1,360	-0.80%	68,069	2.00%
98	102	103	106	92	85	586	1,333	-1.99%	68,192	1.95%
104	96	102	101	94	79	576	1,338	0.38%	68,563	1.95%
115	101	96	100	90	81	583	1,352	1.05%	69,325	1.95%
120	112	101	94	89	77	593	1,364	0.89%	70,216	1.94%
95	117	112	99	83	77	583	1,382	1.32%	71,253	1.94%
96	93	117	110	88	71	575	1,400	1.30%	72,263	1.94%
100	94	93	115	98	76	576	1,426	1.86%	73,367	1.94%
105	98	94	91	102	84	574	1,446	1.40%	74,381	1.94%

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
AVERAGE DAILY ATTENDANCE REPORT
Last nine fiscal years*
Unaudited

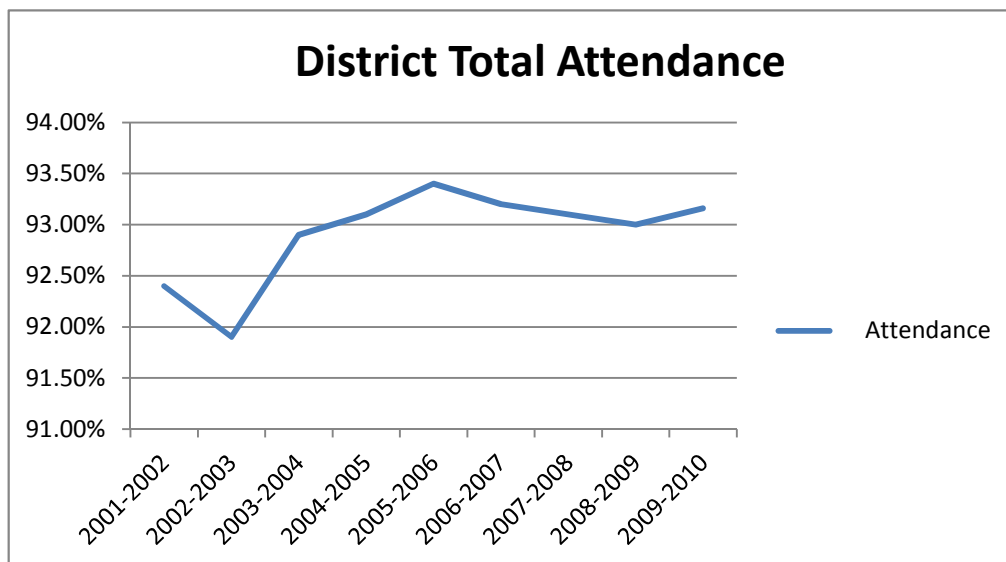
	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>
Kindergarten				
ADA	102.957	97.774	91.949	92.339
ADM	107.636	105.431	98.082	97.331
Attendance	95.70%	92.70%	93.70%	94.90%
Elementary				
ADA	728.764	691.387	649.915	628.317
ADM	769.735	729.003	682.759	659.911
Attendance	94.70%	94.80%	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

<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>
115.775	108.976	119.312	116.201	108.380
121.505	115.190	125.446	122.379	115.212
95.30%	94.60%	95.10%	94.95%	94.07%
616.375	605.056	622.837	625.369	611.056
645.484	632.932	654.361	656.256	644.352
95.50%	95.60%	95.20%	95.29%	94.83%
681.274	645.881	619.374	595.353	513.483
745.974	711.478	683.153	658.867	563.865
91.30%	91.80%	90.70%	90.36%	91.06%
1,413.424	1,359.913	1,361.523	1,336.923	1,232.919
1,512.963	1,459.600	1,462.960	1,437.502	1,323.429
93.40%	93.20%	93.10%	93.00%	93.16%



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 Year				
	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>
<u>Columbia Jr./Sr. High School</u>					
Free	22.73%	26.53%	21.75%	21.65%	28.36%
Reduced	6.74%	9.20%	10.57%	10.39%	9.01%
<u>Park Elementary School</u>					
Free	34.39%	36.02%	38.81%	49.75%	48.78%
Reduced	12.15%	10.92%	11.29%	13.00%	10.64%
<u>Taylor Elementary School</u>					
Free	21.07%	21.35%	20.06%	23.27%	28.82%
Reduced	9.12%	9.94%	8.60%	8.73%	10.07%
<u>Total</u>					
Free	26.56%	28.63%	27.21%	30.19%	34.96%
Reduced	9.19%	9.96%	10.40%	10.82%	9.75%

Source: Pennsylvania Department of Education

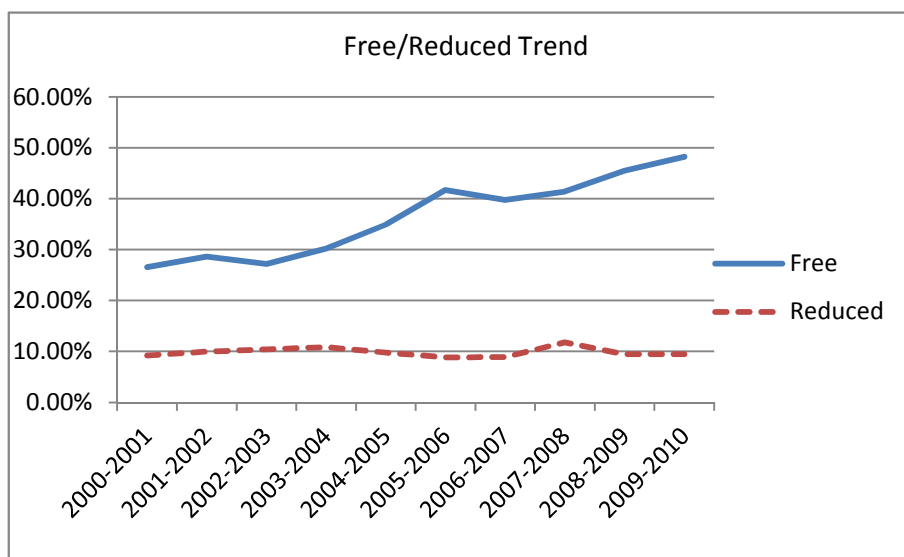
<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>
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36.56%	31.71%	30.02%	35.30%	40.99%
11.45%	8.80%	11.36%	8.05%	7.66%

53.32%	58.13%	63.96%	63.35%	65.24%
8.14%	7.57%	13.13%	12.71%	10.22%

35.35%	29.51%	28.93%	38.13%	36.25%
4.04%	11.11%	10.36%	7.36%	11.97%

41.73%	39.76%	41.41%	45.51%	48.28%
8.86%	8.88%	11.76%	9.49%	9.47%



COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
SCHEDULE OF INSURANCE
FISCAL YEAR ENDED JUNE 30, 2010

Unaudited

COVERAGE	AMOUNTS OR LIMITS	TERM IN YEARS	EXPIRES
1. PROPERTY a. Building and contents	\$48,882,193 \$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	7/1/2010
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	7/1/2010
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	7/1/2010
4. Excess liability	\$8,000,000 Each Occurrence per member \$8,000,000 Annual Member Aggregate	1	7/1/2010
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	7/1/2010
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	7/1/2010
7. Commercial crime Employee dishonesty Forgery/alteration Theft, disappearance & destruction (inside and outside)	\$500,000/loss \$500,000/loss \$100,000/loss	1	7/1/2010

COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
Selective Insurance Co. of the Southeast	S1323581	\$14,679	\$1,000 maintenance deductible \$100,000 SIR
Travelers Indemnity Insurance Company of America	KTKXSP545D871109	\$11,870	
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)	1130115	\$4,393	Deductible: N/A Includes: Each occurrence limit General aggregate limit Products completed operations aggregate
Hartford Steam Boiler Inspection and Insurance Company	4910564	\$3,061	\$1,000 deductible
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	\$528	Deductible: \$10,000 per occ

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
SCHEDULE OF INSURANCE (continued)
YEAR ENDED JUNE 30, 2010
Unaudited

COVERAGE	AMOUNTS OR LIMITS	TERM IN YEARS	EXPIRES
8. SCHOOL BOARD LEGAL LIABILITY		1	7/1/2010
a. General aggregate limit	\$2,000,000 each claim./ \$2,000,000 annual agg		
9. School accident - interscholastic sports/ football coverage - voluntary student accident coverage	\$1,000,000 maximum benefit (primary excess over \$100) \$1,000,000 maximum benefit	1	8/11/2010
10. Storage tank system third party liability and cleanup	\$1,000,000 Each Claim/\$2,000,000 Total for all Claims	1	1/1/2010
11. Workers' compensation insurance	Specific Only Specific Limit: Statutory Empl. Liabil. \$1,000,000/occ./accid.	1	7/1/2010
12. Life insurance	Administrators: 2 times salary Professional staff: \$20,000 maximum Support staff: \$20,000 (full-time)	1	7/1/2010
13. Accidental death and dismemberment	Administrators: 2 times salary Professional staff: \$20,000 maximum Support staff: \$20,000 (full-time)	1	7/1/2010

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	USC3834720-07	\$2,640	Deductible: \$2,500
Safety National Casualty Company	AGC2G78PA	Total premium: \$52105.1 Loss Fund Allocation: \$18,757.85 36% \$20,842.05 40% \$12,505.23 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

<u>Curriculum</u>	<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	4th	5th	6th	1st	2nd	3rd	4th	5th
Art	4th	5th	6th	1st	2nd	3rd	4th	5th
Music	4th	5th	6th	1st	2nd	3rd	4th	5th
Physical Education	4th	5th	6th	1st	2nd	3rd	4th	5th
Reading/Literature	5th	6th	1st	2nd	3rd	4th	5th	6th
Spelling/Handwriting	5th	6th	1st	2nd	3rd	4th	5th	6th
English/Writing	5th	6th	1st	2nd	3rd	4th	5th	6th
World Language	5th	6th	1st	2nd	3rd	4th	5th	6th
Science/Health	1st	2nd	3rd	4th	5th	6th	1st	2nd
Family & Consumer Science	1st	2nd	3rd	4th	5th	6th	1st	2nd
Social Studies	2nd	3rd	4th	5th	6th	1st	2nd	3rd
Technology Education	2nd	3rd	4th	5th	6th	1st	2nd	3rd
Business Education	2nd	3rd	4th	5th	6th	1st	2nd	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, 2010, and have issued our report thereon dated November 4, 2010. 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, 2010, 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
November 4, 2010

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

<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, 2009</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued or (Deferred) Revenue at June 30, 2010</u>
U.S. DEPARTMENT OF EDUCATION										
Passed through the Pennsylvania Department of Education:										
Title I	I	84.010	013-09-0092	7/1/08-9/30/10	\$ 524,523	\$ 163,959	\$ 97,641	\$ 53,935	\$ 53,935 *	\$ (12,383)
Title I	I	84.010	013-10-0092	5/22/09-9/30/10	494,448	395,590	--	490,634	490,634 *	95,044
Title I - Recovery Act	I	84.389	127-10-0092	5/22/09-9/30/10	224,477	173,777	--	156,335	156,335 *	(17,442)
Title I - School Improvement	I	84.010	042-08-0092	11/20/07-9/30/09	98,000	9,333	9,333	--	--	--
Title I - School Improvement	I	84.010	042-09-0092	12/10/08-9/30/10	131,449	<u>89,625</u>	<u>31,282</u>	<u>63,655</u>	<u>63,655 *</u>	<u>5,312</u>
Total Title I Cluster						832,284	138,256	764,559	764,559	70,531
Program Improvement Grant	I	84.377	042-09-0092	12/10/08-9/30/10	103,551	70,603	24,642	50,145	50,145	4,184
Title IIA	I	84.367	020-10-0092	5/22/09-9/30/10	89,643	65,738	--	74,635	74,635	8,897
Title IIA	I	84.367	020-09-0092	7/1/08-9/30/10	94,049	48,026	18,181	29,845	29,845	
Title IID	I	84.318	055-10-0092	5/22/09-9/30/10	66,400	--	--	30,555	30,555	30,555
Drug Free Schools Grant	I	84.186	100-09-0092	7/1/08-3/31/10	7,563	4,034	636	3,398	3,398	--
Drug Free Schools Grant	I	84.186	100-10-0092	7/1/07-3/31/09	6,978	6,047	--	4,866	4,866	(1,181)
State Fiscal Stabilization Fund	I	84.394	126-10-0092	7/1/09-9/30/10	789,776	723,961	--	789,776	789,776 *	65,815
Passed Through the Lancaster-Lebanon Intermediate Unit No. 13:										
IDEA Grant	I	84.027	062-10-0013	7/1/09-6/30/10	385,892	305,892	--	385,892	385,892 *	80,000
IDEA Grant	I	84.027	062-09-0013	7/1/08-6/30/09	370,000	77,425	77,425	--	--	--
IDEA Grant - Recovery Act	I	84.391A	128-10-0013	2/17/09-9/30/11	450,609	310,485	--	292,412	292,412 *	(18,073)
Passed Through Allegheny Intermediate Unit										
IDEA Mini Grant	I	84.027	062-10-0032	8/1/09-6/30/08	14,988	--	--	8,003	8,003 *	8,003
IDEA Mini Grant	I	84.027	062-09-0077	8/1/08-6/30/09	10,000	<u>9,676</u>	<u>9,676</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total IDEA Cluster						<u>703,478</u>	<u>87,101</u>	<u>686,307</u>	<u>686,307</u>	<u>69,930</u>
TOTAL U.S. DEPARTMENT OF EDUCATION						<u>2,454,171</u>	<u>268,816</u>	<u>2,434,086</u>	<u>2,434,086</u>	<u>248,731</u>
U.S. DEPARTMENT OF HOMELAND SECURITY										
Passed through the Pennsylvania Emergency Management Agency:										
Public Assistance Grants	I	97.036	1898-DR-PA-071-111EB-00	2/6/10-2/8/10	6,816	<u>6,816</u>	<u>--</u>	<u>6,816</u>	<u>6,816</u>	<u>--</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY						<u>6,816</u>	<u>--</u>	<u>6,816</u>	<u>6,816</u>	<u>--</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

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, 2009	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue at June 30, 2010
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES										
Passed through the Workforce Investment Board										
Temporary Assistance for Needy Families (TANF)	I	93.558	09-TANF-03	9/1/09-6/30/10	6,750	--	--	6,733	6,733	6,733
Temporary Assistance for Needy Families (TANF)	I	93.558	08-TANF-03	10/1/08-6/30/09	5,800	<u>5,675</u>	<u>5,675</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						<u>5,675</u>	<u>5,675</u>	<u>6,733</u>	<u>6,733</u>	<u>6,733</u>
U. S. DEPARTMENT OF AGRICULTURE										
Passed through the Pennsylvania Department of Education:										
National School Lunch Program	I	10.555	N/A	7/1/09-6/30/10	N/A	331,504	--	343,392	343,392	11,888
School Breakfast Program	I	10.553	N/A	7/1/09-6/30/09	N/A	67,828	--	70,624	70,624	2,796
Fresh Fruit and Vegetable Program	I	10.582	N/A	7/1/09-6/30/10	35,211	28,663	--	27,682	27,682	(981)
Passed through the Pennsylvania Department of Agriculture:										
Value of USDA Donated Commodities	I	10.555	N/A	7/1/09-6/30/10	N/A	(a) <u>51,983</u>	(b) <u>(2,008)</u>	<u>50,049</u>	(c) <u>50,049</u>	(d) <u>(3,942)</u>
Total Child Nutrition Cluster						<u>479,978</u>	<u>(2,008)</u>	<u>491,747</u>	<u>491,747</u>	<u>9,761</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE						<u>479,978</u>	<u>(2,008)</u>	<u>491,747</u>	<u>491,747</u>	<u>9,761</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS						<u>\$ 2,946,640</u>	<u>\$ 272,483</u>	<u>\$ 2,939,382</u>	<u>\$ 2,939,382</u>	<u>\$ 265,225</u>

D - Direct Funding
I - Indirect Funding

Test of 25% Rule: (Low Risk Entity)

* Programs Selected for Testing:	
Title I Cluster	764,559
IDEA Cluster	686,307
State Fiscal Stabilization Fund	<u>789,776</u>
Selected for Testing	<u>2,240,641</u>
Total Federal Expenditures	2,939,382 = 77.23%

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, 2010**

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, 2009.
- c) Total amount of commodities used.
- d) Ending inventory at June 30, 2010.

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, 2010 was \$-0- which is listed on the PDE confirmation as program #044-007092 under CFDA #93.778. The District received \$63,258 in ACCESS medical from Lancaster-Lebanon Intermediate Unit. The District also received \$9,571 in ACCESS Transportation from Lancaster-Lebanon Intermediate Unit.

NOTE 4 – RECONCILIATION OF ACCRUED OR (DEFERRED) REVENUE

Accrued or (Deferred) Revenue at June 30, 2009	\$ 250,000
Add: Funds Refunded for Title IIA	<u>22,483</u>
Accrued or (Deferred) Revenue at July 1, 2009	<u>\$ 272,483</u>

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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, 2010, which collectively comprise the Columbia Borough School District's basic financial statements and have issued our report thereon dated November 4, 2010. 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. 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 and corrected on a timely basis.

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 over financial reporting that might be deficiencies, 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 November 4, 2010.

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
November 4, 2010

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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, 2010. 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, 2010.

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 the 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, and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Columbia Borough School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect, and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, 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
November 4, 2010

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ Yes X No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010/84.389	Title I Cluster
84.027/84.391A	IDEA Cluster
84.394	State Fiscal Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II – Financial Statement Findings

There were no current year findings.

Section III – Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.

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*Wissler's Farm prior to construction of
Columbia High School.*



Columbia Borough School District, Columbia, Pennsylvania