COLUSA UNIFIED SCHOOL DISTRICT

COUNTY OF COLUSA
COLUSA, CALIFORNIA

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

COLUSA UNIFIED SCHOOL DISTRICT

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COLUSA UNIFIED SCHOOL DISTRICT

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Colusa Unified School District
Colusa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Colusa Unified School District (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Colusa Unified School District (the "District"), as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund, Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contribution Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The District has not restated the actual and pro forma effect of the Statements on the financial statements as of and for the year ended June 30, 2014. This data is not readily available due to an actuary study not being prepared in accordance with GASB 68 for measurement dates prior to June 30, 2014. Our opinion is not modified with respect to this matter.

The effects of this restatement are described in Note 6 to the basic financial statements. The implementation of GASB 68 required the District to recognize its unfunded net pension liability resulting in the District having a negative net position in the current year. The District currently funds this obligation on a pay-as-you go basis. The District anticipates that its ongoing funding and current resources are sufficient to meet its obligations as they come due.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2015 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* in considering District's internal control over financial reporting and compliance.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 30, 2015

MANAGEMENT’S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The *Government -Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets), as well as all liabilities (including long-term obligations). Additionally, certain eliminations have occurred as prescribed by the Statement in regards to interfund activity, payables, and receivables.

The *Fund Financial Statements* include statements for each of the two categories of activities: governmental and fiduciary.

The *Governmental Activities* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The *Fiduciary Activities* only report a balance sheet and do not have a measurement focus.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Colusa Unified School District.

GOVERNMENT-WIDE STATEMENTS

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's *operating results*. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, the District activities are reported as follows:

Governmental Activities – The District reports all of its services in this category. This includes the education of kindergarten through grade twelve students, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, finance these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Funds are required to be established by State and Federal law.

Governmental Funds

Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measure 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 general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation following each governmental fund financial statement.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position, as of June 30, 2015, was ($5,456,685) reflecting a decrease of 215.9%. The large decrease is due to the recognition of the current year net pension liability and a prior period restatement of net pension liability of $10,737,428 with the implementation of GASB 68 (Note 1).

Change in Net Position

The District's total revenues increased 8.6% to $13,680,823. The District's expenses are predominantly related to educating and caring for students (72.3%). The purely administrative activities of the District accounted for 6.7% of total costs.

Governmental Activities

As reported in the Statement of Activities on page 10, the cost of all of our governmental activities was $13,109,969 and $12,528,486 for June 30, 2015 and 2014, respectively.

The Statement of Activities reflects the net cost of each of the District's largest functions – instruction, pupil support services, maintenance and operations, administration, and other costs. Included in this table are each program's net cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Condensed Statement of Net Position

	June 30, 2014	June 30, 2015	Change	Percentage Change
Assets				
Current assets	$ 3,464,110	$ 9,314,642	$ 5,850,532	168.9%
Capital assets	2,605,414	2,718,271	112,857	4.3%
Total assets	6,069,524	12,032,913	5,963,389	98.3%
Deferred Outflows of Resources	-	1,017,325	1,017,325	N/A
Liabilities				
Current liabilities	646,561	680,910	34,349	5.3%
Long-term liabilities	713,074	15,175,276	14,462,202	2028.1%
Total liabilities	1,359,635	15,856,186	14,496,551	1066.2%
Deferred Inflows of Resources	-	2,650,737	2,650,737	N/A
Net Position				
Invested in capital assets, net of related debt	2,383,427	2,443,675	60,248	2.5%
Restricted	227,366	7,190,434	6,963,068	3062.5%
Unrestricted	2,099,096	(15,090,794)	(17,189,890)	-818.9%
Total net position	$ 4,709,889	$ (5,456,685)	$ (10,166,574)	-215.9%

Condensed Statement of Activities for the Fiscal Years Ended June 30

	2014	2015	Change	Percentage Change
Revenues				
Charges for services	$ 135,233	$ 126,709	$ (8,524)	-6.3%
Operating grants and contributions	1,856,269	1,808,914	(47,355)	-2.6%
Taxes levied for general purposes	2,785,234	2,854,910	69,676	2.5%
Federal and state aid not restricted for specific purposes	7,280,259	8,344,342	1,064,083	14.6%
Interest and investment earnings	17,280	24,311	7,031	40.7%
Interagency revenues	236,809	255,362	18,553	7.8%
Miscellaneous	285,900	135,302	(150,598)	-52.7%
Special and extraordinary items	-	130,973	130,973	100%
Total revenues	12,596,984	13,680,823	1,083,839	8.6%
Expenses				
Instruction	7,077,778	7,259,547	181,769	2.6%
Instruction-related services	915,522	816,229	(99,293)	-10.8%
Pupil services	1,341,337	1,400,988	59,651	4.4%
General administration	838,861	882,675	43,814	5.2%
Plant services	1,326,798	1,446,922	120,124	9.1%
Ancillary services	199,459	175,626	(23,833)	-11.9%
Community services	2,277	1,935	(342)	-15.0%
Interest on long-term debt	11,466	332,404	320,938	2799.0%
Other outgo	620,595	602,689	(17,906)	-2.9%
Depreciation (unallocated)	194,393	190,954	(3,439)	-1.8%
Total expenses	12,528,486	13,109,969	581,483	4.6%
Change in net position	$ 68,498	$ 570,854	$ 502,356	733.4%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the school year, the governmental funds reported a combined fund balance of $8,633,732 which is an increase of $5,816,183 from last year due mainly to the addition of Measure A School Bond in Fund 21.

General Fund Budgetary Highlights

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revises its budget based on updated financial information. The original budget, approved at the end of June for July 1, is based on May revised figures and updated 45 days after the State approves its final budget. In addition, the District revises its budget at First and Second Interim and any other time there are significant changes.

The District incurred unanticipated expenditures in excess of appropriations for employee benefits of the general fund due to unbudgeted STRS on behalf payment expense of $285,111.

Other than the aforementioned instance, the District did not incur unanticipated expenditures in excess of appropriations in expenditure classifications for which the budget was not revised.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets, net of depreciation, increased $112,857 due to current year acquisitions and improvements growing at a higher rate than accumulated depreciation. There were no disposals in the current year.

Long-Term Liabilities

Total long-term liabilities increased dramatically in 14-15.

GASB 68 was implemented in the current year which required the net pension liability to be recognized. Previous pension liability of $10,737,428 has been shown as a restatement of net assets as of June 30, 2014 on the Statement of Activities. A reduction in the net pension liability of $1,999,241 was recognized in the current year.

A General Obligation Bond was approved by the District's voters November 2014. The District is planning on spending the $5,800,000 on facility improvements. The Bond Repayment is $5,900,000 which includes $100,000 cost of issuance leaving $5,800,000 for facility improvement projects.

The implementation of GASB 68 resulted in deferred outflows of $1,017,325 and deferred inflows of $2,318,333 related to the net pension liability. The current year bond issuance led to a deferred inflow of $332,404.

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement dates.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- Student enrollment and attendance are primary factors in the computation of most funding formulas for public schools in the State of California. Enrollment is expected to increase in fiscal year 2015-16.
- The State's economic and budget situation has made a positive turn for 2013-14 and 2014-15 and 2015-16 but negatively impacted the District in years prior going back to 2008-2009.
- The future predictions require management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact the: District Office, Colusa Unified School District, 745 Tenth Street, Colusa, California 95932-2220.

BASIC FINANCIAL STATEMENTS

COLUSA UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2015

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	8,894,199
Receivables		392,537
Prepaid expenses		7,580
Stores inventories		20,326
Capital assets, net of accumulated depreciation		2,718,271
Total Assets		12,032,913
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows on pensions (note 6)		1,017,325
LIABILITIES		
Accounts payable and other current liabilities		664,438
Unearned revenue		16,472
Long-term liabilities:		
Due within one year		401,905
Due in more than one year		14,773,371
Total Liabilities		15,856,186
DEFERRED INFLOWS OF RESOURCES		
Deferred bond premium revenue		332,404
Deferred inflows on pensions (note 6)		2,318,333
Total deferred inflows		2,650,737
NET POSITION		
Invested in capital assets, net of related debt		2,443,675
Restricted		7,190,434
Unrestricted		(15,090,794)
Total Net Position	$	(5,456,685)

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

COLUSA UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

		Program Revenues		Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	$ 7,259,547	$ 9,979	$ 956,475	$ (6,293,093)
Instruction-related services:				
Instructional supervision	12,870	-	-	(12,870)
Instructional library, media and technology	44,265	-	-	(44,265)
School site administration	759,094	-	87,439	(671,655)
Pupil Services:				
Home-to-school transportation	134,502	-	-	(134,502)
Food services	638,117	105,698	560,168	27,749
All other pupil services	628,369	-	115,924	(512,445)
General administration:				
Centralized data processing	175,872	-	-	(175,872)
All other general administration	706,803	3,402	48,500	(654,901)
Plant services	1,446,922	7,630	38,147	(1,401,145)
Ancillary services	175,626	-	2,261	(173,365)
Community services	1,935	-	-	(1,935)
Interest on long-term debt	332,404	-	-	(332,404)
Other outgo	602,689	-	-	(602,689)
Depreciation (unallocated)	190,954	-	-	(190,954)
Total governmental activities	$ 13,109,969	$ 126,709	$ 1,808,914	(11,174,346)

General Revenues	
Taxes and subventions:	
Taxes levied for general purposes	2,854,910
Federal and state aid not restricted to specific purposes	8,344,342
Interest and investment earnings	24,311
Interagency revenues	255,362
Miscellaneous	135,302
Special and extraordinary items	130,973
Total general revenues	11,745,200
Change in net position	570,854
Net Position - beginning, as originally reported	4,709,889
Prior period adjustment (note 1)	(10,737,428)
Net Position - beginning, As restated	(6,027,539)
Net Position, June 30, 2015	$ (5,456,685)

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

COLUSA UNIFIED SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2015

	General Fund	Capital Facilities Fund	Building Fund	All Non-Major Funds	Total
ASSETS					
Cash and cash equivalents	$ 1,489,587	$ 1,322,305	$ 5,758,919	$ 323,388	$ 8,894,199
Accounts receivable	318,886	2,000	6,000	65,651	392,537
Prepaid Expenses	7,580	-	-	-	7,580
Due from other funds	76,769	9,562.00	-	67,337	153,668
Inventory	-	-	-	20,326	20,326
Total Assets	$ 1,892,822	$ 1,333,867	$ 5,764,919	$ 476,702	$ 9,468,310
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 607,841	$ 8,805	$ 47,529	$ 263	$ 664,438
Unearned revenue	16,472	-	-	-	16,472
Due to other funds	67,337	-	9,562	76,769	153,668
Total Liabilities	691,650	8,805	57,091	77,032	834,578
Fund balances					
Nonspendable	37,930	-	-	20,327	58,257
Restricted	112,836	1,325,062	5,707,828	44,708	7,190,434
Committed	662,208	-	-	334,635	996,843
Unassigned	388,198	-	-	-	388,198
Total Fund Balances	1,201,172	1,325,062	5,707,828	399,670	8,633,732
Total Liabilities and Fund Balances	$ 1,892,822	$ 1,333,867	$ 5,764,919	$ 476,702	$ 9,468,310

COLUSA UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2015

Total fund balances - governmental funds		$ 8,633,732
Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.		
Capital assets at historical cost	$ 11,186,359	
Accumulated depreciation	(8,468,088)	
Net		2,718,271
Unamortized costs: In governmental funds, debt issuance premiums, gain or loss on refunding, and defeasance costs are recognized as expenditures in the period they are incurred. In the government-wide statements, these amounts are amortized over the life of the debt. Unamortized premiums consist of:		(332,404)
Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
General obligation bonds payable	$ 5,900,000	
Net Pension Liability	8,738,187	
Supplemental Employee Retirement Program	116,572	
Compensated absences payable	60,821	
Capital leases payable	176,425	
Golden Handshake STRS	183,271	
		(15,175,276)
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension are reported.		
Deferred outflows of resources relating to pensions		1,017,325
Deferred inflows of resources relating to pensions		(2,318,333)
Total net position - governmental activities		$ (5,456,685)

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

COLUSA UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Capital Facilities Fund	Building Fund	All Non-Major Funds	Total
REVENUES					
LCFF sources	$ 10,874,659	$ -	$ -	$ -	$ 10,874,659
Federal revenue	514,766	-	-	571,311	1,086,077
Other state revenues	1,015,848	-	-	44,158	1,060,006
Other local revenues	387,832	18,695	5,999	116,582	529,108
Total revenues	12,793,105	18,695	5,999	732,051	13,549,850
EXPENDITURES					
Certificated salaries	5,939,658	-	-	-	5,939,658
Classified salaries	1,847,681	-	-	275,228	2,122,909
Employee benefits	2,620,009	-	-	103,587	2,723,596
Books and supplies	770,436	-	-	279,212	1,049,648
Services and other operating expenditures	1,102,341	12,121	100,000	56,486	1,270,948
Capital outlay	56,177	117,751	98,171	31,710	303,809
Other outgo	536,288	-	-	21,446	557,734
Total expenditures	12,872,590	129,872	198,171	767,669	13,968,302
Excess (deficiency) of revenues over expenditures	(79,485)	(111,177)	(192,172)	(35,618)	(418,452)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	67,337	67,337
Operating transfers out	(67,337)	-	-	-	(67,337)
Proceeds from bond issue	-	-	5,900,000	334,635	6,234,635
Total other financing sources (uses)	(67,337)	-	5,900,000	401,972	6,234,635
Net change in fund balances	(146,822)	(111,177)	5,707,828	366,354	5,816,183
Fund balances, July 1, 2014	1,347,994	1,436,239	-	33,316	2,817,549
Fund balances, June 30, 2015	$ 1,201,172	$ 1,325,062	$ 5,707,828	$ 399,670	$ 8,633,732

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

COLUSA UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds		$ 5,816,183
Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:		
Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:		
Expenditures for capital outlay:	$ 303,811	
Depreciation expense:	(190,954)	112,857
Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		45,562
Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount were:		(6,234,635)
Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measure by the amounts earned. The difference between compensated absences paid and compensated absences earned was:		(10,033)
Supplementary Employee Retirement Program (SERP): In governmental funds, SERP costs are recognized when employer payments are made. In the statement of activities, SERP costs are recognized on the accrual basis. The difference between SERP costs and actual employer payments was:		66,880
Other liabilities not normally liquidated with current financial resources: In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources. Examples include special termination benefits financed over time. This year, expenses incurred for such obligations were:		
State Teachers' Retirement System (STRS) Golden Handshake		73,576
Pensions: In government funds, pension costs are recognized when employer contributions are made in the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		698,233
Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of premium or discount, or deferred gain or loss from debt refunding, for the period is:		2,231
Total change in net position - governmental activities		$ 570,854

COLUSA UNIFIED SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

STUDENT BODY FUNDS

JUNE 30, 2015

Assets:		
Cash in county treasury	$	59,973
Total Assets	$	59,973
Liabilities:		
Due to student groups		59,973
Total Liabilities	$	59,973

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. HISTORY OF THE ORGANIZATION

The Colusa Unified School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a five member Governing Board elected by registered voters of the District, which comprises an area in Colusa County. The District serves students in grades kindergarten through twelfth.

B. REPORTING ENTITY

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District has determined that no outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

C. ACCOUNTING POLICIES

The District prepares its financial statements in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) and complies with the policies and procedures of the Department of Education's *California School Accounting Manual*.

D. BASIS OF PRESENTATION

Government-Wide Financial Statements

The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the District and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities.

D. BASIS OF PRESENTATION (CONTINUED)

Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, “available” means collectible within the current period or within 60 days after year-end.

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used, or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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.

F. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into major, non-major, and fiduciary funds as follows:

Governmental Funds

The **General Fund** is the general operating fund of the District and accounts for all revenues and expenditures of the District, not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

> The **Cafeteria Fund** is used to account separately for federal, state, and local resources to operate the food service program.

The **Capital Projects Funds** are used to account for resources used for the acquisition or construction of major capital facilities and equipment.

> The **Building Fund** is used primarily to account separately for proceeds from the sale of bonds (Education Code Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

> The **Capital Facilities Fund** is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (Education Code sections 17620–17626).

F. FUND ACCOUNTING (CONTINUED)

The **Debt Service Funds** are used to account for the accumulation of restricted, committed, or assigned resources for the payment of principal and interest on general long-term obligations.

The **Bond Interest and Redemption Fund** is used for the repayment of bonds issued for a district (Education Code Sections 15125-15262).

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of other parties in a trustee or agent capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

The **Agency Funds** are used to account for assets of others for which the District acts as an agent. The District maintains accounts for student body activities at each school site.

G. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. By State law, the District's Governing Board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements.

These budgets are revised by the District's Governing Board and Superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

H. ENCUMBRANCES

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

I. DEPOSITS AND INVESTMENTS

The District is authorized to maintain cash in banks and revolving funds that are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC).

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001).The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq.

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies; certificates of participation; obligations with first priority security; and collateralized mortgage obligations.

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

J. PREPAID EXPENSES/EXPENDITURES

The District has the option of reporting expenditures in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to recognize expenditures when incurred. Prepaid expenses include the costs of issuance associated with bond issues, which are amortized over the life of the bond obligation. Reported expenses are equally offset by a net position reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

K. INVENTORY

Inventory in the Cafeteria Fund consists mainly of consumable supplies held for future use and are valued at average cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to schools. Maintenance and other supplies held for physical plant repair, transportation supplies, and operating supplies are not included in inventories; rather, these amounts are recorded as expenditures when purchased.

The Cafeteria Fund records supplies expense which includes a handling charge for the delivery of government surplus food commodities. The state does not require the Cafeteria Fund to record the fair market value of these commodities. The supplies expenditures would have been greater had the District paid fair market value for the government surplus commodities.

L. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives as follows: buildings and improvements, 5 to 50 years; furniture and equipment, 2 to 15 years; and vehicles, 8 years.

M. UNEARNED REVENUE

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent that cash received on specific projects and programs exceeds qualified expenditures.

N. COMPENSATED ABSENCES

All vacation pay is accrued when incurred in the government-wide financial statements. Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken, since such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

O. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time.

P. RESTRICTED NET POSITION

Restrictions of the ending net position indicate the portions of net position not appropriable for expenditure or amounts legally segregated for specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

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.

Q. FUND BALANCE

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions"*, the District is required to report fund balances in the following categories: Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

Nonspendable Fund Balance reflects assets not in spendable form, either because they will never convert to cash (e.g. prepaid expense) or must remain intact pursuant to legal or contractual requirements.

Restricted Fund Balance reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Trustees. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Trustees.

Assigned Fund Balance reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. Under the District's adopted policy, only the Board of Trustees is authorized to assign amounts for specific purposes.

Unassigned Fund Balance represents the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes of which restricted, committed, assigned and unassigned fund balances are available, the District considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively.

R. LOCAL CONTROL FUNDING FORMULA/PROPERTY TAX

The District's local control funding formula is received from a combination of local property taxes, state apportionments, and other local sources.

The County of Colusa is responsible for assessing, collecting and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. Taxes are levied for each fiscal year on taxable real and personal property in the county. Secured property taxes attach as an enforceable lien on property as of March 1. Property taxes become delinquent after December 10 and April 10, respectively.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternative method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1 of each year.

R. LOCAL CONTROL FUNDING FORMULA/PROPERTY TAX (CONTINUED)

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local control funding formula (LCFF) sources by the District.

The California Department of Education reduces the District's entitlement by the District's local property tax revenue. The balance is paid from the State General Fund, and is known as the state apportionment.

S. USE OF ESTIMATES

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

T. PENSIONS

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Colusa Unified School District's California Public Employees' Retirement System (CalPERS) and California State Teachers Retirement System (CalSTRS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and CalSTRS, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

U. CHANGE IN ACCOUNTING PRINCIPLE

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

U. CHANGE IN ACCOUNTING PRINCIPLE (CONTINUED)

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics: contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable; pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms; and pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

For defined benefit pensions, this Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

As of June 30, 2015, according to GASB 68, the District's total pension liability must be recognized. Therefore, the previous pension liability as of June 30, 2014 in the amount of $10,737,428 has been shown as a restatement of net assets on the Statement of Activities as a separate line item.

In November 2013, GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the governments' beginning net pension liability. This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68 and are effective for the District's fiscal year ending June 30, 2015

As of June 30, 2015, according to GASB 71, the District had subsequent contributions to the measurement date. As a result of the contributions, in the current year the District had deferred outflows of $1,017,325 and deferred inflows of $2,318,333 resulting from the implementation of GASB 71.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2015 consist of the following:

	Governmental Activities	Fiduciary Activities
Cash in County Treasury	$ 8,863,593	$ 59,973
Cash in revolving fund	30,606	-
	$ 8,894,199	$ 59,973

A. CASH IN REVOLVING FUNDS

Cash in revolving fund consists of all cash maintained in commercial bank accounts that are used as revolving funds. Cash balances held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation.

B. CASH IN COUNTY TREASURY

County pool investments consist of District cash held by the Colusa County Treasury that is invested in the county investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts that are based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The weighted average maturity of the pool is 239 days. The pool is rated AAA by Standard and Poor’s.

Interest Rate Risk. California Government Code Section 53601 limits the District’s investments to maturities of five years. 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.

Credit Risk. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

3. INTERFUND TRANSACTIONS

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Interfund Receivables/Payables

As of June 30, 2015, the interfund receivable and payable balances were as follows:

	Interfund Receivable	Interfund Payable
Major Funds		
General Fund	$ 76,769	$ 67,337
Building Fund	-	9,562
Capital Facilities Fund	9,562	-
Nonmajor Fund		
Cafeteria Fund	67,337	76,769
Total	$ 153,668	$ 153,668

Interfund Transfers

For the year ended June 30, 2015, the interfund transfers were as follows:

Transfer from General Fund to the Cafeteria Fund for Direct Program Support	$ 67,337
Total Transfers	$ 67,337

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions and Transfers	Deductions and Transfers	Balance June 30, 2015
Non-depreciable assets:				
Land	$ 801,813	$ -	$ -	$ 801,813
Work in progress	-	98,171	-	98,171
	801,813	98,171	-	899,984
Depreciable assets:				
Sites and improvements	799,556	-	-	799,556
Building and improvements	8,369,972	124,512	-	8,494,484
Furniture and equipment	911,207	81,128	-	992,335
	10,080,735	205,640	-	10,286,375
Totals, at cost	10,882,548	303,811	-	11,186,359
Accumulated depreciation:				
Sites and improvements	(624,610)	(17,878)	-	(642,488)
Building and improvements	(7,014,834)	(139,398)	-	(7,154,232)
Furniture and equipment	(637,690)	(33,678)	-	(671,368)
	(8,277,134)	(190,954)	-	(8,468,088)
Depreciable assets, net	1,803,601	14,686	-	1,818,287
Capital assets, net	$ 2,605,414	$ 112,857	$ -	$ 2,718,271

The entire amount of depreciation expense was unallocated in the Statement of Activities.

5. LONG-TERM LIABILITIES

Schedule of Changes in Long-Term Liabilities

A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2015, is shown below:

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015	Due Within One Year
Capital Leases	$ 221,987	$ -	$ 45,562	$ 176,425	$ 47,635
Golden Handshake STRS	256,847	-	73,576	183,271	37,498
Compensated Absences	50,788	10,033	-	60,821	60,821
G.O. Bonds	-	5,900,000	-	5,900,000	190,000
Net Pension Liability	10,737,428	-	1,999,241	8,738,187	-
Supplemental Employer Retirement Program	183,452	-	66,880	116,572	65,951
	$ 11,450,502	$ 5,910,033	$ 2,185,259	$ 15,175,276	$ 401,905

The General Fund makes payments for the capital leases. The accrued vacation (compensated absences) and the Supplemental Early Retirement Plan (SERP) will be paid by the fund for which the employee works. Payments on the General Obligation Bonds are made from the Building Fund.

General Obligation Bonds

In April 2015, the District issued General Obligation Bonds, Election of 2014 Series 2015 totaling $5,900,000. Repayment of the Bonds is made from ad valorem property taxes levied and collected by Colusa County. The Serial and Term Bonds bear interest rates from 3% to 4% and are scheduled to mature through 2040.

The annual requirements to amortize the bonds as of June 30, 2015 are as follows:

Year Ended June 30,	Principal	Interest	Total
2016	$ 190,000	$ 216,517	$ 406,517
2017	-	213,250	213,250
2018	100,000	213,250	313,250
2019	120,000	210,250	330,250
2020	120,000	206,650	326,650
2021-2025	765,000	972,800	1,737,800
2026-2030	1,080,000	827,300	1,907,300
2031-2035	1,505,000	581,200	2,086,200
2036-2040	2,020,000	239,600	2,259,600
Totals	$ 5,900,000	$ 3,680,817	$9,580,817

5. LONG-TERM LIABILITIES (CONTINUED)

Capital Leases

In October 2003, the district entered into a 15 year capital lease agreement to provide financing for a project for the acquisition and installation of a mechanical retrofit and energy management project in the amount of $595,730 at 4.5% annual percentage rate. The leases have minimum payments as follows:

Year Ended June 30,	Lease Payment
2016	$ 55,045
2017	55,045
2018	55,045
2019	27,521
Totals	192,656
Less: Amount Representing Interest	(16,231)
Present value of minimum lease payments	$ 176,425

6. EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS), and classified employees are members of the Public Employees' Retirement System (PERS).

California Public Employees’ Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

State Teachers' Retirement System (STRS)

Plan Description

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing, multiple-employer, public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	CalPERS		STRS	
Hire date	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 60	2% @60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	60	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	2.0%
Required employee contribution rates	7%	6%	8.15%	8.15%
Required employer contribution rates	11.771%	11.771%	8.88%	8.88%

Contributions

CalPERS
Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Colusa Unified School District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

STRS
Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Plan were:

	CalPERS	STRS	Total Deferred Outflows
Contributions - employer	$ 208,122	$ 524,093	$ 732,215
Oh behalf contributions - state	-	285,111	285,111
Total	$ 208,122	$ 809,204	$ 1,017,326

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

As of June 30, 2015, Colusa Unified School District reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	Proportionate Share of Net Pension Liability
CalPERS	$ 1,710,826
STRS	7,027,361
Total Net Pension Liability	$ 8,738,187

Colusa Unified School District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. Colusa Unified School District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

	CalPERS	STRS
Proportion - June 30, 2013	0.00905%	0.01136%
Proportion - June 30, 2014	0.01507%	0.01203%
Change - Increase (Decrease)	0.00602%	0.00067%

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

For the year ended June 30, 2015, the District recognized pension expense of $56,064 and $642,169 for CalPERS and STRS, respectively. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS		STRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 208,122	$ -	$ 809,204	$ -
Net differences between projected and actual earnings on plan investments	-	587,859	-	1,730,474
Total	$ 208,122	$ 587,859	$ 809,204	$ 1,730,474

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	CalPERS	STRS
Year Ended June 30	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2016	$ 146,965	$ 432,619
2017	146,965	432,619
2018	146,965	432,619
2019	146,965	432,619

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	CalPERS	STRS
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.50%	7.60%
Inflation	2.75%	3.00%
Payroll Growth Rate	3.00%	3.75%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	7.50%	7.60%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

Discount Rate

CalPERS

The discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Discount Rate

CalPERS

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

	CalPERS		
Asset Class	**New Strategic Allocation**	**Real Return Years 1 - 10(a)**	**Real Return Years 11+(b)**
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
	100.0%		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Discount Rate

STRS

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.60 percent) and assuming that contributions, benefit payments and administrative expense occur midyear. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

	STRS	
Asset Class	**Assumed Asset Allocation**	**Long-Term Expected Real Rate of Return**
Global Equity	47.0%	4.50%
Private Equity	12.0%	6.20%
Real Estate	15.0%	4.35%
Inflation Sensitive	5.0%	3.20%
Fixed Income	20.0%	0.20%
Cash/Liquidity	1.0%	0.00%
Total	100%	

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	CalPERS		
	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Plan's Net Pension Liability	$ 3,001,180	$ 1,710,826	$ 632,606

	STRS		
	Discount Rate - 1% (6.60%)	Current Discount Rate (7.60%)	Discount Rate + 1% (8.60%)
Plan's Net Pension Liability	$ 10,953,818	$ 7,027,361	$ 3,753,410

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS and STRS financial reports.

Payable to the Pension Plan

At June 30, 2015, the District had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2015.

7. FUND BALANCES

The District reports fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. All fund balance categories are reported in the aggregate on the face of the balance sheet. All components of those fund balances and specific purposes are identified as follows:

	General Fund	Capital Facilities Fund	Building Fund	All Non-Major Funds	Total
Nonspendable:					
Inventory	$ -	$ -	$ -	$ 20,327	$ 20,327
Prepaid Expenses	7,580	-	-	-	7,580
Revolving Cash	30,350	-	-	-	30,350
Total Nonspendable	37,930	-	-	20,327	58,257
Restricted:					
Unspent Categorical Revenues	112,836	1,325,062	-	44,708	1,482,606
Restricted for Bond Projects	-	-	5,707,828	-	5,707,828
Total Restricted	112,836	1,325,062	5,707,828	44,708	7,190,434
Committed:					
Board Designated	662,208	-	-	-	662,208
Other Commitments	-	-	-	334,635	334,635
Total Committed	662,208	-	-	334,635	996,843
Unassigned:					
Reserve for Economic Uncertainties	388,198	-	-	-	388,198
Total Fund Balances	$ 1,201,172	$ 1,325,062	$ 5,707,828	$ 399,670	$ 8,633,732

8. JOINT VENTURES

The District is a member of three joint powers authorities (JPAs). The District pays an annual premium to the entities for their coverage. The relationship between the District, the pools, and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

The District is a member of the following joint powers authorities (JPAs):

	Tri-Counties SIG June 30, 2014	NVSIG June 30, 2014	SELF June 30, 2014
Total Assets	$ 16,472,909	$ 3,022,400	$ 162,746,000
Total Liabilities	12,371,637	1,448,227	118,853,000
Net Position	4,101,272	1,574,173	43,893,000
Total Liabilities and Net Position	$ 16,472,909	$ 3,022,400	$ 162,746,000
Revenues	$ 61,147,199	$ 10,329,745	$ 11,812,000
Expenditures	69,732,098	9,996,043	4,199,000
Change in Net Position	$ (8,584,899)	$ 333,702	$ 7,613,000

9. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The District incurred unanticipated expenditures in excess of appropriations in expenditure classifications for which the budget was not revised.

Excess of expenditures over appropriations for the year ended June 30, 2015 were as follows:

	Excess Expenditures
General Fund	
Employee benefits	$ 195,853

The excess is not in accordance with Education Code 42600. The excess expenditures for employee benefits is due to the recognition of the state on-behalf payments for STRS, which are not included in the adopted budget.

10. COMMITMENTS AND CONTINGENCIES

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. If the review or audit discloses exceptions, the District may incur a liability to grantor agencies.

11. SUBSEQUENT EVENTS

The District's management evaluated its June 30, 2015 financial statements for subsequent events through October 30, 2015, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

COLUSA UNIFIED SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
LCFF sources	$10,773,278	$10,794,752	$10,874,659	$79,907
Federal revenue	395,753	554,117	514,766	(39,351)
Other state revenues	691,194	720,555	1,015,848	295,293
Other local revenues	301,351	331,303	387,832	56,529
Total revenues	12,161,576	12,400,727	12,793,105	392,378
EXPENDITURES				
Certificated salaries	5,514,924	5,971,357	5,939,658	31,699
Classified salaries	1,750,685	1,875,731	1,847,681	28,050
Employee benefits	2,384,083	2,424,156	2,620,009	(195,853)
Books and supplies	570,050	816,935	770,436	46,499
Services and other operating expenditures	980,621	1,137,166	1,102,341	34,825
Capital outlay	-	57,306	56,177	1,129
Other outgo	786,614	641,526	536,288	105,238
Total expenditures	11,986,977	12,924,177	12,872,590	51,587
Excess (deficiency) of revenues over expenditures	174,599	(523,450)	(79,485)	443,965
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	(63,306)	(67,337)	(4,031)
Total other financing sources (uses)	-	(63,306)	(67,337)	(4,031)
Net change in fund balances	174,599	(586,756)	(146,822)	439,934
Fund balances, July 1, 2014	1,347,994	1,347,994	1,347,994	-
Fund balances, June 30, 2015	$ 1,522,593	$ 761,238	$ 1,201,172	$ 439,934

COLUSA UNIFIED SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CalPERS

	June 30, 2014 (1)
Proportion of the net pension liability	0.01507%
Proportionate share of the net pension liability	$ 1,710,826
Covered-employee payroll (2)	$ 1,582,126
Proportionate Share of the net pension liability as percentage of covered-employee payroll	108.13%
Plans fiduciary net position as a percentage of the total pension liability	83.38%
Proportionate share of aggregate employer contributions (3)	$ 208,122

STRS

	June 30, 2014 (1)
Proportion of the net pension liability	0.01203%
Proportionate share of the net pension liability	$ 7,027,361
Covered-employee payroll (2)	$ 5,356,206
Proportionate Share of the net pension liability as percentage of covered-employee payroll	131.20%
Plans fiduciary net position as a percentage of the total pension liability	76.52%
Proportionate share of aggregate employer contributions (3)	$ 524,093

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer.

(3) The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

COLUSA UNIFIED SCHOOL DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CalPERS	Fiscal Year 2013-14 (1)
Actuarially Determined Contribution (2)	$ 181,011
Contributions in relation to the actuarially determined contributions	(180,976)
Contribution deficiencey (excess)	$ 35
Covered-employee payroll (3)	$ 1,582,126
Contributions as a percentage of covered-employee payroll (3)	11.441%

STRS	Fiscal Year 2013-14 (1)
Actuarially Determined Contribution (2)	$ 441,887
Contributions in relation to the actuarially determined contributions	(447,271)
Contribution deficiencey (excess)	$ (5,384)
Covered-employee payroll (3)	$ 5,356,206
Contributions as a percentage of covered-employee payroll (3)	8.250%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

(3) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer.

1. PURPOSE OF SCHEDULES

A - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

B - Schedule of Proportionate Share of the Net Pension Liability

Changes in assumptions, in 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

C - Schedule of Pension Contributions

If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

	CalPERS	STRS
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.50%	7.60%
Inflation	2.75%	3.00%
Payroll Growth Rate	3.00%	3.75%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	7.50%	7.60%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

SUPPLEMENTARY INFORMATION

COLUSA UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NON-MAJOR FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Cafeteria Fund	Bond Interest and Redemption Fund	Total
ASSETS			
Cash and cash equivalents	$ (11,247)	$ 334,635	$ 323,388
Accounts receivable	65,651	-	65,651
Due from other funds	67,337	-	67,337
Inventory	20,326	-	20,326
Total assets	$ 142,067	$ 334,635	$ 476,702
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 263	$ -	$ 263
Due to other funds	76,769	-	76,769
Total Liabilities	77,032	-	77,032
Fund balances			
Nonspendable	20,327	-	20,327
Restricted	44,708	-	44,708
Committed	-	334,635	334,635
Total Fund Balance	65,035	334,635	399,670
Total liabilities and fund balances	$ 142,067	$ 334,635	$ 476,702

COLUSA UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

ALL NON-MAJOR FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Cafeteria Fund	Bond Interest and Redemption Fund	Totals
REVENUES			
Federal revenue	$ 571,311	$ -	$ 571,311
Other state revenues	44,158	-	44,158
Other local revenues	116,582	-	116,582
Total revenues	732,051	-	732,051
EXPENDITURES			
Classified salaries	275,228	-	275,228
Employee benefits	103,587	-	103,587
Books and supplies	279,212	-	279,212
Services and other operating expenditures	56,486	-	56,486
Capital outlay	31,710	-	31,710
Other outgo	21,446	-	21,446
Total expenditures	767,669	-	767,669
Excess (deficiency) of revenues over expenditures	(35,618)	-	(35,618)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	67,337	-	67,337
All other financing sources	-	334,635	334,635
Total other financing sources (uses)	67,337	334,635	401,972
Net change in fund balances	31,719	334,635	366,354
Fund balances, July 1, 2014	33,316	-	33,316
Fund balances, June 30, 2015	$ 65,035	$ 334,635	$ 399,670

COLUSA UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Student Body Funds	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Assets:				
Cash in County Treasury				
Colusa High School	$ 51,437	$ 200,566	$ (196,174)	$ 55,829
Egling Middle School	2,541	35,267	(33,664)	4,144
Total Assets	$ 53,978	$ 235,833	$ (229,838)	$ 59,973
Liabilities:				
Due to student groups	$ 53,978	$ 5,995	$ -	$ 59,973
Total Liabilities	$ 53,978	$ 5,995	$ -	$ 59,973

COLUSA UNIFIED SCHOOL DISTRICT

ORGANIZATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The Colusa Unified School District (the District) is located in Colusa, California. The District was organized as a unified school district of the State of California and provides public education for grades transitional kindergarten through twelve within Colusa County. There were no changes to the District boundaries in the current year. The District maintains one elementary school, one middle school, one high school, one continuation high school, and one alternative home school.

GOVERNING BOARD

Name	Office	Term Expires December
Mr. Lincoln Forry	President	2016
Mrs. Kelli Griffith-Garcia.	Clerk	2016
Mr. Terry Bressler	Trustee	2016
Mrs. Kathie Whitesell	Trustee	2018
Mr. Charles Yerxa	Trustee	2018

ADMINISTRATION

Dwayne Newman
Superintendent

Sheryl Parker
Chief Business Official

COLUSA UNIFIED SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Second Period Report	Annual Report
Elementary		
TK-3	461	460
Fourth through Sixth	283	282
Seventh to Eight	215	214
Special Education	-	1
	959	957
Secondary		
Ninth through Twelfth	400	395
Special Education	1	1
Continuation Education	19	19
	420	415
	1,379	1,372

See the accompanying notes to supplementary information.

COLUSA UNIFIED SCHOOL DISTRICT

SCHEDULE OF INTRUCTIONAL TIME

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grade Level	Standard Minutes Requirement	Reduced Minutes Requirement	2014-15 Actual Minutes	Instructional Days	Status
Kindergarten	36,000	35,000	47,358	180	In compliance
Grade 1	50,400	49,000	50,602	180	In compliance
Grade 2	50,400	49,000	50,602	180	In compliance
Grade 3	50,400	49,000	50,602	180	In compliance
Grade 4	54,000	52,500	54,622	180	In compliance
Grade 5	54,000	52,500	54,622	180	In compliance
Grade 6	54,000	52,500	54,622	180	In compliance
Grade 7	54,000	52,500	59,537	180	In compliance
Grade 8	54,000	52,500	59,537	180	In compliance
Grade 9	64,800	63,000	64,874	180	In compliance
Grade 10	64,800	63,000	64,874	180	In compliance
Grade 11	64,800	63,000	64,874	180	In compliance
Grade 12	64,800	63,000	64,874	180	In compliance

See the accompanying notes to supplementary information.

COLUSA UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS

FOR FISCAL YEAR ENDED JUNE 30, 2015

Charter Schools Chartered by District	Included in District Financial Statements, or Separate Report

There are currently no charter schools in the District.

See the accompanying notes to supplementary information.

COLUSA UNIFIED SCHOOL DISTRICT

RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT TO AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

There were no adjustments made to any funds of the District.

COLUSA UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Catalog Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number		Federal Expenditures
	U.S. Department of Education			
	Passed through California Department of Education			
84.010	NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	14329		$ 279,098
84.010A	NCLB: Title I, Part A, Program Improvement LEA Corrective Action, Minor Performance Problems	14957		35,564
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	14894		50,277
84.367	NCLB: Title II, Part A, Improving Teacher Quality	14334		81,061
84.365	NCLB: Title III, Limited English Proficient (LEP) Student Program	14346		41,509
84.365	NCLB: Title III, Immigrant Education Program	15146		1,397
84.358	NCLB: Title VI, Part B, Rural & Low Income School Program	14356		25,860
	Total U.S. Department of Education			514,766
	U.S. Department of Agriculture			
	Passed through California Department of Education			
10.555	Child Nutrition: Meal Supplements in National School Lunch Program	13524	*	539,601
10.579	Child Nutrition: NSLP Equipment Assistance Grants	14906		31,710
	Total U.S. Department of Agriculture			571,311
	Total Federal Programs			$ 1,086,077

* Tested as a major program

COLUSA UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

General Fund	Adopted Budget 2015/2016	Actuals 2014/2015	Actuals 2013/2014	Actuals 2012/2013
Revenues and Other Financial Sources	$ 14,270,298	$ 12,793,105	$ 11,791,326	$ 10,608,383
Expenditures	14,173,079	12,872,590	11,778,671	10,709,792
Other Uses and Transfers Out	35,000	67,337	-	-
Total Outgo	14,208,079	12,939,927	11,778,671	10,709,792
Change in Fund Balance	62,219	(146,822)	12,655	(101,409)
Ending Fund Balance	$ 1,263,391	$ 1,201,172	$ 1,347,994	$ 1,335,339
Available Reserves	$ 426,242	$ 388,198	$ 353,360	$ 321,294
Reserve for Economic Uncertainties	$ 426,242	$ 388,198	$ 353,360	$ 321,294
Unappropriated Fund Balance	$ -	$ -	$ -	$ -
Available Reserves as a Percentage of Total Outgo	3.0%	3.0%	3.0%	3.0%
Total Long-Term Debt	$ 14,773,371	$ 15,175,276	$ 713,074	$ 883,814
Average Daily Attendance at P-2	1,384	1,379	1,388	1,349

The general fund balance has decreased by $235,576 over the past three years. The fiscal year 2015-16 budget projects an increase of $62,219. For a District this size, the State of California recommends available reserves of at least 3 percent of total general fund expenditures, transfers out, and other uses (total outgo). The District met this requirement.

The District had an operating deficit in two of the past three fiscal years.

Total long-term liabilities have increased by $14,291,462 over the past two years due to the addition of the net pension liability with the implementation of GASB 68 and issuance of bonds.

Average Daily Attendance (ADA) has increased by 30 over the past two years and ADA is budgeted to increase for the fiscal year 2015-16.

1. Schedule of Average Daily Attendance

Average daily attendance is a measurement of the number of pupils attending classes in the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

2. Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206. Districts must maintain their instructional minutes in accordance with the State's standard requirements as required by Education Code Section 46201(b).

The District participated in the Longer Day incentives and met or exceeded its target funding.

3. Schedule of Charter Schools

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

4. Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements

This schedule provides information necessary to reconcile the Unaudited Actual Fund Financial Reports to the audited financial statements.

5. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes federal grant activity of the District and is presented under the modified accrual basis of accounting. OMB Circular A-133 requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with Circular A-133 and state requirements. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the general purpose financial statements.

6. Schedule of Financial Trends And Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

OTHER INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Board of Trustees
Colusa Unified School District
Colusa, California

Report on Compliance for Each State Program

We have audited the compliance of Colusa Unified School District (the "District") with the types of compliance requirements described in the State of California's 2014-15 Guide for Annual Audits of California K-12 Local Education Agencies and State Compliance Reporting (the "Audit Guide") to the state laws and regulations listed below for the year ended June 30, 2015.

Management's Responsibility

Compliance with the requirements of state laws and regulations is the responsibility of District's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 the 2014-15 Guide for Annual Audits of California K-12 Local Education Agencies and State Compliance Reporting. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed below occurred. An audit includes examining, on a test basis, evidence about the 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 the District's compliance with those requirements.

Description	Procedures Performed
Attendance Reporting	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	No, see below
Instructional Time for School Districts	Yes
Instructional Materials	
General Requirements	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive Program	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below

Description	Procedures Performed
Middle or Early College High School	No, see below
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Regional Occupational Centers or Programs Maintenance of Effort	Yes
Adult Education Maintenance of Effort	No, see below
California Clean Energy Jobs Act	No, see below
After Schools Education and Safety Program	Yes
General requirements	Yes
After School	Yes
Before School	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Common Core Implementation Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Attendance Reporting, for Charter Schools	No, see below
Mode of Instruction, for Charter Schools	No, see below
Nonclassroom-Based Instruction/Independent Study, for Charter Schools	No, see below
Determination of Funding for Nonclassroom-Based Instruction, for Charter Schools	No, see below
Annual Instructional Minutes - Classroom Based, for Charter Schools	No, see below
Charter School Facility Grant Program	No, see below

We did not perform any procedures related to Continuation Education because ADA for this program is below the materiality threshold.

We did not perform any procedures related to Adult Education Maintenance of Effort, Juvenile Court Schools, Early Retirement Incentive Program and Middle or Early College College High School because the District did not offer these programs.

We did not perform any procedures related to California Clean Energy Jobs Act because the District did not have any California Clean Energy Jobs Act expenditures in the current year.

We did not perform any procedures related to Contemporaneous Records of Attendance for Charter Schools, Mode of Instruction for Charter Schools, Nonclassroom-Based Instruction/Independent Study for Charter Schools, Determination of Funding for Nonclassroom-Based Instruction for Charter Schools, Annual Instructional Minutes-Classroom-Based for Charter Schools, and Charter School Facility Grant Program because the District did not have any charter schools.

Opinion on Compliance with State Laws and Regulations

In our opinion, Colusa Unified School District complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2015.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 30, 2015

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

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*

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Colusa Unified School District
Colusa, California

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Colusa Unified School District (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 30, 2015

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Colusa Unified School District
Colusa, California

Report on Compliance for Each Major Federal Program

We have audited Colusa Unified School District's (the "District") 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 the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

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Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 30, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 30, 2015

FINDINGS AND RECOMMENDATIONS

COLUSA UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I – Summary of Audit Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified?	____ Yes __X__ None reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified?	____ Yes __X__ None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	____ Yes __X__ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
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

State Awards

Internal control over state programs:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified?	____ Yes __X__ None reported
Type of auditor's report issued on compliance for state programs:	Unmodified

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Section IV – State Award Findings and Questioned Costs

No matters were reported.

COLUSA UNIFIED SCHOOL DISTRICT

STATUS OF PRIOR YEAR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

No matters were reported.