

**COLUSA UNIFIED SCHOOL DISTRICT**

**COUNTY OF COLUSA  
COLUSA, CALIFORNIA**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

# COLUSA UNIFIED SCHOOL DISTRICT

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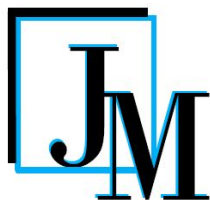
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**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Consulting and Tax*

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Colusa Unified School District  
Colusa, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 District, as of June 30, 2025, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Matters***

#### **Change in Accounting Principle**

As described in Note 1Y to the financial statements, the District adopted GASB Statement No. 101, Compensated Absences which required a restatement of net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

### ***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 Changes in the District's Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability, and Schedule of Pension Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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 Combining Balance Sheet – All Non-Major Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balance – All Non-Major Funds, Schedule of Average Daily Attendance, Schedule of Instructional Time, Schedule of Charter Schools, Reconciliation of Annual and Financial and Budget Report with Audited Financial Statements, Schedule of Expenditures of Federal Awards, and Schedule of Financial Trends and Analysis are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information as mentioned above is the responsibility of management and was derived from and relate 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 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 mentioned above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

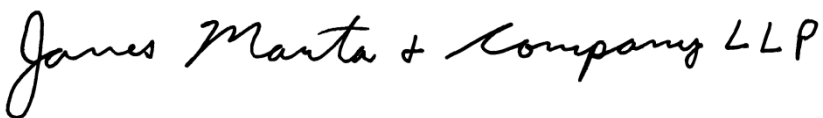
### ***Other Information***

Management is responsible for the other information included in the financial statements. The other information comprises the Organization page but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2025 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
November 24, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**COLUSA UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**JUNE 30, 2025**

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This section of the Colusa Unified School District’s annual financial report presents the District management’s discussion and analysis of the District’s financial performance during the fiscal year ended June 30, 2025. Please read this section in conjunction with the District’s financial statements which immediately follow this section.

**INTRODUCTION**

Colusa County is home to nearly 22,074 people. Situated along the Sacramento River, the town of Colusa consists of 6,589 residents. The majority, about 90%, of students who attend Colusa Unified School District live within city limits. Four percent of the District’s students reside in the Cachil DeHe Band of the Wintun Indian Community. The remaining students live outside of town on the many farms or ranches, which comprise the majority of lands within the District’s boundaries. Colusa has one of the highest unemployment rates in the nation. In August of 2025, the Bureau of Labor Statistics listed Colusa unemployment at 9.2% while the national average was near 4.3%, and the California rate was 5.8%. The Colusa economy is primarily agriculturally based. Nearly thirty-five percent of the county’s work force is employed directly by farming operations. Colusa Unified School District contributes to the local economy as one of its largest employers. Other local industry jobs directly support the community's agriculture business.

As in many small towns, schools are a social focal point, and many community-based groups benefit from the use of school facilities. Past Colusa Unified School District graduates often return to live in the community because of their connection to family, traditional values, and the lifestyle that Colusa provides its residents. The Colusa Unified School District serves approximately 1,450 students in grades Transitional Kindergarten through 12. Class sizes are well below the state average and typical student/teacher ratios hover around 21:1. The District continues to maintain average attendance with students present nearly 93.36% of school days. The Districtwide graduation rate was 88.6% in 2024, up from the prior year. The Colusa Unified School District and its schools benefit annually from the generosity of its robust Alumni Association, dynamic Athletic Foundation and supportive school community. In November of 2024, the residents of Colusa passed Measure C, a \$13.8M school facility bond that demonstrates the community’s strong support for investing in safe, modern, and high-quality learning environments for all students.

**OVERVIEW OF THE ANNUAL REPORT**

This annual report consists of four parts; (1) management’s discussion and analysis (this section), (2) the basic financial statements, (3) required supplementary information, and (4) supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are Government-Wide Financial Statements that provide both short-term and long-term information about the District’s overall financial status.

The remaining statements are Fund Financial Statements, Governmental Funds Statements, and Fiduciary Funds Statements that focus on individual parts of the District, reporting the District’s operations in more detail than the government-wide statements. They tell how basic services like regular and special education are financed in the short term as well as what remains for future spending. In addition, they offer short- and long-term financial information about the activities the District operates like a business and provides information about the financial relationships in which the District acts solely as a trustee or custodian for the benefit of others to whom the resources belong.



# **COLUSA UNIFIED SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2025**

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### **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 resource's 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 Statement No. 34 in regard 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. The District does not have any Fiduciary Funds.

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

### **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 considered regardless of when cash is received or paid.

These two statements report on 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.

# COLUSA UNIFIED SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

### 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, 2025, was \$3,653,303 reflecting a decrease in assets and an increase in total liabilities. The District's total assets decreased by 3.9% to \$27,618,160. The District's total liabilities increased by 15.4% to \$30,018,143.

| Condensed Statement of Net Position                |                  |                  |                |                      |
|--|------------------|------------------|----------------|----------------------|
|  | June 30,<br>2024 | June 30,<br>2025 | Change         | Percentage<br>Change |
| <b>Assets</b>                                      |                  |                  |                |                      |
| Current assets                                     | \$ 15,605,621    | \$ 14,075,948    | \$ (1,529,673) | -9.8%                |
| Capital assets                                     | 13,138,656       | 13,542,212       | 403,556        | 3.1%                 |
| Total assets                                       | 28,744,277       | 27,618,160       | (1,126,117)    | -3.9%                |
| <b>Deferred Outflows of Resources</b>              | 9,108,014        | 11,870,818       | 2,762,804      | 30.3%                |
| <b>Liabilities</b>                                 |                  |                  |                |                      |
| Current liabilities                                | 1,463,918        | 2,486,329        | 1,022,411      | 69.8%                |
| Long-term liabilities                              | 24,537,333       | 27,531,814       | 2,994,481      | 12.2%                |
| Total liabilities                                  | 26,001,251       | 30,018,143       | 4,016,892      | 15.4%                |
| <b>Deferred Inflows of Resources</b>               | 5,250,774        | 5,599,787        | 349,013        | 6.6%                 |
| <b>Net Position</b>                                |                  |                  |                |                      |
| Invested in capital assets,<br>net of related debt | 5,920,869        | 6,592,250        | 671,381        | 11.3%                |
| Restricted   | 10,657,977       | 4,347,673        | (6,310,304)    | -59.2%               |
| Unrestricted                                       | (9,978,580)      | (7,068,875)      | 2,909,705      | -29.2%               |
| Total net position                                 | \$ 6,600,266     | \$ 3,871,048     | \$ (2,729,218) | -41.4%               |

# COLUSA UNIFIED SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

### Change in Net Position

Overall, the net position decreased by \$2,729,218 as we continue to spend down one-time resources with one-time expenditures (including capital outlay) and due to the prior period adjustment discussed in note 1Y. The net position will continue to reduce accordingly as capital outlay projects are completed, and assets booked at depreciated value.

### Governmental Activities

As reported in the Statement of Activities, the cost of all of our governmental activities was \$26,930,655 and \$25,941,837 for June 30, 2024 and 2025, respectively.

### **Condensed Statement of Activities for the Fiscal Years Ended June 30**

|   | 2024                | 2025                | Change                | Percentage<br>Change |
|---|---------------------|---------------------|-----------------------|----------------------|
| <b>Revenues</b>   |                     |                     |                       |                      |
| Charges for services  | \$ 252,471          | \$ 585,754          | \$ 333,283            | 132.0%               |
| Operating grants and contributions                            | 7,001,604           | 4,224,304           | (2,777,300)           | -39.7%               |
| Capital Grants and Contributions                              | 3,672,156           | -                   | (3,672,156)           | 100.0%               |
| Taxes levied for general purposes                             | 5,554,443           | 5,850,681           | 296,238               | 5.3%                 |
| Taxes levied for debt service                                 | 187,103             | 451,666             | 264,563               | 100.0%               |
| Federal and state aid not restricted<br>for specific purposes | 15,661,221          | 15,858,125          | 196,904               | 1.3%                 |
| Interest and investment earnings                              | 772,614             | 274,982             | (497,632)             | -64.4%               |
| Miscellaneous   | 265,103             | 239,366             | (25,737)              | -9.7%                |
| Total revenues  | <u>33,366,715</u>   | <u>27,484,878</u>   | <u>(5,881,837)</u>    | <u>-17.6%</u>        |
| <b>Expenses</b>   |                     |                     |                       |                      |
| Instruction   | 14,398,450          | 13,112,086          | (1,286,364)           | -8.9%                |
| Instruction-related services                                  | 1,746,087           | 1,434,702           | (311,385)             | -17.8%               |
| Pupil services  | 2,002,323           | 2,299,612           | 297,289               | 14.8%                |
| General administration  | 2,348,886           | 1,901,514           | (447,372)             | -19.0%               |
| Plant services  | 2,462,677           | 2,351,710           | (110,967)             | -4.5%                |
| Ancillary services  | 543,098             | 454,195             | (88,903)              | -16.4%               |
| Interest on long-term debt                                    | 257,947             | 192,196             | (65,751)              | -25.5%               |
| Other outgo   | 2,111,317           | 3,096,707           | 985,390               | 46.7%                |
| Depreciation (unallocated)                                    | 1,059,880           | 1,098,467           | 38,587                | 3.6%                 |
| Total expenses  | <u>26,930,665</u>   | <u>25,941,837</u>   | <u>(988,828)</u>      | <u>-3.7%</u>         |
| Change in net position  | <u>\$ 6,436,050</u> | <u>\$ 1,543,041</u> | <u>\$ (4,893,009)</u> | <u>-76.0%</u>        |

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.

**COLUSA UNIFIED SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2025**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As the District completed the school year, the governmental funds reported a combined fund balance of \$11,913,907 which was a decrease of \$2,592,677 from the prior year. This is due primarily to one-time spending on capital outlay projects and other one-time expenditures for professional development and student related services.

|  | <b>General<br/>Fund</b> | <b>County<br/>School<br/>Facilities<br/>Fund</b> | <b>Non-Major<br/>Funds</b> | <b>Total</b>  |
|--|-------------------------|--|----------------------------|---------------|
| <b>REVENUES</b>                                      |                         |  |                            |               |
| LCFF sources   | \$ 20,919,417           | \$ -   | \$ -                       | \$ 20,919,417 |
| Federal revenue                                      | 637,535                 | -  | 1,001,783                  | 1,639,318     |
| Other state revenues                                 | 2,525,994               | -  | 676,802                    | 3,202,796     |
| Other local revenues                                 | 600,263                 | 32,291   | 1,090,793                  | 1,723,347     |
| Total revenues                                       | 24,683,209              | 32,291   | 2,769,378                  | 27,484,878    |
| <b>EXPENDITURES</b>                                  |                         |  |                            |               |
| Certificated salaries                                | 9,716,745               | -  | -                          | 9,716,745     |
| Classified salaries                                  | 3,997,249               | -  | 405,123                    | 4,402,372     |
| Employee benefits                                    | 5,698,451               | -  | 183,331                    | 5,881,782     |
| Books and supplies                                   | 1,295,898               | -  | 847,649                    | 2,143,547     |
| Services and other operating expenditures            | 2,669,810               | -  | 148,489                    | 2,818,299     |
| Capital outlay                                       | 1,354,310               | 2,412  | 145,302                    | 1,502,024     |
| Other outgo  | 3,057,432               | -  | 39,275                     | 3,096,707     |
| Debt service expenditures                            |                         |  |                            |               |
| Principal  | -                       | -  | 267,825                    | 267,825       |
| Interest   | -                       | -  | 248,254                    | 248,254       |
| Total expenditures                                   | 27,789,895              | 2,412  | 2,285,248                  | 30,077,555    |
| Excess (deficiency) of revenues<br>over expenditures | (3,106,686)             | 29,879   | 484,130                    | (2,592,677)   |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                         |  |                            |               |
| Operating transfers in                               | -                       | -  | 315,858                    | 315,858       |
| Operating transfers out                              | (315,858)               | -  | -                          | (315,858)     |
| Total other financing sources (uses)                 | (315,858)               | -  | 315,858                    | -             |
| Net change in fund balances                          | (3,422,544)             | 29,879   | 799,988                    | (2,592,677)   |
| Fund balances, July 1, 2024                          | 9,434,988               | 3,637,688  | 1,433,908                  | 14,506,584    |
| Fund balances, June 30, 2025                         | \$ 6,012,444            | \$ 3,667,567                                     | \$ 2,233,896               | \$ 11,913,907 |

# COLUSA UNIFIED SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

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### General Fund Budgetary Process

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, if materials changes occur, is 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 material changes.

### ***ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE***

Each district has unique funding and program attributes and needs. It remains essential that districts continuously assess their individual situations, work closely with their county offices of education, and plan accordingly to maintain fiscal solvency and educational program integrity.

Student enrollment and attendance are primary factors in the computation of most funding formulas for public schools in the State of California. Enrollment for 2026 is expected to continue with the declining enrollment trend and decrease slightly. The attendance rate will once again have an impact on funding via the local control funding formula. The attendance formula, modified in 2023, allows for the higher of the current year attendance rate or a rolling three-year average.

As the District balances the impact of declining enrollment, there are various cost pressures such as increased pension rates and energy costs that will also need to be managed. Program reductions, such as the Arts, Music and Instructional Materials Discretionary Block Grant and the Educator Effectiveness Block Grant expire on June 30, 2026, and the LREBG expires on June 30, 2028. As these program funds expire, the District will need to ensure that the associated expenses are one-time in nature and not an ongoing commitment. In addition, the District's fund balance continues to be spent down as prior year one-time revenues dry up. The June 2026 to July 2026 funding deferral along with cuts to federal grant funding and the State's uncertain revenue projections, require accurate cash flow projections and add pressure locally to maintain reserves above minimum required amounts. While the creation of the Local Control Funding Formula, which is fully implement, has helped to level revenues, the realized growth in revenue will be slow because of the impact of declining enrollment. Future period cost-of-living increases are expected to be more typical and will range from 2.5% to 3.5%.

The District's 2026 budget and multi-year projection show the District to be in a solvent position. There is a decrease in overall fund balance, and the District must be cognizant that restricted dollars are one-time in nature and are typically fully expended in the next couple of budget cycles. The risk to the District's fiscal solvency has been and will continue to be dependent upon swings of the economy. The current, although projected to be favorable, is showing signs again that a recession may be in the not-too-distant future. The District must be capable of responding. This is accomplished by having plans in place that are flexible, adaptable, and understood by all that they are based on a moment in time and subject to change. The District must be thoughtful in its actions as it recognizes the impacts of economic shifts. Future budgets and multi-year projections will most likely return to a more conservative approach in support of the caution that is warranted.

### ***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 funding it receives. If you have questions regarding this report or need additional financial information, please contact the District Office at: Colusa Unified School District, Business Services, 745 Tenth Street, Colusa, California 95932-2220 or e-mail to [cusdbusiness@colusa.k12.ca.us](mailto:cusdbusiness@colusa.k12.ca.us).

## **BASIC FINANCIAL STATEMENTS**

**COLUSA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF NET POSITION**

**JUNE 30, 2025**

|  | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| <b>ASSETS</b>  |                                    |
| Cash and cash equivalents                                | \$ 13,220,889                      |
| Receivables  | 673,282                            |
| Prepaid expenses   | 172,983                            |
| Stores inventories                                       | 8,794                              |
| Capital assets, net of accumulated depreciation (Note 4) | <u>13,542,212</u>                  |
| Total Assets   | <u>27,618,160</u>                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                    |                                    |
| Deferred outflows on OPEB (Note 7)                       | 103,390                            |
| Deferred outflows on pensions (Note 6)                   | <u>11,767,428</u>                  |
| Total deferred outflows                                  | <u>11,870,818</u>                  |
| <b>LIABILITIES</b>                                       |                                    |
| Accounts payable and other current liabilities           | 2,001,881                          |
| Unearned revenue   | 195,191                            |
| Long-term liabilities:                                   |                                    |
| Due within one year                                      | 289,257                            |
| Due in more than one year                                | <u>27,531,814</u>                  |
| Total Liabilities  | <u>30,018,143</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                                    |
| Deferred bond premium revenue                            | 198,550                            |
| Deferred inflows on OPEB (Note 7)                        | 277,638                            |
| Deferred inflows on pensions (Note 6)                    | <u>5,123,599</u>                   |
| Total deferred inflows                                   | <u>5,599,787</u>                   |
| <b>NET POSITION</b>                                      |                                    |
| Invested in capital assets, net of related debt          | 6,592,250                          |
| Restricted   | 4,347,673                          |
| Unrestricted   | <u>(7,068,875)</u>                 |
| Total Net Position                                       | <u>\$ 3,871,048</u>                |

**COLUSA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

|   |                      | <b>Program Revenues</b>         |   |   | <b>Net (Expense)<br/>Revenues and<br/>Changes in<br/>Net Position</b> |
|---|----------------------|---------------------------------|---|---|---|
|   | <b>Expenses</b>      | <b>Charges for<br/>Services</b> | <b>Operating<br/>Grants and<br/>Contributions</b> | <b>Capital<br/>Grants and<br/>Contributions</b> | <b>Governmental<br/>Activities</b>                                    |
| Governmental Activities                                   |                      |                                 |   |   |   |
| Instruction   | \$ 13,112,086        | \$ 484,236                      | \$ 2,046,575                                      | \$ -  | \$ (10,581,275)   |
| Instruction-related services:                             |                      |                                 |   |   |   |
| Instructional supervision                                 | 155,848              | -                               | -   | -   | (155,848)   |
| Instructional library, media and<br>technology            | 69,022               | -                               | -   | -   | (69,022)  |
| School site administration                                | 1,209,832            | -                               | 202,769   | -   | (1,007,063)   |
| Pupil Services:   |                      |                                 |   |   |   |
| Home-to-school transportation                             | 199,172              | -                               | -   | -   | (199,172)   |
| Food services   | 1,122,540            | 27,518                          | 1,395,069   | -   | 300,047   |
| All other pupil services                                  | 977,900              | 9,365                           | 33,925  | -   | (934,610)   |
| General administration:                                   |                      |                                 |   |   |   |
| Centralized data processing                               | 357,995              | -                               | -   | -   | (357,995)   |
| All other general administration                          | 1,543,519            | 64,635                          | 145,821   | -   | (1,333,063)   |
| Plant services  | 2,351,710            | -                               | -   | -   | (2,351,710)   |
| Ancillary services  | 454,195              | -                               | 188,191   | -   | (266,004)   |
| Community services  | 648                  | -                               | 648   | -   | -   |
| Interest on long-term debt                                | 192,196              | -                               | -   | -   | (192,196)   |
| Other outgo   | 3,096,707            | -                               | 211,306   | -   | (2,885,401)   |
| Depreciation (unallocated)                                | 1,098,467            | -                               | -   | -   | (1,098,467)   |
| Total governmental activities                             | <u>\$ 25,941,837</u> | <u>\$ 585,754</u>               | <u>\$ 4,224,304</u>                               | <u>\$ -</u>                                     | <u>(21,131,779)</u>   |
| General Revenues  |                      |                                 |   |   |   |
| Taxes and subventions:                                    |                      |                                 |   |   |   |
| Taxes levied for general purposes                         |                      |                                 |   |   | 5,850,681   |
| Taxes levied for debt service                             |                      |                                 |   |   | 451,666   |
| Federal and state aid not restricted to specific purposes |                      |                                 |   |   | 15,858,125  |
| Interest and investment earnings                          |                      |                                 |   |   | 274,982   |
| Miscellaneous   |                      |                                 |   |   | 239,366   |
| Total general revenues                                    |                      |                                 |   |   | <u>22,674,820</u>   |
| Change in net position                                    |                      |                                 |   |   | 1,543,041   |
| Net Position - July 1, 2024 as originally stated          |                      |                                 |   |   | <u>6,600,266</u>  |
| Change in accounting principle (Note 1Y)                  |                      |                                 |   |   | <u>(4,272,259)</u>  |
| Net Position - beginning, As restated                     |                      |                                 |   |   | <u>2,328,007</u>  |
| Net Position - June 30, 2025                              |                      |                                 |   |   | <u><u>\$ 3,871,048</u></u>  |



**COLUSA UNIFIED SCHOOL DISTRICT**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2025**

|  | <b>General<br/>Fund</b> | <b>County<br/>School<br/>Facilities<br/>Fund</b> | <b>Non-Major<br/>Funds</b> | <b>Total</b>         |
|--|-------------------------|--|----------------------------|----------------------|
| <b>ASSETS</b>                            |                         |  |                            |                      |
| Cash and cash equivalents                | \$ 7,514,914            | \$ 3,669,979                                     | \$ 2,035,996               | \$ 13,220,889        |
| Accounts receivable                      | 453,836                 | -  | 219,446                    | 673,282              |
| Prepaid expenses                         | 172,983                 | -  | -                          | 172,983              |
| Due from other funds                     | 39,275                  | -  | 107,327                    | 146,602              |
| Inventory                                | -                       | -  | 8,794                      | 8,794                |
| Total Assets                             | <u>\$ 8,181,008</u>     | <u>\$ 3,669,979</u>                              | <u>\$ 2,371,563</u>        | <u>\$ 14,222,550</u> |
| <b>LIABILITIES AND<br/>FUND BALANCES</b> |                         |  |                            |                      |
| Liabilities                              |                         |  |                            |                      |
| Accounts payable                         | \$ 1,866,046            | 2,412  | \$ 98,392                  | \$ 1,966,850         |
| Unearned revenue                         | 195,191                 | -  | -                          | 195,191              |
| Due to other funds                       | 107,327                 | -  | 39,275                     | 146,602              |
| Total Liabilities                        | <u>2,168,564</u>        | <u>2,412</u>                                     | <u>137,667</u>             | <u>2,308,643</u>     |
| Fund balances                            |                         |  |                            |                      |
| Nonspendable                             | 199,727                 | -  | 8,794                      | 208,521              |
| Restricted                               | 2,688,078               | -  | 1,659,595                  | 4,347,673            |
| Assigned                                 | 1,714,637               | 3,667,567  | 565,507                    | 5,947,711            |
| Unassigned                               | 1,410,002               | -  | -                          | 1,410,002            |
| Total Fund Balances                      | <u>6,012,444</u>        | <u>3,667,567</u>                                 | <u>2,233,896</u>           | <u>11,913,907</u>    |
| Total Liabilities and Fund Balances      | <u>\$ 8,181,008</u>     | <u>\$ 3,669,979</u>                              | <u>\$ 2,371,563</u>        | <u>\$ 14,222,550</u> |

# COLUSA UNIFIED SCHOOL DISTRICT

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

JUNE 30, 2025

---

|  |               |
|--|---------------|
| Total fund balances - governmental funds | \$ 11,913,907 |
|--|---------------|

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 | \$ 29,289,276 |            |
| Accumulated depreciation          | (15,747,064)  |            |
| Net                               |               | 13,542,212 |

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:

(198,550)

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unamatured interest owing at the end of the period was:

(35,031)

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 | \$ 4,605,000 |              |
| Net OPEB Liability               | 982,011      |              |
| Net Pension Liability            | 15,345,092   |              |
| Compensated absences payable     | 4,544,006    |              |
| Capital leases payable           | 2,344,962    |              |
|                                  |              | (27,821,071) |

Deferred outflows and inflows of resources relating to other postemployment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.

|   |           |
|---|-----------|
| Deferred outflows of resources relating to OPEB | 103,390   |
| Deferred inflows of resources relating to OPEB  | (277,638) |

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 | 11,767,428  |
| Deferred inflows of resources relating to pensions  | (5,123,599) |

|  |              |
|--|--------------|
| Total net position - governmental activities | \$ 3,871,048 |
|--|--------------|

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**COLUSA UNIFIED SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE**

**GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

|  | General<br>Fund     | County<br>School<br>Facilities<br>Fund | Non-Major<br>Funds  | Total                |
|--|---------------------|--|---------------------|----------------------|
| <b>REVENUES</b>                                      |                     |  |                     |                      |
| LCFF sources   | \$ 20,919,417       | \$ -                                   | \$ -                | \$ 20,919,417        |
| Federal revenue                                      | 637,535             | -                                      | 1,001,783           | 1,639,318            |
| Other state revenues                                 | 2,525,994           | -                                      | 676,802             | 3,202,796            |
| Other local revenues                                 | 600,263             | 32,291                                 | 1,090,793           | 1,723,347            |
| Total revenues                                       | <u>24,683,209</u>   | <u>32,291</u>                          | <u>2,769,378</u>    | <u>27,484,878</u>    |
| <b>EXPENDITURES</b>                                  |                     |  |                     |                      |
| Certificated salaries                                | 9,716,745           | -                                      | -                   | 9,716,745            |
| Classified salaries                                  | 3,997,249           | -                                      | 405,123             | 4,402,372            |
| Employee benefits                                    | 5,698,451           | -                                      | 183,331             | 5,881,782            |
| Books and supplies                                   | 1,295,898           | -                                      | 847,649             | 2,143,547            |
| Services and other operating expenditures            | 2,669,810           | -                                      | 148,489             | 2,818,299            |
| Capital outlay                                       | 1,354,310           | 2,412                                  | 145,302             | 1,502,024            |
| Other outgo  | 3,057,432           | -                                      | 39,275              | 3,096,707            |
| Debt service expenditures                            |                     |  |                     |                      |
| Principal  | -                   | -                                      | 267,825             | 267,825              |
| Interest   | -                   | -                                      | 248,254             | 248,254              |
| Total expenditures                                   | <u>27,789,895</u>   | <u>2,412</u>                           | <u>2,285,248</u>    | <u>30,077,555</u>    |
| Excess (deficiency) of revenues<br>over expenditures | <u>(3,106,686)</u>  | <u>29,879</u>                          | <u>484,130</u>      | <u>(2,592,677)</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                     |  |                     |                      |
| Operating transfers in                               | -                   | -                                      | 315,858             | 315,858              |
| Operating transfers out                              | (315,858)           | -                                      | -                   | (315,858)            |
| Total other financing sources (uses)                 | <u>(315,858)</u>    | <u>-</u>                               | <u>315,858</u>      | <u>-</u>             |
| Net change in fund balances                          | (3,422,544)         | 29,879                                 | 799,988             | (2,592,677)          |
| Fund balances, July 1, 2024                          | <u>9,434,988</u>    | <u>3,637,688</u>                       | <u>1,433,908</u>    | <u>14,506,584</u>    |
| Fund balances, June 30, 2025                         | <u>\$ 6,012,444</u> | <u>\$ 3,667,567</u>                    | <u>\$ 2,233,896</u> | <u>\$ 11,913,907</u> |

# 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, 2025

|   |                    |                     |
|---|--------------------|---------------------|
| Total net change in fund balances - governmental funds  |                    | \$ (2,592,677)      |
| 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:  | \$ 1,502,023       |                     |
| Depreciation expense:   | <u>(1,098,467)</u> | 403,556             |
| 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:  |                    |                     |
|   |                    | 267,825             |
| Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:   |                    |                     |
|   |                    | 1,073               |
| 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:   |                    |                     |
|   |                    | (210,795)           |
| Other postemployment benefits (OPEB): In government funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:   |                    |                     |
|   |                    | 10,020              |
| 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:  |                    |                     |
|   |                    | 3,650,654           |
| 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: |                    |                     |
|   |                    | <u>13,385</u>       |
| Total change in net position - governmental activities  |                    | <u>\$ 1,543,041</u> |

# COLUSA UNIFIED SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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### 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 transitional 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.

## COLUSA UNIFIED SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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#### 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.

## COLUSA UNIFIED SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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#### 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 **Student Activity Fund** accounts for student body activities (ASB) to account for the raising and expending of money to promote the general welfare, morale and educational experience of the student body.

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

The **Deferred Maintenance Fund** is used to account separately for revenues that are restricted or committed for deferred maintenance purposes.

## COLUSA UNIFIED SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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#### F. FUND ACCOUNTING (CONTINUED)

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

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).

**County School Facilities Fund** is used to primarily to account for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (Education Code Section 17070.10 et seq.).

The **Special Reserve Fund for Capital Outlay Projects** is used to provide for the accumulation of general fund moneys for capital outlay purposes.

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 custodial 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 District does not have any fiduciary funds.

#### 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.



## **COLUSA UNIFIED SCHOOL DISTRICT**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2025**

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#### **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.

## **COLUSA UNIFIED SCHOOL DISTRICT**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2025**

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#### **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. LONG-TERM OBLIGATIONS**

The District reports long-term debt of governmental funds at face value in the government-wide statements. In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized during the current period.

#### **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.

## COLUSA UNIFIED SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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#### 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. 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.

## **COLUSA UNIFIED SCHOOL DISTRICT**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2025**

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#### **S. 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 which are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31.

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 alternate 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.

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 revenue limit sources by the District.

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

#### **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. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

For purposes of measuring the District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan (OPEB Plan) and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**COLUSA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2025**

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**V. FINANCING LEASES**

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for financial leases are recorded in the financial statements to the extent that the District's lease capitalization threshold is met, \$100,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2025, the District did not have any financial leases that met the threshold.

**X. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA)**

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for SBITAs are recorded in the financial statements to the extent that the District's capitalization threshold is met, \$100,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2025, the District did not have any subscription based information technology agreements that met the threshold.

**Y. CHANGE IN ACCOUNTING PRINCIPLE – GASB 101, COMPENSATED ABSENCES**

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

**COLUSA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2025**

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**Y. CHANGE IN ACCOUNTING PRINCIPLE – GASB 101, COMPENSATED ABSENCES (CONTINUED)**

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. As a result, the sick leave will be reported as a governmental activity within the compensated absences in the basic financial statements causing the June 30, 2024 balance to be restated as follows:

|   |                            |
|---|----------------------------|
| Net position previously reported, June 30, 2024 | \$ 6,600,266               |
| Change in accounting principle (Note 1Y)        | <u>(4,272,259)</u>         |
| Net position as restated                        | <u><u>\$ 2,328,007</u></u> |

**2. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of June 30, 2025 consist of the following:

|                           |                                    |
|---------------------------|------------------------------------|
|                           | <u>Governmental<br/>Activities</u> |
| Cash in County Treasury   | \$ 13,185,858                      |
| Cash on hand and in banks | 34,556                             |
| Cash in revolving fund    | <u>475</u>                         |
| Total                     | <u><u>\$ 13,220,889</u></u>        |

**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 1,465 days. The pool is rated AAA by Standard and Poor's.

COLUSA UNIFIED SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

2. CASH AND CASH EQUIVALENTS (CONTINUED)

**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

The interfund receivables and payables as of June 30, 2025 were as follows:

|   | Interfund<br>Receivable | Interfund<br>Payable |
|---|-------------------------|----------------------|
| Major Funds   |                         |                      |
| General Fund  | \$ 39,275               | \$ 107,327           |
| Nonmajor Funds                                      |                         |                      |
| Cafeteria Fund                                      | -                       | 39,275               |
| Special Reserve Fund for<br>Capital Outlay Projects | 107,327                 | -                    |
| Total   | <u>\$ 146,602</u>       | <u>\$ 146,602</u>    |

Interfund Transfers

For the year ended June 30, 2025, the interfund transfers were as follows:

|   |                   |
|---|-------------------|
| Transfer from General Fund to the Cafeteria Fund for the cafeteria contribution.  | \$ 8,531          |
| Transfer from General Fund to the Deferred Maintenance Fund for deferred maintenance projects.                                | 200,000           |
| Transfer from General Fund to the Special Reserve For Capital Outlay Fund for principle and interest payments on solar lease. | 107,327           |
| Total Transfers   | <u>\$ 315,858</u> |

**COLUSA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**4. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

|                           | Balance<br>July 1, 2024 | Additions<br>and<br>Transfers | Deductions<br>and<br>Transfers | Balance<br>June 30, 2025 |
|---------------------------|-------------------------|-------------------------------|--------------------------------|--------------------------|
| Non-depreciable assets:   |                         |                               |                                |                          |
| Land                      | \$ 801,813              | \$ -                          | \$ -                           | \$ 801,813               |
| Work in progress          | -                       | -                             | -                              | -                        |
|                           | <u>801,813</u>          | <u>-</u>                      | <u>-</u>                       | <u>801,813</u>           |
| Depreciable assets:       |                         |                               |                                |                          |
| Sites and improvements    | 3,875,993               | 108,238                       | -                              | 3,984,231                |
| Building and improvements | 19,129,466              | 708,375                       | -                              | 19,837,841               |
| Furniture and equipment   | 3,979,981               | 685,410                       | -                              | 4,665,391                |
|                           | <u>26,985,440</u>       | <u>1,502,023</u>              | <u>-</u>                       | <u>28,487,463</u>        |
| Totals, at cost           | <u>27,787,253</u>       | <u>1,502,023</u>              | <u>-</u>                       | <u>29,289,276</u>        |
| Accumulated depreciation: |                         |                               |                                |                          |
| Sites and improvements    | (1,130,596)             | (151,123)                     | -                              | (1,281,719)              |
| Building and improvements | (11,652,087)            | (649,872)                     | -                              | (12,301,959)             |
| Furniture and equipment   | (1,865,914)             | (297,472)                     | -                              | (2,163,386)              |
|                           | <u>(14,648,597)</u>     | <u>(1,098,467)</u>            | <u>-</u>                       | <u>(15,747,064)</u>      |
| Depreciable assets, net   | <u>12,336,843</u>       | <u>403,556</u>                | <u>-</u>                       | <u>12,740,399</u>        |
| Capital assets, net       | <u>\$ 13,138,656</u>    | <u>\$ 403,556</u>             | <u>\$ -</u>                    | <u>\$ 13,542,212</u>     |

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



**COLUSA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**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, 2025, is shown below:

|                                | <b>Balance<br/>July 1, 2024</b> | <b>Additions</b>  | <b>Deductions</b>   | <b>Balance<br/>June 30, 2025</b> | <b>Due<br/>Within<br/>One Year</b> |
|--------------------------------|---------------------------------|-------------------|---------------------|----------------------------------|------------------------------------|
| Capital Leases                 | \$ 2,437,787                    | \$ -              | \$ 92,825           | \$ 2,344,962                     | \$ 99,257                          |
| Compensated Absences*          | 4,333,211                       | 210,795           | -                   | 4,544,006                        | -                                  |
| G.O. Bonds                     | 4,780,000                       |                   | 175,000             | 4,605,000                        | 190,000                            |
| Net Pension Liability (Note 6) | 16,551,274                      | -                 | 1,206,182           | 15,345,092                       | -                                  |
| Net OPEB Liability (Note 7)    | 1,036,097                       | -                 | 54,086              | 982,011                          | -                                  |
|                                | <u>\$ 29,138,369</u>            | <u>\$ 210,795</u> | <u>\$ 1,528,093</u> | <u>\$ 27,821,071</u>             | <u>\$ 289,257</u>                  |

\* includes prior period adjustment for GASB 101 implementation.

The General Fund makes payments for the capital leases. The accrued vacation (compensated absences) and the Net Pension Liability and Net OPEB Liability will be paid by the fund for which the employee works. Payments on the General Obligation Bonds are made from the Bond Interest and Redemption 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, 2025 are as follows:

| <b>Year Ended<br/>June 30,</b> | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>        |
|--------------------------------|---------------------|---------------------|---------------------|
| 2026                           | \$ 190,000          | \$ 180,100          | \$ 370,100          |
| 2027                           | 200,000             | 174,400             | 374,400             |
| 2028                           | 215,000             | 166,400             | 381,400             |
| 2029                           | 230,000             | 157,800             | 387,800             |
| 2030                           | 245,000             | 148,600             | 393,600             |
| 2031-2035                      | 1,505,000           | 581,200             | 2,086,200           |
| 2036-2040                      | 2,020,000           | 239,600             | 2,259,600           |
| Totals                         | <u>\$ 4,605,000</u> | <u>\$ 1,648,100</u> | <u>\$ 6,253,100</u> |

**COLUSA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**5. LONG-TERM LIABILITIES (CONTINUED)**

**Capital Lease**

In June 2021, the District entered into a Solar Lease (Lease-Purchase) agreement totaling \$2,594,342. Repayment of the lease are made on June 1 and December 1 beginning June 1, 2022. The lease bears an interest rate of 2.566% and is scheduled to mature through 2041.

The annual requirements to amortize the Solar Lease as of June 30, 2025 are as follows:

| Year Ended<br>June 30, | Principal           | Interest          | Total               |
|------------------------|---------------------|-------------------|---------------------|
| 2026                   | \$ 99,257           | \$ 60,171         | \$ 159,428          |
| 2027                   | 67,155              | 57,625            | 124,780             |
| 2028                   | 99,010              | 55,902            | 154,912             |
| 2029                   | 118,853             | 53,361            | 172,214             |
| 2030                   | 126,381             | 50,311            | 176,692             |
| 2031-2035              | 707,401             | 200,439           | 907,840             |
| 2036-2040              | 913,760             | 100,174           | 1,013,934           |
| 2041                   | 213,145             | 5,469             | 218,614             |
| Totals                 | <u>\$ 2,344,962</u> | <u>\$ 583,452</u> | <u>\$ 2,928,414</u> |

# COLUSA UNIFIED SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

### 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 California Public Employees' Retirement System (CalPERS).

#### Plan Description

##### **California Public Employees' Retirement System (CalPERS)**

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 Headquarters, 400 Q Street, Sacramento, California 95811.

##### **State Teachers' Retirement System (STRS)**

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 Headquarters, 100 Waterfront Place, West Sacramento, California 95605.

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

|   | CalPERS                     |                                | CalSTRS                     |                                |
|---|-----------------------------|--------------------------------|-----------------------------|--------------------------------|
|   | Prior to<br>January 1, 2013 | On or after<br>January 1, 2013 | Prior to<br>January 1, 2013 | On or after<br>January 1, 2013 |
| Hire date   |                             |                                |                             |                                |
| Benefit formula                                   | 2% @ 55                     | 2% @ 62                        | 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                          | 62                             | 60                          | 62                             |
| Monthly benefits, as a % of eligible compensation | 2.0%                        | 2.0%                           | 2.0%                        | 2.0%                           |
| Required employee contribution rates              | 7%                          | 8%                             | 10.25%                      | 10.21%                         |
| Required employer contribution rates              | 27.05%                      | 27.05%                         | 19.10%                      | 19.10%                         |

**COLUSA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

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 Plan 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. The 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.

For the year ended June 30, 2025, the contributions reported as deferred outflows of resources related to pensions recognized as part of pension expense for each Plan were as follows:

|                                 | <b>CalPERS</b>      | <b>STRS</b>         | <b>Total</b>        |
|---------------------------------|---------------------|---------------------|---------------------|
| Contributions - employer        | \$ 1,010,548        | \$ 1,798,125        | \$ 2,808,673        |
| On behalf contributions - state | -                   | 843,234             | 843,234             |
| Total                           | <u>\$ 1,010,548</u> | <u>\$ 2,641,359</u> | <u>\$ 3,651,907</u> |

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

As of June 30, 2025, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

|                             | <b><u>Proportionate Share<br/>of Net Pension Liability</u></b> |
|-----------------------------|--|
| CalPERS                     | \$ 6,242,956   |
| STRS                        | 9,102,136  |
| Total Net Pension Liability | <u>\$ 15,345,092</u>   |

**COLUSA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The 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, 2023 and 2024 was as follows:

| <b>Measurement<br/>Dates</b> | <b>Fiscal Year</b> | <b>CalPERS</b>  | <b>STRS</b>      |
|------------------------------|--------------------|-----------------|------------------|
| June 30, 2023                | 2023-24            | 0.01655%        | 0.01386%         |
| June 30, 2024                | 2024-25            | 0.01747%        | 0.01355%         |
| Change - Increase (Decrease) |                    | <u>0.00091%</u> | <u>-0.00031%</u> |

For the year ended June 30, 2025, the District recognized pension expense of \$3,650,654. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>CalPERS</b>                                |  | <b>STRS</b>                                   |  | <b>Total</b>                                  |  |
|--|---|--|---|--|---|--|
|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
| Pension contributions subsequent to measurement date   | \$ 1,010,548                                  | \$ -   | \$ 2,641,359                                  | \$ -   | \$ 3,651,907                                  | \$ -   |
| Difference between proportionate share of aggregate employer contributions and actual contributions for 2023-24                              | 109,415                                       | 867,750                                      | 145,971                                       | 1,353,758                                    | 255,386                                       | 2,221,508                                    |
| Changes of Assumptions   | 137,990                                       | -  | 39,844  | 621,644                                      | 177,834                                       | 621,644                                      |
| Differences between Expected and Actual Experience   | 523,381                                       | 44,681                                       | 1,029,569                                     | 398,031                                      | 1,552,950                                     | 442,712                                      |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions | 1,381,822                                     | 241,369                                      | 4,505,026                                     | 1,559,639                                    | 5,886,848                                     | 1,801,008                                    |
| Net differences between projected and actual investment earnings on pension plan investments   | 242,503                                       | -  | -   | 36,727                                       | 242,503                                       | 36,727                                       |
| Total  | <u>\$ 3,405,659</u>                           | <u>\$ 1,153,800</u>                          | <u>\$ 8,361,769</u>                           | <u>\$ 3,969,799</u>                          | <u>\$ 11,767,428</u>                          | <u>\$ 5,123,599</u>                          |

**COLUSA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

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 fiscal year ended June 30, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as pension expense as follows:

| <b>Year Ended<br/>June 30</b> | <b>CalPERS</b>      | <b>STRS</b>         | <b>Total Deferred<br/>Outflows/<br/>(Inflows) of<br/>Resources</b> |
|-------------------------------|---------------------|---------------------|--|
| 2026                          | \$ 304,605          | \$ 247,988          | \$ 552,593   |
| 2027                          | 304,605             | 247,988             | 552,593  |
| 2028                          | 304,605             | 247,988             | 552,593  |
| 2029                          | 278,995             | 247,988             | 526,983  |
| 2030                          | 48,501              | 247,991             | 296,492  |
| Thereafter                    | -                   | 510,668             | 510,668  |
| <b>Total</b>                  | <b>\$ 1,241,311</b> | <b>\$ 1,750,611</b> | <b>\$ 2,991,922</b>  |

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

|  | <b>CalPERS</b>  | <b>STRS</b>  |
|--|---|--|
| Valuation Date                           | June 30, 2023   | June 30, 2023  |
| Measurement Date                         | June 30, 2024   | June 30, 2024  |
| Actuarial Cost Method                    | Entry-Age Normal Cost                                   | Entry-Age Normal Cost                                |
| Actuarial Assumptions                    |   |  |
| Discount Rate                            | 6.90%   | 7.10%  |
| Inflation                                | 2.30%   | 2.75%  |
| Payroll Growth Rate                      | 2.80%   | 3.25%  |
| Projected Salary Increase                | Varies by Entry Age and Service                         | Varies by Entry Age and Service                      |
| Investment Rate of Return <sup>(1)</sup> | 6.80%   | 7.10%  |
| Mortality                                | Derived using CalPERS'<br>Membership Data for all Funds | Derived using STRS'<br>Membership Data for all Funds |

<sup>(1)</sup> Net of pension plan investment expenses, including inflation.

# COLUSA UNIFIED SCHOOL DISTRICT

## NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

### 6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

STRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP– 2021 Ultimate Projection Scale.

#### Discount Rate

##### **CalPERS**

The discount rate used to measure the total pension liability for the Plan was 6.90%. These discount rates are equal to the long-term expected rate of return of the respective plan assets and are net of investment expense but not reduced for administrative expenses.

In determining the long-term expected rate of return, CalPERS took into account 20-year market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are on the following table:

| Asset Class                    | CalPERS                        |                                  |
|--------------------------------|--------------------------------|----------------------------------|
|                                | Assumed<br>Asset<br>Allocation | Real<br>Return <sup>(a)(b)</sup> |
| Global Equity - Cap-weighted   | 30.0%                          | 4.54%                            |
| Global Equity Non-Cap-weighted | 12.0%                          | 3.84%                            |
| Private Equity                 | 13.0%                          | 7.28%                            |
| Treasury                       | 5.0%                           | 0.27%                            |
| Mortgage-backed Securities     | 5.0%                           | 0.50%                            |
| Investment Grade Corporates    | 10.0%                          | 1.56%                            |
| High Yield                     | 5.0%                           | 2.27%                            |
| Emerging Market Debt           | 5.0%                           | 2.48%                            |
| Private Debt                   | 5.0%                           | 3.57%                            |
| Real Assets                    | 15.0%                          | 3.21%                            |
| Leverage                       | -5.0%                          | -0.59%                           |
|                                | 100.0%                         |                                  |

<sup>(a)</sup> An expected inflation of 2.30% used for this period.

<sup>(b)</sup> Figures are based on the 2021-22 Asset Liability Management study.

COLUSA UNIFIED SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Discount Rate

**STRS**

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases actuarially determined. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses 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 long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of our 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, STRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

| Asset Class                | STRS                           |   |
|----------------------------|--------------------------------|---|
|                            | Assumed<br>Asset<br>Allocation | Long-Term<br>Expected<br>Real Rate of<br>Return <sup>(a)(b)</sup> |
| Public Equity              | 38.0%                          | 5.25%   |
| Real Estate                | 15.0%                          | 4.05%   |
| Private Equity             | 14.0%                          | 6.75%   |
| Fixed Income               | 14.0%                          | 2.45%   |
| Risk Mitigating Strategies | 10.0%                          | 2.25%   |
| Inflation Sensitive        | 7.0%                           | 3.65%   |
| Cash/Liquidity             | 2.0%                           | 0.05%   |
| Total                      | 100%                           |   |

<sup>(a)</sup> 20- to 30-year geometric average.

<sup>(b)</sup> Real rates of return are net of assumed 2.75%



**COLUSA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**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:

| <b>CalPERS</b>                       |                               |                                  |                               |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------------|
|                                      | Discount Rate - 1%<br>(5.90%) | Current Discount<br>Rate (6.90%) | Discount Rate + 1%<br>(7.90%) |
| Plan's Net Pension Liability/(Asset) | \$ 9,273,963                  | \$ 6,242,956                     | \$ 3,739,103                  |

| <b>STRS</b>                          |                               |                                  |                               |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------------|
|                                      | Discount Rate - 1%<br>(6.10%) | Current Discount<br>Rate (7.10%) | Discount Rate + 1%<br>(8.10%) |
| Plan's Net Pension Liability/(Asset) | \$ 16,189,722                 | \$ 9,102,136                     | \$ 3,183,708                  |

**Pension Plan Fiduciary Net Position**

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

**Payable to the Pension Plan**

As of June 30, 2025, the District had no outstanding required contributions to the pension plans.

COLUSA UNIFIED SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

7. OTHER POSTEMPLOYMENT BENEFITS

**General Information About the OPEB Plan**

*Plan description:* The plan is a single-employer defined benefit plan. The plan provides other postemployment benefits for eligible certificated, classified and management employees of the District. The authority to establish and amend the benefit terms and financing requirements are governed by collective bargaining agreements with plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The Plan does not issue financial statements.

*Benefits provided:* Subject to a cumulative lifetime benefit cap, the District will pay up to but not exceeding a maximum annual amount toward a District provided health and welfare benefit plan. The retiree chooses which plan(s) he/she will be covered under.

If the full maximum annual amount is not paid out during any fiscal year, the unpaid balance shall be carried forward to be paid toward the District provided health and welfare benefit plan in the following fiscal year(s). The District will not pay more than each year's annual maximum plus any carryover each fiscal year.

- *For those meeting the eligibility requirements above and retired prior to January 1, 2023:* The maximum annual benefit is \$10,000 per year and the lifetime maximum benefit is \$50,000. Benefits continue until the employee's death or until the District has paid the total capped amount stated above, whichever occurs first. In the event of the retiree's death, if the District's health and benefit plan carrier permits continued coverage for the employee's surviving spouse, the District will continue to pay any unused portion of the cap amount toward the District provided health and welfare benefit plan, subject to the \$10,000 annual payment restriction. Payments will terminate upon the death of the surviving spouse or upon exhaustion of the original cap, whichever occurs first.
- *For those meeting the eligibility requirements above and retiring on or after January 1, 2023:* The maximum annual benefit in 2024 is \$11,004.80 per year and the lifetime maximum benefit is \$55,024. These amounts are now based on the maximum annual benefit provided to active employees, so these caps may increase in the future. However, the maximum benefits for each individual retiree are fixed at the time of retirement. Benefits continue until the earliest of: (1) the employee's death; (2) until the District has paid the total capped amount stated above; and (3) the date at which the retiree reaches Medicare/MediCal eligibility.

*Contributions:* The contribution requirements of Plan member and the District are established and may be amended by the District and the Colusa Educator's Association (CEA). The required contribution is based on projected pay-as-you-go financing requirements.

*Employees covered by benefit terms:* At June 30, 2024 valuation, the following employees were covered by the benefit terms:

|  |           |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefit payments | 8         |
| Inactive employees entitled to but not yet receiving benefit payments    | -         |
| Active employees   | 82        |
|  | <u>90</u> |

COLUSA UNIFIED SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

7. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Net OPEB Liability**

The District's net OPEB liability was measured as of June 30, 2025, and the total OPEB liability was used to calculate the net OPEB liability was determined by an actuarial valuation as of the June 30, 2024 date.

*Actuarial Assumptions:* The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                        |   |
|------------------------|---|
| Valuation date         | June 30, 2024   |
| Measurement date       | June 30, 2025   |
| Funding method         | Entry Age Normal Cost, level percent of pay   |
| Asset valuation method | Not applicable (\$0: no OPEB trust has been established)  |
| Discount rates         | 5.20% as of June 30, 2025<br>4.21% as of June 30, 2024  |
| Municipal bond index   | Bond buyer General Obligation 20 Municipal Bond Index   |
| Participants valued    | Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in the valuation. |
| Salary increase        | 3.0% per year. Since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years               |
| General inflation rate | 2.5% per year   |
| Mortality Improvement  | MacLeod Watts Scale 2022 applied generationally from 2020   |

The discount rate of 5.20% is based on the applicable municipal bond index. We assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The mortality assumptions are based on the Scale MP-2020.

**COLUSA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**7. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Changes in the Net OPEB Liability**

|   | <b>Increase (Decrease)</b>      |  |                               |
|---|---------------------------------|--|-------------------------------|
|   | <b>Total OPEB<br/>Liability</b> | <b>Plan Fiduciary<br/>Net Position</b> | <b>Net OPEB<br/>Liability</b> |
|   | <b>(a)</b>                      | <b>(b)</b>                             | <b>(a) - (b)</b>              |
| Balances at June 30, 2024, Measurement Date           | \$ 1,036,097                    | \$ -                                   | \$ 1,036,097                  |
| Changes for the year:                                 |                                 |  |                               |
| Service cost  | 55,842                          | -                                      | 55,842                        |
| Interest  | 44,106                          | -                                      | 44,106                        |
| Changes of benefit terms                              | -                               | -                                      | -                             |
| Differences between expected<br>and actual experience | -                               | -                                      | -                             |
| Contributions - employer                              | -                               | 88,561                                 | (88,561)                      |
| Changes of assumptions                                | (65,473)                        | -                                      | (65,473)                      |
| Net investment income                                 | -                               | -                                      | -                             |
| Benefit payments                                      | (88,561)                        | (88,561)                               | -                             |
| Administrative expense                                | -                               | -                                      | -                             |
| Net changes   | (54,086)                        | -                                      | (54,086)                      |
| Balances at June 30, 2025, Measurement Date           | \$ 982,011                      | \$ -                                   | \$ 982,011                    |

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the District, as well as what the District's net OPEB 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 healthcare cost trend rates:

|                            | <b>1% Decrease<br/>(4.20%)</b> | <b>Discount Rate<br/>(5.20%)</b> | <b>1% Increase<br/>(6.20%)</b> |
|----------------------------|--------------------------------|----------------------------------|--------------------------------|
| Net OPEB liability (asset) | \$ 1,048,161                   | \$ 982,011                       | \$ 918,943                     |

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

|                            | <b>1% Decrease</b> | <b>Healthcare Cost<br/>Trend Rates</b> | <b>1% Increase</b> |
|----------------------------|--------------------|--|--------------------|
| Net OPEB liability (asset) | \$ 902,267         | \$ 982,011                             | \$ 1,074,567       |

*OPEB plan fiduciary net position:* The plan has no assets.

**COLUSA UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**7. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the District recognized OPEB expense of \$10,020. Certain types of TOL changes are subject to deferral, as are investment gains/losses. To qualify for deferral, gains and losses must be based on GASB 74/75 compliance valuations. Since this is the District's first valuation, it is not possible to calculation compliance gains and losses. As June 30, 2025, the District had the following deferred outflows and deferred inflows:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between expected and actual experience | \$ 53,338                                     | \$ 12,792                                    |
| Changes of assumptions                             | 50,052  | 264,846                                      |
| Total  | <u>\$ 103,390</u>                             | <u>\$ 277,638</u>                            |

Below is the schedule of the total deferred outflows and inflows amortized.

| <b><u>Year ended June 30</u></b> | <b><u>Total Deferred<br/>Outflows/(Inflows)<br/>of Resources</u></b> |
|----------------------------------|--|
| 2026                             | \$ (21,407)  |
| 2027                             | (21,407)   |
| 2028                             | (21,407)   |
| 2029                             | (21,407)   |
| 2030                             | (21,407)   |
| Thereafter                       | (67,213)   |
| Total                            | <u>\$ (174,248)</u>  |

**Payable to the OPEB Plan**

The District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2025.

**COLUSA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**8. 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<br>Fund | County<br>School Facilities<br>Fund | Total<br>Non-Major<br>Funds | Total         |
|---|-----------------|-------------------------------------|-----------------------------|---------------|
| Nonspendable:   |                 |                                     |                             |               |
| Inventory   | \$ -            | \$ -                                | \$ 8,794                    | \$ 8,794      |
| Prepaid Expenses  | 172,983         | -                                   | -                           | 172,983       |
| Revolving Cash  | 26,744          | -                                   | -                           | 26,744        |
| Total Nonspendable  | 199,727         | -                                   | 8,794                       | 208,521       |
| Restricted:   |                 |                                     |                             |               |
| Child Nutrition: School Programs  | -               | -                                   | 975,416                     | 975,416       |
| Other Restricted Local  | 79,672          | -                                   | 514,480                     | 594,152       |
| Classified School Employee Professional<br>Development Block Grant                      | 8,878           | -                                   | -                           | 8,878         |
| Expanded Learning Opportunities Program   | 938,657         | -                                   | -                           | 938,657       |
| Lottery: Instructional Materials  | 355,832         | -                                   | -                           | 355,832       |
| Golden State Pathways Program   | 361,778         | -                                   | -                           | 361,778       |
| Educator Effectiveness, FY 2021-22  | 6,866           | -                                   | -                           | 6,866         |
| Arts, Music, and Instructional<br>Materials Discretionary Block Grant                   | 330,906         | -                                   | -                           | 330,906       |
| Arts and Music in Schools (AMS) -<br>Funding Guarantee and Accountability Act (Prop 28) | 221,459         | -                                   | -                           | 221,459       |
| LCFF Equity Multiplier  | 138,946         | -                                   | -                           | 138,946       |
| Learning Recovery Emergency Block Grant   | 129,049         | -                                   | -                           | 129,049       |
| Other Restricted State  | 9,690           | -                                   | -                           | 9,690         |
| A-G Access/Success Grant  | 76,971          | -                                   | -                           | 76,971        |
| A-G Learning Loss Mitigation Grant  | 29,374          | -                                   | -                           | 29,374        |
| Student Activity Funds  | -               | -                                   | 169,699                     | 169,699       |
| Total Restricted  | 2,688,078       | -                                   | 1,659,595                   | 4,347,673     |
| Assigned:   |                 |                                     |                             |               |
| Other Assignments   | 1,714,637       | 3,667,567                           | 565,507                     | 5,947,711     |
| Total Assigned  | 1,714,637       | 3,667,567                           | 565,507                     | 5,947,711     |
| Unassigned:   |                 |                                     |                             |               |
| Reserve for Economic Uncertainties  | 1,410,002       | -                                   | -                           | 1,410,002     |
| Total Unassigned  | 1,410,002       | -                                   | -                           | 1,410,002     |
| Total Fund Balances   | \$ 6,012,444    | \$ 3,667,567                        | \$ 2,233,896                | \$ 11,913,907 |

**COLUSA UNIFIED SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2025**

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**9. 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<br>June 30, 2024* | SELF<br>June 30, 2024* |
|--------------------------------|------------------------------------|------------------------|
| Total Assets                   | \$ 31,733,505                      | \$ 374,570,694         |
| Deferred Outflows of Resources | 371,071                            | 636,320                |
| Total Liabilities              | 16,327,737                         | 263,508,895            |
| Deferred Inflows of Resources  | 637,234                            | 57,023                 |
| Net Position                   | \$ 15,139,605                      | \$ 111,641,096         |
| Revenues                       | \$ 57,450,818                      | \$ 218,911,380         |
| Expenditures                   | 60,241,422                         | 145,846,362            |
| Change in Net Position         | \$ (2,790,604)                     | \$ 73,065,018          |

\* Latest available audited financial reports.

**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, 2025 financial statements for subsequent events through November 24, 2025, the date the financial statements were available to be issued. Management is not aware of any subsequent events, other than those described above, that would require recognition or disclosure in the accompanying 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, 2025**

|  | <b>Budget</b>   |               |               | <b>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|--|-----------------|---------------|---------------|---|
|  | <b>Original</b> | <b>Final</b>  | <b>Actual</b> |   |
| <b>REVENUES</b>                                      |                 |               |               |   |
| LCFF sources   | \$ 21,030,769   | \$ 20,919,417 | \$ 20,919,417 | \$ -  |
| Federal revenue                                      | 724,126         | 654,125       | 637,535       | (16,590)  |
| Other state revenues                                 | 3,002,622       | 2,525,994     | 2,525,994     | -   |
| Other local revenues                                 | 385,000         | 581,052       | 600,263       | 19,211  |
| Total revenues                                       | 25,142,517      | 24,680,588    | 24,683,209    | 2,621   |
| <b>EXPENDITURES</b>                                  |                 |               |               |   |
| Certificated salaries                                | 9,849,461       | 9,716,745     | 9,716,745     | -   |
| Classified salaries                                  | 3,804,133       | 3,997,249     | 3,997,249     | -   |
| Employee benefits                                    | 5,963,887       | 5,698,451     | 5,698,451     | -   |
| Books and supplies                                   | 1,241,398       | 1,295,898     | 1,295,898     | -   |
| Services and other operating<br>expenditures         | 2,251,300       | 2,669,811     | 2,669,810     | 1   |
| Capital outlay                                       | 135,000         | 1,354,310     | 1,354,310     | -   |
| Other outgo  | 2,349,061       | 3,057,432     | 3,057,432     | -   |
| Total expenditures                                   | 25,594,240      | 27,789,896    | 27,789,895    | 1   |
| Excess (deficiency) of revenues<br>over expenditures | (451,723)       | (3,109,308)   | (3,106,686)   | 2,622   |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                 |               |               |   |
| Operating transfers out                              | (345,379)       | (315,858)     | (315,858)     | -   |
| Total other financing sources (uses)                 | (345,379)       | (315,858)     | (315,858)     | -   |
| Net change in fund balances                          | (797,102)       | (3,425,166)   | (3,422,544)   | 2,622   |
| Fund balances, July 1, 2024                          | 9,434,988       | 9,434,988     | 9,434,988     | -   |
| Fund balances, June 30, 2025                         | \$ 8,983,265    | \$ 6,009,822  | \$ 6,012,444  | \$ 2,622  |

**COLUSA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF THE CHANGES IN THE DISTRICT'S  
NET OPEB LIABILITY AND RELATED RATIOS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| <b>Fiscal Year End June 30,</b>   | <b>2025*</b>      | <b>2024*</b>        | <b>2023*</b>        | <b>2022*</b>      | <b>2021*</b>      | <b>2020*</b>        | <b>2019*</b>        | <b>2018*</b>        |
|---|-------------------|---------------------|---------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| Measurment Date: June 30,   | <b>2025</b>       | <b>2024</b>         | <b>2022</b>         | <b>2022</b>       | <b>2020</b>       | <b>2019</b>         | <b>2019</b>         | <b>2018</b>         |
| <b>Total OPEB liability</b>   |                   |                     |                     |                   |                   |                     |                     |                     |
| Service cost  | \$ 55,842         | \$ 50,721           | \$ 31,519           | \$ 61,309         | \$ 54,806         | \$ 78,480           | \$ 74,187           | \$ 68,918           |
| Interest  | 44,106            | 41,655              | 35,260              | 20,423            | 25,601            | 37,219              | 39,315              | 41,650              |
| Changes of benefit terms  |                   | -                   | 167,812             | -                 | -                 | -                   | -                   | -                   |
| Differences between expected and actual experience                        | -                 | 19,573              | -                   | 51,915            | -                 | (23,394)            | -                   | -                   |
| Changes of assumptions  | (65,473)          | 23,691              | (2,190)             | (92,980)          | 26,592            | (250,288)           | 11,317              | 17,322              |
| Benefit payments, including refunds of member contributions               | (88,561)          | (114,832)           | (95,372)            | (75,899)          | (202,287)         | (177,556)           | (105,434)           | (129,394)           |
| <b>Net change in total OPEB liability</b>                                 | <b>(54,086)</b>   | <b>20,808</b>       | <b>137,029</b>      | <b>(35,232)</b>   | <b>(95,288)</b>   | <b>(335,539)</b>    | <b>19,385</b>       | <b>(1,504)</b>      |
| <b>Total OPEB liability - beginning</b>                                   | <b>1,036,097</b>  | <b>1,015,289</b>    | <b>878,260</b>      | <b>913,492</b>    | <b>1,008,780</b>  | <b>1,344,319</b>    | <b>1,324,934</b>    | <b>1,326,438</b>    |
| <b>Total OPEB liability - ending (a)</b>                                  | <b>\$ 982,011</b> | <b>\$ 1,036,097</b> | <b>\$ 1,015,289</b> | <b>\$ 878,260</b> | <b>\$ 913,492</b> | <b>\$ 1,008,780</b> | <b>\$ 1,344,319</b> | <b>\$ 1,324,934</b> |
| <b>Plan fiduciary net position</b>  |                   |                     |                     |                   |                   |                     |                     |                     |
| Contributions - employer  | \$ 88,561         | \$ 114,832          | \$ 95,372           | \$ 75,899         | \$ 202,287        | \$ 177,556          | \$ 105,434          | \$ 129,394          |
| Net investment income   |                   | -                   | -                   | -                 | -                 | -                   | -                   | -                   |
| Benefit payments, including refunds of member contributions               | (88,561)          | (114,832)           | (95,372)            | (75,899)          | (202,287)         | (177,556)           | (105,434)           | (129,394)           |
| Administrative expense  | -                 | -                   | -                   | -                 | -                 | -                   | -                   | -                   |
| <b>Net change in plan fiduciary net position</b>                          | <b>-</b>          | <b>-</b>            | <b>-</b>            | <b>-</b>          | <b>-</b>          | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| <b>Plan fiduciary net position - beginning</b>                            | <b>-</b>          | <b>-</b>            | <b>-</b>            | <b>-</b>          | <b>-</b>          | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| <b>Plan fiduciary net position - ending (b)</b>                           | <b>\$ -</b>       | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>District's net OPEB liability - ending (a) - (b)</b>                   | <b>\$ 982,011</b> | <b>\$ 1,036,097</b> | <b>\$ 1,015,289</b> | <b>\$ 878,260</b> | <b>\$ 913,492</b> | <b>\$ 1,008,780</b> | <b>\$ 1,344,319</b> | <b>\$ 1,324,934</b> |
| Plan fiduciary net position as a percentage of the total OPEB liability   | 0.0%              | 0.0%                | 0.0%                | 0.0%              | 0.0%              | 0.0%                | 0.0%                | 0.0%                |
| Covered-employee payroll  | \$ 9,627,610      | \$ 9,338,154        | \$ 8,743,563        | \$ 7,722,652      | \$ 7,290,504      | \$ 7,009,677        | \$ 6,535,352        | \$ 6,364,096        |
| District's net OPEB liability as a percentage of covered-employee payroll | 10.20%            | 11.10%              | 11.61%              | 11.37%            | 12.53%            | 14.39%              | 20.57%              | 20.82%              |

\* GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Since this is the eighth year of implementation, only results for fiscal years 2018 through 2024 are shown in this table.

**COLUSA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| <b>CalPERS</b>   | <b>June 30,<br/>2015 <sup>(1)</sup></b> | <b>June 30,<br/>2016 <sup>(1)</sup></b> | <b>June 30,<br/>2017 <sup>(1)</sup></b> | <b>June 30,<br/>2018 <sup>(1)</sup></b> | <b>June 30,<br/>2019 <sup>(1)</sup></b> | <b>June 30,<br/>2020 <sup>(1)</sup></b> | <b>June 30,<br/>2021 <sup>(1)</sup></b> | <b>June 30,<br/>2022 <sup>(1)</sup></b> | <b>June 30,<br/>2023 <sup>(1)</sup></b> | <b>June 30,<br/>2024 <sup>(1)</sup></b> |
|--|---|---|---|---|---|---|---|---|---|---|
| Proportion of the net pension liability (asset)  | 0.01598%                                | 0.01606%                                | 0.01575%                                | 0.01637%                                | 0.01644%                                | 0.01627%                                | 0.01702%                                | 0.01678%                                | 0.01655%                                | 0.01655%                                |
| Proportionate share of the net pension liability (asset)                                       | \$ 2,355,804                            | \$ 3,170,971                            | \$ 3,760,661                            | \$ 4,364,997                            | \$ 4,791,012                            | \$ 4,991,734                            | \$ 3,460,784                            | \$ 5,775,261                            | \$ 5,992,699                            | \$ 6,242,956                            |
| Covered payroll <sup>(2)</sup>   | \$ 1,758,040                            | \$ 1,643,109                            | \$ 1,796,311                            | \$ 1,856,732                            | \$ 2,085,417                            | \$ 2,943,082                            | \$ 2,206,198                            | \$ 2,323,007                            | \$ 2,725,157                            | \$ 3,398,277                            |
| Proportionate Share of the net pension liability (asset)<br>as a percentage of covered payroll | 134.00%                                 | 192.99%                                 | 209.35%                                 | 235.09%                                 | 229.74%                                 | 169.61%                                 | 156.87%                                 | 248.61%                                 | 219.90%                                 | 183.71%                                 |
| Plan fiduciary net position as a percentage of the<br>total pension liability (asset)          | 79.43%                                  | 73.90%                                  | 71.87%                                  | 70.85%                                  | 70.05%                                  | 70.00%                                  | 80.97%                                  | 69.76%                                  | 69.96%                                  | 72.29%                                  |
| Proportionate share of aggregate employer contributions <sup>(3)</sup>                         | \$ 208,275                              | \$ 228,195                              | \$ 278,985                              | \$ 335,363                              | \$ 411,265                              | \$ 609,218                              | \$ 505,440                              | \$ 589,347                              | \$ 727,072                              | \$ 919,234                              |
| <b>STRS</b>  | <b>June 30,<br/>2015 <sup>(1)</sup></b> | <b>June 30,<br/>2016 <sup>(1)</sup></b> | <b>June 30,<br/>2017 <sup>(1)</sup></b> | <b>June 30,<br/>2018 <sup>(1)</sup></b> | <b>June 30,<br/>2019 <sup>(1)</sup></b> | <b>June 30,<br/>2020 <sup>(1)</sup></b> | <b>June 30,<br/>2021 <sup>(1)</sup></b> | <b>June 30,<br/>2022 <sup>(1)</sup></b> | <b>June 30,<br/>2023 <sup>(1)</sup></b> | <b>June 30,<br/>2024 <sup>(1)</sup></b> |
| Proportion of the net pension liability (asset)  | 0.01232%                                | 0.01261%                                | 0.01179%                                | 0.01189%                                | 0.01211%                                | 0.01250%                                | 0.01299%                                | 0.01204%                                | 0.01386%                                | 0.01386%                                |
| Proportionate share of the net pension liability (asset)                                       | \$ 8,292,846                            | \$ 10,195,442                           | \$ 10,899,746                           | \$ 10,927,243                           | \$ 10,940,628                           | \$ 12,109,498                           | \$ 5,910,262                            | \$ 8,369,540                            | \$ 10,558,575                           | \$ 9,102,136                            |
| Covered payroll <sup>(2)</sup>   | \$ 4,731,538                            | \$ 5,358,362                            | \$ 5,445,696                            | \$ 5,609,730                            | \$ 6,198,971                            | \$ 7,574,248                            | \$ 7,874,173                            | \$ 6,985,518                            | \$ 8,335,309                            | \$ 8,902,340                            |
| Proportionate Share of the net pension liability (asset)<br>as a percentage of covered payroll | 175.27%                                 | 190.27%                                 | 200.15%                                 | 194.79%                                 | 176.49%                                 | 159.88%                                 | 75.06%                                  | 119.81%                                 | 126.67%                                 | 102.24%                                 |
| Plan fiduciary net position as a percentage of the<br>total pension liability (asset)          | 74.02%                                  | 70.04%                                  | 69.46%                                  | 70.99%                                  | 72.56%                                  | 71.82%                                  | 87.21%                                  | 81.20%                                  | 80.62%                                  | 83.55%                                  |
| Proportionate share of aggregate employer contributions <sup>(3)</sup>                         | \$ 507,694                              | \$ 674,082                              | \$ 785,814                              | \$ 913,264                              | \$ 1,060,024                            | \$ 1,223,241                            | \$ 1,332,310                            | \$ 1,334,234                            | \$ 1,592,044                            | \$ 1,700,347                            |

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB 68 is applicable. This is the measurement date of the actuarial report.

<sup>(2)</sup> Covered payroll is the payroll on which contributions to a pension plan are based.

<sup>(3)</sup> 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 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, 2025**

| <b>CalPERS</b>   | <b>Fiscal Year<br/>2015-16 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2016-17 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2017-18 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2018-19 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2019-20 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2020-21 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2021-22 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2022-23 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2023-24 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2024-25 <sup>(1)</sup></b> |
|--|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution <sup>(2)</sup>                                     | \$ 208,275                                    | \$ 228,195                                    | \$ 278,985                                    | \$ 335,363                                    | \$ 411,265                                    | \$ 609,218                                    | \$ 505,440                                    | \$ 589,347                                    | \$ 727,072                                    | \$ 919,234                                    |
| Contributions in relation to the contractually<br>required contribution <sup>(2)</sup> | (228,381)                                     | (278,742)                                     | (335,771)                                     | (411,821)                                     | (465,418)                                     | (499,803)                                     | (597,038)                                     | (743,287)                                     | (972,809)                                     | (1,010,548)                                   |
| Contribution deficiency (excess)   | <u>\$ (20,106)</u>                            | <u>\$ (50,547)</u>                            | <u>\$ (56,786)</u>                            | <u>\$ (76,458)</u>                            | <u>\$ (54,153)</u>                            | <u>\$ 109,415</u>                             | <u>\$ (91,598)</u>                            | <u>\$ (153,940)</u>                           | <u>\$ (245,737)</u>                           | <u>\$ (91,314)</u>                            |
| Covered payroll <sup>(3)</sup>   | \$ 1,758,040                                  | \$ 1,643,109                                  | \$ 1,796,311                                  | \$ 1,856,732                                  | \$ 2,085,417                                  | \$ 2,943,082                                  | \$ 2,206,198                                  | \$ 2,323,007                                  | \$ 2,725,157                                  | \$ 3,398,277                                  |
| Contributions as a percentage of covered payroll <sup>(3)</sup>                        | 11.847%                                       | 13.888%                                       | 15.531%                                       | 18.062%                                       | 19.721%                                       | 20.700%                                       | 22.910%                                       | 25.370%                                       | 26.680%                                       | 27.050%                                       |
| <b>STRS</b>  | <b>Fiscal Year<br/>2015-16 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2016-17 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2017-18 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2018-19 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2019-20 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2020-21 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2021-22 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2022-23 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2023-24 <sup>(1)</sup></b> | <b>Fiscal Year<br/>2024-25 <sup>(1)</sup></b> |
| Contractually required contribution <sup>(2)</sup>                                     | \$ 507,694                                    | \$ 674,082                                    | \$ 785,814                                    | \$ 913,264                                    | \$ 1,060,024                                  | \$ 1,223,241                                  | \$ 1,332,310                                  | \$ 1,334,234                                  | \$ 1,592,044                                  | \$ 1,700,347                                  |
| Contributions in relation to the contractually<br>required contribution <sup>(2)</sup> | (685,760)                                     | (789,525)                                     | (931,757)                                     | (1,087,244)                                   | (1,176,232)                                   | (1,145,059)                                   | (1,264,521)                                   | (1,611,276)                                   | (1,759,136)                                   | (1,798,125)                                   |
| Contribution deficiency (excess)   | <u>\$ (178,066)</u>                           | <u>\$ (115,443)</u>                           | <u>\$ (145,943)</u>                           | <u>\$ (173,980)</u>                           | <u>\$ (116,208)</u>                           | <u>\$ 78,182</u>                              | <u>\$ 67,789</u>                              | <u>\$ (277,042)</u>                           | <u>\$ (167,092)</u>                           | <u>\$ (97,778)</u>                            |
| Covered payroll <sup>(3)</sup>   | \$ 4,731,538                                  | \$ 5,358,362                                  | \$ 5,445,696                                  | \$ 5,609,730                                  | \$ 6,198,971                                  | \$ 7,574,248                                  | \$ 7,874,173                                  | \$ 6,985,518                                  | \$ 8,335,309                                  | \$ 8,902,340                                  |
| Contributions as a percentage of covered payroll <sup>(3)</sup>                        | 10.730%                                       | 12.580%                                       | 14.430%                                       | 16.280%                                       | 17.100%                                       | 16.150%                                       | 16.920%                                       | 19.100%                                       | 19.100%                                       | 19.100%                                       |

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

<sup>(2)</sup> Employers are assumed to make contributions equal to the contractually required contributions. However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the contractually required 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.

<sup>(3)</sup> Covered payroll is the payroll on which contributions to a pension plan are based.

# COLUSA UNIFIED SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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#### 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 the Changes in the District's Net OPEB Liability and Related Ratios

*Benefit changes:* Changes to retiree health benefits for those retiring on/after January 1, 2023, are reflected in footnote 7.

*Changes of Assumptions:* The discount rate increased from 4.21% as of June 30, 2024 to 5.20% as of June 30, 2025.

Fiscal year 2018 was the first year of implementation, therefore only eight years are shown.

C - Schedule of OPEB Contributions

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2025 were from the June 30, 2024 valuation.

|                             |  |
|-----------------------------|--|
| Actuarial cost method       | Entry Age Normal Level % of Pay  |
| Amortization method         | Level percent of pay   |
| Amortization period         | 14.09 years, excluding those due to investment performance being different from the assumed earnings rate, which are recognized over 5 years |
| Asset valuation method      | N/A; the plan is not being funded through a trust.   |
| Inflation                   | 2.5% per year  |
| Healthcare cost trend rates | 6.5% in 2025 decreasing to 3.9% by 2075  |
| Salary increases            | 3.0% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years                 |
| Discount Rates              | 5.20% as of June 30, 2025<br>4.21% as of June 30, 2024   |
| Mortality                   | MacLeod Watts Scale 2022 applied generationally from 2020  |

# COLUSA UNIFIED SCHOOL DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### 1. PURPOSE OF SCHEDULES (CONTINUED)

#### D - Schedule of Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the Plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

#### Changes in Assumptions

There were no changes in assumptions for CalPERS and CalSTRS.

#### Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for both CalPERS and CalSTRS.

#### E - Schedule of Pension Contributions

If an employer's contributions to the plans are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plans (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. In the future, as data becomes available, ten years of information will be presented.

|  | CalPERS   | STRS   |
|--|---|--|
| Valuation Date                           | June 30, 2023   | June 30, 2023  |
| Measurement Date                         | June 30, 2024   | June 30, 2024  |
| Actuarial Cost Method                    | Entry-Age Normal Cost                                   | Entry-Age Normal Cost                                |
| Actuarial Assumptions                    |   |  |
| Discount Rate                            | 6.90%   | 7.10%  |
| Inflation                                | 2.30%   | 2.75%  |
| Payroll Growth Rate                      | 2.80%   | 3.25%  |
| Projected Salary Increase                | Varies by Entry Age and Service                         | Varies by Entry Age and Service                      |
| Investment Rate of Return <sup>(1)</sup> | 6.80%   | 7.10%  |
| Mortality                                | Derived using CalPERS'<br>Membership Data for all Funds | Derived using STRS'<br>Membership Data for all Funds |

<sup>(1)</sup> 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, 2025**

|  | <b>Student<br/>Activity<br/>Fund</b> | <b>Cafeteria<br/>Fund</b> | <b>Deferred<br/>Maintenance<br/>Fund</b> | <b>Special<br/>Reserve For<br/>Capital Outlay<br/>Fund</b> | <b>Capital<br/>Facilities<br/>Fund</b> | <b>Bond Interest<br/>and<br/>Redemption<br/>Fund</b> | <b>Total</b>        |
|--|--------------------------------------|---------------------------|--|--|--|--|---------------------|
| <b>ASSETS</b>                            |                                      |                           |  |  |  |  |                     |
| Cash and cash equivalents                | \$ 176,295                           | \$ 801,047                | \$ 144,522                               | \$ (107,327)   | \$ 535,515                             | \$ 485,944   | \$ 2,035,996        |
| Accounts receivable                      | -                                    | 219,446                   | -  | -  | -                                      | -  | 219,446             |
| Due from other funds                     | -                                    | -                         | -  | 107,327.00   | -                                      | -  | 107,327             |
| Inventory                                | -                                    | 8,794                     | -  | -  | -                                      | -  | 8,794               |
| Total assets                             | <u>\$ 176,295</u>                    | <u>\$ 1,029,287</u>       | <u>\$ 144,522</u>                        | <u>\$ -</u>  | <u>\$ 535,515</u>                      | <u>\$ 485,944</u>                                    | <u>\$ 2,371,563</u> |
| <b>LIABILITIES AND<br/>FUND BALANCES</b> |                                      |                           |  |  |  |  |                     |
| <b>Liabilities</b>                       |                                      |                           |  |  |  |  |                     |
| Accounts payable                         | \$ 6,596                             | \$ 5,802                  | \$ 64,959                                | \$ -   | \$ 21,035                              | \$ -   | \$ 98,392           |
| Due to other funds                       | -                                    | 39,275                    | -  | -  | -                                      | -  | 39,275              |
| Total Liabilities                        | <u>6,596</u>                         | <u>45,077</u>             | <u>64,959</u>                            | <u>-</u>   | <u>21,035</u>                          | <u>-</u>   | <u>137,667</u>      |
| <b>Fund balances</b>                     |                                      |                           |  |  |  |  |                     |
| Nonspendable                             | -                                    | 8,794                     | -  | -  | -                                      | -  | 8,794               |
| Restricted                               | 169,699                              | 975,416                   | -  | -  | 514,480                                | -  | 1,659,595           |
| Assigned                                 | -                                    | -                         | 79,563                                   | -  | -                                      | 485,944  | 565,507             |
| Total Fund Balance                       | <u>169,699</u>                       | <u>984,210</u>            | <u>79,563</u>                            | <u>-</u>   | <u>514,480</u>                         | <u>485,944</u>                                       | <u>2,233,896</u>    |
| Total liabilities and fund balances      | <u>\$ 176,295</u>                    | <u>\$ 1,029,287</u>       | <u>\$ 144,522</u>                        | <u>\$ -</u>  | <u>\$ 535,515</u>                      | <u>\$ 485,944</u>                                    | <u>\$ 2,371,563</u> |



**COLUSA UNIFIED SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**ALL NON-MAJOR FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

|  | <b>Student<br/>Activity<br/>Fund</b> | <b>Cafeteria<br/>Fund</b> | <b>Deferred<br/>Maintenance<br/>Fund</b> | <b>Special Reserve<br/>For Capital<br/>Outlay Fund</b> | <b>Capital<br/>Facilities<br/>Fund</b> | <b>Bond Interest<br/>and<br/>Redemption<br/>Fund</b> | <b>Total</b> |
|--|--------------------------------------|---------------------------|--|--|--|--|--------------|
| <b>REVENUES</b>                                      |                                      |                           |  |  |  |  |              |
| Federal revenue                                      | \$ -                                 | \$ 1,001,783              | \$ -                                     | \$ -   | \$ -                                   | \$ -   | \$ 1,001,783 |
| Other state revenues                                 | -                                    | 673,953                   | -  | -  | -                                      | 2,849  | 676,802      |
| Other local revenues                                 | 220,747                              | 19,413                    | (3,833)                                  | 1,991  | 405,694                                | 446,781  | 1,090,793    |
| Total revenues                                       | 220,747                              | 1,695,149                 | (3,833)                                  | 1,991  | 405,694                                | 449,630  | 2,769,378    |
| <b>EXPENDITURES</b>                                  |                                      |                           |  |  |  |  |              |
| Classified salaries                                  | -                                    | 405,123                   | -  | -  | -                                      | -  | 405,123      |
| Employee benefits                                    | -                                    | 183,331                   | -  | -  | -                                      | -  | 183,331      |
| Books and supplies                                   | 195,953                              | 617,879                   | 33,817                                   | -  | -                                      | -  | 847,649      |
| Services and other operating expenditures            | 6,125                                | 26,912                    | 83,326                                   | -  | 32,126                                 | -  | 148,489      |
| Capital outlay                                       | -                                    | -                         | 70,189                                   | -  | 75,113                                 | -  | 145,302      |
| Other outgo  | -                                    | 39,275                    | -  | -  | -                                      | -  | 39,275       |
| Debt service expenditures                            |                                      |                           |  |  |  |  |              |
| Principal  | -                                    | -                         | -  | 92,825   | -                                      | 175,000  | 267,825      |
| Interest   | -                                    | -                         | -  | 62,554   | -                                      | 185,700  | 248,254      |
| Total expenditures                                   | 202,078                              | 1,272,520                 | 187,332                                  | 155,379  | 107,239                                | 360,700  | 2,285,248    |
| Excess (deficiency) of revenues<br>over expenditures | 18,669                               | 422,629                   | (191,165)                                | (153,388)  | 298,455                                | 88,930   | 484,130      |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                                      |                           |  |  |  |  |              |
| Operating transfers in                               | -                                    | 8,531                     | 200,000                                  | 107,327  | -                                      | -  | 315,858      |
| Total other financing sources (uses)                 | -                                    | 8,531                     | 200,000                                  | 107,327  | -                                      | -  | 315,858      |
| Net change in fund balances                          | 18,669                               | 431,160                   | 8,835                                    | (46,061)   | 298,455                                | 88,930   | 799,988      |
| Fund balances, July 1, 2024                          | 151,030                              | 553,050                   | 70,728                                   | 46,061   | 216,025                                | 397,014  | 1,433,908    |
| Fund balances, June 30, 2025                         | \$ 169,699                           | \$ 984,210                | \$ 79,563                                | \$ -   | \$ 514,480                             | \$ 485,944   | \$ 2,233,896 |

**COLUSA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF AVERAGE DAILY ATTENDANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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|                       | <b>Second<br/>Period<br/>Report</b> | <b>Annual<br/>Report</b> |
|-----------------------|-------------------------------------|--------------------------|
| Elementary            |                                     |                          |
| TK-3                  | 405.80                              | 407.78                   |
| Fourth through Sixth  | 313.13                              | 313.24                   |
| Seventh to Eighth     | 209.40                              | 212.93                   |
| Total Elementary      | 928.33                              | 933.95                   |
| Secondary             |                                     |                          |
| Ninth through Twelfth | 444.10                              | 441.69                   |
| Total Secondary       | 444.10                              | 441.69                   |
| Total                 | 1,372.43                            | 1,375.64                 |

**COLUSA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF INSTRUCTIONAL TIME**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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| <b><u>Grade Level</u></b> | <b><u>Standard<br/>Minutes<br/>Requirement</u></b> | <b><u>2024-25<br/>Actual<br/>Minutes</u></b> | <b><u>2024-25<br/>Instructional<br/>Days</u></b> | <b><u>Status</u></b> |
|---------------------------|--|--|--|----------------------|
| Kindergarten              | 36,000   | 51,863                                       | 180  | In compliance        |
| Grade 1                   | 50,400   | 52,382                                       | 180  | In compliance        |
| Grade 2                   | 50,400   | 52,402                                       | 180  | In compliance        |
| Grade 3                   | 50,400   | 52,402                                       | 180  | In compliance        |
| Grade 4                   | 54,000   | 54,310                                       | 180  | In compliance        |
| Grade 5                   | 54,000   | 54,310                                       | 180  | In compliance        |
| Grade 6                   | 54,000   | 57,979                                       | 180  | In compliance        |
| Grade 7                   | 54,000   | 57,868                                       | 180  | In compliance        |
| Grade 8                   | 54,000   | 57,868                                       | 180  | In compliance        |
| Grade 9                   | 64,800   | 65,288                                       | 180  | In compliance        |
| Grade 10                  | 64,800   | 65,288                                       | 180  | In compliance        |
| Grade 11                  | 64,800   | 65,288                                       | 180  | In compliance        |
| Grade 12                  | 64,800   | 65,288                                       | 180  | In compliance        |

**COLUSA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF CHARTER SCHOOLS**  
**FOR FISCAL YEAR ENDED JUNE 30, 2025**

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| <u>Charter School</u><br><u>ID Number</u>               | <u>Charter Schools</u><br><u>Chartered by the District</u> | <u>Included in the District Financial</u><br><u>Statements, or Separate Report</u> |
|---|--|--|
| There are currently no charter schools in the District. |  |  |

**COLUSA UNIFIED SCHOOL DISTRICT**

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET  
REPORT WITH AUDITED FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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|  | <b>Cafeteria<br/>Fund</b> |
|--|---------------------------|
| FUND BALANCE   |                           |
| Balance, June 30, 2025, Unaudited Actuals            | \$ 766,465                |
| Increase in:   |                           |
| Accounts Receivable                                  | <u>217,745</u>            |
| Balance, June 30, 2025, Audited Financial Statements | <u><u>\$ 984,210</u></u>  |

**COLUSA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| <b>Assistance<br/>Listing<br/>Number</b>                 | <b>Federal Grantor/Pass-Through<br/>Grantor/Program or Cluster Title</b>                                     | <b>Pass-<br/>Through<br/>Entity<br/>Identifying<br/>Number</b> | <b>Federal<br/>Expenditures</b> |
|--|--|--|---------------------------------|
| <u>U.S. Department of Education</u>                      |  |  |                                 |
| <i>Passed through California Department of Education</i> |  |  |                                 |
|  | Education Stabilization Fund (ESF) Cluster   |  |                                 |
| 84.425U  | Elementary and Secondary School Emergency Relief III (ESSER III) Fund Learning Loss                          | 10155  | \$ 6,499                        |
| 84.425   | American Rescue Plan - Homeless Children and Youth II (ARP HYC II)   | 15566  | 3,851                           |
|  | Subtotal Education Stabilization Fund (ESF) Cluster  |  | 10,350                          |
| 84.010   | ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected  | 14329  | 324,223                         |
| 84.010   | ESEA: ESSA School Improvement (CSI) Funding for LEAs   | 15438  | 174,382                         |
| 84.365   | ESEA (ESSA): Title III, English Learner Student Program  | 14346  | 42,987                          |
| 84.365   | ESEA (ESSA): Title III, Immigrant Student Program  | 15146  | 7,655                           |
| 84.048   | Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)                | 14894  | 9,668                           |
| 84.367   | ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants                                 | 14341  | 42,838                          |
| 84.424   | ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants                                 | 15396  | 25,432                          |
|  | Total U.S. Department of Education   |  | 637,535                         |
| <u>U.S. Department of Agriculture</u>                    |  |  |                                 |
| <i>Passed through California Department of Education</i> |  |  |                                 |
| 10.555   | Child Nutrition: School Programs (e.g., School Lunch, School Breakfast, Milk, Pregnant & Lactating Students) | 13524  | * 929,051                       |
| 10.555   | Child Nutrition: School Programs - Nonmonetary Assistance  | 13524  | * 72,732                        |
|  | Total Child Nutrition Cluster  |  | 1,001,783                       |
|  | Total U.S. Department of Agriculture   |  | 1,001,783                       |
|  | Total Federal Programs   |  | \$ 1,639,318                    |

\* Tested as a major program

**COLUSA UNIFIED SCHOOL DISTRICT**

**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

|   | <b>Adopted<br/>Budget<br/>2025/2026</b> | <b>Actuals<br/>2024/2025</b> | <b>Actuals<br/>2023/2024</b> | <b>Actuals<br/>2022/2023</b> |
|---|---|------------------------------|------------------------------|------------------------------|
| <b><u>General Fund</u></b>                        |   |                              |                              |                              |
| Revenues and Other Financial Sources              | \$ 25,934,039                           | \$ 24,683,209                | \$ 28,362,509                | \$ 27,206,134                |
| Expenditures                                      | 25,556,719                              | 27,789,895                   | 27,742,626                   | 23,196,212                   |
| Other Uses and Transfers Out                      | 366,929                                 | 315,858                      | 299,564                      | 300,365                      |
| Total Outgo                                       | 25,923,648                              | 28,105,753                   | 28,042,190                   | 23,496,577                   |
| Change in Fund Balance                            | 10,391                                  | (3,422,544)                  | 320,319                      | 3,709,557                    |
| Ending Fund Balance                               | \$ 6,022,835                            | \$ 6,012,444                 | \$ 9,434,988                 | \$ 9,114,669                 |
| Available Reserves                                | \$ 1,329,084                            | \$ 1,410,002                 | \$ 1,324,354                 | \$ 1,174,830                 |
| Reserve for Economic Uncertainties                | \$ 1,329,084                            | \$ 1,410,002                 | \$ 1,324,354                 | \$ 1,174,830                 |
| Unappropriated Fund Balance                       | \$ -                                    | \$ -                         | \$ -                         | \$ -                         |
| Available Reserves as a Percentage of Total Outgo | 5.1%                                    | 5.0%                         | 4.7%                         | 5.0%                         |
| Total Long-Term Debt                              | \$ 27,531,814                           | \$ 27,821,071                | \$ 29,138,369                | * \$ 22,691,646              |
| Average Daily Attendance at P-2                   | 1,395                                   | 1,372                        | 1,385                        | 1,426                        |

\*Includes prior period adjustment for GASB 101 implementation.

The general fund balance has increased by \$607,332 over the past three years. The fiscal year 2025-26 budget projects an increase of \$10,391. 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 surplus in two of the past three fiscal years.

Total long-term liabilities have increased by \$5,129,425 over the past two years due to increases to the net pension liability.

Average Daily Attendance (ADA) has decreased by 54 over the past two years and ADA is budgeted to increase in the fiscal year 2025-26.

**COLUSA UNIFIED SCHOOL DISTRICT**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**1. Schedule Of Average Daily Attendance**

Average daily attendance is a measurement of the number of pupils attending classes of 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**

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 at the State's standard requirements as required by Education Code Section 46201(b).

**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 Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides information necessary to reconcile the Annual Financial and Budget Report 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. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with the Uniform Guidance and state requirements. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the general purpose financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**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 INFORMATION**

# COLUSA UNIFIED SCHOOL DISTRICT

## ORGANIZATION

### FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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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 in 1926. 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

| <u>Name</u>                | <u>Office</u> | <u>Term Expires<br/>December</u> |
|----------------------------|---------------|----------------------------------|
| Mrs. Kelli Griffith-Garcia | Trustee       | 2028                             |
| Mrs. Roberta James         | President     | 2026                             |
| Mrs. Erin Steidlmayer      | Trustee       | 2028                             |
| Mrs. Melissa Yerxa Ortiz   | Clerk         | 2028                             |
| Mr. Chris McAllister       | Trustee       | 2026                             |

### ADMINISTRATION

Rebecca Changus  
Superintendent

Scott A. Lantsberger  
Chief Business Official

## **OTHER INDEPENDENT AUDITOR'S REPORTS**



**INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND ON INTERNAL  
CONTROL OVER COMPLIANCE**

Board of Trustees  
Colusa Unified School District  
Colusa, California

**Report on Compliance**

**Opinion**

We have audited the Colusa Unified School District (the "District") compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2025.

In our opinion, Colusa Unified School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

**Basis for Opinion**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists.

The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

| <b>Local Education Agencies Other Than Charter Schools</b> |                             |
|--|-----------------------------|
| <b>Description</b>   | <b>Procedures Performed</b> |
| Attendance   | Yes                         |
| Teacher Certification and Misassignments                   | Yes                         |
| Independent Study  | Yes                         |
| Continuation Education                                     | Yes                         |
| Instructional Time   | 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               |
| Middle or Early College High Schools                       | No, see below               |
| K-3 Grade Span Adjustment                                  | Yes                         |
| Apprenticeship: Related and Supplemental Instruction       | No, see below               |
| Comprehensive School Safety Plan                           | Yes                         |
| District of Choice   | No, see below               |
| Home to School Transportation Reimbursement                | Yes                         |

**School Districts, County Offices of Education and Charter Schools**

| <b>Description</b>                                       | <b>Procedures Performed</b> |
|--|-----------------------------|
| Arts and Music in Schools                                | Yes                         |
| After/Before Schools Education and Safety Program        |                             |
| General Requirements                                     | Yes                         |
| After School   | Yes                         |
| Before School  | No, see below               |
| Proper Expenditure of Education Protection Account Funds | Yes                         |
| Unduplicated Local Control Funding Formula Pupil Counts  | Yes                         |
| Local Control and Accountability Plan                    | Yes                         |
| Independent Study-Course Based                           | No, see below               |
| Immunizations  | No, see below               |
| Educator Effectiveness                                   | Yes                         |
| Expanded Learning Opportunities Grant (ELO-G)            | No, see below               |
| Career Technical Education Incentive Grant               | Yes                         |
| Expanded Learning Opportunities Program                  | Yes                         |
| Kindergarten Continuance                                 | No, see below               |
| Transitional Kindergarten                                | Yes                         |

**Charter Schools**

| <b>Description</b>  | <b>Procedures Performed</b> |
|---|-----------------------------|
| Attendance  | No, see below               |
| Mode of Instruction   | No, see below               |
| Nonclassroom-Based Instruction/Independent Study            | No, see below               |
| Determination of Funding for Nonclassroom-Based Instruction | No, see below               |
| Annual Instructional Minutes - Classroom Based              | No, see below               |
| Charter School Facility Grant Program                       | No, see below               |

We did not perform any procedures related to Early Retirement Incentive Program, Juvenile Court Schools, Middle or Early College High Schools, Apprenticeship: Related and Supplemental Instruction, the Before portion of the Before/After School Education and Safety Program, Independent Study Course-Based, and District of Choice because the District did not offer these programs in the current year.

We did not perform any procedures related to Kindergarten Continuance because no kindergarten students repeated kindergarten in the current year.

We did not perform audit procedures on Expanded Learning Opportunities Grant (ELO-G) as the District fully spent the funds in the prior year.

We did not perform any procedures related to Immunization as none of the District's schools appeared on the lists of schools that did not submit immunization assessment reports to the California Department of Public Health or those that reported combined conditional admission and overdue rates greater than 10 percent in kindergarten and in 7th grade.

We did not perform any procedures related to Charter Schools Attendance, Mode of Instruction for Charter Schools Attendance, Nonclassroom-Based Instruction/Independent Study, Determination of Funding for

Nonclassroom-Based Instruction, Annual Instructional Minutes-Classroom-Based, and Charter School Facility Grant Program because the District did not have any charter schools.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

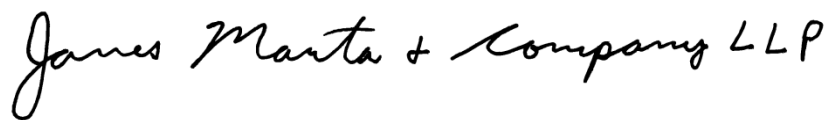
### **Report on Internal Control over Compliance**

*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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
November 24, 2025



**James Marta & Company LLP**  
*Certified Public Accountants*

*Accounting, Auditing, Consulting and Tax*

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

**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 (*Government Auditing Standards*), 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 24, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 the 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 or significant deficiencies may exist that were not identified.

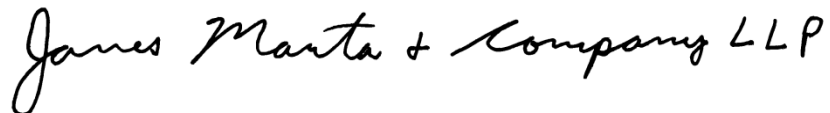


## **Report on Compliance and Other Matters**

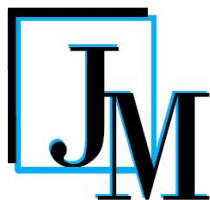
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
November 24, 2025



**James Marta & Company LLP**  
*Certified Public Accountants*

*Accounting, Auditing, Consulting and Tax*

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**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 THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Colusa Unified School District  
Colusa, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Colusa Unified School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *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, 2025. 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.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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.

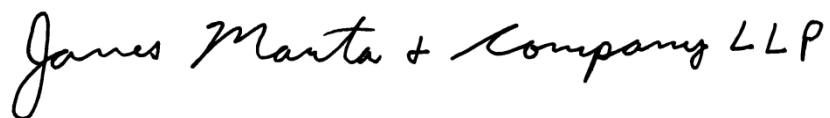
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Colusa Unified School District as of and for the year ended June 30, 2025, and have issued our report thereon dated November 24, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
November 24, 2025

## **FINDINGS AND RECOMMENDATIONS**

**COLUSA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**Section I – Summary of Audit Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

|   |                   |                            |
|---|-------------------|----------------------------|
| Material weakness(es) identified?       | <u>  X  </u> Yes  | <u>      </u> No           |
| Significant deficiency(ies) identified? | <u>      </u> Yes | <u>  X  </u> None reported |

Noncompliance material to financial statements noted?

|                   |                 |
|-------------------|-----------------|
| <u>      </u> Yes | <u>  X  </u> No |
|-------------------|-----------------|

**Federal Awards**

Internal control over major programs:

|   |                   |                            |
|---|-------------------|----------------------------|
| Material weakness(es) identified?       | <u>      </u> Yes | <u>  X  </u> No            |
| Significant deficiency(ies) identified? | <u>      </u> Yes | <u>  X  </u> 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 Uniform Guidance, Section 200.516(a)?

|                   |                 |
|-------------------|-----------------|
| <u>      </u> Yes | <u>  X  </u> No |
|-------------------|-----------------|

Identification of major programs:

|                                     |   |
|-------------------------------------|---|
| <u>Assistance Listing Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
| 10.555                              | Child Nutrition Cluster                   |

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

|                  |                  |
|------------------|------------------|
| <u>  X  </u> Yes | <u>      </u> No |
|------------------|------------------|

**State Awards**

Internal control over state programs:

|   |                   |                            |
|---|-------------------|----------------------------|
| Material weakness(es) identified?       | <u>      </u> Yes | <u>  X  </u> No            |
| Significant deficiency(ies) identified? | <u>      </u> Yes | <u>  X  </u> None reported |

Type of auditor's report issued on compliance for state programs: Unmodified

**COLUSA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**Section II – Financial Statement Findings**

Finding 2025-1 – Revenue Recognition – Material Weakness - 30000

Criteria:

Accounting principles generally accepted (GASB/GAAP) require revenues to be recognized when they are earned and measurable, regardless of when cash is received. Under the accrual basis of accounting, revenue should be recorded in the period in which the underlying transaction or exchange occurs, and a receivable should be recognized when the District has an enforceable claim.

Condition:

During our testing of accounts receivable, we noted that the District records cafeteria federal and state revenue when cash is received. These revenue streams that meet the criteria for accrual under the applicable accounting standards were not recorded until payment was received. As a result, revenues and related receivables were understated at year-end for the cafeteria fund.

Cause:

The District's revenue recognition process for the cafeteria fund revenue is based on cash receipts rather than on an assessment of when revenue has been earned. The District has not implemented procedures to identify and record year-end receivables for the cafeteria fund.

Effect:

Financial statements understate revenue and related accounts receivable. This may result in misstated financial results, inaccurate period-to-period comparisons, and noncompliance with accounting standards. Adjustments were required to properly state year-end revenue and receivables.

Questioned Costs:

Not applicable

Repeat Finding:

No

Recommendation:

We recommend the District implement an accrual-based revenue recognition process for the cafeteria fund, including procedures to (1) identify revenue earned but not yet collected, (2) record receivables at period-end, and (3) review contracts, agreements, and recurring revenue sources to ensure revenue is recognized in the appropriate accounting period.

Management Response:

Management agrees with the finding and will implement procedures to identify and record revenue when earned. These procedures will include year-end reviews of outstanding billings, contracts, and service periods to ensure accurate recording of receivables.

**COLUSA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.



**COLUSA UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**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, 2025**

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**2024-01 – Ratio of Administrative Employees to Teachers (40000)**

Criteria

The number of administrative employees per hundred teachers must not exceed the allowable ratio set forth in Education Code section 41402. For a unified school district, the maximum ratio is 8 administrative employees to each 100 teachers.

Condition

The District had 89.8 full-time equivalents (FTEs) 79.8 FTEs for teachers. Based on an allowable ratio for unified school districts of 8:100, the District must have had less than 6.39 FTE related to non-exempt certificated administrative employees. The District had 7 FTE for non-exempt certificated administrative employees representing an excess of 0.61 FTE.

Effect

The District is not in compliance with state requirements.

Cause

Excess of certificated administrative FTE.

Fiscal Impact

\$29,537, calculated as follows:

|  |                         |
|--|-------------------------|
| District's Total State Revenue                       | \$ 6,132,373            |
| District's Total Revenue and Other Financing Sources | 26,905,494              |
| Portion of State Revenue in Total Revenue            | <u>23%</u>              |
| <br>   |                         |
| Total Annual Salaries of the Administrative FTE      | \$ 939,833              |
| Average Administrator Salary                         | 134,261                 |
| State Funded Share of Administrator Salary           | <u>\$ 29,537</u>        |
| <br>   |                         |
| Penalty  | <u><u>\$ 29,537</u></u> |

Repeat Finding

No.

Recommendation

It is recommended that the District evaluate the FTE related to non-exempt certificated administrative employees as compared to FTE related to teachers to ensure the District is in compliance.

Corrective Action Plan

The District will perform the ratio calculation multiple times during the year to ensure compliance at any point in time during the school year.

Status

Implemented