

Comprehensive Annual Financial Report

For the Fiscal Year ended June 30, 2012



Columbia Borough School District, Columbia, Pennsylvania

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

COLUMBIA BOROUGH SCHOOL DISTRICT

Columbia, Pennsylvania

FISCAL YEAR ENDED JUNE 30, 2012

Report issued by the School District's Business Office
Laura E. Cowburn, PRSBA, RSBA, Assistant to the Superintendent for Business Services

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, disability or genetic information 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, 2012

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Transmittal Letter.....	I – 1
List of Principal Officials.....	I – 11
Organizational Chart.....	I – 12
ASBO Certificate of Excellence	I – 13
GFOA Certificate of Achievement.....	I – 14

FINANCIAL SECTION

Independent Auditor’s Report.....	F – 1
Management’s Discussion and Analysis Required.....	F – 3
BASIC FINANCIAL STATEMENTS	F – 17
Statement of Net Assets.....	F – 19
Statement of Activities	F – 21
Balance Sheet – Governmental Funds.....	F – 22
Reconciliation of the Governmental Funds Balance Sheet to the	
Statement of Net Assets.....	F – 23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	F – 24
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes	
in Fund Balance to the Statement of Activities	F – 27
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual –	
General Fund.....	F – 28
Statement of Net Assets – Proprietary Fund	F – 30
Statement of Revenue, Expenses and Changes in Net Assets – Proprietary Fund.....	F – 31
Statement of Cash Flows – Proprietary Fund.....	F – 32
Statement of Fiduciary Net Assets – Fiduciary Funds.....	F – 33
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	F – 34
Notes to Financial Statements.....	F – 35

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2012

TABLE OF CONTENTS (continued)

FINANCIAL SECTION (continued)

SUPPLEMENTARY INFORMATION	F – 57
GENERAL FUND.....	F – 58
Schedule of Revenues and Other Financing Sources Compared with Budget	F – 59
Schedule of Expenditures and Other Financing Uses Compared with Budget.....	F – 61
FIDUCIARY FUND	F - 67
Statement of Changes in Assets and Liabilities – Agency Fund.....	F – 68
Combining Statement of Fiduciary Net Assets	F – 69
Combining Statement of Changes in Fiduciary Net Assets	F – 70

STATISTICAL SECTION

Section Overview	S – 1
Net Assets by Component	S – 2
Expenses, Program Revenues and Net (Expense)/Revenue.....	S – 4
Governmental Funds – Fund Balances	S – 8
Governmental Funds – Changes in Fund Balances	S – 10
General Fund Revenues and Other Financing Sources by Source.....	S – 14
General Fund Expenditures and Other Financing Uses by Function	S – 16
General Fund Cost per Pupil for Expenditures and Other Financing Uses	S – 18
Assessed Value and Estimated Actual Value of Taxable Property	S – 20
Property Tax Rates (per \$1,000 of Assessed Valuation) – Direct and Overlapping Governments	S – 22
Property Tax Levies and Collections	S – 24
Construction Permits and Market Values	S – 26
Governmental Funds – Most Significant Own-Source Revenues.....	S – 27
Ten Largest Real Property Taxpayers.....	S – 28
Bank Deposit Information	S – 30
Gross Principal Debt Outstanding	S – 31
Computation of Direct and Overlapping Debt.....	S – 32

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2012

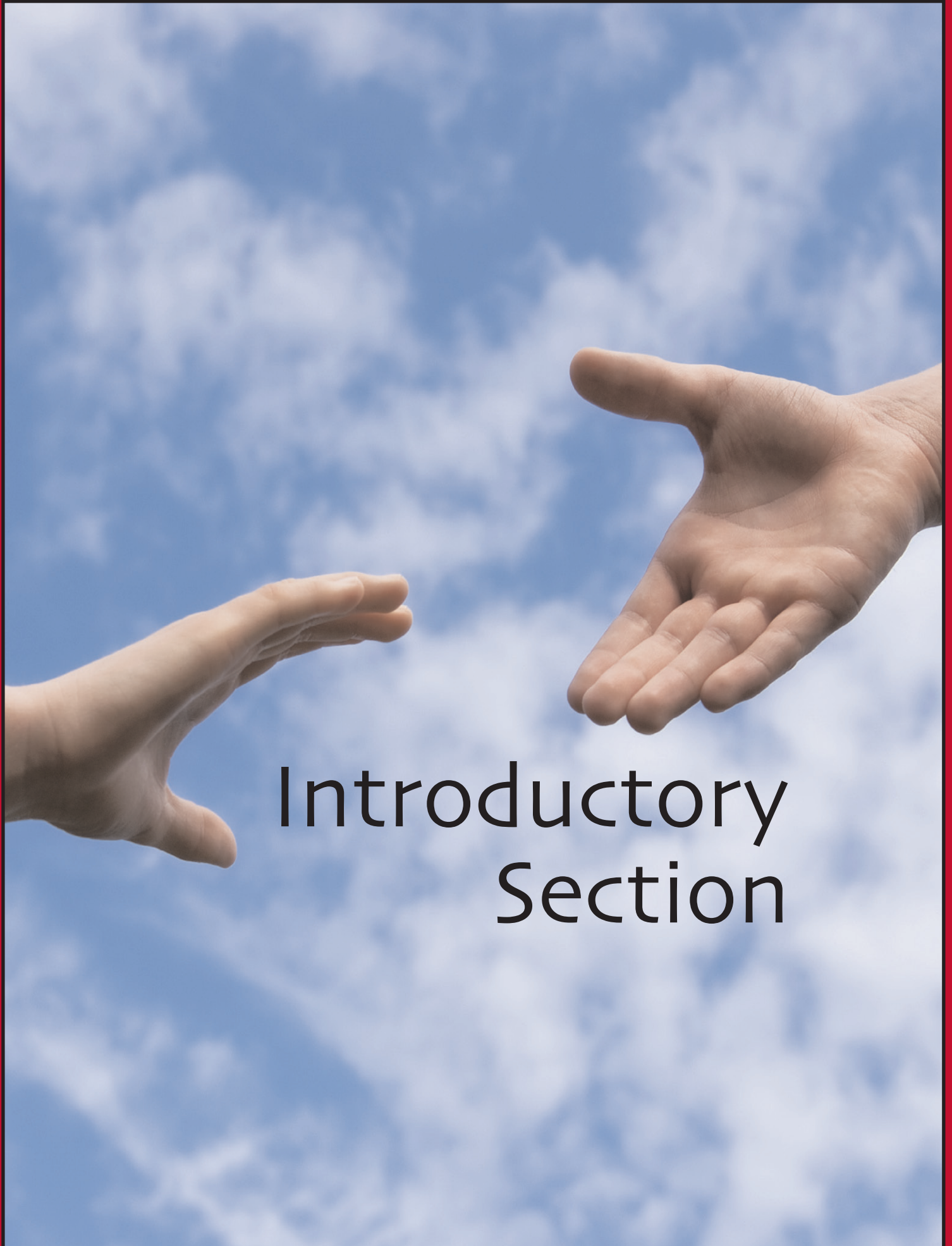
TABLE OF CONTENTS (continued)
STATISTICAL SECTION (continued)

Computation of Legal Debt Margin	S – 33
Legal Debt Margin Information	S – 34
Ratio of Net General Bonded Debt to Assessed Value And Net Bonded Debt Per Capita	S – 36
Population Trends.....	S – 38
Demographic and Economic Statistics	S – 40
Ten Largest Area Employers	S – 42
Lancaster County School District Selected Data with State Rankings	S – 44
Lancaster County School District Student/Teacher Data	S – 46
Staff FTE.....	S - 48
Salary Data for Classroom Teachers.....	S – 50
Professional and Administrative Staff Summary.....	S – 51
Support Staff Summary	S – 52
District Facilities.....	S – 53
Enrollment Projections.....	S – 54
Average Daily Attendance Report	S – 56
National School Lunch Program Free and Reduced Data.....	S – 58
Schedule of Insurance.....	S – 60
Curriculum Review Cycle.....	S – 64

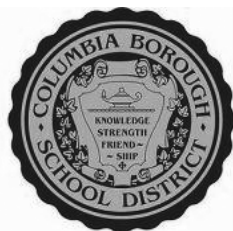
SINGLE AUDIT SECTION

Independent Auditor’s Report on Schedule of Expenditures of Federal Awards.....	SA – 1
Schedule of Expenditures of Federal Awards.....	SA – 2
Notes to the Schedule of Expenditures of Federal Awards	SA – 4
Report on Internal Controls over Financial Reporting and on Compliance and other matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards.....	SA – 5
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.....	SA – 7
Schedule of Findings and Questioned Costs.....	SA – 9

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Introductory Section



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 13, 2012

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, 2012. 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)

This 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.

This Introductory Section is designed to complement the analysis found in the MD&A and should be read in conjunction with it 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 and a primary government as determined within the criteria established in the Governmental Accounting Standards Board's (GASB) Statement No. 14.

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, 2012 is 1,372 in regular education classes operated by the district, and 1,452 in total enrollment. In addition there are 8 students attending the Lancaster County Academy, 15 students being home-schooled and 30 students attending some of Pennsylvania's Cyber-Charter Schools.

The District employs approximately 185 regular employees, including 110 teachers and administrators, and over 66 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, 2014. The CEA has not had a strike in more than 28 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 Lancaster County Career & Technology Center Authority (LCCTC 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 that serves the 22 public school districts in Lancaster and Lebanon counties, as well as students in nonpublic schools, preschoolers, and adult learners throughout Pennsylvania.;
- 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

COMMUNITY

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. The county is 46 miles wide at its widest point and 43 miles long at its longest point. 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.



Source: Lancaster County website: www.co.lancaster.pa.us/

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.

Lancaster County was created on May 10, 1729, from part of Chester County and named for Lancashire, England. Lancaster, the county seat, named for its England counterpart, was laid out in 1730. It was chartered as a borough on May 1, 1742, and as a city on March 10, 1818. The best non-irrigated farmland in the world

Economic Condition – Community continued

brought the Amish here to settle. 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 the last decade. In 2005, Lancaster added the new Clipper Stadium which houses the minor league Lancaster Barnstormers baseball team. This stadium continues to bring added revenues to surrounding businesses boosting the Lancaster economy.

In 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.

Lancaster County is getting into the soybean-crushing business. Perdue AgriBusiness purchased 59 acres of land next to the Lancaster County Solid Waste Management Authority's incinerator in Marietta for construction of its \$50 million soybean plant. The facility will be capable of processing nearly 18 million bushels of soybeans annually, is expected to create up to 50 permanent jobs, and would contract with more than 2,500 Pennsylvania farm families to supply beans. Perdue AgriBusiness, headquartered in Salisbury, Maryland, has three other soybean-crushing facilities, one each in Maryland, Virginia and North Carolina. The county project is scheduled for completion in 2014.

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 U. S. News and World Report reported that of the five regional hospitals, Lancaster General is 1st and ranked 15th in the State.

One of the newest projects in Lancaster County is located in the Borough of Columbia. This new "experience" renovated the 1899 historic Ashley & Bailey Silk Mill which had been abandoned for over 25 years. In the spring of 2011, Turkey Hill, a local dairy company, opened "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 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. Because of its location along Route 30 and Route 441, has already attracted 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. During 2010, the River Park completed a three lane motorized boat ramp, new canoe/kayak ramp, increased parking, lights, a fishing pier and docks.

In addition, construction to relocate SR441 has been delayed but scheduled for 2014 by the Pennsylvania Department of Transportation. SR 441 is 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 using SR441 to connect to US 30. The Borough Council's initiative to move the road is part of its strategic plan to rejuvenate the historic downtown.

Economic Condition continued

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.

SCHOOL DISTRICT

Legislation and Budget

On June 27, 2006, the Pennsylvania Legislature passed Act 1 of Special Session 2006, entitled the "Taxpayer Relief Act" (hereinafter "Act 1"). Act 1 requires school districts to limit property tax increases to the level set by an inflation index (hereinafter "the Index") unless the tax increase is approved by voters in a referendum or the school district obtains permission from the Department of Education for certain referendum exceptions. Those exceptions are related to increases in the employer retirement rate (refer to the section entitled "Pennsylvania School Employees Retirement System"), special education costs and certain bond obligations related to construction.

Legislation includes an adjustment of the base Index for school districts who meet certain low income data categories. The District qualifies for this adjustment which is referred to as the "Adjusted Index." The history of the Index and the Adjusted Index is:

<u>For use in School Year</u>	<u>State Index</u>	<u>District Adjusted Index</u>
2006-2007	3.9%	5.5%
2007-2008	3.4%	4.8%
2008-2009	4.4%	6.3%
2009-2010	4.1%	5.9%
2010-2011	2.9%	4.2%
2011-2012	1.4%	2.0%
2012-2013	1.7%	2.5%
2013-2014	1.7%	2.5%

The result of the decline of the Index is reduced property tax revenue increases.

The District has the highest property tax rate in the County. For this reason, the Board of School Directors did not increase the tax rate for the budget year 2011-2012. All staff of the District participated in a one-year salary freeze by repeating the 2010-2011 year in all contracts and agreements. These contracts and agreements resumed for 2012-2013 using the 2011-2012 obligations. As a result the District raised taxes in 2012-2013 by 2.48%, which is within the State Index for that school year.

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 2011-2012 – not more than 3.0% plus the premium assistance contribution rate – 8.65%

FY 2012-2013 – not more than 3.5% plus the premium assistance contribution rate – 12.36%

FY 2013-2014 – not more than 4.5% plus the premium assistance contribution rate – 16.93%

The rate cap then remains at 4.5% until the projected increase to the employer contribution rate is less than the rate cap. These rates are above the Index and the current rate of inflation but are much lower than the actuarial projections of the System.

Earned Income Tax

The Lancaster County Tax Collection Bureau is an agency organized to simplify the reporting, administration, and collection of the Earned Income Tax for all residents of its jurisdiction, which is comprised of all the school districts and municipalities in Lancaster County, Pennsylvania, and then distributing the collections to the appropriate taxing bodies. The District and the Borough of Columbia share a tax based on earned income with each taxing body receiving .5%.

School District continued

The collection and distribution of earned income tax has involved many school districts and municipalities in Pennsylvania through various tax collection processes. In order to make the process uniform throughout the State, legislators passed Act 32 of 2008. This Act restructured earned income tax agencies by creating county-wide tax collection districts (TCDs). These new districts have boundaries that are generally congruent geographically with current county lines with a few exceptions.

Effective January 1, 2012, the new TCDs begin operation. During this initial year of transition it is expected that collections and distribution may be delayed resulting in lower cash distributions to the district in fiscal year 2012-2013. The district budgeted accordingly for this projection.

Long-term financial planning

The District has renovated all of the buildings and grounds since 2004. All debt has been issued to cover these costs and the annual payments should remain flat for the next decade. The District Capital Reserve Fund is maintained to handle any normal costs of upgrades and maintenance issues as needed. Capital improvements should not be a burden to the District for the near future.

The District planned for the increases in the employer retirement rate by establishing a commitment of fund balance that will be used to blend the rate into the budget spreading and limiting the impact of the rate increases.

The State has provided flat financial support of basic education and special education subsidies for school districts during the last three years. This, with the limits on the property tax by the Index, is creating challenges for future budgets. The District continues to evaluate ways to streamline programs and services will be partnered with the restricted sources of revenue.

MAJOR INITIATIVES

The Columbia Jr./Sr. High School implemented block scheduling for Grades 9-12 at the start of the 2012-2013 school year. In preparation for this implementation the administration and faculty participated in visitations, presentations and ongoing training for a two-year period with county school districts administrators and teachers that have successfully implemented block scheduling in their districts.

The structure is a four-by-four block schedule where students have four eighty-two minute class periods a day as compared to the previous schedule of having seven forty-five periods in a day. The major core subjects of English, mathematics, science and social studies are scheduled during a ninety day semester rather than lasting a full school year. Elective subjects are offered as either a semester course or a course that last nine weeks.

Students take a total of four courses a semester with a total of two semesters per school year. The purpose of the block schedule is to allow students to focus on just four courses a semester rather than seven. The additional instructional time provides for a greater opportunity for students to gain a greater depth and engagement with course content and materials. The block scheduling format is also a good transition for students as they prepare for post-secondary education where longer instructional periods are the norm.

The 2012-2013 school year began the second full year of the implementation of the Columbia Virtual Academy (CVA). The CVA started the school year with 25 students which is an increase of 56% over enrollment during the beginning of the 2011-2012 school year.

In partnership with the Lancaster/Lebanon Intermediate Unit #13 and the Capital Area Intermediate Unit #12 the district offers a full schedule of courses for students in Grades 9-12 plus allows the students to participate in all extra-curricular activities in the school district. The CVA offers the students other options to continue their education in the Columbia Borough School District. Students have the choice of taking all of their courses on line as a full-time cyber student with the school district rather than attending an outside vendor's cyber school program; being a part-time cyber student taking some courses on line and some courses in the traditional classroom; or, a blended approach where students take their courses on line at school under the direction of a district teacher.

Major initiatives – continued

The District staff participates in a six-year curriculum review cycle where every curriculum area is on one of the six phases of the cycle. The reading/literature, language arts and world language teachers are on phase 3 of the cycle - the implementation phase. The revised curriculum in each area is aligned to the new Pennsylvania Major Initiatives – continued

Common Core Standards and the new textbook/supplemental teaching materials are being implemented into the instructional process in the classroom. During the 2012-2013 school year, the curriculum areas of mathematics, art, music and physical education are in phase 2 - the adapt and adopt phase. The revised curriculum that is aligned to the Pennsylvania Common Core Standards is being completed and will be adopted by the School Board. New textbooks and instructional materials will be selected and approved by the School Board.

The school district is also implementing a new benchmark assessment program - the Measures of Academic Progress (MAP) - from the Northwest Evaluation Association which will replace the 4Sight Assessment. MAP is an online assessment that will be used to monitor student progress four times a year, develop class and individual instructional goal, and track continual growth and specific skills.

The Columbia Borough School District is proud of its many accomplishments as it strives to achieve its mission: To provide a learning environment where every student can excel to his/her highest potential of academic achievement. The District in partnership with the community, will prepare each student to become an independent life-long learner and a responsible caring citizen.

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.

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.

Accounting System – continued

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. 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 as needed. This Fund also finances significant capital renovations limiting the burden of funding needed from the General Fund.

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 32 years, and was selected to perform the audit for the fiscal year ended June 30, 2012. This audit was performed in accordance with generally accepted auditing standards. The audit report was issued in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. The Single Audit section is part of this reporting package.

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

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, 2011. 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, 2011. 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 for excellence by the Columbia Borough School District Board of Education, administrators, professional and support staff are vital to the continuing efforts being made to improve our financial management and reporting.

Sincerely,



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



Barry W. Clippinger, Ed.D.
Superintendent

COLUMBIA BOROUGH SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS
as of
JUNE 30, 2012

BOARD OF EDUCATION

President Thomas R. Strickler
Vice-President Cole F. Knighton
Secretary Laura E. Cowburn *
Member Keith Combs
Member Vernon R. Detz, Jr.
Member Terry A. Doutrich
Member Quin Hartman
Member Kathleen Hohenadel
Member Sara A. Linkous
Member Janet Schwert
* Non-voting

OTHER BOARD SERVICES

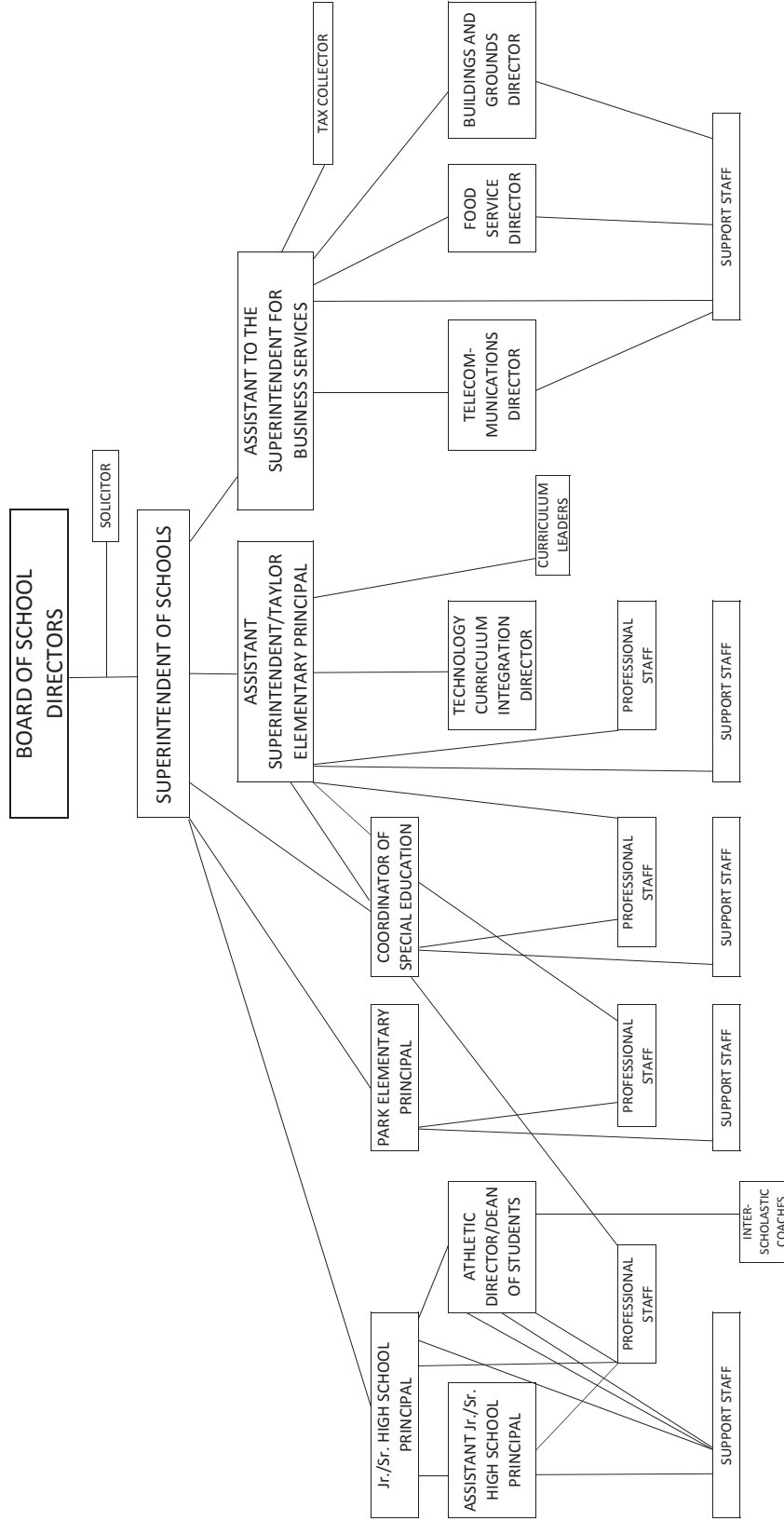
Solicitor Nikolaus & Hohenadel
Treasurer Union Community Bank
Independent Auditors Sager, Swisher and Company, LLP

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

2012-2013 ORGANIZATIONAL CHART



Association of School Business Officials International

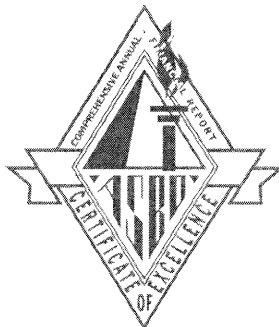


*The Certificate of Excellence in Financial Reporting Award
is presented to*

Columbia Borough School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

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



A handwritten signature in cursive script, reading "Brian L. Mee".

Brian L. Mee, SFO, RSBA
President

A handwritten signature in cursive script, reading "John D. Musso".

John D. Musso, CAE, RSBA
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, 2011

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director



Financial Section

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 (1932-2011)
C. Edwin Swisher, III, CPA, Inactive

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, 2012, 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, 2012, 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 12, 2012 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 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.

Board of School Directors
Columbia Borough School District

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages F-3 through F-16 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 fund financial statements, statistical section, and other supplementary statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining 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 12, 2012

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (SI)
June 30, 2012**

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, 2012. 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 to present the School District's financial performance as a whole.

FINANCIAL HIGHLIGHTS

The trends of prior years indicated that during the fiscal year 2011-2012 the Columbia Borough School District would experience another year of increases in the costs for instruction for special education and self-insured health benefits for our employees. In addition, 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 small reserve to hedge the additional drain on the financial resources of all schools in Pennsylvania.

The District completed the fiscal year 2011-2012 with assets exceeding liabilities by \$14,471,177, a total overall increase of \$110,676.

- The governmental activities total net assets increased by \$115,501, which was due to general business operations.
- The District business-type activities, which are comprised of the Food Service fund, showed a decrease of \$4,825, which was a result of operation although there was a transfer in funding from the General Fund of \$35,000.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1,357,841 compared to the prior year of \$1,913,775. The reduction in fund balance represents a planned use of fund balance to transfer funds to the Internal Service Fund for health benefits.
- The Board continues to manage the fund balance of the District and pledges to maintain the fund balance to within 5% or as high as 8%, 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: government-wide and fund.

The first two statements – the Statement of Net Assets and the Statement of Activities - provide both long-term and short-term information about the District's overall financial status.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

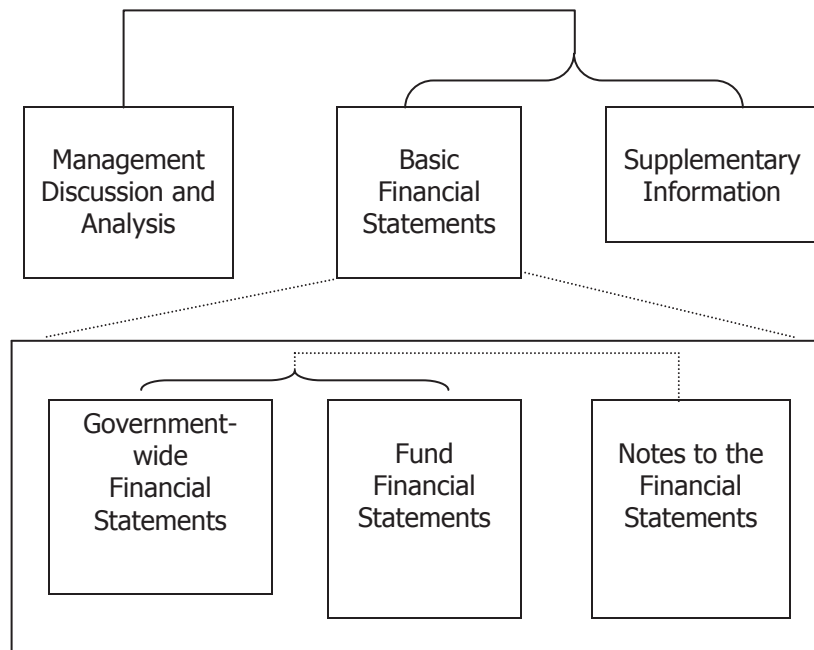
USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) continued

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. The District's proprietary fund 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.

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 and other taxes, 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 Statement 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 \$14,471,177 as of June 30, 2012.

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

	<u>2012</u>			<u>2011</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	\$7,458,990	\$69,227	\$7,528,217	\$7,835,418	\$42,986	\$7,878,404
Capital assets	<u>38,678,368</u>	<u>13,876</u>	<u>38,692,244</u>	<u>39,982,335</u>	<u>16,463</u>	<u>39,998,798</u>
Total assets	<u>\$46,137,358</u>	<u>\$83,103</u>	<u>\$46,220,461</u>	<u>\$47,817,753</u>	<u>\$59,449</u>	<u>\$47,877,202</u>
Current and other Liabilities	\$3,915,118	\$72,876	\$3,987,994	\$4,184,250	\$44,397	\$4,228,647
Long-term liabilities	<u>27,761,290</u>	<u>0</u>	<u>27,761,290</u>	<u>29,288,054</u>	<u>0</u>	<u>29,288,054</u>
Total Liabilities	<u>31,676,408</u>	<u>72,876</u>	<u>31,749,284</u>	<u>33,472,304</u>	<u>44,397</u>	<u>33,516,701</u>
Net Assets						
Invested in capital assets, net of related debt	9,507,846	13,876	9,521,722	9,895,645	16,463	9,912,108
Restricted	886,687	0	886,687	886,361	0	886,361
Unrestricted	<u>4,066,417</u>	<u>(3,649)</u>	<u>4,062,768</u>	<u>3,563,443</u>	<u>(1,411)</u>	<u>3,562,032</u>
Total Net Assets	<u>\$14,460,950</u>	<u>\$10,227</u>	<u>\$14,471,177</u>	<u>\$14,345,449</u>	<u>\$15,052</u>	<u>\$14,360,501</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 assigned and unassigned amounts. The restricted balances are amounts set-aside to fund future purchases or capital projects as planned by the district.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE continued

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 and expenses for the year.

Table A-2
Fiscal Year Ended June 30,
Changes in Net Assets

	<u>Governmental Activities</u>	<u>2012 Business- type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>2011 Business- type Activities</u>	<u>Total</u>
Revenues						
Program Revenues						
Charges for Services	\$82,801	\$193,693	\$276,494	\$90,021	\$211,361	\$301,382
Operating grants and contributions	3,334,698	614,865	3,949,563	4,316,054	572,403	4,888,457
Capital grants and contributions	722,827	--	722,827	1,323,846	--	1,323,846
General Revenues						
Property taxes	8,221,565	--	8,221,565	8,219,438	--	8,219,438
Other taxes	872,684	--	872,684	869,901	--	869,901
Grants, Subsidies and contributions, unrestricted	6,797,018	--	6,797,018	6,353,255	--	6,353,255
Other	<u>209,705</u>	<u>423</u>	<u>210,128</u>	<u>217,545</u>	<u>515</u>	<u>218,060</u>
Total revenues	<u>\$20,241,298</u>	<u>\$808,981</u>	<u>\$21,050,279</u>	<u>\$21,390,060</u>	<u>\$784,279</u>	<u>\$22,174,339</u>
Expenses						
Instruction	\$13,132,793	--	\$13,132,793	\$13,070,759	--	\$13,070,759
Instructional student support	1,862,704	--	1,862,704	2,054,437	--	2,054,437
Administrative and financial support	1,651,135	--	1,651,135	1,620,451	--	1,620,451
Operation and maintenance of plant	1,649,803	--	1,649,803	1,767,747	--	1,767,747

**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>Governmental</u> <u>Activities</u>	<u>2012</u> <u>Business-</u> <u>type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>2011</u> <u>Business-</u> <u>type</u> <u>Activities</u>	<u>Total</u>
Expenses (continued)						
Pupil						
Transportation	205,255	--	205,255	296,797	--	296,797
Student Activities	438,085	--	438,085	476,055	--	476,055
Community						
Services	28,537	--	28,537	32,793	--	32,793
Interest on long-term debt	1,097,340	--	1,097,340	1,129,028	--	1,129,028
Unallocated depreciation expense	25,145	--	25,145	21,715	--	21,715
Food Services	--	848,806	848,806	--	856,389	856,389
Total expenses	<u>\$20,090,797</u>	<u>\$848,806</u>	<u>\$20,939,603</u>	<u>\$20,469,782</u>	<u>\$856,389</u>	<u>\$21,326,171</u>
Increase (decrease) in net assets	<u>\$150,501</u>	<u>(\$39,825)</u>	<u>\$110,676</u>	<u>\$920,278</u>	<u>(\$72,110)</u>	<u>\$848,168</u>
Transfers	<u>(35,000)</u>	<u>35,000</u>	--	<u>(70,000)</u>	<u>70,000</u>	--
Change in net assets	115,501	(4,825)	110,676	850,278	(2,110)	848,168
Beginning net assets	<u>14,345,449</u>	<u>15,052</u>	<u>14,360,501</u>	<u>13,495,171</u>	<u>17,162</u>	<u>13,512,333</u>
Ending net assets	<u>\$14,460,950</u>	<u>\$10,227</u>	<u>\$14,471,177</u>	<u>\$14,345,449</u>	<u>\$15,052</u>	<u>\$14,360,501</u>

Operating grants and subsidies declined which resulted in less overall expenses. On the whole, the regular operations of the district did not change significantly from fiscal year end 2011 to fiscal year end 2012. As a result, the change in net assets added to the overall ending net assets, but less than had occurred in 2011.

Business-type activities revenue continues to shift from charges for services to operating grants and contributions. This is a result of more students qualifying for the National School Lunch Program free and reduced reimbursement program and less paying full price for meals. Revenues increased by \$24,702 and expenses were reduced by \$7,583. Although the change in net assets shows a loss, a substantial improvement was made in financial activities. The school board transferred \$35,000 in support of operations, which is half the amount needed for transfer in the prior year.

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.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE continued

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

<u>Functions/Programs</u>	<u>2012</u>		<u>2011</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$13,132,793	\$10,247,916	\$13,070,759	\$9,238,066
Instructional student support	1,862,704	1,619,430	2,054,437	1,825,820
Administrative	1,651,135	1,569,559	1,620,451	1,554,149
Operation and maintenance	1,649,803	1,546,346	1,767,747	1,596,227
Pupil transportation	205,255	184,270	296,797	285,255
Student activities	438,085	368,642	476,055	402,190
Community services	28,537	14,650	32,793	11,257
Interest on long-term debt	1,097,340	374,513	1,129,028	(194,818)
Unallocated depreciation expense	<u>25,145</u>	<u>25,145</u>	<u>21,715</u>	<u>21,715</u>
Total governmental activities	\$20,090,797	15,950,471	\$20,469,782	14,739,861
Less:				
Unrestricted grants, subsidies		<u>6,797,018</u>		<u>6,353,255</u>
Total needs from local Taxes and other revenues		<u>\$9,153,453</u>		<u>\$8,386,606</u>

Debt principal is not reflected in the Governmental Activities statement. All capital grants and contributions received have been applied against the interest on long-term debt, but the excess shown in 2011 of \$194,818 was used to offset the principal debt expense.

While the district did realize overall increases in unrestricted grants and subsidies, specific subsidy increases were proportional due to increased costs of services. Other amounts were reduced resulting in an increased net cost of services of \$766,847 creating an increased reliance on local taxes and other revenues.

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,

<u>Business-type Activities</u>	<u>2012</u>		<u>2011</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	\$848,806	\$40,248	\$856,389	\$72,625
Less:				
Investment earnings		<u>423</u>		<u>515</u>
Total business-type activities		<u>\$39,825</u>		<u>\$72,110</u>

Financial improvement in the net cost of services was a direct result of increasing user fees and reducing staff and food costs.

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

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

THE DISTRICT FUNDS

At June 30, 2012, the District governmental funds reported a combined total fund balance of \$4,190,169, which is a decrease of \$350,892. The primary reason for the decrease was the planned use of fund balance to support the internal service fund for health benefits.

General Fund Budget

The District's General Fund budget is prepared according to Pennsylvania law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The only fund for which a budget is legally required is the General Fund.

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. The budget system is designed to tightly control budgets by making administrators responsible for their individual budget areas. 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. In accordance with the Pennsylvania law, these awarded amounts may revise the original budget during the fiscal year to account for the new revenue and matching expenditures to allow for funds to be expended.

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 assigned 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.

Capital Projects Fund

During the fiscal year ended June 30, 2011, the District implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. As a result, the Capital Reserve Fund and the Capital Projects Fund are now reported as one fund. At fiscal year ended June 30, 2011, the combined fund balance was 879,634. During the year, interest earnings realized help to offset expenses for a net reduction to the fund of \$6,815. This fund generally maintains a balance of approximately \$100,000 to \$200,000 for unanticipated one-time capital expenditures as needed to keep the District facilities maintained. However, the District accumulated money in the Capital Projects Fund to assist in the long-term financial plan related to the debt associated with the construction. This ending fund balance will be used to help phase in the debt payments as needed and for future capital projects.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

THE DISTRICT FUNDS continued

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, 2011 was (\$15,866). The net asset balance as of June 30, 2012 is \$378,070, a result of additional 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, Page F-49.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2012, the District had \$38,692,244 invested in a broad range of capital assets, including land, buildings and furniture and equipment. This amount represents a net decrease (including additions, deletions and depreciation) of \$1,306,554 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>2012</u>		<u>2011</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)	1,265,446	--	1,363,535	--
Building and Building Improvements (Net of accumulated depreciation)	36,773,058	--	37,891,983	--
Furniture & Equipment (Net of accumulated depreciation)	<u>635,664</u>	<u>13,876</u>	<u>722,617</u>	<u>16,463</u>
Total	<u>\$38,678,368</u>	<u>\$13,876</u>	<u>\$39,982,335</u>	<u>\$16,463</u>

The change is due to normal depreciation of capital assets. Additional information about the Districts capital assets is contained in Note 6, Pages F-46 and F-47.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

DEBT ADMINISTRATION

As of July 1, 2011, the District's governmental activities had total outstanding bond principal of \$30,755,000. This debt consisted of a General Obligation Bond, Series of 2009 for \$7,815,000, General Obligation Bond, Series of 2009A for \$10,695,000 and a General Obligation Bond, Series 2010 for \$12,245,000.

During the year, the District made scheduled payments of principal of \$1,490,000 resulting in ending outstanding debt as of June 30, 2012 of \$29,265,000:

Table A-6
Outstanding Debt

	2012	2011
General Obligation Notes/Bonds:		
- Bonds, Series of 2010	\$11,970,000	\$12,245,000
- Bonds, Series of 2009A	9,980,000	10,695,000
- Bonds, Series of 2009	<u>7,315,000</u>	<u>7,815,000</u>
Total	<u>\$29,265,000</u>	<u>\$30,755,000</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 Standard and Poor's (S&P) "AAA" Negative Outlook/"A+" underlying rating. In August 2012, S&P confirmed the district's "A+" underlying rating with a stable financial outlook. The "AAA" 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. In addition, the current issues are insured by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) with a current financial strength rating of "AAA" (negative outlook) by S&P and "Aa3" (negative outlook) by Moody's Investors Service, Inc.

The District does not expect significant real estate development 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 was \$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 tax loss has not had a detrimental effect on the District finances because those properties have not been included for a number of years. The purpose of this program is to provide incentive for businesses to start up or move in to the community. This has occurred and assessed values have increased as a result of this development opportunity. Those assessed values will become taxable in 2014-2015, and based on the current millage rate of 26.0 mills, the new tax revenue would add \$130,123 at that time.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES continued

The revenue budget for the 2012-2013 year is \$380,905 less than the original budget for 2011-2012. The majority of this reduction is due to the elimination of some State subsidies. Columbia has relied on the State's Basic Education Subsidy to reduce the impact of education on the taxpayers. This subsidy was frozen at the 2011-2012 funding level. Special Education continues to be an ever-increasing expense for the District, and this particular funding source has had no State subsidy increase in the last five years.

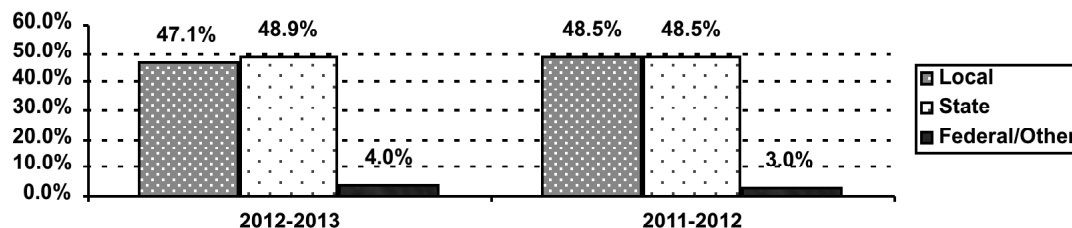
The expenditure budget for the 2012-2013 year is \$583,162 more than the original budget for 2011-2012, or a 2.75% increase. This increase represents additional salary and benefit costs and was somewhat reduced by staffing attrition and reductions.

The comparison of revenue and expenditure categories is as follows:

Table A-7

BUDGETED REVENUES

	2012-2013	2011-2012
Local	47.1%	48.5%
State	48.9%	48.5%
Federal/Other	4.0%	3.0%

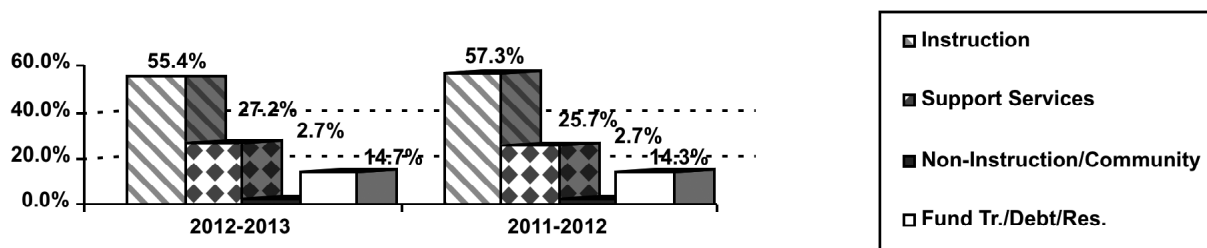


**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

Economic factors and next year's budgets and rates - continued

BUDGETED EXPENDITURES

	2012-2013	2011-2012
Instruction	55.4%	57.3%
Support Services	27.2%	25.7%
Non-Instruction/Community	2.7%	2.7%
Fund Transfers/Debt/Reserves	14.7%	14.3%



OTHER POST EMPLOYMENT BENEFITS

In an effort to value the potential liability for future reporting purposes, the District contracted with Conrad Siegel Actuaries to update the Actuarial Valuation for Other Post Employment Benefits (OPEB) effective September 1, 2010 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. As of September 1, 2010, the District ARC is \$209,597 which is \$19,684 more than the original valuation from September 1, 2006. This new value represents 2.40% of payroll as of this valuation which is a reduction of .05 % from the last evaluation. The amount reflected on the Statement of Net Assets Page F-19 reflects the Noncurrent Liability of \$208,543. 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

On June 27, 2006, the Pennsylvania legislature passed Act 1 of Special Session 2006, entitled the "Taxpayer Relief Act" (hereinafter "Act 1"). Act 1 requires school districts to limit tax increases to the level set by an inflation index unless the tax increase is approved by voters in a referendum or the school district obtains approval from the Department of Education for certain referendum exceptions. The established inflation index is adjusted for certain schools based on low wealth factors. Columbia's index for 2012-2013 is 2.5% while the base index is 1.7%.

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 some school construction projects in the form of allowing property tax increases over the index.

The District did raise taxes to the index in 2012-2013, but did not raise taxes beyond the index cap.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

FUTURE ECONOMIC FACTORS continued

For the 2013-2014 budget year, the index for Columbia will again be 2.5% while the base index remains 1.7%. Referendum exceptions are permitted again for certain expenditures. If the District determines that an increase higher than the index and the exceptions is necessary, a referendum tax question is placed on the primary election ballot. Should this referendum fail, the District would be forced to cut or reduce programs from the budget. To date, the District has never presented a referendum ballot question and does not anticipate a referendum for 2013-2014.

While the revenue sources of the district continue with minimal, if any, increases, additional pressure is placed on management to control expenditures. The continuing forecasted increase in the employer share of retirement challenges the future financial status. It is anticipated that attrition of staff due to retirements and the termination of the Keystone Opportunity Zone tax exemption program in 2014 will provide some relief. The State continues to discuss legislative actions related to the retirement system which will be factored into future financial planning.

The District participates in a joint venture with the fifteen other public school districts in Lancaster County in the Lancaster County Career and Technology Center (LCCTC). The financial support of the LCCTC is prorated among the sixteen school districts. The LCCTC had obtained approval from all districts to issue bonds through the LCCTC Authority for renovations. The district will provide financial payments and receive state reimbursement on the payments of the bonds to be issued over a three-year period – 2012, 2013 and 2014. The new bonds are structured so that the financial support from the District for the new issues will only obligate the District to continue to provide annual financial payments at the same level as in prior years. The estimated gross annual payment for the District will continue in the amount of \$21,000, and after estimated state subsidy, the estimated net payment annually should be \$9,000.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

This 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.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

JUNE 30, 2012

BASIC FINANCIAL STATEMENTS

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**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF NET ASSETS
JUNE 30, 2012**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 5,007,363	\$ 35,233	\$ 5,042,596
Investments	223,264	6,284	229,548
Taxes Receivable, Net	662,082	--	662,082
Due from Other Governments	1,200,906	17,736	1,218,642
Other Receivables	72,713	184	72,897
Inventories	--	9,790	9,790
Prepaid Expenses	<u>29,328</u>	<u>--</u>	<u>29,328</u>
Total Current Assets	<u>7,195,656</u>	<u>69,227</u>	<u>7,264,883</u>
Noncurrent Assets			
Land	4,200	--	4,200
Site Improvements (Net of Accumulated Depreciation)	1,265,446	--	1,265,446
Building and Building Improvements (Net of Accumulated Depreciation)	36,773,058	--	36,773,058
Furniture and Equipment (Net of Accumulated Depreciation)	635,664	13,876	649,540
Bond Issuance Costs (Net of Accumulated Amortization)	<u>263,334</u>	<u>--</u>	<u>263,334</u>
Total Noncurrent Assets	<u>38,941,702</u>	<u>13,876</u>	<u>38,955,578</u>
TOTAL ASSETS	<u>\$ 46,137,358</u>	<u>\$ 83,103</u>	<u>\$ 46,220,461</u>
LIABILITIES			
Current Liabilities			
Internal Balances	\$ (45,568)	\$ 45,568	\$ --
Due to Other Governments	228,501	982	229,483
Accounts Payable	306,746	509	307,255
Retainage Payable	104,916	--	104,916
Current Portion of Long-Term Debt	1,585,000	--	1,585,000
Current Portion of Compensated Absences	25,618	--	25,618
Accrued Salaries and Benefits	1,348,717	5,923	1,354,640
Payroll Deductions and Withholdings	140,758	--	140,758
Unearned Revenues	28,737	19,894	48,631
Other Current Liabilities	<u>191,693</u>	<u>--</u>	<u>191,693</u>
Total Current Liabilities	<u>3,915,118</u>	<u>72,876</u>	<u>3,987,994</u>
Noncurrent Liabilities			
Bonds and Notes Payable, Net	27,322,188	--	27,322,188
Long-Term Portion of Compensated Absences	230,559	--	230,559
Other Post-Employment Benefits	<u>208,543</u>	<u>--</u>	<u>208,543</u>
Total Noncurrent Liabilities	<u>27,761,290</u>	<u>--</u>	<u>27,761,290</u>
TOTAL LIABILITIES	<u>31,676,408</u>	<u>72,876</u>	<u>31,749,284</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	9,507,846	13,876	9,521,722
Restricted for			
Capital Projects	884,012	--	884,012
Athletics	2,675	--	2,675
Unrestricted	<u>4,066,417</u>	<u>(3,649)</u>	<u>4,062,768</u>
TOTAL NET ASSETS	<u>14,460,950</u>	<u>10,227</u>	<u>14,471,177</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 46,137,358</u>	<u>\$ 83,103</u>	<u>\$ 46,220,461</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
YEAR ENDED JUNE 30, 2012**

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	\$ 13,132,793	\$ 22,084	\$ 2,862,793	\$ --	\$ (10,247,916)	\$ (10,247,916)
Instructional Student Support	1,862,704	--	243,274	--	(1,619,430)	(1,619,430)
Administrative and Financial Support Services	1,651,135	--	81,576	--	(1,569,559)	(1,569,559)
Operation and Maintenance of Plant Services	1,649,803	37,418	66,039	--	(1,546,346)	(1,546,346)
Pupil Transportation	205,255	--	20,985	--	(184,270)	(184,270)
Student Activities	438,085	23,299	46,144	--	(368,642)	(368,642)
Community Services	28,537	--	13,887	--	(14,650)	(14,650)
Interest on Long-Term Debt	1,097,340	--	--	722,827	(374,513)	(374,513)
Unallocated Depreciation Expense*	25,145	--	--	--	(25,145)	(25,145)
Total Governmental Activities	20,090,797	82,801	3,334,698	722,827	(15,950,471)	(15,950,471)
Business-Type Activities						
Food Services	848,806	193,693	614,865	--	--	(40,248)
Total Primary Government	<u>\$ 20,939,603</u>	<u>\$ 276,494</u>	<u>\$ 3,949,563</u>	<u>\$ 722,827</u>	<u>(15,950,471)</u>	<u>(15,990,719)</u>
General Revenues						
Taxes						
Property Taxes, Levied for General Purposes, Net					8,221,565	8,221,565
Public Utility Realty, Earned Income and Per Capita Taxes Levied for Specific Purposes, Net					872,684	872,684
Grants, Subsidies, and Contributions Not Restricted					6,797,018	6,797,018
Investment Earnings					188,466	188,889
Miscellaneous Income					21,239	21,239
Total General Revenues					16,100,972	16,101,395
Transfers						
Change in Net Assets					(35,000)	--
Net Assets – July 1, 2011					115,501	110,676
Net Assets – June 30, 2012					14,345,449	14,360,501
					<u>\$ 14,460,950</u>	<u>\$ 14,471,177</u>

*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, 2012**

	Major Funds			
	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 4,165,658	\$ 841,705	\$ --	\$ 5,007,363
Investments	101,045	122,219	--	223,264
Taxes Receivable (Net)	662,082	--	--	662,082
Due from Other Funds	51,970	13,811	--	65,781
Due from Other Governments	1,200,906	--	--	1,200,906
Other Receivables	22,219	--	--	22,219
Prepaid Expenditures	29,328	--	--	29,328
TOTAL ASSETS	\$ 6,233,208	\$ 977,735	\$ --	\$ 7,210,943
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Other Funds	\$ 486,657	\$ --	\$ --	\$ 486,657
Due to Other Governments	228,501	--	--	228,501
Accounts Payable	167,878	--	--	167,878
Retainage Payable	--	104,916	--	104,916
Accrued Salaries and Benefits	1,348,717	--	--	1,348,717
Payroll Deductions and Withholdings	140,758	--	--	140,758
Deferred Revenues	543,347	--	--	543,347
TOTAL LIABILITIES	2,915,858	104,916	--	3,020,774
FUND BALANCES				
Nonspendable	29,328	--	--	29,328
Restricted	13,868	872,819	--	886,687
Committed	1,100,000	--	--	1,100,000
Assigned	816,313	--	--	816,313
Unassigned	1,357,841	--	--	1,357,841
TOTAL FUND BALANCES	3,317,350	872,819	--	4,190,169
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,233,208	\$ 977,735	\$ --	\$ 7,210,943

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, 2012**

Total Fund Balances – Governmental Funds	\$ 4,190,169
---	---------------------

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 \$49,244,873 , and the accumulated depreciation is \$10,566,505 .	38,678,368
--	------------

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.	514,610
---	---------

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 \$316,971 with related accumulated amortization of \$53,637 . Bond discount totaled \$426,588 with accumulated amortization of \$68,776 .	621,146
--	---------

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	(29,265,000)	
Accrued interest on the bonds/notes	(191,693)	
Compensated absences	(256,177)	
Other post-employment benefits	<u>(208,543)</u>	(29,921,413)

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>378,070</u>
--	----------------

TOTAL NET ASSETS – GOVERNMENTAL ACTIVITIES	<u>\$ 14,460,950</u>
---	-----------------------------

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

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012**

	Major Funds			Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	
REVENUES				
Local Sources				
Real Estate Taxes and Penalties	\$ 8,268,913	\$ --	\$ --	\$ 8,268,913
Other Taxes	872,684	--	--	872,684
Interest	183,837	4,629	--	188,466
Revenue from Intermediate Sources	454,261	--	--	454,261
Tuition	22,084	--	--	22,084
Revenue from District Activities	47,091	--	--	47,091
Other Revenue	119,995	--	--	119,995
Refund of Prior Year's Expenditures	--	13,811	--	13,811
Total Local Sources	9,968,865	18,440	--	9,987,305
State Sources	9,647,891	--	--	9,647,891
Federal Sources	653,450	--	--	653,450
TOTAL REVENUES	<u>20,270,206</u>	<u>18,440</u>	<u>--</u>	<u>20,288,646</u>
EXPENDITURES				
Current				
Instruction	12,366,589	--	--	12,366,589
Support Services	5,201,891	9,800	--	5,211,691
Operation of Non-Instructional Services	442,140	--	--	442,140
Total Current	<u>18,010,620</u>	<u>9,800</u>	<u>--</u>	<u>18,020,420</u>
Capital Outlay				
Facilities, Acquisition, Construction and Improvement Services	--	15,455	--	15,455
Total Capital Outlay	<u>--</u>	<u>15,455</u>	<u>--</u>	<u>15,455</u>
Debt Service				
Principal	--	--	1,490,000	1,490,000
Interest and Fiscal Charges	--	--	1,078,663	1,078,663
Total Debt Service	<u>--</u>	<u>--</u>	<u>2,568,663</u>	<u>2,568,663</u>
TOTAL EXPENDITURES	<u>18,010,620</u>	<u>25,255</u>	<u>2,568,663</u>	<u>20,604,538</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,259,586</u>	<u>(6,815)</u>	<u>(2,568,663)</u>	<u>(315,892)</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012**

	Major Funds			Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	
OTHER FINANCING SOURCES (USES)				
Transfers In	--	--	2,568,663	2,568,663
Transfers Out	<u>(2,603,663)</u>	<u>--</u>	<u>--</u>	<u>(2,603,663)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,603,663)</u>	<u>--</u>	<u>2,568,663</u>	<u>(35,000)</u>
Change in Fund Balances	(344,077)	(6,815)	--	(350,892)
Fund Balance – July 1, 2011	<u>3,661,427</u>	<u>879,634</u>	<u>--</u>	<u>4,541,061</u>
Fund Balance – June 30, 2012	<u>\$ 3,317,350</u>	<u>\$ 872,819</u>	<u>\$ --</u>	<u>\$ 4,190,169</u>

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
YEAR ENDED JUNE 30, 2012**

Total change in fund balance – governmental funds \$ (350,892)

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	\$ (1,344,696)	
Capital outlays	40,729	(1,303,967)

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 decreased by this amount this year. (47,348)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Repayment of bond principal \$1,490,000. 1,490,000

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. 393,936

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

Amortization of bond issuance cost	\$ (20,286)	
Amortization of bond discount	<u>(26,878)</u>	(47,164)

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

Decrease in compensated absences	40,933
----------------------------------	--------

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. (68,198)

OTHER

Net change in accrued interest expense on bonds payable	<u>8,201</u>
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Change in net assets of governmental activities \$ 115,501

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
YEAR ENDED JUNE 30, 2012**

	<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	\$ 8,258,509	\$ 8,248,509	\$ 8,268,913	\$ 20,404
Other Taxes	841,800	851,800	872,684	20,884
Interest	150,000	150,000	183,837	33,837
Revenues from Intermediate Sources	300,000	454,283	454,261	(22)
Tuition	17,500	17,500	22,084	4,584
Revenue from District Activities	50,000	50,000	47,091	(2,909)
Other Revenue	<u>75,000</u>	<u>118,796</u>	<u>119,995</u>	<u>1,199</u>
Total Local Sources	9,692,809	9,890,888	9,968,865	77,977
State Program Revenues	9,687,425	9,807,401	9,647,891	(159,510)
Federal Program Revenues	<u>625,000</u>	<u>784,106</u>	<u>653,450</u>	<u>(130,656)</u>
TOTAL REVENUES	<u>20,005,234</u>	<u>20,482,395</u>	<u>20,270,206</u>	<u>(212,189)</u>
EXPENDITURES				
Instruction				
Regular Programs	7,520,276	7,710,213	7,642,438	67,775
Special Programs	3,800,424	4,147,100	4,144,729	2,371
Vocational Programs	276,000	287,258	286,986	272
Other Instructional Programs	216,502	288,690	286,840	1,850
Nonpublic School Programs	--	5,596	5,596	--
Support Services				
Pupil Personnel Services	643,864	676,160	672,823	3,337
Instructional Staff Services	814,950	944,037	863,152	80,885
Administrative Services	937,342	925,453	914,382	11,071
Pupil Health	363,813	353,269	350,189	3,080
Business Services	307,451	294,461	291,188	3,273
Operation and Maintenance of Plant Services	1,666,441	1,502,653	1,497,221	5,432
Student Transportation Services	190,000	205,255	205,255	--
Central and Other Support Services	369,821	413,174	407,681	5,493
Operation of Noninstructional Services				
Student Activities	549,643	417,229	413,603	3,626
Community Services	<u>15,000</u>	<u>37,662</u>	<u>28,537</u>	<u>9,125</u>
TOTAL EXPENDITURES	<u>17,671,527</u>	<u>18,208,210</u>	<u>18,010,620</u>	<u>197,590</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,333,707</u>	<u>2,274,185</u>	<u>2,259,586</u>	<u>(14,599)</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,597,763)	(2,603,763)	(2,603,663)	100
Budgetary Reserve	<u>(350,000)</u>	<u>(284,478)</u>	<u>--</u>	<u>284,478</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,947,763)</u>	<u>(2,888,241)</u>	<u>(2,603,663)</u>	<u>284,578</u>
Change in Fund Balances	(614,056)	(614,056)	(344,077)	269,979
Fund Balance – July 1, 2011	<u>3,661,427</u>	<u>3,661,427</u>	<u>3,661,427</u>	<u>--</u>
Fund Balance – June 30, 2012	<u>\$ 3,047,371</u>	<u>\$ 3,047,371</u>	<u>\$ 3,317,350</u>	<u>\$ 269,979</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, 2012**

	Business-Type Activities - <u>Enterprise Fund</u> Food Service	Governmental Activities - Internal Service Fund
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 35,233	\$ --
Investments	6,284	--
Inventories	9,790	--
Due from Other Funds	--	472,846
Due from Other Governments	17,736	--
Other Receivables	<u>184</u>	<u>44,092</u>
Total Current Assets	<u>69,227</u>	<u>516,938</u>
Noncurrent Assets		
Machinery and Equipment (Net of Accumulated Depreciation)	<u>13,876</u>	<u>--</u>
Total Noncurrent Assets	<u>13,876</u>	<u>--</u>
TOTAL ASSETS	<u>\$ 83,103</u>	<u>\$ 516,938</u>
LIABILITIES		
Current Liabilities		
Due to Other Funds	\$ 45,568	\$ --
Due to Other Governments	982	--
Accounts Payable	509	138,868
Accrued Salaries and Benefits	5,923	--
Deferred Revenue	<u>19,894</u>	<u>--</u>
Total Current Liabilities	<u>72,876</u>	<u>138,868</u>
TOTAL LIABILITIES	<u>72,876</u>	<u>138,868</u>
NET ASSET		
Investment in Capital Assets	13,876	--
Unrestricted	<u>(3,649)</u>	<u>378,070</u>
TOTAL NET ASSETS	<u>10,227</u>	<u>378,070</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 83,103</u>	<u>\$ 516,938</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
YEAR ENDED JUNE 30, 2012**

	Business-Type Activities - <u>Enterprise Fund</u> Food Service	Governmental Activities - Internal Service Fund
OPERATING REVENUES		
Health Insurance Premiums	\$ --	\$ 2,750,138
Lunch Sales	166,060	--
Breakfast Sales	5,855	--
Special Function Revenue	18,461	--
Contracted Service Revenue	2,485	--
Miscellaneous Revenue	<u>832</u>	<u>--</u>
TOTAL OPERATING REVENUES	<u>193,693</u>	<u>2,750,138</u>
OPERATING EXPENSES		
Salaries	289,401	--
Employee Benefits	133,119	--
Purchased Property Services	25,434	--
Other Purchased Services	95	--
Supplies	396,252	--
Dues and Fees	1,918	--
Depreciation	2,587	--
Health Insurance Claims	--	2,081,175
Insurance Expense	<u>--</u>	<u>275,027</u>
TOTAL OPERATING EXPENSES	<u>848,806</u>	<u>2,356,202</u>
OPERATING INCOME/(LOSS)	<u>(655,113)</u>	<u>393,936</u>
NONOPERATING REVENUES (EXPENSES)		
Earnings on Investments	423	--
State Sources	58,594	--
Federal Sources	<u>556,271</u>	<u>--</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>615,288</u>	<u>--</u>
INCOME/(LOSS) BEFORE TRANSFERS	(39,825)	393,936
TRANSFER IN	<u>35,000</u>	<u>--</u>
Change in Net Assets	(4,825)	393,936
Net Assets – July 1, 2011	<u>15,052</u>	<u>(15,866)</u>
Net Assets – June 30, 2012	<u>\$ 10,227</u>	<u>\$ 378,070</u>

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

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2012**

	Business-Type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities		
Cash Received from Users	\$ 193,335	\$ --
Cash Received from Interfund Services Provided	--	2,345,070
Cash Payments to Employees for Services	(436,796)	(2,345,070)
Cash Payments to Suppliers for Goods and Services	(385,565)	--
Cash Payments for Other Operating Expenses	<u>(1,918)</u>	<u>--</u>
Net Cash (Used for) Operating Activities	<u>(630,944)</u>	<u>--</u>
Cash Flows from Noncapital Financing Activities		
State Sources	58,461	--
Federal Sources	508,589	--
Transfer In	<u>70,000</u>	<u>--</u>
Net Cash Provided by Noncapital Financing Activities	<u>637,050</u>	<u>--</u>
Cash Flows from Capital and Related Financing Activities	<u>--</u>	<u>--</u>
Cash Flows from Investing Activities		
Earnings on Investments	423	--
Purchase of Investments	<u>(3)</u>	<u>--</u>
Net Cash Provided by Investing Activities	<u>420</u>	<u>--</u>
Net Increase in Cash and Cash Equivalents	6,526	--
Cash and Cash Equivalents Beginning of Year	<u>28,707</u>	<u>--</u>
Cash and Cash Equivalents End of Year	<u>\$ 35,233</u>	<u>\$ --</u>
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities		
Operating Income (Loss)	<u>\$ (655,113)</u>	<u>\$ 393,936</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities		
Depreciation	2,587	--
USDA Donated Commodities	46,195	--
(Increase) in Due from Other Funds	--	(360,976)
Decrease/(Increase) in Accounts Receivable	57	(44,092)
(Increase) in Inventories	(2,033)	--
(Decrease) in Due to Other Funds	(18,945)	--
(Decrease) in Due to Other Governments	(2,273)	--
Increase in Accounts Payable	2	11,132
(Decrease) in Accrued Salaries Benefits	(469)	--
(Decrease) in Deferred Revenue	<u>(952)</u>	<u>--</u>
Total Adjustments	<u>24,169</u>	<u>(393,936)</u>
Net Cash (Used for) Operating Activities	<u>\$ (630,944)</u>	<u>\$ --</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
USDA Donated Commodities Received	<u>\$ 46,836</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, 2012**

	<u>Student Activities</u>	<u>Private Purpose Trust Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 8,475	\$ 46,141
Investments	<u>6,575</u>	<u>68,869</u>
 TOTAL ASSETS	<u>\$ 15,050</u>	<u>\$ 115,010</u>
LIABILITIES		
Due to Other Funds	\$ 6,402	\$ --
Due to Student Groups	<u>8,648</u>	<u>--</u>
 TOTAL LIABILITIES	<u>15,050</u>	<u>--</u>
NET ASSETS		
Held in Trust for Scholarships	--	54,432
Held in Trust for Music Purposes	<u>--</u>	<u>60,578</u>
 TOTAL LIABILITIES AND NET ASSETS	<u>\$ 15,050</u>	<u>\$ 115,010</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
YEAR ENDED JUNE 30, 2012**

	<u>Private Purpose Trust Fund</u>
ADDITIONS	
Earnings on Investments	\$ 145
Refund of Prior Year's Expenses	<u>200</u>
TOTAL ADDITIONS	<u>345</u>
DEDUCTIONS	
Scholarships Awarded	<u>1,125</u>
Change in Net Assets	(780)
Net Assets – July 1, 2011	<u>115,790</u>
Net Assets – June 30, 2012	<u><u>\$ 115,010</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, 2012**

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 Career and Technology Center Authority (LCCTC Authority) - is a separate legal entity. The district is also a member of the LCCTC Authority. In 1968, the LCCTC Authority entered into an agreement with the member school districts and the LCCTC 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 eleven public school districts in Lancaster County to provide services in the county. Each of the public school districts appoints one member to serve on the joint operating committee. As a member district the school district has an ongoing financial responsibility to fund the operations of the Academy.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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 fifteen 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 monthly. 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, 2012.

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, 2012**

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

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.

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, 2012**

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 \$477,161. 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, 2012**

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 assigned 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 assigned fund balance since they do not constitute expenditures or liabilities, but serve as authorization for expenditures in the subsequent year. As of June 30, 2012, 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 nonspendable fund balance in the 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, 2012. 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, 2012 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.

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.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets (Continued)

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	10 to 20
Site Improvements	15 to 20
Furniture	10 to 20
Vehicles	8 to 15
Equipment	5 to 20
Computer Software	3
Library/Workbooks	5 to 20

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.

M. Private-Sector Guidance

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.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Fund Balance Policy

The District implemented *GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions*, to address issues related to how fund balance was being reported. GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

Nonspendable – amounts that are not in spendable form (such as inventory) or required to be legally or contractually maintained intact,

Restricted – amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed – amounts that can be used only for the specific purposes determined by a formal action of the District Board of Directors (the district's highest level of decision making authority). The Board of Directors is required to also take formal action to modify or rescind the commitment,

Assigned – amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Assignments can be made by the governing body itself or by its designee,

Unassigned – residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Committed Fund Balance Policy

The District's committed fund balances are amounts required to be reported by the School Board, either because of School Board Policy or because of motions that passed at School Board meetings.

Assigned Fund Balance Policy

The District's assigned fund balances are amounts the District intends to use for a specific purpose as expressed by the Board. The District adopted Policy Number 620, Fund Balance authorizing the business administrator or designee to assign fund balance.

Order of Fund Balance Spending Policy

The District's policy is to first apply restricted fund balance, then committed, assigned, and unassigned, respectively when an expenditure is incurred for purposes for which amounts in any of these classifications could be used.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance Policy (Continued)

Minimum Fund Balance Policy

The District has adopted a formal minimum fund balance policy. The district will strive to maintain an unassigned general fund balance of not less than 5 percent and not more than 8 percent of the budgeted expenditures for that year. The total fund balance, consisting of several portions including, restricted, committed, assigned and unassigned, may exceed 8 percent.

If the unassigned portion of the fund balance falls below the threshold of five percent (5%) of budgeted expenditures, the Board will pursue options for increasing revenues and decreasing expenditures, or a combination of both until five percent (5%) is attained. If the unassigned portion of the fund balance exceeds eight percent (8%) of budgeted expenditures, the Board may utilize a portion of the fund balance by appropriating excess funds for nonrecurring expenditures, instead of normal operating costs.

N. Date of Management's Review

Management has evaluated subsequent events through November 12, 2012, 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 government-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 capital 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, 2012**

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, 2012, \$4,939,907 of the District's bank balance of \$5,236,475 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>\$ 4,939,907</u>
	<u>\$ 4,939,907</u>

Reconciliation to Financial Statements

Uninsured amount above	\$ 4,939,907
Plus: Insured Amount	250,000
Less: Outstanding Checks	<u>(138,837)</u>
Carrying Amount – Bank Balances	\$ 5,051,070
Plus: Pooled Cash Equivalents	46,567
Less: Outstanding Checks on Pooled Cash Equivalents	<u>(425)</u>
Total Cash per Financial Statements	<u>\$ 5,097,212</u>

Investments

As of June 30, 2012, the District had the following investments:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificates of Deposit	12 - 60 Months	\$ 8,291
PA Local Government Investment Trust (PLGIT)		73,437
PA School District Liquid Asset Fund (PSDLAF)		<u>223,264</u>
Total		<u>\$ 304,992</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.

Credit Risk

The District has no investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2012, the District's investment in Susquehanna Bank's certificates of deposit was rated Baa2 by Moody's, the certificates of deposit invested in Union 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.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

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, 2012, \$8,291 of the District's investments of \$304,992 was exposed to custodial credit risk as:

Insured or Registered	\$ 3,225
Uninsured or unregistered held by the counterparty or by its trust department not in the District's name	<u>5,066</u>
	<u>\$ 8,291</u>

The balance of \$296,701 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, 2012. In November 2010, the FDIC implemented provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provide for unlimited insurance coverage of all noninterest bearing transaction accounts. Beginning December 31, 2010 through December 31, 2012, all noninterest bearing transaction accounts are fully insured by FDIC insurance.

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 Community Bank. Total deposits and investments as of June 30, 2012 was \$5,541,467 of which \$5,194,973 were invested at Union Community Bank. This represents 94% of the District's deposits and investments. \$223,264, \$120,005 and \$3,225 were invested in the PA School District Liquid Asset Fund, in PA Local Government Investment Trust and Susquehanna Bank respectively, which represents 6% of the District's deposits and investments.

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

Based upon assessments provided by the County, the school district bills and collects its own property taxes. The school district tax rate for the year ended June 30, 2012 was 25.37 mills (\$25.37 per \$1,000 of assessed valuation) as levied by the Board of School Directors. The Board of School Directors also levies per capita taxes based on the census of residents in the school district. The tax rate under Section 679 is \$5/person and under Act 511 is \$10/person. The total per capita tax levied by the district is \$15/person. The School District also levies earned income tax. The earned income tax is ½ of 1% of earned wages. This tax is collected by the county agency and remitted to the School District. In addition, the District collects the local services tax, which is \$5 per employee of employers located in the Borough. The Borough collects this tax and remits the District's portion to the District. The schedule for real estate and per capita taxes levied for each fiscal year is as follows:

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

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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

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

The balances at June 30, 2012 are as follows:

	<u>Gross Taxes Receivable</u>	<u>Allowance for Uncollectible Taxes</u>	<u>Net Estimated to be Collectible</u>	<u>Tax Revenue Recognized</u>	<u>Deferred Taxes</u>
Real Estate	\$ 555,595	\$ --	\$ 555,595	\$ 146,654	\$ 408,941
Interim	807	--	807	--	807
Per Capita	<u>326,610</u>	<u>220,930</u>	<u>105,680</u>	<u>818</u>	<u>104,862</u>
	<u>\$ 883,012</u>	<u>\$ 220,930</u>	<u>\$ 662,082</u>	<u>\$ 147,472</u>	<u>\$ 514,610</u>

The deferred revenue balance in the general fund in the fund financial statements of \$543,347 consists of the following:

Deferred Taxes	\$ 514,610
Grants	1,772
Student Activity Accounts	25,003
Other Deferred Revenue	<u>1,962</u>
	<u>\$ 543,347</u>

NOTE 5 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments represent receivables for revenues earned by the school district. At June 30, 2012, the following amounts are due from other governmental units:

	<u>General Fund</u>
Federal (through the state)	\$ 88,741
State	584,414
Local	<u>527,751</u>
	<u>\$ 1,200,906</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 6 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 4,200	\$ --	\$ --	\$ 4,200
Total Capital Assets Not Being Depreciated	4,200	--	--	4,200
Capital Assets Being Depreciated				
Site Improvements	2,728,346	--	--	2,728,346
Buildings	44,452,787	25,255	--	44,478,042
Furniture and Fixtures	928,689	--	--	928,689
Library Books	524,031	15,474	--	539,505
Vehicles	338,663	--	--	338,663
Equipment	227,428	--	--	227,428
Total Assets Being Depreciated	49,199,944	40,729	--	49,240,673
Less Accumulated Depreciation for:				
Site Improvements	1,364,811	98,089	--	1,462,900
Buildings	6,560,804	1,144,183	--	7,704,987
Furniture and Fixtures	529,744	32,083	--	561,827
Library Books	373,030	35,372	--	408,402
Vehicles	263,257	15,436	--	278,693
Equipment	130,163	19,533	--	149,696
Total Accumulated Depreciation	9,221,809	1,344,696	--	10,566,505
Total Capital Assets, Being Depreciated, Net	39,978,135	(1,303,967)	--	38,674,168
Governmental Activities, Capital Assets, Net	\$ 39,982,335	\$ (1,303,967)	\$ --	\$ 38,678,368
Business-Type Activities				
Capital Assets Being Depreciated				
Equipment	\$ 68,658	\$ --	\$ --	\$ 68,658
Total Capital Assets, Being Depreciated	68,658	--	--	68,658
Less Accumulated Depreciation for:				
Equipment	52,195	2,587	--	54,782
Total Accumulated Depreciation	52,195	2,587	--	54,782
Total Capital Assets Being Depreciated, Net	16,463	(2,587)	--	13,876
Business-Type Activities Capital Assets, Net	\$ 16,463	\$ (2,587)	\$ --	\$ 13,876

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 6 - CHANGES IN CAPITAL ASSETS (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 672,553
Special	364,746
Support Services:	
Pupil Personnel	10,310
Instructional Staff	10,309
Administration	43,703
Pupil Health	10,309
Operation and Maintenance of Plant	180,727
Operation of Noninstructional Services:	
Student Activities	26,894
Unallocated Depreciation Expense	<u>25,145</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 1,344,696</u>

Business-Type Activities:

Cafeteria	\$ 2,587
Total Depreciation expense – Business-Type Activities	<u>\$ 2,587</u>

NOTE 7 - LONG-TERM DEBT

During the fiscal year ended June 30, 2012, long-term debt changed as follows:

	<u>Bonds/Notes Payable</u>	<u>Compensated Absences</u>	<u>Total Long-Term Debt</u>
Beginning of Year	\$ 30,755,000	\$ 297,110	\$ 31,052,110
Principal Retirement	(1,490,000)	--	(1,490,000)
Increase in Compensated Absences	--	24,705	24,705
Decrease in Compensated Absences	--	(6,886)	(6,886)
Pay-Outs of Compensated Absences	--	<u>(58,752)</u>	<u>(58,752)</u>
End of Year	<u>\$ 29,265,000</u>	<u>\$ 256,177</u>	<u>\$ 29,521,177</u>
Current Portion	1,585,000	25,618	1,610,618

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.

Bonds and Notes Payable (Net of Current Portion)	\$ 27,680,000
Bond Discounts (Net of Accumulated Amortization)	<u>(357,812)</u>
Bonds and Notes Payable, Net	<u>\$ 27,322,188</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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, 2012, including total interest payments are as follows:

Year Ended June 30,	General Obligation Bonds		Total
	Interest	Principal	
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	910,688	1,715,000	2,625,688
2017	859,453	1,770,000	2,629,453
2018-2022	3,326,200	9,820,000	13,146,200
2023-2027	<u>1,301,194</u>	<u>11,070,000</u>	<u>12,371,194</u>
	<u>\$ 9,398,946</u>	<u>\$ 29,265,000</u>	<u>\$ 38,663,946</u>

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, 2012 was \$7,315,000.

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, 2012 was \$9,980,000.

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, 2012 was \$11,970,000.

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.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 7 - LONG-TERM DEBT (Continued)

Compensated Absences (Continued)

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	\$25/Day Times a
Maintenance and Custodians	10	Unlimited	Maximum 250 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 Coventry Health America/Health Assurance, plan administrator, processes and pays the claims. The school district was limited in liability to \$66,000 per individual claim and the pool was limited in liability to \$200,000 per individual claim. The school district was limited in liability to \$2,422,667 in total per year by purchasing specific and aggregate stop-loss insurance coverage. Management has committed \$600,000 of its fund balance at June 30, 2012 for the future payment of claims. The district has recorded a liability for claims incurred prior to June 30, 2012 and paid subsequently in the amount of \$138,868. The claim liability is reflected in accounts payable in the health insurance fund.

CHANGE IN AGGREGATE CLAIM LIABILITIES - HEALTH BENEFITS

<u>Year Ended June 30,</u>	<u>2012</u>	<u>2011</u>
Claim Liability – Beginning of Year	\$ 127,736	\$ 149,239
Current Year Claims and Changes in Estimates	2,081,175	1,992,181
Claim Payments by School District	<u>(2,070,043)</u>	<u>(2,013,684)</u>
Claim Liability – End of Year	<u>\$ 138,868</u>	<u>\$ 127,736</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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 (CAFR) that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Diane J. Wert, Office of Financial Management, Public School Employees' Retirement System, P.O. Box 125, Harrisburg, PA 17108-0125. The CAFR is also available on the Publications page of the PSERS website.

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 and before July 1, 2011 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.

Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership contribute at 10.3% (base rate) of the member's qualifying compensation. Membership Class T-E and T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

Contributions required of employers are based upon an actuarial valuation. For the fiscal year ended June 30, 2012, the rate of employer's contribution was 8.65 percent of covered payroll. The 8.65 percent rate is composed of a pension contribution rate of 8.00 percent for pension benefits and .65 percent for healthcare insurance premium assistance.

Columbia Borough School District's contributions to the System for the years ending June 30, 2012, 2011, and 2010 were \$702,093, \$500,819 and, \$414,719, respectively, equal to the required contributions for each year.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 10 - OPERATING LEASES

The District entered into a lease rental agreement with De Lage Landen Finance to lease 13 copiers. The lease is effective July 1, 2010 and is for a period of 60 months, with payments due monthly in the amount of \$2,660. During the year ended June 30, 2012, the District paid \$31,920 as a result of the agreement. The future minimum payments are as follows:

<u>Year Ended June 30,</u>	
2013	\$ 31,920
2014	31,920
2015	31,920
2016	<u>2,660</u>
	<u>\$ 98,420</u>

On June 29, 2012, each of the sixteen public school districts in the county signed lease rental agreements with the Lancaster County Career and Technology Center Authority (the "Authority"). The Authority issued \$9,995,000 of lease revenue bonds for the purpose of renovations and additions to all the campuses of the Lancaster County Career and Technology Center and to pay the costs of issuing and insuring the bonds. Each district agreed to make payments of their pro-rated share of the Authority's debt service. Each district's prorated shares are calculated annually based on assessed market value.

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

<u>Year Ended June 30,</u>	
2013	\$ 14,186
2014	5,833
2015	5,806
2016	5,828
2017	5,847
2018-2022	29,112
2023-2027	29,211
2028-2032	29,112
2033-2037	<u>29,186</u>
	<u>\$ 154,121</u>

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.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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

Plan Description (Continued)

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 \$101,106 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 estimated amount contributed to the plan and changes in the District's net OPEB obligation to the plan.

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual Required Contribution	\$ 209,597	\$ 189,913	\$ 189,913
Interest on Net OPEB Obligation	6,316	6,213	3,933
Adjustment to Annual Required Contribution	<u>(8,616)</u>	<u>(8,084)</u>	<u>(5,117)</u>
Annual OPEB Cost (Expense)	207,297	188,042	188,729
Contributions Made (Estimated)	<u>(139,099)</u>	<u>(171,962)</u>	<u>(143,132)</u>
Increase in Net OPEB Obligation	68,198	16,080	45,597
Net OPEB Obligation – Beginning of Year	<u>140,345</u>	<u>124,265</u>	<u>78,668</u>
Net OPEB Obligation – End of Year	<u>\$ 208,543</u>	<u>\$ 140,345</u>	<u>\$ 124,265</u>

The district contributed 67.1%, 91.4% and 75.8% of the annual postemployment benefit cost for the years ended June 30, 2012, 2011 and 2010, respectively.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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%
9-1-10	\$ --	\$1,515,946	\$1,515,946	0.00%	\$8,717,141	17.39%

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, 2010 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 September 1, 2010; (1) inflation rate of 3%; (2) a 4.5% rate of return; (3) salary increases of 3% cost of living adjustment, 1% real wage growth, and for teachers and administrators a merit increase which varies by age from 3% to .25% (4) rates of turnover ranging from 5.4% at age 25 to 13.5% at age 60; (5) mortality life expectancies are assumed separate rates for preretirement and postretirement using the rates in the PSERS defined benefit pension plan actuarial valuation; (6) no disability was assumed (7) retirement rates are based on PSERS plan experience and vary by age, gender and service; (8) 90% of support staff are assumed to elect coverage on retiring and 100% of all others are assumed to elect coverage on retiring (9) 50% percent of employees married at retirement and have a spouse covered by the plan at retirement; (10) wives are assumed to be two years younger than their husbands; (11) per capita claims cost used; (12) retirees contributions are assumed to increase at the same rate as the health care cost trend rate; and (13) health care cost trend rate was 8.5% in 2012, decreasing .5% per year to a rate of 5.5% in 2014. Rates gradually decrease from 5.3% in 2015 to 4.2% in 2099 and later. The unfunded actuarial accrued liability (UAAL) is being amortized based on the level dollar, 30-year open period.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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.

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, 2012 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, 2012 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 51,970	\$ 486,657
Capital Projects Fund	13,811	--
Enterprise Fund	--	45,568
Student Activities Fund	--	6,402
Internal Service Fund	<u>472,846</u>	<u>--</u>
	<u>\$ 538,627</u>	<u>\$ 538,627</u>

Interfund balances consist of health insurance claims paid from the internal service fund and not reimbursed by the general fund until July 2012. Amounts due to the general fund from the student activities 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 projects fund for the general fund. Amounts due to the general fund from the enterprise fund are for normal operating expenditures.

Interfund Transfers:

	<u>Transfer to Other Funds</u>	<u>Transfer from Other Funds</u>
General Fund	\$ 2,603,663	\$ --
Debt Service Fund	--	2,568,663
Enterprise Fund	<u>--</u>	<u>35,000</u>
	<u>\$ 2,603,663</u>	<u>\$ 2,603,663</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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

The district typically pays a majority of its debt service out of the debt service fund, therefore, the general fund transfers enough dollars each year to pay the annual debt service. The amount transferred was \$2,568,663. The general fund made a transfer of \$35,000 to the cafeteria fund to assist with normal operating expenditures.

NOTE 15 - FUND BALANCE/NET ASSETS

Fund Balance

Nonspendable Fund Balance

The District's nonspendable fund balance consists of prepaid expenditures. As of June 30, 2012, the District's nonspendable fund balance was \$29,328.

Restricted Fund Balance

As of June 30, 2012, the District's restricted fund balance was \$886,687, which consisted of the following:

Marquee Sign	\$ 6,402
Tree Purchase	355
Athletic Purchases	2,675
Renovation of Tennis Court	4,436
Capital Projects	<u>872,819</u>
	<u>\$ 886,687</u>

Committed Fund Balance

As of June 30, 2012, the District's committed fund balance was \$1,100,000, which consisted of the following:

Committed for Future Retirement Expense	\$ 500,000
Committed for Future Health Insurance Claims	<u>600,000</u>
	<u>\$ 1,100,000</u>

Assigned Fund Balance

As of June 30, 2012, the District's assigned fund balance consisted of \$816,313 set aside for 2012-2013 budget deficit.

Stabilization Arrangements

The District set aside amounts in a stabilization arrangement for use to offset the anticipated increase in PSERS retirement contribution rates. These amounts may only be expended for these specific circumstances unless the commitment is rescinded by the School Board. The Stabilization balance as of June 30, 2012 was \$500,000.

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 15 - FUND BALANCE/NET ASSETS (Continued)

Net Assets - Deficit

Cafeteria Fund

The District has a deficit unrestricted net assets in the cafeteria fund of \$3,649. 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>\$ 38,678,368</u>
Bonds Payable	29,265,000
Less: Bond Issuance Costs	263,334
Less: Bond Discount	<u>(357,812)</u>
Net Outstanding Debt	<u>29,170,522</u>
Invested in Capital Assets, Net of Related Debt	<u>\$ 9,507,846</u>

NOTE 16 - RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended June 30, 2012 and the two previous fiscal years, no settlements exceeded insurance coverage.

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**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, 2012**

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, PA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED WITH BUDGET - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Revenue	Variance Positive (Negative)
REVENUE FROM LOCAL SOURCES					
Current Real Estate Taxes	\$ 7,699,009	\$ -	\$ 7,699,009	\$ 7,655,268	(43,741)
Interim Real Estate Taxes	3,500	-	3,500	9,184	5,684
Public Utility Realty Tax	11,800	-	11,800	12,389	589
Payments in Lieu of Taxes	11,000	-	11,000	11,000	-
Current Sect.679 Per Capita	23,000	-	23,000	20,417	(2,583)
Current Act 511 Per Capita Tax	45,000	-	45,000	40,833	(4,167)
Local Services Tax	7,000	-	7,000	10,728	3,728
Current Earned Income	750,000	-	750,000	777,135	27,135
Delinquent Taxes	550,000	-	550,000	604,643	54,643
Interest on Investments	150,000	-	150,000	183,837	33,837
Revenue from Intermediate Sources - Federal funds	300,000	143,516	443,516	443,494	(22)
Revenue from Intermediate Sources - Other Funds	-	10,767	10,767	10,767	-
Rentals	45,000	-	45,000	37,419	(7,582)
Contributions and Donations from Private Sources	10,000	43,796	53,796	61,338	7,541
Tuition from Patrons	17,500	-	17,500	22,084	4,584
District Activity Income	50,000	0	50,000	47,091	(2,909)
Miscellaneous Revenue	20,000	-	20,000	21,239	1,239
TOTAL REVENUE FROM LOCAL SOURCES	9,692,809	198,079	9,890,888	9,968,865	77,977
REVENUE FROM STATE SOURCES					
Basic Education Subsidy	6,154,569	-	6,154,569	6,149,297	(5,272)
Tuition for Orphans and Children - Placed in Private Homes	50,000	-	50,000	-	(50,000)
Special Education of Exceptional Pupils	1,176,993	-	1,176,993	1,176,993	-
Transportation	12,000	-	12,000	12,155	155
Rentals	750,000	-	750,000	722,827	(27,173)
Medical, Dental and Nurse Services	29,000	-	29,000	28,695	(305)
State Property Tax Reduction Allocation	635,863	-	635,863	635,863	-
Extra Grants	-	119,976	119,976	119,976	-
Revenue for Social Security Payments	404,000	-	404,000	364,628	(39,372)
Revenue for Retirement Payments	475,000	-	475,000	437,457	(37,543)
TOTAL REVENUE FROM STATE SOURCES	9,687,425	119,976	9,807,401	9,647,891	(159,510)

COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PA

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED WITH BUDGET - GENERAL FUND
YEAR ENDED JUNE 30, 2012

REVENUE FROM FEDERAL SOURCES

Education of Disadvantaged Children

ESEA, Title I	475,000	158,973	633,973	498,008	(135,965)
Title II	90,000	(38)	89,962	89,962	-
Other Restricted Federal Grants in Aid through the Commonwealth	60,000	172	60,172	65,480	5,308

TOTAL REVENUE FROM
FEDERAL SOURCES

625,000	159,106	784,106	653,450	(130,656)
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TOTAL REVENUES

OTHER FINANCING SOURCES

-	-	-	-	-
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TOTAL REVENUES AND OTHER
FINANCING SOURCES

\$ 20,005,234	\$ 477,161	\$ 20,482,395	\$ 20,270,206	\$ (212,189)
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COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Expenditures	Variance Positive (Negative)
EXPENDITURES					
INSTRUCTION					
REGULAR PROGRAMS					
Salaries	\$ 4,839,064	(294,785)	\$ 4,544,279	\$ 4,543,304	\$ 975
Employee Benefits	1,915,283	156,283	2,071,566	2,071,347	220
Purchased Professional and Technical Services	234,592	253,439	488,031	444,421	43,610
Purchased Property Services	24,197	14,459	38,656	38,189	467
Other Purchased Services	291,100	4,600	295,700	295,613	87
Supplies	186,294	45,463	231,756	209,484	22,272
Property	28,500	7,779	36,279	36,216	62
Other Objects	1,246	2,700	3,946	3,864	82
TOTAL REGULAR PROGRAMS	7,520,276	189,938	7,710,213	7,642,438	67,775
SPECIAL PROGRAMS					
Salaries	948,442	(58,152)	890,290	889,776	514
Employee Benefits	385,061	66,000	451,061	451,017	44
Purchased Professional and Technical Services	1,950,000	-	2,371,941	2,371,265	675
Purchased Property Services	-	552	552	552	-
Other Purchased Services	433,000	(10,177)	422,823	422,819	4
Supplies	83,921	(73,588)	10,333	9,199	1,134
Other Objects	-	100	100	100	-
TOTAL SPECIAL PROGRAMS	3,800,424	346,676	4,147,100	4,144,729	2,371
VOCATIONAL EDUCATION PROGRAMS					
Purchased Professional and Technical Services	-	22,958	22,958	22,958	-
Purchased Property Services	276,000	(11,700)	264,300	264,028	272
TOTAL VOCATIONAL EDUCATION PROGRAMS	276,000	11,258	287,258	286,986	272

COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Expenditures	Variance Positive (Negative)
EXPENDITURES (Continued)					
INSTRUCTION (Continued)					
OTHER INSTRUCTIONAL PROGRAMS					
Salaries	151,887	10,764	162,651	162,567	84
Employee Benefits	61,165	26,473	87,638	87,538	99
Purchased Professional and Technical Services	-	16,921	16,921	16,921	-
Other Purchased Services	450	11,521	11,971	11,873	97
Supplies	3,000	3,074	6,074	4,706	1,368
Property	-	1,200	1,200	998	202
Other Objects	-	2,236	2,236	2,236	-
TOTAL OTHER INSTRUCTIONAL	216,502	72,188	288,690	286,840	1,850
NONPUBLIC SCHOOL PROGRAMS					
Purchased Professional and Technical Services	-	5,596	5,596	5,596	-
TOTAL NONPUBLIC SCHOOL PROGRAMS	-	5,596	5,596	5,596	-
TOTAL INSTRUCTION	11,813,202	625,655	12,438,857	12,366,589	72,268
SUPPORT SERVICES					
PUPIL PERSONNEL					
Salaries	410,577	22,696	433,273	432,917	356
Employee Benefits	171,233	16,793	188,026	187,552	474
Purchased Professional and Technical Services	50,250	(16,820)	33,430	32,512	918
Purchased Property Services	-	5,365	5,365	5,298	67
Other Purchased Services	4,150	935	5,085	5,060	25
Supplies	7,554	3,296	10,850	9,368	1,482
Other Objects	100	30	130	115	15
TOTAL PUPIL PERSONNEL	643,864	32,296	676,160	672,823	3,337

COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Expenditures	Variance Positive (Negative)
EXPENDITURES (Continued)					
SUPPORT SERVICES (Continued)					
INSTRUCTIONAL STAFF					
Salaries	401,177	25,832	427,009	417,595	9,414
Employee Benefits	299,378	9,259	308,637	295,771	12,867
Purchased Professional and Technical Services	17,175	111,501	128,676	88,844	39,832
Purchased Property Services	-	2,639	2,639	2,460	179
Other Purchased Services	53,290	(26,632)	26,658	17,351	9,307
Supplies	35,220	9,981	45,201	36,438	8,763
Property	5,750	(4,610)	1,140	1,012	128
Other Objects	2,960	1,116	4,076	3,681	395
TOTAL INSTRUCTIONAL STAFF	814,950	129,087	944,037	863,152	80,885
ADMINISTRATION					
Salaries	560,994	(17,500)	543,494	540,870	2,624
Employee Benefits	207,585	25,716	233,301	232,440	861
Purchased Professional and Technical Services	76,100	(1,192)	74,908	70,466	4,442
Purchased Property Services	16,398	1,700	18,098	17,647	451
Other Purchased Services	42,300	(10,102)	32,198	31,579	619
Supplies	21,950	(6,046)	15,904	14,581	1,324
Property	2,000	(2,000)	-	-	-
Other Objects	10,015	(2,466)	7,549	6,799	750
TOTAL ADMINISTRATION	937,342	(11,889)	925,453	914,382	11,071
PUPIL HEALTH					
Salaries	170,377	9,000	179,377	178,883	494
Employee Benefits	64,636	17,000	81,636	81,531	105
Purchased Professional and Technical Services	126,031	(36,544)	89,487	88,174	1,314
Purchased Property Services	500	-	500	-	500
Other Purchased Services	263	-	263	175	88
Supplies	2,007	-	2,007	1,426	580
TOTAL PUPIL HEALTH	363,813	(10,544)	353,269	350,189	3,080

COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Expenditures	Variance Positive (Negative)
EXPENDITURES (Continued)					
SUPPORT SERVICES (Continued)					
BUSINESS					
Supplies	174,860	-	174,860	174,525	335
Employee Benefits	66,776	8,000	74,776	74,539	237
Purchased Professional and Technical Services	21,990	(3,890)	18,100	17,427	673
Purchased Property Services	13,200	(5,715)	7,485	6,745	740
Other Purchased Services	10,125	(4,185)	5,940	5,388	552
Supplies	12,500	(9,000)	3,500	3,271	229
Property	2,000	-	2,000	1,697	303
Other Objects	6,000	1,800	7,800	7,595	205
TOTAL BUSINESS	307,451	(12,990)	294,461	291,188	3,273
OPERATION AND MAINTENANCE OF PLANT SERVICES					
Supplies	572,854	(22,572)	550,282	550,081	201
Employee Benefits	307,784	(5,000)	302,784	301,337	1,447
Purchased Professional and Technical Services	1,000	1,000	2,000	2,000	-
Purchased Property Services	465,385	(83,640)	381,745	378,822	2,923
Other Purchased Services	78,620	9,768	88,388	87,961	427
Supplies	234,454	(62,369)	172,085	171,836	249
Property	6,164	(4,066)	2,098	2,098	-
Other Objects	180	3,091	3,271	3,086	185
TOTAL OPERATION AND MAINTENANCE SERVICES	1,666,441	(163,788)	1,502,653	1,497,221	5,432
STUDENT TRANSPORTATION					
Other Purchased Services	190,000	15,255	205,255	205,255	-
TOTAL STUDENT TRANSPORTATION	190,000	15,255	205,255	205,255	-

COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Expenditures	Variance Positive (Negative)
EXPENDITURES (Continued)					
SUPPORT SERVICES (Continued)					
CENTRAL SUPPORT SERVICES					
Salaries	119,541	-	119,541	119,541	0
Employee Benefits	55,988	48,800	104,788	103,979	809
Purchased Professional and Technical Services	16,702	1,538	18,240	17,752	488
Purchased Property Services	15,247	1,796	17,044	17,021	23
Other Purchased Services	99,643	(18,281)	81,362	79,107	2,255
Supplies	32,000	17,700	49,700	48,791	909
Property	4,000	(4,000)	-	-	-
Other Objects	18,500	(1,700)	16,800	16,280	520
TOTAL CENTRAL SUPPORT SERVICES	361,621	45,853	407,474	402,470	5,004
OTHER SUPPORT SERVICES					
Other Purchased Services	8,200	(2,500)	5,700	5,211	489
TOTAL OTHER SUPPORT SERVICES	8,200	(2,500)	5,700	5,211	489
TOTAL SUPPORT SERVICES	5,293,682	20,780	5,314,462	5,201,891	112,571
OPERATION OF NONINSTRUCTIONAL SERVICES					
STUDENT ACTIVITIES					
Salaries	227,121	(43,200)	183,921	183,223	698
Employee Benefits	62,287	(4,700)	57,587	56,835	752
Purchased Professional and Technical Services	73,014	(6,271)	66,743	66,240	502
Purchased Property Services	15,600	(1,500)	14,100	13,881	219
Other Purchased Services	57,318	(22,134)	35,184	34,399	784
Supplies	78,348	(27,200)	51,148	50,794	354
Property	18,000	(17,701)	299	299	-
Other Objects	17,956	(9,708)	8,248	7,933	315
TOTAL STUDENT ACTIVITIES	549,643	(132,414)	417,229	413,603	3,626

COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Expenditures	Variance Positive (Negative)
EXPENDITURES (Continued)					
OPERATION OF NONINSTRUCTIONAL SERVICES (Continued)					
COMMUNITY SERVICES					
Purchased Professional and Technical Services	-	6,225	6,225	6,225	-
Purchased Property Services	15,000	75	15,075	14,321	754
Supplies	-	16,157	16,157	7,787	8,371
Other Objects	-	205	205	205	-
TOTAL COMMUNITY SERVICES	15,000	22,662	37,662	28,537	9,125
TOTAL OPERATION OF NON- INSTRUCTIONAL SERVICES	564,643	(109,752)	454,891	442,140	12,751
TOTAL EXPENDITURES	17,671,527	536,683	18,208,210	18,010,620	197,590
OTHER FINANCING USES					
INTERFUND TRANSFERS	2,597,763	6,000	2,603,763	2,603,663	100
BUDGET RESERVE	350,000	(65,522)	284,478	-	284,478
TOTAL OTHER FINANCING USES	2,947,763	(59,522)	2,888,241	2,603,663	284,578
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 20,619,290	477,161	\$ 21,096,451	\$ 20,614,283	\$ 482,168

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**COMBINING STATEMENTS – FIDUCIARY FUNDS
JUNE 30, 2012**

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
YEAR ENDED JUNE 30, 2012**

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2012</u>
ASSETS				
Cash, Cash Equivalents and Investments	\$ <u>10,664</u>	\$ <u>25,159</u>	\$ <u>20,773</u>	\$ <u>15,050</u>
TOTAL ASSETS	\$ <u>10,664</u>	\$ <u>25,159</u>	\$ <u>20,773</u>	\$ <u>15,050</u>
LIABILITIES				
Due to Other Funds	\$ 6,386	\$ 16	\$ --	\$ 6,402
Due to Student Other Groups	3,988	25,144	20,484	8,648
Accounts Payable	<u>290</u>	<u>--</u>	<u>290</u>	<u>--</u>
TOTAL LIABILITIES	\$ <u>10,664</u>	\$ <u>25,160</u>	\$ <u>20,774</u>	\$ <u>15,050</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012**

	<u>Private Purpose Trust Fund</u>		
	<u>Scholarship</u>	<u>Irene Hinkle</u>	
	<u>Fund</u>	<u>Music</u>	<u>Total</u>
		<u>Fund</u>	
ASSETS			
Cash and Cash Equivalents	\$ 46,141	\$ --	\$ 46,141
Investments	<u>8,291</u>	<u>60,578</u>	<u>68,869</u>
TOTAL ASSETS	<u>\$ 54,432</u>	<u>\$ 60,578</u>	<u>\$ 115,010</u>
LIABILITIES	\$ --	\$ --	\$ --
NET ASSETS			
Held in Trust for Scholarships	54,432	--	54,432
Held in Trust for Music Purposes	<u>--</u>	<u>60,578</u>	<u>60,578</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 54,432</u>	<u>\$ 60,578</u>	<u>\$ 115,010</u>

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2012**

	<u>Private Purpose Trust Fund</u>		
	<u>Scholarship</u>	<u>Irene Hinkle</u>	
	<u>Fund</u>	<u>Music</u>	<u>Total</u>
		<u>Fund</u>	
ADDITIONS			
Earnings on Investments	\$ 129	\$ 16	\$ 145
Refund of Prior Year's Expenses	<u>200</u>	<u>--</u>	<u>200</u>
TOTAL ADDITIONS	<u>\$ 329</u>	<u>\$ 16</u>	<u>\$ 345</u>
DEDUCTIONS			
Scholarships Awarded	\$ 1,125	\$ --	\$ 1,125
TOTAL DEDUCTIONS	<u>1,125</u>	<u>--</u>	<u>1,125</u>
Change in Net Assets	(796)	16	(780)
Net Assets – July 1, 2011	<u>55,228</u>	<u>60,562</u>	<u>115,790</u>
Net Assets – June 30, 2012	<u>\$ 54,432</u>	<u>\$ 60,578</u>	<u>\$ 115,010</u>



Statistical Section

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.	36
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.	44
Sources: The information in these schedules is derived from the comprehensive annual financial reports for fiscal years ended June 30, 2003 - June 30, 2012 unless otherwise noted.	

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

	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 6,841,868	\$ 7,867,082	\$ 8,551,297	\$ 9,312,239
Restricted	-	-	-	-
Unrestricted	<u>2,911,266</u>	<u>3,703,009</u>	<u>3,834,664</u>	<u>4,470,549</u>
Total governmental activities net assets	<u>\$ 9,753,134</u>	<u>\$ 11,570,091</u>	<u>\$ 12,385,961</u>	<u>\$ 13,782,788</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 56,734	\$ 49,203	\$ 47,896	\$ 41,516
Unrestricted	<u>13,519</u>	<u>6,299</u>	<u>43,666</u>	<u>45,489</u>
Total business-type activities net assets	<u>\$ 70,253</u>	<u>\$ 55,502</u>	<u>\$ 91,562</u>	<u>\$ 87,005</u>
Total primary government				
Invested in capital assets, net of related debt	\$ 6,898,602	\$ 7,916,285	\$ 8,599,193	\$ 9,353,755
Restricted	-	-	-	-
Unrestricted	<u>2,924,785</u>	<u>3,709,308</u>	<u>3,878,330</u>	<u>4,516,038</u>
Total primary government	<u>\$ 9,823,387</u>	<u>\$ 11,625,593</u>	<u>\$ 12,477,523</u>	<u>\$ 13,869,793</u>

Source: District Audited Financial Statements

June 30,					
2007	2008	2009	2010	2011	2012
\$ 8,115,270	\$ 8,711,483	\$ 8,708,031	\$ 9,141,272	\$ 9,895,645	\$ 9,507,846
6,157	6,223	6,302	6,694	6,727	886,687
<u>3,917,076</u>	<u>3,490,587</u>	<u>3,732,112</u>	<u>4,347,205</u>	<u>4,443,077</u>	<u>4,066,417</u>
<u>\$ 12,038,503</u>	<u>\$ 12,208,293</u>	<u>\$ 12,446,445</u>	<u>\$ 13,495,171</u>	<u>\$ 14,345,449</u>	<u>\$ 14,460,950</u>
\$ 35,676	\$ 30,275	\$ 25,146	\$ 20,220	\$ 16,463	\$ 13,876
12,812	33,576	4,899	(3,058)	(1,411)	(3,649)
<u>\$ 48,488</u>	<u>\$ 63,851</u>	<u>\$ 30,045</u>	<u>\$ 17,162</u>	<u>\$ 15,052</u>	<u>\$ 10,227</u>
\$ 8,150,946	\$ 8,741,758	\$ 8,733,177	\$ 9,161,492	\$ 9,912,108	\$ 9,521,722
6,157	6,223	6,302	6,694	6,727	886,687
<u>3,929,888</u>	<u>3,524,163</u>	<u>3,737,011</u>	<u>4,344,147</u>	<u>4,441,666</u>	<u>4,062,768</u>
<u>\$ 12,086,991</u>	<u>\$ 12,272,144</u>	<u>\$ 12,476,490</u>	<u>\$ 13,512,333</u>	<u>\$ 14,360,501</u>	<u>\$ 14,471,177</u>

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

	2003	2004	2005	2006
Expenses				
Governmental activities				
Instruction	\$ 8,363,498	\$ 8,542,190	\$ 9,339,850	\$ 9,756,823
Instructional Student Support	1,007,428	1,047,590	1,124,404	1,398,504
Administrative and Financial Support Services	1,231,309	1,364,584	1,461,335	1,323,898
Operation and Maintenance of Plant Services	1,148,412	1,161,577	1,234,212	1,317,998
Pupil Transportation	94,332	117,887	142,253	152,422
Student Activities	362,807	334,305	351,799	357,208
Community Services	15,033	13,483	18,293	20,420
Interest on Long-term Debt	348,225	259,159	609,822	785,122
Unallocated depreciation expense	14,247	12,475	12,499	16,918
Total Governmental Activities	<u>12,585,291</u>	<u>12,853,250</u>	<u>14,294,467</u>	<u>15,129,313</u>
Business-type Activities				
Food Services	<u>604,997</u>	<u>618,485</u>	<u>635,978</u>	<u>722,645</u>
Total primary government expenses	<u>13,190,288</u>	<u>13,471,735</u>	<u>14,930,445</u>	<u>15,851,958</u>
Program revenues				
Governmental activities				
Charges for service				
Instruction	10,490	11,411	7,090	18,722
Operation and Maintenance of Plant Services	10,935	4,885	5,380	41,297
Student Activities	34,871	39,517	36,769	43,168
Operating Grants and Contributions	1,985,806	2,561,558	3,027,621	3,049,447
Capital Grants and Contributions	348,134	397,499	384,469	749,793
Total governmental program revenues	<u>2,390,236</u>	<u>3,014,870</u>	<u>3,461,329</u>	<u>3,902,427</u>
Business-type activities				
Charges for service	293,600	285,939	300,891	300,322
Operating Grants and Contributions	<u>256,333</u>	<u>282,646</u>	<u>342,585</u>	<u>381,956</u>
Total business-type program revenues	<u>549,933</u>	<u>568,585</u>	<u>643,476</u>	<u>682,278</u>
Total primary government program revenues	<u>\$ 3,490,102</u>	<u>\$ 4,152,040</u>	<u>\$ 4,748,281</u>	<u>\$ 5,266,983</u>
Net revenues (expenses)				
Governmental activities	\$ (10,195,055)	\$ (9,838,380)	\$ (10,833,138)	\$ (11,226,886)
Business-type activities	<u>(55,064)</u>	<u>(49,900)</u>	<u>7,498</u>	<u>(40,367)</u>
Total primary governmental expense	<u>(10,250,119)</u>	<u>(9,888,280)</u>	<u>(10,825,640)</u>	<u>(11,267,253)</u>

Source: District Audited Financial Statements

June 30,					
2007	2008	2009	2010	2011	2012
\$ 11,260,400	\$ 11,942,674	\$ 12,493,857	\$ 12,966,000	\$ 13,070,759	\$ 13,132,793
1,729,929	1,990,132	2,296,669	2,247,914	2,054,437	1,862,704
1,495,332	1,511,881	1,663,309	1,819,372	1,620,451	1,651,135
2,002,796	1,500,881	1,568,148	1,697,303	1,767,747	1,649,803
169,469	150,481	206,927	177,060	296,797	205,255
467,584	440,195	491,152	497,454	476,055	438,085
19,925	15,211	22,265	28,516	32,793	28,537
754,323	709,981	757,819	1,061,975	1,129,028	1,097,340
16,292	17,706	17,819	18,091	21,715	25,145
<u>17,916,050</u>	<u>18,279,142</u>	<u>19,517,965</u>	<u>20,513,685</u>	<u>20,469,782</u>	<u>20,090,797</u>
<u>713,395</u>	<u>801,105</u>	<u>811,968</u>	<u>811,762</u>	<u>856,389</u>	<u>848,806</u>
<u>18,629,445</u>	<u>19,080,247</u>	<u>20,329,933</u>	<u>21,325,447</u>	<u>21,326,171</u>	<u>20,939,603</u>
31,292	14,408	21,230	11,744	19,218	22,084
44,142	41,718	37,880	38,491	41,657	37,418
35,838	48,688	55,847	33,550	29,146	23,299
3,467,510	3,572,697	3,854,434	4,763,722	4,316,054	3,334,698
796,135	672,412	531,274	968,261	1,323,846	722,827
<u>4,374,917</u>	<u>4,349,923</u>	<u>4,500,665</u>	<u>5,815,768</u>	<u>5,729,921</u>	<u>4,140,326</u>
289,293	310,373	313,021	243,553	211,361	193,693
<u>377,911</u>	<u>416,653</u>	<u>464,581</u>	<u>544,418</u>	<u>572,403</u>	<u>614,865</u>
667,204	727,026	777,602	787,971	783,764	808,558
<u>\$ 5,709,325</u>	<u>\$ 5,803,975</u>	<u>\$ 6,055,869</u>	<u>\$ 7,391,710</u>	<u>\$ 7,297,449</u>	<u>\$ 5,757,442</u>
\$(13,541,133)	\$(13,929,219)	\$(15,017,300)	\$(14,697,917)	\$(14,739,861)	\$(15,950,471)
<u>(46,191)</u>	<u>(74,079)</u>	<u>(34,366)</u>	<u>(23,791)</u>	<u>(72,625)</u>	<u>(40,248)</u>
<u>(13,587,324)</u>	<u>(14,003,298)</u>	<u>(15,051,666)</u>	<u>(14,721,708)</u>	<u>(14,812,486)</u>	<u>(15,990,719)</u>

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

	2003	2004	2005	2006
General Revenues				
Governmental activities				
Taxes:				
Property taxes levied for general purposes, net	5,181,172	5,714,378	6,111,033	6,672,370
Public utility realty, earned income and per capita taxes levied for general purposes, net	745,332	770,121	778,936	913,408
Grants, subsidies and contributions not restricted	4,077,237	4,242,397	4,422,743	4,679,866
Investment earnings	110,890	71,214	329,406	364,681
Miscellaneous Income	23,115	48,917	31,890	25,525
Special item - Contribution of capital asset	-	1,000,000	-	-
Transfers	(25,000)	(35,000)	(25,000)	(32,137)
Total governmental activities	10,112,746	11,812,027	11,649,008	12,623,713
Business-type activities				
Investment earnings	989	149	219	457
Miscellaneous income	-	-	3,343	3,216
Transfers	25,000	35,000	25,000	32,137
Total business-type activities	25,989	35,149	28,562	35,810
Total primary government	10,138,735	11,847,176	11,677,570	12,659,523
Changes in net assets				
Governmental activities	(82,309)	1,973,647	815,870	1,396,827
Business-type activities	(29,075)	(14,751)	36,060	(4,557)
Total primary government	\$ (111,384)	\$ 1,958,896	\$ 851,930	\$ 1,392,270

Source: District Audited Financial Statements

June 30,					
2007	2008	2009	2010	2011	2012
6,635,066	7,288,544	7,489,278	7,952,194	8,219,438	8,221,565
865,064	938,222	890,027	947,073	869,901	872,684
5,328,817	5,654,707	6,604,860	6,639,364	6,353,225	6,797,018
387,352	284,750	252,676	184,351	190,312	188,466
48,658	21,786	18,611	34,161	27,233	21,239
-	-	-	-	-	-
(7,200)	(89,000)	-	(10,500)	(70,000)	(35,000)
13,257,757	14,099,009	15,255,452	15,746,643	15,590,109	16,065,972
474	442	560	408	515	423
-	-	-	-	-	-
7,200	89,000	-	10,500	70,000	35,000
7,674	89,442	560	10,908	70,515	35,423
13,265,431	14,188,451	15,256,012	15,757,551	15,660,624	16,101,395
(283,376)	169,790	238,152	1,048,726	850,278	115,501
(38,517)	15,363	(33,806)	(12,883)	(2,110)	-4825
\$ (321,893)	\$ 185,153	\$ 204,346	\$ 1,035,843	\$ 848,168	\$ 110,676

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
GOVERNMENTAL FUNDS - FUND BALANCES

Last ten fiscal years

Modified accrual basis of accounting

Unaudited

	2003	2004	2005	2006
General Fund				
Nonspendable 3)	\$ -	\$ -	\$ -	\$ -
Restricted	23,935	17,293	30,694	19,955
Committed	981,639	1,156,465	977,000	1,150,146
Assigned				
Unassigned	891,196	1,272,431	1,690,832	1,552,719
Total general fund	<u>\$ 1,896,770</u>	<u>\$ 2,446,189</u>	<u>\$ 2,698,526</u>	<u>\$ 2,722,820</u>
All other governmental funds				
Assigned				
Debt service	\$ -	\$ 10,481	\$ -	\$ -
Capital purposes	761,564	10,451,145	4,710,690	2,359,757
Athletic purposes 4)	10,157	782	508	449
Total all other governmental funds	<u>\$ 771,721</u>	<u>\$ 10,462,408</u>	<u>\$ 4,711,198</u>	<u>\$ 2,360,206</u>

Notes:

- 1) This schedule is prepared on the modified accrual basis of accounting.
- 2) During the fiscal year ended June 30, 2011, the District implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, to address issues related to how fund balance was being reported. Prior years fund balance has been converted to the new reporting categories.
- 3) Nonspendable is not separately reflected for fiscal years prior to 2011.
- 4) Due to GASB 54, effective with fiscal year end 2011, the athletic purposes are now reported as part of the general fund activities.

Source: District Audited Financial Statements

June 30,					
2007	2008	2009	2010	2011	2012
\$ -	\$ -	\$ -	\$ -	\$ 26,869	\$ 29,329
29,175	34,163	28,047	20,729	6,727	13,868
1,460,000	1,194,320	1,293,850	1,554,425	1,714,056	1,100,000
					816,313
<u>1,524,101</u>	<u>1,354,959</u>	<u>1,406,932</u>	<u>1,806,311</u>	<u>1,913,775</u>	<u>1,357,840</u>
<u>\$ 3,013,276</u>	<u>\$ 2,583,442</u>	<u>\$ 2,728,829</u>	<u>\$ 3,381,465</u>	<u>\$ 3,661,427</u>	<u>\$ 3,317,350</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,001,768	972,756	208,195	5,222,534	879,634	872,819
112	7,532	1,570	1,570	-	-
<u>\$ 1,001,880</u>	<u>\$ 980,288</u>	<u>\$ 209,765</u>	<u>\$ 5,224,104</u>	<u>\$ 879,634</u>	<u>\$ 872,819</u>

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

Last ten fiscal years

Modified accrual basis of accounting

Unaudited

	2003	2004	2005	2006
Revenues				
Local Sources				
Real estate taxes and penalties	\$ 5,218,978	\$ 5,717,739	\$ 6,111,432	\$ 6,746,480
Other taxes	745,332	770,121	772,271	913,408
Interest	110,890	71,214	329,406	364,681
Revenue from intermediate sources	78,764	162,246	317,963	316,021
Tuition	10,490	11,411	7,090	18,772
Revenue from student activities	78,083	67,586	79,335	60,826
Other revenue	33,850	34,812	36,548	66,800
Refund of prior year expenses	-	252,856	162	1,802
Total local sources	<u>6,276,387</u>	<u>7,087,985</u>	<u>7,654,207</u>	<u>8,488,790</u>
State sources	6,003,175	6,229,994	6,801,037	7,580,309
Federal sources	<u>281,546</u>	<u>545,579</u>	<u>673,267</u>	<u>563,315</u>
Total revenues	<u>12,561,108</u>	<u>13,863,558</u>	<u>15,128,511</u>	<u>16,632,414</u>
Expenditures				
Current:				
Instruction	7,932,054	8,177,853	9,034,094	9,239,267
Support services	3,489,951	3,802,001	3,935,431	4,730,312
Operation of noninstructional services	<u>362,603</u>	<u>334,948</u>	<u>356,724</u>	<u>398,807</u>
Total current expenditures	11,784,608	12,314,802	13,326,249	14,368,386
Capital outlay				
Facilities acquisition, construction and improvement services	<u>33,857</u>	<u>207,178</u>	<u>5,824,241</u>	<u>7,106,493</u>
Total capital outlay	33,857	207,178	5,824,241	7,106,493
Debt service				
Principal	695,000	840,000	860,000	1,270,000
Interest and fiscal charges	<u>214,007</u>	<u>222,038</u>	<u>592,454</u>	<u>756,517</u>
Total debt service	<u>909,007</u>	<u>1,062,038</u>	<u>1,452,454</u>	<u>2,026,517</u>

June 30,					
2007	2008	2009	2010	2011	2012
\$ 6,648,817	\$ 7,199,532	\$ 7,438,360	\$ 7,932,848	\$ 8,216,483	\$ 8,268,913
865,064	938,223	879,027	947,073	869,901	872,684
387,352	284,750	252,676	184,351	190,312	188,466
417,336	421,524	475,792	766,428	603,131	454,261
31,292	14,408	21,230	11,744	19,218	22,084
58,341	68,149	76,561	55,329	57,510	47,091
90,840	64,504	71,357	104,533	92,361	119,995
6,440	820	-	9,500	85,734	13,811
8,505,482	8,991,910	9,215,003	10,011,806	10,134,650	9,987,305
8,464,319	8,761,022	9,652,621	9,758,881	9,220,045	9,647,891
681,864	695,989	826,375	1,784,593	2,030,036	653,450
17,651,665	18,448,921	19,693,999	21,555,280	21,384,731	20,288,646
10,261,815	10,970,348	11,721,048	12,568,479	12,247,891	12,366,589
4,771,783	4,871,797	5,504,140	6,047,909	5,551,031	5,211,691
466,222	456,057	561,936	508,699	490,799	442,140
15,499,820	16,298,202	17,787,124	19,125,087	18,289,721	18,020,420
2,314,126	-	879,955	11,603,753	4,528,233	15,455
2,314,126	-	879,955	11,603,753	4,528,233	15,455
1,505,000	1,410,000	1,220,000	1,285,000	1,455,000	1,490,000
746,160	703,145	690,139	829,337	1,107,763	1,078,663
2,251,160	2,113,145	1,910,139	2,114,337	2,562,763	2,568,663

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

Last ten fiscal years*

Modified accrual basis of accounting

Unaudited

	2003	2004	2005	2006
Refund or prior year's receipts	<u>-</u>	<u>1,134</u>	<u>-</u>	<u>14,060</u>
Total expenditures	<u>12,727,472</u>	<u>13,585,152</u>	<u>20,602,944</u>	<u>23,515,456</u>
Excess (deficiency) of revenues over expenditures	(166,364)	278,406	(5,474,433)	(6,883,042)
Other financing sources (uses)				
Interfund transfers	(25,000)	(35,000)	(25,000)	-
Bond issue proceeds	4,160,000	9,995,000	-	-
Debt service on refinancing	(4,075,276)	-	-	-
Refund of prior year expenditures	4,480	-	-	-
Sale/compensation for capital assets	<u>200</u>	<u>1,700</u>	<u>560</u>	<u>-</u>
Total other financing sources (uses)	<u>64,404</u>	<u>9,961,700</u>	<u>(24,440)</u>	<u>-</u>
Net change in fund balances	<u>\$ (101,960)</u>	<u>\$ 10,240,106</u>	<u>\$ (5,498,873)</u>	<u>\$ (6,883,042)</u>
Ratio of debt service to noncapital expenditures	7.16%	7.94%	9.83%	12.35%

Source: District Audited Financial Statements

June 30,					
2007	2008	2009	2010	2011	2012
<u>138</u>	<u>-</u>	<u>7,915</u>	<u>7,915</u>	<u>896</u>	<u>-</u>
<u>20,065,244</u>	<u>18,411,347</u>	<u>20,585,133</u>	<u>32,851,092</u>	<u>25,381,613</u>	<u>20,604,538</u>
(2,413,579)	37,574	(891,134)	(11,295,812)	(3,996,882)	(315,892)
(7,200)	(489,000)	-	-	(70,000)	(35,000)
-	-	9,055,798	9,055,798	-	-
-	-	(8,790,000)	(8,790,000)	-	-
-	-	-	-	-	-
<u>1,960</u>	<u>-</u>	<u>200</u>	<u>200</u>	<u>2,374</u>	<u>-</u>
<u>(5,240)</u>	<u>(489,000)</u>	<u>265,998</u>	<u>265,998</u>	<u>(67,626)</u>	<u>(35,000)</u>
<u>\$ (2,418,819)</u>	<u>\$ (451,426)</u>	<u>\$ (625,136)</u>	<u>\$ (11,029,814)</u>	<u>\$ (4,064,508)</u>	<u>\$ (350,892)</u>
12.68%	11.48%	9.69%	9.95%	12.29%	12.48%

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:	2003	2004	2005	2006
Local Sources:				
Real Estate Taxes (Current)	\$ 4,861,653	\$ 5,261,579	\$ 5,611,670	\$ 6,072,328
Interim Real Estate Taxes	28,621	13,150	2,059	12,760
Public Utility Tax	9,535	10,499	7,994	10,792
Payment in Lieu of Tax	11,520	5,520	14,400	11,000
Per Capita Taxes - Sec. 679 (Current)	23,927	22,030	21,534	21,044
Per Capita Taxes - Act 511 (Current)	47,853	44,062	43,051	52,583
Earned Income Taxes (Current)	655,852	672,493	675,072	818,988
Delinquent Taxes	325,349	458,527	497,703	661,392
Earnings from Investments	98,456	40,319	69,387	240,713
Other Sources	167,405	488,194	410,698	419,904
State Sources:				
Instructional Subsidy	4,070,348	4,237,066	4,406,391	4,640,570
State Property Tax Reduction	-	-	-	-
Rentals & Sinking Payments	336,669	387,208	384,469	749,793
Special Education	1,019,928	1,054,336	1,080,193	1,110,514
Transportation	10,179	12,551	13,272	12,040
Retirement Subsidy	49,749	140,195	165,444	183,952
Social Security Subsidy	260,014	263,364	282,075	297,933
Other Sources	256,106	135,025	468,956	584,807
Federal Sources:				
Total Federal Sources	281,546	545,579	673,267	563,315
Other Sources:				
Total Other Sources	<u>200</u>	<u>1,700</u>	<u>560</u>	<u>25</u>
Total revenues and other financing sources	<u>\$ 12,514,909</u>	<u>\$ 13,793,397</u>	<u>\$ 14,828,194</u>	<u>\$ 16,464,453</u>

Source: District Audited Financial Statements

June 30,					
2007	2008	2009	2010	2011	2012
\$ 6,159,949	\$ 6,774,541	\$ 6,894,125	\$ 7,320,882	\$ 7,632,223	\$ 7,655,268
3,976	3,972	1,225	8,865	5,442	9,184
11,231	11,301	10,004	11,422	11,878	12,389
11,000	11,000	11,000	11,000	11,000	11,000
20,179	19,925	21,664	21,272	20,946	20,417
53,141	39,850	57,265	51,042	56,411	51,561
762,824	838,831	776,857	849,750	764,237	777,135
491,580	433,038	545,247	605,689	584,247	604,643
262,680	248,560	228,308	138,171	171,985	183,837
566,220	524,694	589,093	904,483	774,514	643,431
5,297,739	5,606,900	6,120,962	5,875,893	5,571,781	6,149,297
-	-	634,892	636,407	635,873	635,863
796,135	648,712	358,733	740,680	553,182	722,827
1,142,076	1,150,350	1,169,619	1,244,453	1,176,993	1,176,993
13,204	11,307	11,924	11,374	11,542	12,155
313,921	350,477	238,650	256,807	312,047	437,457
325,865	341,184	357,728	376,474	387,285	364,628
574,721	651,451	759,525	616,217	571,342	148,671
681,864	695,989	826,375	1,784,593	2,030,036	653,450
1,960	-	200	2,800	2,901	-
<u>\$ 17,490,266</u>	<u>\$ 18,362,082</u>	<u>\$ 19,613,397</u>	<u>\$ 21,468,273</u>	<u>\$ 21,285,865</u>	<u>\$ 20,270,206</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:	2003	2004	2005	2006
Current:				
Instruction:				
Regular programs - elementary/secondary	\$ 5,535,840	\$ 5,363,553	\$ 5,680,746	\$ 5,861,535
Special programs - elementary/secondary	1,720,305	1,932,651	2,211,944	2,302,888
Vocational education programs	294,771	271,265	257,174	275,443
Other instructional programs - elementary/secondary	381,139	610,384	884,230	798,381
Community/Junior College	-	-	-	1,020
Support Services:				
Pupil personnel	415,810	414,040	381,563	496,029
Instructional staff	426,024	469,230	668,440	722,272
Administration	796,228	918,611	860,137	869,625
Pupil health	149,361	166,751	188,140	212,805
Business office	196,390	187,736	189,776	245,871
Operation and maintenance of plant	1,058,569	1,074,510	1,082,494	1,185,926
Student transportation services	94,332	117,887	142,253	152,422
Central support	261,894	228,093	239,163	262,001
Other support services	7,545	7,060	7,300	7,746
Noninstructional services:				
Student activities	248,449	210,551	205,230	213,698
Community services	15,034	13,483	18,294	20,421
Facilities Improvements:	-	-	-	-
Debt Service:	-	-	-	-
Total current expenditures	11,601,690	11,985,806	13,016,884	13,628,083
Refund of prior year's receipts	-	1,134	-	14,060
Other financing uses	993,007	1,257,038	1,558,973	2,798,017
Total expenditures and other financing uses	<u>\$ 12,594,697</u>	<u>\$ 13,243,978</u>	<u>\$ 14,575,857</u>	<u>\$ 16,440,160</u>

Source: District Audited Financial Statements

June 30,					
2007	2008	2009	2010	2011	2012
\$ 6,556,980	\$ 7,401,621	\$ 8,008,637	\$ 8,219,047	\$ 7,946,081	\$ 7,642,438
2,650,397	2,985,989	3,094,490	3,569,611	3,653,266	4,144,729
252,591	280,053	327,522	353,682	310,766	286,986
800,749	300,210	289,192	330,585	335,988	286,841
1,098	2,475	1,207	990	1,790	5,596
625,172	672,765	675,434	711,301	705,103	672,823
823,822	959,616	1,308,498	1,203,387	920,762	863,152
843,402	893,216	865,249	945,191	886,684	914,382
229,861	283,806	286,816	351,779	422,052	350,189
274,867	277,802	295,377	282,680	290,021	291,188
1,366,839	1,334,469	1,432,116	1,596,904	1,623,745	1,497,221
169,469	150,481	206,927	177,060	296,797	205,254
239,993	242,829	312,382	510,337	387,885	402,470
7,265	7,152	6,757	5,784	5,860	5,211
275,600	283,076	307,415	353,998	453,705	413,603
19,926	15,211	22,243	28,444	32,782	28,537
-	-	-	-	-	-
138	-	-	-	-	-
15,138,169	16,090,771	17,440,264	18,640,779	18,273,287	18,010,620
-	-	7,915	42	896	1
<u>2,061,641</u>	<u>2,701,145</u>	<u>2,019,830</u>	<u>2,174,816</u>	<u>2,733,290</u>	<u>2,603,663</u>
<u>\$ 17,199,810</u>	<u>\$ 18,791,916</u>	<u>\$ 19,468,009</u>	<u>\$ 20,815,637</u>	<u>\$ 21,007,473</u>	<u>\$ 20,614,284</u>

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

	<u>Jur</u>				
	2003	2004	2005	2006	2007
Total current expenditures	\$ 11,601,690	\$ 11,985,806	\$ 13,016,884	\$ 13,628,083	\$ 15,138,169
Current Expenditures per pupil	\$ 7,553	\$ 8,176	\$ 8,910	\$ 9,277	\$ 10,579
Total expenditures and other financing uses	\$ 12,594,697	\$ 13,243,978	\$ 14,575,857	\$ 16,440,160	\$ 17,199,810
Total Expenditures per pupil	\$ 8,200	\$ 9,034	\$ 9,977	\$ 11,191	\$ 12,019

re 30,

	2008	2009	2010	2011	2012
	\$ 16,090,771	\$ 17,440,264	\$ 18,640,779	\$ 18,273,287	\$ 18,010,620
	\$ 11,213	\$ 12,675	\$ 13,676	\$ 13,466	\$ 13,272
	\$ 18,791,916	\$ 19,468,009	\$ 20,815,637	\$ 21,007,473	\$ 20,614,284
	\$ 13,095	\$ 14,148	\$ 15,272	\$ 15,481	\$ 15,191

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten 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>
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
2011	273,308,700	20,285,300	60,744,400	582,800	354,921,200
2012	273,025,000	20,221,200	62,597,500	619,500	356,463,200

Sources:

Lancaster County Assessment Office
 State Tax Equalization Board

*County-wide reassessment done in Lancaster County, Pennsylvania

**Estimated as of 11-9-2012

***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

<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>
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	323,045,600	403,900,800	125.03%
25.37	9,008,202	355,007,900	401,658,200	113.14%
25.37	9,004,351	344,635,685	401,978,000	116.64%
26.00	9,268,043	not available	404,185,300	

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>
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
2011	25.370	8.000	3.416	36.786
2012	26.000	8.000	3.416	37.416

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 of Levy</u>	<u>Assessed Valuation</u>	<u>Homestead Exemption (2)</u>	<u>Millage</u>	<u>Base Levy Adjusted for Homestead Exemption</u>	<u>Current Property Tax Collections</u>
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
2010-2011	\$ 355,389,600	\$ 25,052,027	25.37	\$ 8,380,666	\$ 7,664,673
2011-2012	\$ 354,921,200	\$ 25,083,289	25.37	\$ 8,367,988	\$ 7,684,644

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

(3) Interim Tax is levied during the tax year. If levied early in the tax year the collection is more likely that toward the end of the tax year.

<u>Current Property Tax Collection Percentage</u>	<u>Interim Tax Property Tax Levy (3)</u>	<u>Current Interim Tax Property Tax Collections</u>	<u>Current Interim Tax Property Tax Percentage</u>	<u>Current Period Delinquent Property and Interim Tax Collections</u>	<u>Total Property Tax Levy Collection Percentage</u>
93.41%	\$ 30,515	\$ 28,621	93.79%	\$ 74,531	94.82%
91.63%	\$ 15,203	\$ 13,150	86.49%	\$ 140,587	94.06%
90.79%	\$ 5,262	\$ 2,059	39.13%	\$ 164,816	93.41%
90.59%	\$ 13,529	\$ 12,760	94.32%	\$ 277,360	94.72%
92.15%	\$ 8,942	\$ 3,976	44.46%	\$ 177,366	94.72%
91.78%	\$ 11,457	\$ 3,972	34.67%	\$ 158,482	93.83%
91.02%	\$ 2,650	\$ 1,225	46.23%	\$ 220,557	93.90%
91.08%	\$ 20,370	\$ 8,865	43.52%	\$ 228,251	93.78%
91.46%	\$ 5,597	\$ 5,442	97.23%	\$ 183,442	93.65%
91.83%	\$ 9,522	\$ 9,184	96.45%	\$ 192,757	94.14%

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
CONSTRUCTION PERMITS AND MARKET VALUES

Last ten fiscal years

Unaudited

	Lancaster County Number of Units	Market Value
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
2010	2,450	353,655,300
2011	2,232	285,649,400

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>
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
2011	8,216,483	869,901	9,086,384
2012	8,281,302	860,294	9,141,596

Source: District Financial Reports

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

Taxpayer	Business/Property	2012	
		Assessed Value (1)	Rank
LutherCare	Residential facility	\$ 6,886,000	1
Supply Sales (Anvil International)	Pipe fittings/iron castings	3,400,000	2
Helest Realty Corp/Colonial Metals	Manufacturing	3,341,800	3
Susquehanna Valley Nursing	Residential facility	3,290,900	4
R & S Manufacturing	Electrical motors	2,863,000	5
Columbia Hospital Home	Medical facility	2,746,200	6
M & M Realty	Property holdings (13 properties)	2,701,500	7
Southern End Properties, Ltd.	Shopping center	2,420,300	8
BHI Properties, LLP	Property holdings (36 properties)	1,966,000	9
Kleen Rite	Industrial Supplier	1,059,600	10
Safe Harbor Water Power Co.	Rentals and property holdings		
Water Tower Assoc.	Water Tower Apartments		
Kahn Lucas (Lancaster IDA)	Manufacturing		
	Total	<u>\$ 30,675,300</u>	
	Total real property taxables	<u>\$ 357,028,600</u>	
	<i>Total taxables and exempts</i>	<i>\$ 404,185,300</i>	

Source: School District Officials

(1) Total assessed value of the ten largest individual real property listings by owner. There may be other additional smaller real property holdings by each owner listed or multiple individual properties owned that could total more in aggregate than the individual properties shown here.

(2) Lancaster County reassessed all properties effective 1/1/2005 so assessed value changes may be due to assessment change of valuations rather than changes to physical properties.

Percentage of Total Taxable District Assessment	2003 Assessed Value Rank		Percentage of Total Taxable District Assessment
1.93%	\$	6,800,000 1	2.22%
0.95%		3,400,000 3	1.11%
0.94%		2,882,600 5	0.94%
0.92%		4,503,200 2	1.47%
0.80%		3,244,500 4	1.06%
0.77%			
0.76%		1,973,200 8	0.64%
0.68%		2,262,300 6	0.74%
0.55%			
0.30%			
		1,487,100 10	0.48%
		2,131,800 7	0.70%
		1,530,800 9	0.50%
8.59%	\$	<u>30,215,500</u>	9.85%
	\$	<u>306,722,000</u>	
	\$	349,275,800	

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

Total Bank Deposits

<u>June 30,</u>	<u>Union Community Bank*</u>	<u>LANCO Federal Credit Union**</u>	<u>Total FDIC Insured Institutions Lancaster County*</u>
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	\$ 52,533,762	\$ 9,409,390,000
2011	\$ 475,019,000 (1)	\$ 58,433,764	\$ 9,458,477,000
2012	\$ 433,456,000	\$ 63,759,075	\$ 9,857,381,000

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

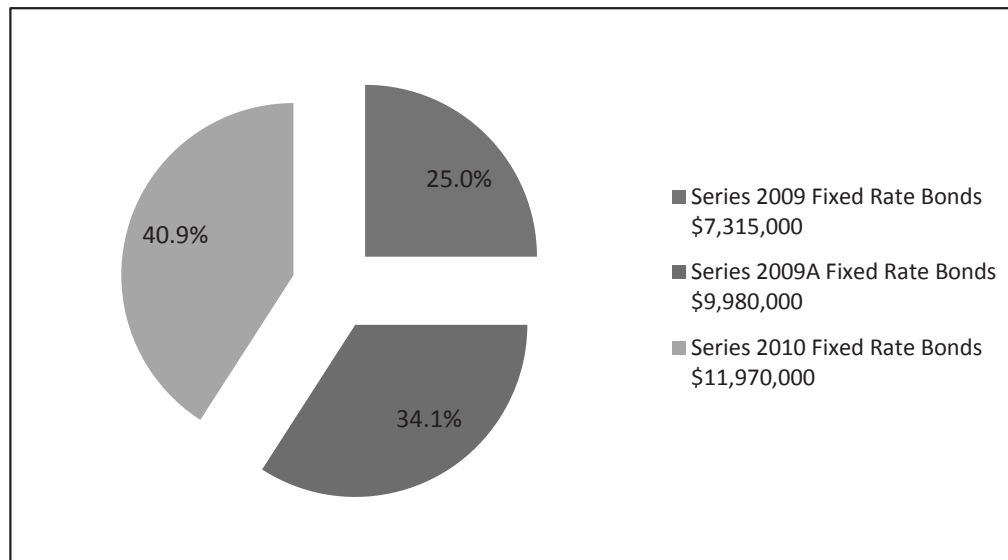
Note: (1) Union National Community Bank and Province Bank merged
to become Union Community Bank - combining deposits.
Province Bank Deposits 2010 = \$85,053,000.

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

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
GROSS PRINCIPAL DEBT OUTSTANDING
June 30, 2012
Unaudited

As of Fiscal Year Ending June 30	2009 G.O. Bonds	2009A G.O. Bonds	2010 G.O. Bonds	Total
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	\$ 7,315,000	\$ 9,980,000	\$ 11,970,000	\$ 29,265,000
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Source: Debt Sinking Fund Statements

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT**
 June 30, 2012
Unaudited

<u>Governmental unit</u>	<u>Gross Outstanding</u>	<u>Percent Overlapping</u>
Direct Debt:		
Nonelectoral General Obligation Debt*	\$ 29,265,000	100.00%
Overlapping Debt:		
Lancaster County Career and Technology Center	459,658	
Lancaster County General Obligation Bonds (1)	<u>3,124,682</u>	1.15%
Total Direct and Overlapping Debt:	<u><u>\$ 32,849,340</u></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 1.15% share of the outstanding debt of the County of Lancaster (\$271,711,500)
 As reported by DCDC on November 1, 2012 (07/01/2012 Report was unavailable at the time
 of this report)

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, 2012
Unaudited

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

	<u>Fiscal Year Ended 6/30/2010</u>	<u>Fiscal Year Ended 6/30/2011</u>	<u>Fiscal Year Ended 6/30/2012</u>
Net revenues:	\$ 20,724,794	\$ 20,748,435	\$ 19,547,380
Total revenues for three fiscal years, ending in 2009, 2010 and 2011		\$ 61,020,609	
Borrowing base - average total revenues for three-year period		20,340,203	
A. Non-electoral debt			
Outstanding principal			
Series 2009		7,315,000	
Series 2009A		9,980,000	
Series 2010		11,970,000	
Total non-electoral debt		<u>29,265,000</u>	
Computation of non-electoral borrowing capacity			
A. Debt limit - 225% of borrowing base		45,765,456	
B. Less: total non-electoral debt		<u>29,265,000</u>	
C. 2012 borrowing capacity		\$ 16,500,456	

Sources:

Debt sinking fund statements
 School district annual financial reports

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

<u>Fiscal Year</u>	(A) <u>Three-year Average Revenue</u>	(B) <u>Legal Debt Limit</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin %</u>
2002-2003	\$ 11,768,614	\$ 26,479,382	\$ 7,123,584	\$ 19,355,798	73.10%
2003-2004	12,437,450	27,984,263	16,256,774	11,727,489	41.91%
2004-2005	13,341,158	30,017,606	15,349,181	14,668,425	48.87%
2005-2006	14,521,524	32,673,429	23,260,387	9,413,042	28.81%
2006-2007	15,617,505	35,139,386	18,550,796	16,588,590	47.21%
2007-2008	16,707,387	37,591,621	17,115,088	20,476,533	54.47%
2008-2009	17,877,388	40,224,123	16,243,256	23,980,867	59.62%
2009-2010	19,230,942	43,269,620	32,210,000	11,059,620	25.56%
2010-2011	20,242,631	45,545,920	30,755,000	14,790,920	32.47%
2011-2012	20,340,203	45,765,456	29,265,000	16,500,456	36.05%

(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

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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>Adjusted Assessed Value (2)</u>	<u>Median Household Income</u>		<u>Fiscal Year Gross Outstanding Bonded Debt</u>	<u>Fiscal Year Net Outstanding Bonded Debt</u>
2002-2003	10,311	\$	308,926,110	\$ 32,385 (3)	\$	10,710,000	\$ 8,810,820
2003-2004	10,311	\$	309,168,000	\$ 32,385 (3)	\$	16,105,000	\$ 13,245,568
2004-2005	10,311	\$	309,168,600	\$ 32,385 (3)	\$	15,245,000	\$ 13,953,847
2005-2006	10,311	\$	357,871,100	\$ 32,385 (3)	\$	19,975,000	\$ 14,511,984
2006-2007	10,311	\$	358,499,300	\$ 32,385 (3)	\$	18,470,000	\$ 12,964,631
2007-2008	10,311	\$	359,116,300	\$ 32,385 (3)	\$	17,060,000	\$ 11,979,219
2008-2009	10,311	\$	358,604,200	\$ 32,385 (3)	\$	16,215,000	\$ 14,703,000
2009-2010	10,311	\$	357,758,700	\$ 32,385 (3)	\$	24,157,500	\$ 18,118,125
2010-2011	10,400	\$	355,389,600	\$ 35,957 (4)	\$	30,755,000	\$ 22,279,443
2011-2012	10,400	\$	354,921,200	\$ 37,119 (5)	\$	29,265,000	\$ 21,184,999

Notes:

(1) U.S. Census Bureau

(2) District Financial Reports

(3) U.S. Census Bureau 1999 dollars

(4) U.S. Census Bureau 2009 dollars

(5) U.S. Census Bureau 2006-2010 dollars

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

Estimated Net Bonded Debt per <u>Capita</u>	Ratio of Net Bonded Debt to Assessed <u>Value (%)</u>	Estimated Net Bonded Debt Per Household <u>Income</u>
\$ 855	2.85%	\$ 272.06
\$ 1,285	4.28%	\$ 409.00
\$ 1,353	4.51%	\$ 430.87
\$ 1,407	4.06%	\$ 448.11
\$ 1,257	3.62%	\$ 400.33
\$ 1,162	3.34%	\$ 369.90
\$ 1,426	4.10%	\$ 454.01
\$ 1,757	5.06%	\$ 559.46
\$ 2,142	6.27%	\$ 619.61
\$ 2,037	5.97%	\$ 570.73

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 POPULATION TRENDS
 Last ten decades
Unaudited

<u>Year</u>	<u>School District</u>	<u>Lancaster County</u>	<u>Pennsylvania</u>	<u>United States</u>
1920	*	173,797	8,720,017	106,021,537
1930	*	196,882	9,631,350	123,202,624
1940	*	212,504	9,900,180	132,164,569
1950	*	234,717	10,498,012	151,325,798
1960	*	278,359	11,319,366	179,323,175
1970	11,237	319,693	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	470,658	12,281,054	281,421,906
2010	10,400	519,448	12,702,379	308,745,538
2011**	10484	523,594	12,742,886	311,591,917

Source: U.S. Bureau of the Census, State and County QuickFacts.
Reported as revised as of 10/13/2011

* Data unavailable

** *Estimate*

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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)
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	18,450,403	36,336	38.1	7.5%
2010	519,445	18,921,587	36,366	38.2	6.6%
2011	523,594	*	*	*	*

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
County School Enrollment (5)	Enrollment(5)
85,836	1,521
86,364	1,536
85,996	1,466
86,471	1,461
87,209	1,469
87,480	1,431
87,909	1,435
86,411	1,376
86,917	1,371
85,537	1,359

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 TEN LARGEST AREA EMPLOYERS
 Last calendar year and nine years prior
Unaudited

<u>LANCASTER COUNTY EMPLOYERS (1)</u>	<u>2011</u>		<u>Percentage of Total County Employment</u>
	<u>Employees (2)</u>	<u>Rank (1)</u>	
Lancaster General Hospital	7,154	1	3.29%
R.R.Donnelley & Sons Company	2,696	2	1.24%
County of Lancaster	1,983	3	0.91%
Ephrata Community Hospital Inc.	1,875	4	0.86%
School District of Lancaster	1,584	5	0.73%
Manheim Remarketing, Inc.	1,557	6	0.72%
Turkey Hill LP	1,545	7	0.71%
Masonic Villages	1,503	8	0.69%
Dart Container Corporation	1,453	9	0.67%
QVC Network Inc.	1,447	10	0.67%
Armstrong World Industries, Inc.			
High Industries, Inc.			
Weis Markets, Inc.			
CNH Global			
Total	<u>22,797</u>		10.48%
Total Employees in County	<u>217,497</u> (1)		

Source: County of Lancaster, Pennsylvania

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

(2) Individual Employers

* Data not available

2002		
<u>Employees (1)</u>	<u>Rank (1)</u>	<u>Percentage of Total County Employment</u>
5,021	1	2.27%
3,505	2	1.58%
2,704	3	1.22%
1,526	7	0.69%
1,430	8	0.65%
1,884	5	0.85%
2,598	4	1.17%
*	6	*
*	9	*
*	10	*
<hr/>		
*		
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221,351 (1)		
<hr/>		

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

School District	2012-2013 Tax Rate	2012-13 MV/PI Aid Ratio	Rank	2010-11 WADM	2010-11 ADM	Rank
Cocalico SD	21.3200	0.4941	343	3,904.605	3,399.332	158
Columbia Borough SD	26.0000	0.7023	91	1,614.803	1,395.870	364
Conestoga Valley SD	14.2865	0.3194	450	4,903.339	4,223.671	110
Donegal SD	20.9837	0.5446	291	3,395.297	2,985.680	186
Eastern Lancaster Co SD	13.8410	0.3025	453	3,783.121	3,285.939	162
Elizabethtown Area SD	17.8900	0.5297	310	4,637.389	4,065.839	118
Ephrata Area SD	19.4100	0.4662	370	4,766.436	4,208.159	111
Hempfield SD	18.6310	0.4230	398	8,387.581	7,146.102	42
Lampeter-Strasburg SD	19.0760	0.4216	399	3,738.383	3,248.477	170
Lancaster SD	25.2902	0.7051	90	12,902.743	11,170.503	16
Manheim Central SD	16.6889	0.3985	412	3,615.757	3,075.085	179
Manheim Twp SD	17.9525	0.3683	432	6,825.761	6,005.221	54
Penn Manor SD	16.9700	0.4766	359	6,167.550	5,385.392	70
Pequea Valley SD	16.8898	0.2381	470	2,146.985	1,798.289	304
Solanco SD	11.2243	0.4555	378	4,394.961	3,829.236	129
Warwick SD	18.5700	0.4848	350	4,295.823	4,591.197	91

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

2009-10 Eq Mills	Rank	2000 Pop per Sq Mile	Rank	2010-11 AIE per WADM	Rank	2010-11 Exp per ADM	Rank
20.0	144	421.2	207	\$7,615.42	259	\$13,128.73	285
26.4	35	3,903.4	35	\$8,485.38	151	\$15,049.73	135
14.6	373	509.2	185	\$7,020.73	375	\$11,735.34	429
21.3	106	468.1	192	\$7,226.27	341	\$13,758.00	234
13.4	418	300.9	247	\$9,191.74	91	\$13,209.60	273
19.2	165	491.1	190	\$7,238.65	339	\$11,954.12	410
19.3	163	693.2	157	\$7,425.93	302	\$12,496.92	358
18.8	178	982.8	124	\$8,486.01	150	\$13,809.76	223
18.6	186	531.5	179	\$8,125.72	177	\$13,031.03	299
23.2	63	5,223.8	16	\$7,974.78	197	\$14,606.43	159
16.2	302	263.1	264	\$7,666.00	248	\$13,330.94	264
17.5	232	1,388.8	103	\$7,905.52	203	\$12,331.62	375
16.3	294	329.8	234	\$6,864.51	400	\$11,854.79	423
15.5	332	241.2	277	\$8,127.06	176	\$15,626.97	101
11.4	471	153.6	326	\$6,984.84	380	\$11,675.56	435
18.1	203	710.1	154	\$6,988.52	378	\$12,447.73	361

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

District	2010-2011 School Year				
	Total Schools	K-12 Total Students	Classroom Teachers FTE	Student/ Teacher Ratio	ELL Students
Cocalico	6	3,295	234.5	14.1	59
Columbia	3	1,359	109.3	12.4	40
Conestoga Valley	6	4,016	278.8	14.4	203
Donegal	6	2,815	170.6	16.5	66
Eastern Lancaster	5	3,111	211.0	14.7	70
Elizabethtown	7	3,989	259.5	15.4	48
Ephrata	7	4,127	250.3	16.5	109
Hempfield	10	7,002	474.9	14.7	283
Lampeter-Strasburg	5	3,168	207.1	15.3	37
Lancaster	20	10,972	815.5	13.5	1,921
Manheim Central	5	2,947	210.0	14.0	34
Manheim Township	9	5,911	389.6	15.2	236
Penn Manor	10	5,169	350.2	14.8	76
Pequea Valley	4	1,734	127.3	13.6	18
Solanco	7	3,742	240.8	15.5	29
Warwick	6	4,477	290.8	15.4	54

Source: National Center for Education Statistics

Percent ELL	IEP Students	Percent IEP
1.8%	524	15.9%
2.9%	310	22.8%
5.1%	588	14.6%
2.3%	464	16.5%
2.3%	384	12.3%
1.2%	563	14.1%
2.6%	669	16.2%
4.0%	1,196	17.1%
1.2%	460	14.5%
17.5%	2,227	20.3%
1.2%	465	15.8%
4.0%	753	12.7%
1.5%	897	17.4%
1.0%	334	19.3%
0.8%	531	14.2%
1.2%	654	14.6%

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
 Last ten fiscal years
 Unaudited

Fiscal Year:	June 30,					
	2003	2004	2005	2006	2007	2008
FUNCTION:						
Governmental Activities						
Instructional Services						
Teachers	102	105	109.2	111.2	116.5	117.5
Aides	3.5	3.5	4.5	4.5	4.5	4.5
Support Services						
Pupil Personnel	7.5	7.5	7	8	8	8
Instructional Staff	4	4	4	4	4	4
Administrative	15	15	15	15	15	15
Pupil Health	3.2	3.2	3.2	3.2	3.2	3.2
Business	3	3	3	3	3	3
Plant Operation and Maintenance	18.5	18.5	18.5	18.2	18.7	18.7
Central	2	2	2	2	2	2
Non-instructional Services	14.5	15	14.38	14	14	13.75
Total full-time equivalent employees						
Governmental Activities	173.2	176.7	180.78	183.1	188.9	189.65
Business-Type Activities						
Total full-time equivalent employees						
Food Services	18	18.3	18	18.3	18.3	18.1
Total Primary Government						
Full-time equivalent employees	191.2	195	198.78	201.4	207.2	207.75
Student/Teacher Ratio	15.1	14.0	13.4	13.2	12.3	12.2

Sour District payroll records

Full-time equivalency based on 2,080 hours per fiscal year; full-time equivalency for instructional services personnel based on 1,365 hours per fiscal year

2009	2010	2011	2012
116.5	115.5	114.5	103.5
4.5	5.5	5.5	5.25
8	8.5	8.5	8
5	5	5	4
15	15	14	14
3.2	3.2	3.2	3.2
3	3	3	3
18.7	18.7	18.7	18.2
2	3	3	3
13.5	13.5	13.38	12.38
189.4	190.9	188.78	174.53
18.1	18.1	18.01	14.05
207.5	209	206.79	188.58
11.8	11.8	11.9	13.0

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 SALARY DATA FOR CLASSROOM TEACHERS
 As of November 1, 2012
 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
\$80,000 and over			0
\$75,000 - 79,999		13	13
\$70,000 - 74,999		2	2
\$65,000 - 69,999		10.5	10.5
\$60,000 - \$64,999		10.5	10.5
\$57,000 - \$59,999		9.5	9.5
\$54,000 - \$56,999		11	11
\$51,000 - \$53,999	8	6	14
\$48,000 - \$50,999	2	8	10
\$45,000 - \$47,999		7	7
\$42,000 - \$44,999	3.5		3.5
\$39,000 - \$41,999	15		15
Below \$39,000			
Total # of Teachers	28.5	77.5	106

	B.S.	M.Ed
Highest Salary Actually Paid	\$ 53,009	\$ 78,798
Lowest Salary Actually Paid	\$ 39,309	\$ 46,369

Total salaries	\$ 6,196,106
Full-time classroom teachers	111
Average classroom teacher salary for 2011-12	\$ 55,820.77

Source: District Personnel Records

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 PROFESSIONAL AND ADMINISTRATIVE STAFF SUMMARY
 As of November 1, 2012
Unaudited

	<u>Total</u>	<u>Male</u>	<u>Female</u>
Total	122	36	86
Full Time	114	32	82
Part Time	8	4	4
<u>Years of Service</u>			
1 or less	10	6	4
2 to 10	46	15	31
11 to 20	40	10	30
21 to 30	15	3	12
30+	11	3	8
<u>Age</u>			
Under 30	17	5	12
30 to 50	71	23	48
Over 50	34	8	26
<u>Education Degree Levels</u>			
High School	1	1	0
Associates	0	0	0
Bachelors	34	17	17
Masters	85	17	68
Doctors	2	1	1
<u>Description</u>			
Elementary Teachers	55	11	44
Secondary Teachers	44	18	26
Guidance/Library/Nurse/Other	11	1	10
Total Instructional	110	30	80
Administrative/Supervisory	12	5	7

Source: District Personnel Records

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
 SUPPORT STAFF SUMMARY
 As of November 1, 2011
Unaudited

<u>Position Category</u>	<u>Gender</u>	<u>F/T</u>	<u>P/T</u>	<u>Total</u>
Instructional aides				
	Male	0	0	0
	Female	0	1	1
Administrative support				
	Male	0	0	0
	Female	12	2	14
Library/media support				
	Male	0	0	0
	Female	1	0	1
Maintenance				
	Male	12	6	18
	Female	4	0	4
Cafeteria				
	Male	0	1	1
	Female	3	16	19
Computer technician				
	Male	1	0	1
	Female	0	0	0
Playground aides				
	Male	0	0	0
	Female	0	5	5
School monitor				
	Male	0	0	0
	Female	0	0	0
Health room assistant				
	Male	0	0	0
	Female	1	1	2
Total	Male	13	7	20
	Female	21	25	46
Total		34	32	66

Source: District Personnel Records

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
DISTRICT FACILITIES
As of November 1, 2012
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>2012-2013 Enrollment</u>
Elementary Schools						
Park	Unknown	82,076	1981, 1997, 2006	K-6	706	462
Taylor*	1988	37,370	1997, 2006	K-6	340	354
Secondary School						
Junior Senior High	1957	160,957	1989, 1997, 2010	7-12	1014	556
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>	<u>7</u>
HISTORICAL DATA									
1990-91	104	117	117	125	88	89	117		122
1991-92	132	97	116	119	119	87	93	763	121
1992-93	99	130	104	123	117	125	94	792	100
1993-94	118	118	109	99	112	116	117	789	107
1994-95	123	136	110	113	94	112	115	803	112
1995-96	135	140	127	114	113	98	118	845	116
1996-97	137	161	133	122	113	101	102	869	122
1997-98	110	156	144	127	131	115	113	896	106
1998-99	120	125	140	145	114	127	112	883	116
1999-00	125	132	110	137	126	109	120	859	114
2000-01	104	152	113	105	132	121	120	847	123
2001-02	108	140	122	119	110	128	130	857	135
2002-03	104	124	117	118	114	111	135	823	144
2003-04	98	128	102	114	106	115	107	770	139
2004-05	94	111	115	96	107	105	112	740	109
2005-06	127	100	110	113	95	100	112	757	114
2006-07	117	111	96	107	106	98	103	738	113
2007-08	129	114	112	101	100	105	104	765	111
2008-09	123	124	121	109	92	98	102	769	111
2009-10	113	120	121	106	107	91	97	755	103
2010-11	119	112	110	127	112	112	92	784	89
2011-12*	131	118	112	110	123	114	110	818	86
PROJECTED DATA									
2012-13	142	124	114	110	106	123	113	832	104
2013-14	138	135	123	113	107	106	124	846	104
2014-15	135	132	134	121	110	107	107	846	114
2015-16	137	129	131	132	117	110	108	864	98
2016-17	140	131	128	129	128	117	111	884	99
2017-18	142	133	130	126	125	128	118	902	102
2018-19	145	136	132	128	122	125	129	917	108
2019-20	147	138	135	130	124	122	126	922	118
2020-21	150	141	137	133	126	124	123	934	116

Source: Public School Enrollment Report (ESPE) and Pennsylvania Information Management System (PIMS) from the Pennsylvania Department of Education.

Resident Live Birth File, 2009, supplied by the Division of Health Statistics, Pennsylvania Department of Health.

*District Records

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.

<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>
123	134	102	91	82		1,411			
113	144	108	96	99	681	1,444	2.34%		
111	114	126	106	86	643	1,435	-0.62%		
81	111	105	109	89	602	1,391	-3.07%		
113	85	109	102	87	608	1,411	1.44%		
111	103	77	109	81	597	1,442	2.20%		
113	120	93	74	90	612	1,481	2.70%		
121	115	111	94	67	614	1,510	1.96%	68,906	2.19%
112	113	117	110	75	643	1,526	1.06%	69,364	2.20%
102	106	101	105	94	622	1,481	-2.95%	69,204	2.14%
120	104	101	99	91	638	1,485	0.27%	69,076	2.15%
128	106	102	109	84	664	1,521	2.42%	69,758	2.18%
133	119	114	106	97	713	1,536	0.99%	70,397	2.18%
132	114	113	114	84	696	1,466	-4.56%	70,068	2.09%
134	137	118	118	105	721	1,461	-0.34%	69,121	2.11%
113	129	130	114	112	712	1,469	0.55%	69,585	2.11%
113	105	133	128	101	693	1,431	-2.59%	69,835	2.05%
104	115	109	116	115	670	1,435	0.28%	69,621	2.06%
106	114	104	90	82	607	1,376	-4.11%	68,504	2.01%
111	101	117	91	85	608	1,363	-0.94%	68,265	2.00%
98	123	85	96	82	573	1,357	-0.44%	68,069	1.99%
83	101	105	72	78	525	1,343	-1.03%	68,192	1.97%
80	89	97	99	62	531	1,363	1.49%	68,563	1.99%
99	83	85	82	85	538	1,384	1.54%	69,325	2.00%
99	103	79	72	71	538	1,384	0.00%	70,216	1.97%
109	103	98	67	62	537	1,401	1.23%	71,253	1.97%
94	114	98	83	58	546	1,430	2.07%	72,263	1.98%
95	98	109	83	72	559	1,461	2.17%	73,367	1.99%
98	99	93	92	72	562	1,479	1.23%	74,381	1.99%
103	102	94	79	79	575	1,497	1.22%	74,381	2.01%
113	108	97	80	68	582	1,516	1.27%	74,381	2.04%

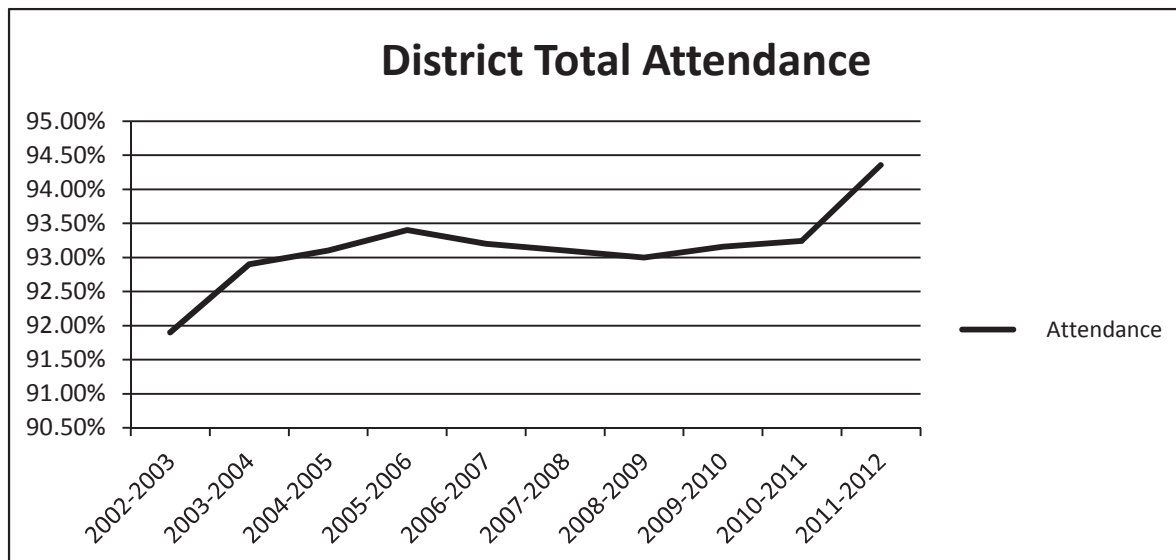
COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
AVERAGE DAILY ATTENDANCE REPORT
Last ten fiscal years
Unaudited

	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>
Kindergarten					
ADA	97.774	91.949	92.339	115.775	108.976
ADM	105.431	98.082	97.331	121.505	115.190
Attendance	92.70%	93.70%	94.90%	95.30%	94.60%
Elementary					
ADA	691.387	649.915	628.317	616.375	605.056
ADM	729.003	682.759	659.911	645.484	632.932
Attendance	94.80%	95.20%	95.20%	95.50%	95.60%
Secondary					
ADA	654.426	676.960	687.633	681.274	645.881
ADM	736.698	746.254	754.690	745.974	711.478
Attendance	88.80%	90.70%	91.10%	91.30%	91.80%
District Total					
ADA	1,443.587	1,418.824	1,408.289	1,413.424	1,359.913
ADM	1,571.132	1,527.095	1,511.932	1,512.963	1,459.600
Attendance	91.90%	92.90%	93.10%	93.40%	93.20%

Source: Pennsylvania Department of Education, District records

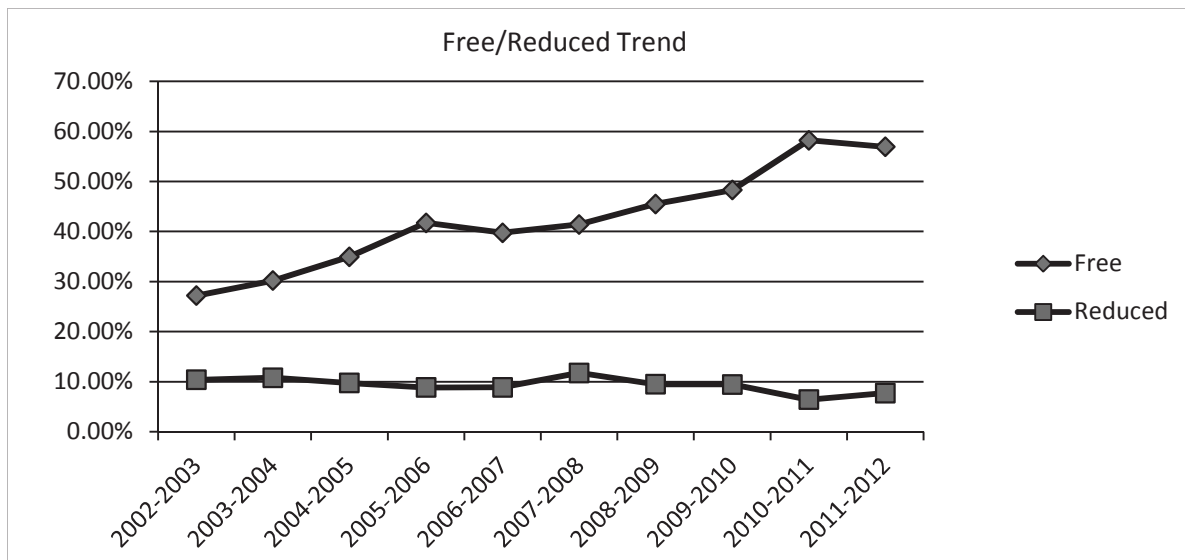
ADA - Average Daily Attendance
ADM - Average Daily Membership

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
119.312	116.201	108.380	111.787	125.010
125.446	122.379	115.212	117.882	131.492
95.10%	94.95%	94.07%	94.83%	95.07%
622.837	625.369	611.056	631.169	642.592
654.361	656.256	644.352	665.007	671.173
95.20%	95.29%	94.83%	94.91%	95.74%
619.374	595.353	513.483	543.793	465.876
683.153	658.867	563.865	597.086	504.617
90.70%	90.36%	91.06%	91.07%	92.32%
1,361.523	1,336.923	1,232.919	1,286.749	1,233.478
1,462.960	1,437.502	1,323.429	1,379.975	1,307.282
93.10%	93.00%	93.16%	93.24%	94.35%



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

Building	Percentage of Participation				
	Fiscal Year				
	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
<u>Columbia Jr./Sr. High School</u>					
Free	21.75%	21.65%	28.36%	36.56%	31.71%
Reduced	10.57%	10.39%	9.01%	11.45%	8.80%
<u>Park Elementary School</u>					
Free	38.81%	49.75%	48.78%	53.32%	58.13%
Reduced	11.29%	13.00%	10.64%	8.14%	7.57%
<u>Taylor Elementary School</u>					
Free	20.06%	23.27%	28.82%	35.35%	29.51%
Reduced	8.60%	8.73%	10.07%	4.04%	11.11%
<u>Total</u>					
Free	27.21%	30.19%	34.96%	41.73%	39.76%
Reduced	10.40%	10.82%	9.75%	8.86%	8.88%



Source: Pennsylvania Department of Education

<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
30.02%	35.30%	40.99%	49.82%	50.09%
11.36%	8.05%	7.66%	6.01%	8.23%
63.96%	63.35%	65.24%	72.14%	73.85%
13.13%	12.71%	10.22%	8.10%	6.79%
28.93%	38.13%	36.25%	52.95%	43.68%
10.36%	7.36%	11.97%	4.73%	8.33%
41.41%	45.51%	48.28%	58.24%	56.90%
11.76%	9.49%	9.47%	6.42%	7.75%

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
SCHEDULE OF INSURANCE
FISCAL YEAR ENDED JUNE 30, 2012
Unaudited

COVERAGE	AMOUNTS OR LIMITS	TERM IN YEARS	EXPIRES
1. PROPERTY a. Building and contents	\$60,441,124 \$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	7/1/2013
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	7/1/2013
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	7/1/2013
4. Excess liability	\$8,000,000 Each Occurrence per member \$8,000,000 Annual Member Aggregate	1	7/1/2013
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	7/1/2013
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	7/1/2013
7. Commercial crime Employee dishonesty Forgery/alteration Theft, disappearance & destruction (inside and outside)	\$500,000/loss \$500,000/loss \$100,000/loss	1	7/1/2013

COMPANY	POLICY NUMBER	PREMIUM	COMMENTS
Selective Insurance Co. of the Southeast	S1323581	\$17,030	\$1,000 maintenance deductible \$100,000 SIR
Travelers Indemnity Insurance Company of America	KTKXSP545D871112	\$13,035	
Selective Insurance Co. of the Southeast	S1323581	(included in Selective property premium)	\$1,000 maintenance deductible \$100,000 SIR
Torus National Insurance Compan	18154A122ALI	\$3,779	Deductible: N/A Includes: Each occurrence limit General aggregate limit Products completed operations aggregate
Hartford Steam Boiler Inspection and Insurance Company	4910564	\$1,256	\$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	105632675	\$498	Deductible: \$10,000 per occurrence

COLUMBIA BOROUGH SCHOOL DISTRICT, PENNSYLVANIA
SCHEDULE OF INSURANCE (continued)
YEAR ENDED JUNE 30, 2011
Unaudited

COVERAGE	AMOUNTS OR LIMITS	TERM IN YEARS	EXPIRES
8. SCHOOL BOARD LEGAL LIABILITY		1	7/1/2013
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	8/27/2013
10. Storage tank system third party liability and cleanup	\$1,000,000 Each Claim/\$2,000,000 Total for all Claims	1	1/1/2013
11. Workers' compensation insurance	Specific Only Specific Limit: Statutory Empl. Liabil. \$1,000,000/occ./accid.	1	7/1/2013
12. Life insurance	Administrators: 2 times salary Professional staff: \$20,000 maximum Support staff: \$20,000 (full-time)	1	7/1/2013
13. Accidental death and dismemberment	Administrators: 2 times salary Professional staff: \$20,000 maximum Support staff: \$20,000 (full-time)	1	7/1/2013

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	N01022696-3744-13-K12 Plan AA Plan A	\$6,571	No deductible Two year benefit indemnity period - continuous coverage School-time rate - \$22.00 24-hour rate - \$88.00
Nautilus Insurance Comp	CST200108401	\$2,369	Deductible: \$2,500
Safety National Casualty Company	SP4042103	Total premium: \$76,424.00 Loss Fund Allocation: \$21,534.62 36% \$23,927.36 40% \$14,356.42 24%	Deductible: \$400,000 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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</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. Budget for materials/resources.

Second Year – Adapt/Adopt – Curriculum revisions approved. Review resources; present selected resources to Curriculum Council and Committee for review; present to Board of Education for approval. Order approved resources and provide 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. Gather sample textbooks and resources.

A photograph of two hands, one from the left and one from the right, reaching towards each other. The hands are positioned as if they are about to clasp or are in a gesture of offering. The background is a bright blue sky filled with soft, white, wispy clouds. The entire image is framed by a thick red border.

Single Audit Section

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 (1932-2011)
C. Edwin Swisher, III, CPA, Inactive

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, 2012, and have issued our report thereon dated November 12, 2012. 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 financial statements that collectively comprise the Columbia Borough School District as a whole. The accompanying schedule of expenditures of federal awards presented on pages SA-2 through SA-3 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 is the responsibility of management and was derived from and relates 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.

Sager, Swisher and Company, LLP

Columbia, Pennsylvania
November 12, 2012

SA - 1

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**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012**

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, 2011	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue at June 30, 2012
U.S. DEPARTMENT OF EDUCATION										
Passed through the Pennsylvania Department of Education										
Title I - Improving Basic Programs	I	84.010	013-12-0092	7/5/11-9/30/12	\$ 467,693	\$ 317,983	\$ --	\$ 365,612	\$ 365,612	\$ 47,629
Title I - Improving Basic Programs	I	84.010	013-11-0092	7/19/10-9/30/12	485,097	96,952	58,143	38,809	38,809	--
Title I - Recovery Act	I	84.389	127-10-0092	5/22/09-9/30/11	224,477	--	(25)	25	25	--
Title I - School Improvement - Recovery Act	I	84.389	134-10-0092	4/27/10-9/30/11	66,099	11,016	2,199	8,817	8,817	--
Title I - School Improvement	I	84.010	042-11-0092	5/2/11-9/30/12	102,360	66,233	--	90,897	90,897	24,664
Title I - School Improvement	I	84.010	042-10-0092	4/27/10-9/30/11	95,253	4,039	1,349	2,690	2,690	--
Total Title I Cluster						496,223	61,666	506,850	506,850	72,293
Title IIA	I	84.367	020-12-0092	7/5/11-9/30/12	72,971	63,603	--	72,971	72,971	9,368
Title IIA	I	84.367	020-11-0092	7/19/10-9/30/12	91,555	24,355	7,364	16,991	16,991	--
Education Jobs Fund	I	84.410	140-12-0092	7/1/11-6/30/12	7,080	--	--	7,080	7,080	7,080
Passed through the Lancaster-Lebanon Intermediate Unit No. 13:										
IDEA, Part B	I	84.027	062-12-0013	7/1/11-9/30/12	340,490	64,680	--	340,490	340,490	275,810
IDEA, Part B	I	84.027	062-11-0013	7/1/10-6/30/11	349,076	68,291	68,291	--	--	--
IDEA - Preschool	I	84.173	131-11-0013	7/1/11-6/30/12	3,238	--	--	3,238	3,238	3,238
Total IDEA Cluster						132,971	68,291	343,728	343,728	279,048
Passed through the Pennsylvania Higher Education Assistance Agency										
Creating Access to Postsecondary Schools	I	84.378	N/A	8/14/10-8/13/11	6,000	--	(1,921)	1,921	1,921	--
Creating Access to Postsecondary Schools	I	84.378	N/A	8/14/11-8/13/12	9,000	9,000	--	7,228	7,228	(1,772)
TOTAL U.S. DEPARTMENT OF EDUCATION						726,152	135,400	956,769	956,769	366,017

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012**

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, 2011	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue at June 30, 2012
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES										
Passed through the Workforce Investment Board										
Temporary Assistance for Needy Families (TANF)	I	93.558	11-TANF-03	7/1/11-6/30/12	13,000	--	--	12,978	12,978	12,978
Temporary Assistance for Needy Families (TANF)	I	93.558	10-TANF-03	9/1/10-6/30/11	7,500	7,499	7,499	--	--	--
Passed through Pennsylvania Department of Public Welfare										
Medical Assistance Program -- Administration	I	93.778	N/A	7/1/11-6/30/12	N/A	408	--	408	408	--
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						7,907	7,499	13,386	13,386	12,978
U. S. DEPARTMENT OF AGRICULTURE										
Passed through the Pennsylvania Department of Education										
Fresh Fruit and Vegetable Program	I	10.582	N/A	7/1/10-6/30/11	33,766	5,018	5,018	--	--	--
Fresh Fruit and Vegetable Program	I	10.582	N/A	7/1/11-6/30/12	57,860	34,017	--	40,046	40,046	6,029
Total Fresh Fruit and Vegetable Program						39,035	5,018	40,046	40,046	6,029
National School Lunch Program (NSLP)	I	10.555	N/A	7/1/11-6/30/12	N/A	377,493	--	386,115	386,115	8,622
National School Lunch Program (NSLP)	I	10.555	N/A	7/1/10-6/30/11	N/A	14,332	14,332	--	--	--
School Breakfast Program	I	10.553	N/A	7/1/11-6/30/12	N/A	81,615	--	83,916	83,916	2,301
School Breakfast Program	I	10.553	N/A	7/1/10-6/30/11	N/A	1,458	1,458	--	--	--
Passed through the Pennsylvania Department of Agriculture										
NSLP - Value of USDA Donated Commodities	I	10.555	N/A	7/1/11-6/30/12	N/A	46,836	(1,370)	46,195	46,195	(2,011)
Total Child Nutrition Cluster						521,734	14,420	516,226	516,226	8,912
TOTAL U. S. DEPARTMENT OF AGRICULTURE						560,769	19,438	556,272	556,272	14,941
TOTAL EXPENDITURES OF FEDERAL AWARDS						\$ 1,294,828	\$ 162,337	\$ 1,526,427	\$ 1,526,427	\$ 393,936

D - Direct Funding
I - Indirect Funding

Test of 25% Rule: (Low Risk Entity)

* Programs Selected for Testing:
Child Nutrition Cluster 516,226

Selected for Testing 516,226
Total Federal Expenditures 1,526,427 = 33.82%

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
JUNE 30, 2012**

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, 2011.
- c) Total amount of commodities used.
- d) Ending inventory at June 30, 2012.

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, 2012 was \$40,000 which is listed on the PDE confirmation as program #044-007092 under CFDA #93.778. The District received \$77,958 in ACCESS medical from Lancaster-Lebanon Intermediate Unit. The District also received \$8,830 in ACCESS Transportation from Lancaster-Lebanon Intermediate Unit.

NOTE 4 – RECONCILIATION OF ACCRUED OR (DEFERRED) REVENUE

Accrued or (Deferred) Revenue at June 30, 2011	\$ 154,536
Add: Funds Refunded for Title IID - 055-10-0092	<u>7,801</u>
Accrued or (Deferred) Revenue at July 1, 2011	<u>\$ 162,337</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, 2012, which collectively comprise the Columbia Borough School District's basic financial statements and have issued our report thereon dated November 12, 2012. 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

Management of Columbia Borough School District is responsible for establishing and maintaining effective 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over 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.

Board of School Directors
Columbia Borough School District

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 12, 2012.

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 12, 2012

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Columbia Borough School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Columbia Borough School District's major federal programs for the year ended June 30, 2012. 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 of Columbia Borough School District's compliance with those requirements.

In our opinion, Columbia Borough School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Columbia Borough School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered 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 to determine the 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.

Board of School Directors
Columbia Borough School District

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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 12, 2012

**COLUMBIA BOROUGH SCHOOL DISTRICT
COLUMBIA, PENNSYLVANIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

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 | <u> X </u> | No |
| • Significant deficiencies identified? | _____ | Yes | <u> X </u> | None Reported |
| • Noncompliance material to financial statements noted? | _____ | Yes | <u> X </u> | No |

Federal Awards

Internal control over major programs:

- | | | | | |
|--|-------|-----|--------------|---------------|
| • Material weaknesses identified? | _____ | Yes | <u> X </u> | No |
| • Significant deficiencies identified? | _____ | Yes | <u> X </u> | 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 | <u> X </u> | No |
|--|-------|-----|--------------|----|

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster

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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