Washington State Auditor's Office

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Financial Statements Audit Report

Coulee-Hartline School District No. 151

Grant County

For the period September 1, 2012 through August 31, 2015

Published July 21, 2016

Report No. 1017079

Washington State Auditor's Office

July 21, 2016

Board of Directors
Coulee-Hartline School District No. 151
Coulee City, Washington

Report on Financial Statements

Please find attached our report on Coulee-Hartline School District No. 151's financial statements.

We are issuing this report in order to provide information on the District's financial condition.

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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INDEPENDENT AUDITOR'S 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*

Coulee-Hartline School District No. 151
Grant County
September 1, 2012 through August 31, 2015

Board of Directors
Coulee-Hartline School District No. 151
Coulee City, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Coulee-Hartline School District No. 151, Grant County, Washington, as of and for the years ended August 31, 2015, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated June 23, 2016.

We issued an unmodified opinion on the fair presentation of the District's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the District using accounting practices prescribed by Washington State statutes and the *Accounting Manual for Public School Districts in the State of Washington* (Accounting Manual) described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

TROY KELLEY

STATE AUDITOR

OLYMPIA, WA

June 23, 2016

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Coulee-Hartline School District No. 151
Grant County
September 1, 2012 through August 31, 2015

Board of Directors
Coulee-Hartline School District No. 151
Coulee City, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Coulee-Hartline School District No. 151, Grant County, Washington, for the years ended August 31, 2015, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 11.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Accounting Manual for Public School Districts in the State of Washington* (Accounting Manual) described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Unmodified Opinion on Regulatory Basis of Accounting (Accounting Manual)

As described in Note 1, Coulee-Hartline School District No. 151 has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by the Accounting Manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Coulee-Hartline School District No. 151, for the years ended August 31, 2015, 2014 and 2013, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the District used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Coulee-Hartline School District No. 151, as of August 31, 2015, 2014 and 2013, or the changes in financial position or cash flows for the years then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

Supplementary and Other Information

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Long-Term Liabilities are presented for purposes of additional analysis, as required by the prescribed Accounting Manual. These schedules are 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 information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Troy X. Kelley

TROY KELLEY

STATE AUDITOR

OLYMPIA, WA

June 23, 2016

FINANCIAL SECTION

Coulee-Hartline School District No. 151
Grant County
September 1, 2012 through August 31, 2015

FINANCIAL STATEMENTS

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – 2015

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – 2014

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – 2013

Notes to Financial Statements – 2015, 2014 and 2013

SUPPLEMENTARY AND OTHER INFORMATION

Schedules of Long-Term Liabilities – 2015

Schedules of Long-Term Liabilities – 2014

Schedule of Long-Term Liabilities – 2013

Coulee-Hartline School District No. 151

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended August 31, 2015

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
REVENUES:							
Local	604,630.95	96,922.66	272,396.21	135,610.65	1,817.64		1,111,378.11
State	2,256,910.45		0.00	0.00	71,866.63		2,328,777.08
Federal	181,481.49		0.00	0.00	0.00		181,481.49
Federal Stimulus	0.00						0.00
Other	167,189.37			0.00	0.00	0.00	167,189.37
TOTAL REVENUES	**3,210,212.26**	**96,922.66**	**272,396.21**	**135,610.65**	**73,684.27**	**0.00**	**3,788,826.05**
EXPENDITURES:							
CURRENT:							
Regular Instruction	1,535,783.91						1,535,783.91
Federal Stimulus	0.00						0.00
Special Education	213,181.46						213,181.46
Vocational Education	156,719.32						156,719.32
Skill Center	0.00						0.00
Compensatory Programs	135,491.13						135,491.13
Other Instructional Programs	0.00						0.00
Community Services	0.00						0.00
Support Services	848,368.96						848,368.96
Student Activities/Other		86,259.70				0.00	86,259.70
CAPITAL OUTLAY:							
Sites				0.00			0.00
Building				243,367.26			243,367.26
Equipment				0.00			0.00
Instructional Technology				0.00			0.00
Energy				0.00			0.00
Transportation Equipment					0.00		0.00
Sales and Lease				0.00			0.00
Other	0.00						0.00
DEBT SERVICE:							
Principal	0.00		255,000.00	0.00	0.00		255,000.00
Interest and Other Charges	0.00		22,598.89	0.00	0.00		22,598.89
Bond/Levy Issuance				0.00	0.00		0.00
TOTAL EXPENDITURES	**2,889,544.78**	**86,259.70**	**277,598.89**	**243,367.26**	**0.00**	**0.00**	**3,496,770.63**

The accompanying notes are an integral part of this financial statement.

Coulee-Hartline School District No. 151

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended August 31, 2015

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
DEBT SERVICE:							
REVENUES OVER (UNDER) EXPENDITURES	320,667.48	10,662.96	-5,202.68	-107,756.61	73,684.27	0.00	292,055.42
OTHER FINANCING SOURCES (USES):							
Bond Sales & Refunding Bond Sales	0.00		0.00	0.00	0.00		0.00
Long-Term Financing	0.00			0.00	0.00		0.00
Transfers In	0.00		0.00	200,000.00	0.00		200,000.00
Transfers Out (GL 536)	-200,000.00		0.00	0.00	0.00	0.00	-200,000.00
Other Financing Uses (GL 535)	0.00		0.00	0.00	0.00		0.00
Other	0.00		0.00	0.00	0.00		0.00
TOTAL OTHER FINANCING SOURCES (USES)	**-200,000.00**		**0.00**	**200,000.00**	**0.00**	**0.00**	**0.00**
EXCESS OF REVENUES/OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	120,667.48	10,662.96	-5,202.68	92,243.39	73,684.27	0.00	292,055.42
BEGINNING TOTAL FUND BALANCE	**1,139,489.74**	**64,566.70**	**269,338.70**	**229,566.37**	**92,454.05**	**0.00**	**1,795,415.56**
Prior Year(s) Corrections or Restatements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ENDING TOTAL FUND BALANCE	**1,260,157.22**	**75,229.66**	**264,136.02**	**321,809.76**	**166,138.32**	**0.00**	**2,087,470.98**

The accompanying notes are an integral part of this financial statement.

Coulee-Hartline School District No. 151

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended August 31, 2014

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
REVENUES:							
Local	555,763.61	79,212.66	360,411.62	5,220.64	1,943.26		1,002,551.79
State	2,193,416.41		0.00	0.00	63,105.97		2,256,522.38
Federal	174,826.19		0.00	0.00	0.00		174,826.19
Federal Stimulus	0.00						0.00
Other	178,634.59			0.00	0.00	0.00	178,634.59
TOTAL REVENUES	**3,102,640.80**	**79,212.66**	**360,411.62**	**5,220.64**	**65,049.23**	**0.00**	**3,612,534.95**
EXPENDITURES:							
CURRENT:							
Regular Instruction	1,549,713.64						1,549,713.64
Federal Stimulus	0.00						0.00
Special Education	231,293.81						231,293.81
Vocational Education	156,225.66						156,225.66
Skill Center	0.00						0.00
Compensatory Programs	133,784.45						133,784.45
Other Instructional Programs	0.00						0.00
Community Services	0.00						0.00
Support Services	861,104.00						861,104.00
Student Activities/Other		79,833.10				0.00	79,833.10
CAPITAL OUTLAY:							
Sites				0.00			0.00
Building				47,919.57			47,919.57
Equipment				0.00			0.00
Instructional Technology				0.00			0.00
Energy				0.00			0.00
Transportation Equipment					137,240.15		137,240.15
Sales and Lease				50,500.00			50,500.00
Other	0.00						0.00
DEBT SERVICE:							
Principal	0.00		315,000.00	0.00	0.00		315,000.00
Interest and Other Charges	0.00		35,818.00	0.00	0.00		35,818.00
Bond/Levy Issuance				0.00	0.00		0.00
TOTAL EXPENDITURES	**2,932,121.56**	**79,833.10**	**350,818.00**	**98,419.57**	**137,240.15**	**0.00**	**3,598,432.38**

The accompanying notes are an integral part of this financial statement.

Coulee-Hartline School District No. 151

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended August 31, 2014

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
DEBT SERVICE:							
REVENUES OVER (UNDER) EXPENDITURES	170,519.24	-620.44	9,593.62	-93,198.93	-72,190.92	0.00	14,102.57
OTHER FINANCING SOURCES (USES):							
Bond Sales & Refunding Bond Sales	0.00		0.00	0.00	0.00		0.00
Long-Term Financing	0.00			0.00	0.00		0.00
Transfers In	0.00		0.00	0.00	0.00		0.00
Transfers Out (GL 536)	0.00		0.00	0.00	0.00	0.00	0.00
Other Financing Uses (GL 535)	0.00		0.00	0.00	0.00		0.00
Other	0.00		0.00	0.00	0.00		0.00
TOTAL OTHER FINANCING SOURCES (USES)	**0.00**		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
EXCESS OF REVENUES/OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	170,519.24	-620.44	9,593.62	-93,198.93	-72,190.92	0.00	14,102.57
BEGINNING TOTAL FUND BALANCE	**968,970.50**	**65,187.14**	**259,745.08**	**322,765.30**	**164,644.97**	**0.00**	**1,781,312.99**
Prior Year(s) Corrections or Restatements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ENDING TOTAL FUND BALANCE	**1,139,489.74**	**64,566.70**	**269,338.70**	**229,566.37**	**92,454.05**	**0.00**	**1,795,415.56**

The accompanying notes are an integral part of this financial statement.

Coulee-Hartline School District No. 151

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended August 31, 2013

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
REVENUES:							
Local	510,333.99	103,852.48	358,134.44	11,340.04	1,837.93		985,498.88
State	2,097,517.49		0.00	0.00	71,087.26		2,168,604.75
Federal	219,164.38		142.65	0.00	0.00		219,307.03
Federal Stimulus	0.00						0.00
Other	170,502.82			0.00	0.00	0.00	170,502.82
TOTAL REVENUES	**2,997,518.68**	**103,852.48**	**358,277.09**	**11,340.04**	**72,925.19**	**0.00**	**3,543,913.48**
EXPENDITURES:							
CURRENT:							
Regular Instruction	1,402,410.27						1,402,410.27
Federal Stimulus	0.00						0.00
Special Education	219,807.03						219,807.03
Vocational Education	146,408.52						146,408.52
Skills Center	0.00						0.00
Compensatory Programs	123,056.49						123,056.49
Other Instructional Programs	0.00						0.00
Community Services	0.00						0.00
Support Services	847,596.47						847,596.47
Student Activities/Other		96,429.99				0.00	96,429.99
CAPITAL OUTLAY:							
Sites				0.00			0.00
Building				65,710.46			65,710.46
Equipment				0.00			0.00
Instructional Technology				0.00			0.00
Energy				0.00			0.00
Transportation Equipment					0.00		0.00
Sales and Lease				10,500.00			10,500.00
Other	0.00						0.00
DEBT SERVICE:							
Principal	0.00		300,000.00	0.00	0.00		300,000.00
Interest and Other Charges	0.00		47,932.18	0.00	0.00		47,932.18
Bond/Levy Issuance				0.00	0.00		0.00
TOTAL EXPENDITURES	**2,739,278.78**	**96,429.99**	**347,932.18**	**76,210.46**	**0.00**	**0.00**	**3,259,851.41**

The accompanying notes are an integral part of this financial statement.

Coulee-Hartline School District No. 151

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended August 31, 2013

	General Fund	ASB Fund	Debt Service Fund	Capital Projects Fund	Transportation Vehicle Fund	Permanent Fund	Total
DEBT SERVICE:							
REVENUES OVER (UNDER) EXPENDITURES	258,239.90	7,422.49	10,344.91	-64,870.42	72,925.19	0.00	284,062.07
OTHER FINANCING SOURCES (USES):							
Bond Sales & Refunding Bond Sales	0.00		0.00	0.00	0.00		0.00
Long-Term Financing	0.00			0.00	0.00		0.00
Transfers In	0.00		0.00	300,000.00	0.00		300,000.00
Transfers Out (GL 536)	-300,000.00		0.00	0.00	0.00	0.00	-300,000.00
Other Financing Uses (GL 535)	0.00		0.00	0.00	0.00		0.00
Other	2,962.75		0.00	0.00	0.00		2,962.75
TOTAL OTHER FINANCING SOURCES (USES)	**-297,037.25**		**0.00**	**300,000.00**	**0.00**	**0.00**	**2,962.75**
EXCESS OF REVENUES/OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-38,797.35	7,422.49	10,344.91	235,129.58	72,925.19	0.00	287,024.82
BEGINNING TOTAL FUND BALANCE	**1,007,767.85**	**57,764.65**	**249,400.17**	**87,635.72**	**91,719.78**	**0.00**	**1,494,288.17**
Prior Year(s) Corrections or Restatements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ENDING TOTAL FUND BALANCE	**968,970.50**	**65,187.14**	**259,745.08**	**322,765.30**	**164,644.97**	**0.00**	**1,781,312.99**

The accompanying notes are an integral part of this financial statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Coulee Hartline School District (District) is a municipal corporation organized pursuant to Title 28A of the Revised Code of Washington (RCW) for the purposes of providing public school services to students in grades K–12. Oversight responsibility for the District's operations is vested with the independently elected board of directors. Management of the District is appointed by and is accountable to the board of directors. Fiscal responsibility, including budget authority and the power to set fees, levy property taxes, and issue debt consistent with provisions of state statutes, also rests with the board of directors.

The District presents governmental fund financial statements and related notes on the cash basis of accounting, except for the Debt Service Fund which is reported on the modified accrual basis of accounting, in accordance with the *Accounting Manual for Public School Districts in the State of Washington*, issued jointly by the State Auditor's Office and the Superintendent of Public Instruction by the authority of RCW 43.09.200, RCW 28A.505.140, RCW 28A.505.010 (1), and RCW 28A.505.020. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

(1) Financial transactions are recognized on a cash basis of accounting as described below.
(2) District wide statements, as defined in GAAP, are not presented.
(3) A Schedule of Long-Term Liabilities is presented as supplementary information.
(4) Supplementary information required by GAAP is not presented.

Fund Accounting

Financial transactions of the District are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures as appropriate. All funds are considered major funds. The various funds in the report are grouped into governmental funds as follows:

Governmental Funds

General Fund

This fund is used to account for all expendable financial resources, except for those that are required to be accounted for in another fund. In keeping with the principle of having as few funds as are necessary, activities such as food services, maintenance, data processing, printing, and student transportation are included in the General Fund.

Capital Projects Funds

These funds account for financial resources that are to be used for the construction or acquisition of major capital assets. There are two funds that are considered to be of the capital projects fund type: the Capital Projects Fund and the Transportation Vehicle Fund.

Capital Projects Fund. This fund is used to account for resources set aside for the acquisition and construction of major capital assets such as land and buildings.

Transportation Vehicle Fund. This fund is used to account for the purchase, major repair, rebuilding, and debt service expenditures that relate to pupil transportation equipment.

Debt Service Fund

This fund is used to account for the accumulation of resources for and the payment of matured general long-term debt principal and interest.

Special Revenue Fund

In Washington State, the only allowable special revenue fund for school districts is the Associated Student Body (ASB) Fund. This fund is accounted for in the District's financial statements as the financial resources legally belong to the District. As a special revenue fund, amounts within the ASB Fund may only be used for those purposes that relate to the operation of the Associated Student Body of the District.

Measurement focus and basis of accounting and fund financial statement presentation.

Governmental fund financial statements are reported using the cash basis of accounting and measurement focus. Revenues are recognized when they are received in cash and expenditures are recognized when warrants are issued. Purchases of capital assets are expensed during the year of acquisition.

Budgets

Chapter 28A.505 RCW and Chapter 392-123 Washington Administrative Code (WAC) mandate school district budget policies and procedures. The board adopts annual appropriated budgets for all governmental funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Appropriations lapse at the end of the fiscal period.

Budgets are adopted on the same cash basis as used for financial reporting, except for the Debt Service Fund which is accounted for on the modified accrual basis of accounting. Fund balance is budgeted as available resources and, under statute, may not be negative, unless the District enters into binding conditions with state oversight pursuant to RCW 28A.505.110.

The government's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The District receives state funding for specific categorical education-related programs. Amounts that are received for these programs that are not used in the current fiscal year may be carried forward into the subsequent fiscal year, where they may be used only for the same purpose as they were originally received. When the District has such carryover, those funds are expended before any amounts received in the current year are expended.

Additionally, the District has other restrictions placed on its financial resources. When expenditures are recorded for purposes for which a restriction or commitment of fund balance is available, those funds that are restricted or committed to that purpose are considered first before any unrestricted or unassigned amounts are expended.

The government's fund balance classifications policies and procedures.

The District classifies ending fund balance for its governmental funds into five categories.

Nonspendable Fund Balance. The amounts reported as Nonspendable are resources of the District that are not in spendable format. They are either non-liquid resources such as inventory or prepaid items, or the resources are legally or contractually required to be maintained intact.

Restricted Fund Balance. Amounts that are reported as Restricted are those resources of the District that have had a legal restriction placed on their use either from statute, WAC, or other legal requirements that are beyond the control of the board of directors. Restricted fund balance includes anticipated recovery of revenues that have been received but are restricted as to their usage.

Committed Fund Balance. Amounts that are reported as Committed are those resources of the District that have had a limitation placed upon their usage by formal action of the District's board of directors. Commitments are made either through a formal adopted board resolution or are related to a school board policy. Commitments may only be changed when the resources are used for the intended purpose or the limitation is removed by a subsequent formal action of the board of directors.

Assigned Fund Balance. In the General Fund, amounts that are reported as Assigned are those resources that the District has set aside for specific purposes. These accounts reflect tentative management plans for future financial resource use such as the replacement of equipment or the assignment of resources for contingencies. Assignments reduce the amount reported as Unassigned Fund Balance, but may not reduce that balance below zero.

In other governmental funds, Assigned fund balance represents a positive ending spendable fund balance once all restrictions and commitments are considered. These resources are only available for expenditure in that fund and may not be used in any other fund without formal action by the District's board of directors and as allowed by statute.

The Board of Director's are the only persons who have the authority to create Assignments of fund balance.

Unassigned Fund Balance. In the General Fund, amounts that are reported as Unassigned are those net spendable resources of the District that are not otherwise Restricted, Committed, or Assigned, and may be used for any purpose within the General Fund.

In other governmental funds, unassigned fund balance represents a deficit ending spendable fund balance once all restrictions and commitments are considered.

A negative unassigned fund balance means that the legal restrictions and formal commitments of the District exceed its currently available resources.

Cash and Cash Equivalents

All of the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Accounting and Reporting Changes for 2014–15

Effective for the 2014–15 school year, the district implemented provisions of GASB Statement No. 68 Accounting and Financial Reporting for Pensions. As a result, the Schedule of Long-Term Liabilities now includes the district's proportionate share of the net pension liability for the cost-sharing, multiple-employer plans in which the district participates.

NOTE 2: DEPOSITS AND INVESTMENTS

The Grant County Treasurer is the *ex officio* treasurer for the District and holds all accounts of the District. The District directs the County Treasurer to invest those financial resources of the District that the District has determined are not needed to meet the current financial obligations of the District.

All of the District's investments (except for investments of deferred compensation plans) during the year and at year-end were insured or registered and held by the District or its agent in the District's name.

Investments are presented at $ 2,047,371.31, $1,767,076.55 and $1,734,271.81 as of August 31, 2015, August 31, 2014 and August 31, 2013.

The District's investments as of August 31, 2015, are as follows:

Type of Investment	(District's) own investments	Investments held by (district) as an agent for other organizations	Total
State Treasurer's Investment Pool			
County Treasurer's Investment Pool	$ 2,047,371.31		$ 2,047,371.31
U.S. Government Securities			
Other:			
Total	$ 2,047,371.31		$ 2,047,371.31

The District's investments as of August 31, 2014, are as follows:

Type of Investment	(District's) own investments	Investments held by (district) as an agent for other organizations	Total
State Treasurer's Investment Pool			
County Treasurer's Investment Pool	$ 1,767,076.55		$ 1,767,076.55
U.S. Government Securities			
Other:			
Total	$ 1,767,076.55		$ 1,767,076.55

The District's investments as of August 31, 2013, are as follows:

Type of Investment	(District's) own investments	Investments held by (district) as an agent for other organizations	Total
State Treasurer's Investment Pool			
County Treasurer's Investment Pool	$ 1,734,271.81		$ 1,734,271.81
U.S. Government Securities			
Other:			
Total	$ 1,734,271.81		$ 1,734,271.81

NOTE 3: SIGNIFICANT CONTINGENT LIABILITIES

There are no known significant contingent liabilities of the District as this time that would materially impact the financial position of the District

Litigation

The District has no know legal obligations that would materially impact the financial position of the District.

NOTE 4: SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

There were no events after the balance sheet date that would have a material impact on the next or future fiscal years.

NOTE 5: PENSION PLANS

General Information

The Washington State Department of Retirement Systems (DRS), a department within the primary government of the state of Washington, prepares a stand-alone comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each pension plan. The pension plan's basic financial statement is accounted for using the accrual basis of accounting. The measurement date of the pension plans is June 30. 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.

The school district is reporting the net pension liability in the notes and on the Schedule of Long-term Liabilities calculated as the district's proportionate allocation percentage multiplied by the total plan collective net pension liability.

Detailed information about the pension plans' fiduciary net position is available in the separately issued DRS CAFR. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, P.O. Box 48380, Olympia, WA 98504-8380; or online at http://www.drs.wa.gov./administrations/annual-report.

Membership Participation

Substantially all school district full-time and qualifying part-time employees participate in one of the following three contributory, multi-employer, cost-sharing statewide retirement systems managed by DRS: Teachers' Retirement System (TRS), Public Employees' Retirement System (PERS) and School Employees' Retirement System (SERS).

Membership participation by retirement plan as of June 30, 2015, was as follows:

Plan	Active Members	Inactive Vested Members	Retired Members
PERS 1	4,782	1,178	51,070
SERS 2	22,950	5,357	5,796
SERS 3	30,832	6,963	4,825
TRS 1	1,824	323	35,639
TRS 2	13,632	2,357	3,894
TRS 3	51,837	7,655	6,094

The latest actuarial valuations for all plans was June 30, 2014.
Source: Washington State Office of the State Actuary

Membership & Plan Benefits

Certificated employees are members of TRS. Classified employees are members of PERS (if Plan 1) or SERS. Plan 1 under the TRS and PERS programs are defined benefit pension plans whose members joined the system on or before September 30, 1977. TRS 1 and PERS 1 are closed to new entrants.

TRS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. TRS eligibility for membership requires service as a certificated public school employee working in an instructional, administrative or supervisory capacity.

TRS is comprised of three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

TRS Plan 1 provides retirement, disability and death benefits. TRS 1 members were vested after the completion of five years of eligible service. Retirement benefits are determined as two percent of the average final compensation (AFC), for each year of service credit, up to a maximum of 60 percent, divided by twelve. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two. Members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. Other benefits include temporary and permanent disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

TRS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) per year of service for Plan 2 members and one percent of AFC for Plan 3 members. The AFC is the monthly average of the 60 consecutive highest-paid service credit months. There is no cap on years of service credit. Members are eligible for normal retirement at the age of 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. TRS Plan 2/3 members, who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a reduced benefit.

The benefit is reduced by a factor that varies according to age, for each year before age 65. TRS Plan 2/3 members who have 30 or more years of service credit, were hired prior to May 1, 2013, and are at least 55 years old, can retire under one of two provisions: With a benefit that is reduced by three percent for each year before age 65; or with a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

TRS Plan 2/3 members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

TRS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit.

Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the Consumer Price Index), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

PERS Plan 1 provides retirement, disability and death benefits. PERS 1 members were vested after the completion of five years of eligible service. Retirement benefits are determined as two percent of the member’s average final compensation (AFC) times the member’s years of service. The AFC is the average of the member’s 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service.

Members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

SERS is a cost-sharing multiple-employer retirement system comprised of two separate plans for membership purposes. SERS Plan 2 is a defined benefit plan and SERS Plan 3 is a defined benefit plan with a defined contribution component. SERS members include classified employees of school districts and educational service districts.

SERS is reported as two separate plans for accounting purposes: Plan 2/3 and Plan 3. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

SERS provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member’s average final compensation (AFC) times the member’s years of service for Plan 2 and one percent of AFC for Plan 3. The AFC is the monthly average of the member’s 60 highest-paid consecutive service months before retirement, termination or death. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. SERS members, who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a reduced benefit.

The benefit is reduced by a factor that varies according to age, for each year before age 65. SERS members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions, if hired prior to May 2, 2013: With a benefit that is reduced by three percent for each year before age 65; or with a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

SERS members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service. SERS retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost- of-living allowance (based on the Consumer Price

Index), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries.

Plan Contributions

The employer contribution rates for PERS, TRS, and SERS (Plans 1, 2, and 3) and the TRS and SERS Plan 2 employee contribution rates are established by the Pension Funding Council based upon the rates set by the Legislature. The methods used to determine the contribution requirements are established under chapters 41.40, 41.32, and 41.35 RCW for PERS, TRS and SERS respectively. Employers do not contribute to the defined contribution portions of TRS Plan 3 or SERS Plan 3. Under current law the employer must contribute 100 percent of the employer-required contribution. The employee contribution rate for Plan 1 in PERS and TRS is set by statute at six percent and does not vary from year to year.

The Employer and employee contribution rates for the PERS plan are effective as of July 1. SERS and TRS contribution rates are effective as of September 1. The pension plan contribution rates (expressed as a percentage of covered payrolls) for 2015 were as follows:

Pension Rates			
	7/1/15 Rate	**7/1/14 Rate**	
PERS 1			
Member Contribution Rate	6.00%	6.00%	
Employer Contribution Rate	11.18%	9.21%	
Pension Rates			
	9/1/15 Rate	**9/1/14 Rate**	
TRS 1			
Member Contribution Rate	6.00%	6.00%	
Employer Contribution Rate	13.13%	10.39%	
TRS 2			
Member Contribution Rate	5.95%	4.96%	
Employer Contribution Rate	13.13%	10.39%	
TRS 3			
Member Contribution Rate	varies*	varies*	
Employer Contribution Rate	13.13%	10.39%	**
SERS 2			
Member Contribution Rate	5.63%	4.64%	
Employer Contribution Rate	11.58%	9.82%	
SERS 3			
Member Contribution Rate	varies*	varies*	
Employer Contribution Rate	11.58%	9.82%	**
Note: The DRS administrative rate of .0018 is included in the employer rate.			
* = Variable from 5% to 15% based on rate selected by the member.			
** = Defined benefit portion only.			

The Collective Net Pension Liability

The collective net pension liabilities for the pension plans districts participated in are reported in the following tables.

The Collective Net Pension Liability as of June 30, 2015:				
Dollars in Thousands	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Total Pension Liability	$12,789,242	$4,473,428	$9,237,730	$11,220,833
Plan fiduciary net position	($7,558,312)	($4,067,277)	($6,069,588)	($10,377,031)
Participating employers' net pension liability	$5,230,930	$406,151	$3,168,142	$843,802
Plan fiduciary net position as a percentage of the total pension liability	59.10%	90.92%	65.70%	92.48%

The School District's Proportionate Share of the Net Pension Liability (NPL)

At June 30, 2015, the District reported a total liability of $**1,293,173** for its proportionate shares of the individual plans' collective net pension liability. Proportions of net pension liability are based on annual contributions for each of the employers participating in the DRS administered plans. At June 30, 2015, the district's proportionate share of each plan's net pension liability is reported below:

June 30, 2015	PERS 1	SERS 2/3	TRS 1	TRS 2/3	Totals
District's Annual Contributions	17,620	24,934	55,959	61,796	160,310
Proportionate Share of the Net Pension Liability	200,547	104,165	792,245	196,215	1,293,173

At June 30**,** 2015, the school district's percentage of the proportionate share of the collective net pension liability was as follows and the changed in the allocation percentage from the prior period is illustrated below.

Allocation percentages	PERS 1	SERS 2/3	TRS 1	TRS 2/3
Current year proportionate share of the Net Pension Liability	.003834%	.025647%	.025007%	.023254%
Prior year proportionate share of the Net Pension Liability	.003771%	.027622%	.027813%	.026308%
Net difference percentage	-0.000063%	0.001975%	0.002806%	0.003054%

Actuarial Assumptions

Capital Market Assumptions (CMAs) and expected rates of return by asset class provided by the Washington State Investment Board. The Office of the State Actuary relied on the CMAs in the selection of the long-term expected rate of return for reporting purposes.

The total pension liabilities for TRS 1, TRS 2/3, PERS 1 and SERS 2/3 were determined by actuarial valuation as of June 30, 2014, with the results rolled forward to June 30, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	3.0% total economic inflation, 3.75% salary inflation
Salary increases	In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
Investment rate of return	7.50%

Mortality Rates

Mortality rates used in the plans were based on the RP-2000 Combined Healthy Table and Combined Disabled Table published by the Society of Actuaries. The Office of the State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of the 2007–2012 Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2014 actuarial valuation report.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which a best-estimate of expected future rates of return (expected returns, net of pension plan investment expense, but including inflation) are developed for each major asset class by the Washington State Investment Board (WSIB). Those expected returns make up one component of WSIB's CMAs. The CMAs contain three pieces of information for each class of assets the WSIB currently invest in:

- Expected annual return
- Standard deviation of the annual return;
- Correlations between the annual returns of each asset class with every other asset class

WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

The long-term expected rate of return of 7.50% percent approximately equals the median of the simulated investment returns over a fifty-year time horizon, increased slightly to remove WSIB's implicit and small short-term downward adjustment due to assumed mean reversion. WSIB's implicit short-term adjustment, while small and appropriate over a ten to fifteen-year period, becomes amplified over a fifty-year measurement period.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015, are summarized in the following table:

TRS1, TRS 2/3, PERS 1, and SERS 2/3		
Asset Class	Target Allocation Percentage	% Long-term Expected Real Rate of Return
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

The inflation component used to create the above table is 2.20% percent, and represents WSIB's most recent long-term estimate of broad economic inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.50% percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.70% percent long-term discount rate to determine funding liabilities for calculating future contributions rate requirements. Consistent with the long-term expected rate of return, a 7.50% percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return of 7.50% percent on pension plan investments was applied to determine the total pension liability.

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

The following table presents the Coulee Hartline School District's proportionate share of the collective net pension liability (NPL) calculated using the discount rate of 7.50% percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50% percent) or one percentage-point higher (8.50% percent) than the current rate. Amounts are calculated using the school district's specific allocation percentage, by plan, to determine the proportionate share of the collective net pension liability.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
PERS1 NPL	$6,368,671,000	$5,230,930,000	$4,252,577,000
Allocation Percentage	0.003834%	0.003834%	0.003834%
Proportionate Share of Collective NPL	$244,167	$200,547	$163,038
SERS2/3 NPL	$1,282,039,000	$406,151,000	($273,474,000)
Allocation Percentage	0.025647%	0.025647%	0.025647%
Proportionate Share of Collective NPL	$328,804	$104,165	($70,138)
TRS1 NPL	$3,982,571,000	$3,168,142,000	$2,467,801,000
Allocation Percentage	0.025007%	0.025007%	0.025007%
Proportionate Share of Collective NPL	$995,906	$792,245	$617,114
TRS2/3 NPL	$3,570,229,000	$843,802,000	($1,183,066,000)
Allocation Percentage	0.023254%	0.023254%	0.023254%
Proportionate Share of Collective NPL	$830,209	$196,215	($275,106)

NOTE 6: ANNUAL OTHER POST-EMPLOYMENT BENEFIT COST AND NET OPEB OBLIGATIONS

The state, through the Health Care Authority (HCA), administers an agent multi-employer other post-employment benefit plan. The Public Employees Benefits Board (PEBB), created within the HCA, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. Programs include (medical, dental, life insurance and long-term disability insurance).

Employers participating in the plan include the state of Washington (which includes general government agencies and higher education institutions), 60 of the state's K–12 school districts and educational service districts (ESDs), and 221 political subdivisions and tribal governments. Additionally, the PEBB plan is available to the retirees of the remaining 237 K–12 school districts and ESDs. The District's retirees are eligible to participate in the PEBB plan under this arrangement.

According to state law, the Washington State Treasurer collects a fee from all school district entities which have employees that are not current active members of the state Health Care Authority but participate in the state retirement system. The purpose of this fee is to cover the impact of the subsidized rate of health care benefits for school retirees that elect to purchase their health care benefits through the state Health Care Authority.

Substantially all Coulee-Hartline School District full-time and qualifying part-time employees participate in the Public Employees Benefits Board through the Washington State Health Care Authority for medical, dental, life insurance and long-term disability insurance. Since the District is a participant in PEBB, the monthly HCA retiree subsidiary assessment is included in the monthly premium and is not a separate assessment.

The District has no control over the benefits offered to retirees, the rates charged to retirees, nor the fee paid to the Health Care Authority. The District does not determine its annual required contribution nor the net other post-employment benefit obligation associated with this plan. The District reports on the cash basis and accordingly, these amounts are not shown on the financial statements.

NOTE 7: COMMITMENTS UNDER LEASES

In March 2010 the District entered into a property use agreement with Grant County Port District #5 under the provisions of the Intergovernmental Disposition of Property Act – RCW 39.33. The agreement transferred surplus real property to the Grant County Port District #5 and granted the right to use athletic fields located at the site to the school district until the 2017-18 school year. The school district can extend the use agreement after expiration of the original agreement.

The school district agreed to pay principal and interest of $159,000 to the port district in nine annual payments for the use of the fields. On October 31, 2013 the school district paid the port district a final payment of $50,500, which saved the district $2,000 in interest as shown on the following table.

Lessor	Amount	Annual Installment	Final Installment Date	Interest Rate	Balance
Other Long-Term Commitments- Property use agreement					
Grant County Port District #5	$159,000	$75,000	04/01/2010	0	$84,000
		$10,500	11/01/2010		$73,500
		$10,500	11/01/2011		$63,000
		$10,500	11/01/2012		$52,500
		$50,500	10/31/2013		$ 2,000
Early Payoff Interest Credit		$ 2,000	10/31/2013		0
Total Lease-Purchase Commitments					-0-

NOTE 8: OTHER SIGNIFICANT COMMITMENTS

Encumbrances

Encumbrance accounting is employed in governmental funds. Purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve a portion of the applicable appropriation. Encumbrances lapse at the end of the fiscal year and are not re-encumbered the following year.

NOTE 9: REQUIRED DISCLOSURES ABOUT CAPITAL ASSETS

The District's capital assets are insured in the amount of $16,074,632, $20,965,240 and $21,474,188 for fiscal year 2013, 2014 and 2015. In the opinion of the District's insurance consultant, the amount is sufficient to adequately fund replacement of the District's assets. Need Capital Assets insured amounts

NOTE 10: REQUIRED DISCLOSURES ABOUT LONG-TERM LIABILITIES

Long-Term Debt

The District sold Unlimited Tax General Obligation Bonds, 1999, on December 1, 1999, in the amount of $2,700,000 to remodel an elementary school building. The bonds were registered in the name of Cede & Co., as bond owner and nominee for The Depository Company. The interest rates varied from 4.5% to 5.75%. The first interest payment was made June 1, 2000 and the first principal payment was made December 1, 2000 with the final payment due December 1, 2015.

On April 7, 2009, the amount of $1,390,000 was refinanced with the transactions handled by Foster Pepper PLLC, D.A. Davidson & Co., and U.S. Bank National Association with interest rates varying from 3.00% to 4.00%. The first interest payment was made June 1, 2009 and the first principal payment was made December 1, 2009. The last payment is due December 1, 2016.

The following is a summary of general obligation long-term debt transactions of the District for the fiscal year(s) ended August 31, 2013:

Long-Term Debt Payable at 9/1/2012	1,150,000.00
New Issues	
Debt Retired	210,000.00
Long-Term Debt Payable at 8/31/2013	940,000.00

The following is a summary of general obligation long-term debt transactions of the District for the fiscal year(s) ended August 31, 2014:

Long-Term Debt Payable at 9/1/2013	940,000.00
New Issues	
Debt Retired	220,000.00
Long-Term Debt Payable at 8/31/2014	720,000.00

The following is a summary of general obligation long-term debt transactions of the District for the fiscal year(s) ended August 31, 2015:

Long-Term Debt Payable at 9/1/2014	720,000.00
New Issues	
Debt Retired	230,000.00
Long-Term Debt Payable at 8/31/2015	490,000.00

The following is a schedule of annual requirements to amortize debt at August 31, 2013:

Years Ending August 31, 2013	Principal	Interest	Total
2013-2014	$220,000.00	$30,800.00	$250,800.00
2014-2015	$230,000.00	$21,800.00	$251,800.00
2015-2016	$240,000.00	$13,600.00	$253,600.00
2016-2017	$250,000.00	$ 5,000.00	$255,000.00
Total	$ 940,000.00	$71,200.00	$ 1,011,200.00

At August 31, 2013, the District had $ 259,745.08 available in the Debt Service Fund to service the general obligation bonds.

The following is a schedule of annual requirements to amortize debt at August 31, 2014:

Years Ending August 31, 2014	Principal	Interest	Total
2014-2015	$230,000.00	$21,800.00	$251,800.00
2015-2016	$240,000.00	$13,600.00	$253,600.00
2016-2017	$250,000.00	$ 5,000.00	$255,000.00
Total	$ 720,000.00	$40,400.00	$ 760,400.00

At August 31, 2014, the District had $ 269,338.70 available in the Debt Service Fund to service the general obligation bonds.

The following is a schedule of annual requirements to amortize debt at August 31, 2015:

Years Ending August 31, 2015	Principal	Interest	Total
2015-2016	$240,000.00	$13,600.00	$253,600.00
2016-2017	$250,000.00	$ 5,000.00	$255,000.00
Total	$ 490,000.00	$18,600.00	$ 508,600.00

At August 31, 2015, the District had $ 264,136.02 available in the Debt Service Fund to service the general obligation bonds.

Non-Voted Limited General Obligation Bond

The District received a non-voted Limited General Obligation Bond for $525,000 on August 15, 2007, from Sterling Savings Bank with an interest rate of 4.95%. The first interest payment was made February 1, 2008 and the first principal payment was made February 1, 2009. The bond will be repaid on August 1, 2015.

On October 16, 2006, the District entered into a donor pledge agreement with the Paul Lauzier Charitable Foundation to receive $100,000 annually for ten years. Nine and half of the annual donations have been received as of August 31, 2015. The District uses the annual donation to make principal and interest payments on the non-voted limited obligation bond. As of August 31, 2015 the non-voted Limited General Obligation Bond has been repaid, with a remaining amount of the Paul Lauzier Charitable Foundation monies to be deposited into the Capital Project Fund for improvements to the Lauzier Activity Center.

The following is a summary of non-voted limited general obligation bond transactions of the District for the fiscal year(s) ended August 31, 2013:

Non-Voted Debt Payable at 9/1/2012	210,000.00
New Issues	
Debt Retired	90,000.00
Non-Voted Debt Payable at 8/31/2013	120,000.00

The following is a summary of non-voted limited general obligation bond transactions of the District for the fiscal year(s) ended August 31, 2014:

Non-Voted Debt Payable at 9/1/2013	120,000.00
New Issues	
Debt Retired	95,000.00
Non-Voted Debt Payable at 8/31/2014	25,000.00

The following is a summary of non-voted limited general obligation bond transactions of the District for the fiscal year(s) ended August 31, 2015:

Non-Voted Debt Payable at 9/1/2014	25,000.00
New Issues	
Debt Retired	25,000.00
Non-Voted Debt Payable at 8/31/2015	.00

The following is a schedule of annual requirements of the non-voted limited general obligation amortize debt at August 31, 2013:

Years Ending August 31, 2013	Principal	Interest	Total
2013-2014	$95,000.00	$4,702.50	$99,702.50
2014-2015	$25,000.00	$742.50	$25,742.50
Total	$ 120,000.00	$5,445.00	$125,445.00

The following is a schedule of annual requirements of the non-voted limited general obligation amortize debt at August 31, 2014:

Years Ending August 31, 2014	Principal	Interest	Total
2014-2015	$25,000.00	$742.50	$25,742.50
Total	$ 25,000.00	$742.50	$ 25,742.50

NOTE 11: INTERFUND BALANCES AND TRANSFERS

The following table depicts interfund transfer activity:

Fiscal Year	Transferred From (Fund) 535 or 536	Transferred To (Fund) 965 9900	Amount	Description
2012-2013	General	Capital	$300,000.00	Capital Projects per 2012-2013 Budget
2014-2015	General	Capital	$200,000.00	Capital Projects per 2014-2015 Budget

NOTE 12: ENTITY RISK MANAGEMENT ACTIVITIES

Coulee Hartline School District is a member of United Schools Insurance Program. Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1985, when 29 school districts in the state of Washington joined together by signing a Joint Purchasing Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. **Current membership includes 156 school districts.**

The program allows members to jointly purchase insurance coverage and provide related services, such as administration, risk management, claims administration, etc. Coverage for Wrongful Act Liability and Employee Benefit Liability is on a claims-made basis. All other coverages are on an occurrence basis. The program provides the following forms of group purchased insurance coverage for its members: Property, General Liability, Automotive Liability, Wrongful Acts Liability, and Crime.

Liability insurance is subject to a self-insured retention of $100,000. Members are responsible for a $1,000 deductible for each claim (member deductibles may vary), while the program is responsible for the $100,000 self-insured retention (SIR). Insurance carriers cover insured losses over $101,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members towards the sharing of the $100,000 SIR. The program also purchases a stop loss policy with an **attachment point of $974,286,** as an additional layer of protection for its members.

Property insurance is subject to a per-occurrence deductible of $100,000. Members are responsible for $1,000 deductible for each claim (Member deductibles may vary), while the program is responsible for the $100,000 SIR.

Equipment Breakdown insurance is subject to a per-occurrence deductible of $10,000. Members are responsible for the deductible amount of each claim.

Members contract to remain in the program for a minimum of one year, and must give notice before August 31 to terminate participation the following September 1. The Interlocal Agreement is renewed automatically each year. Even after termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Joint Purchasing Agreement.

The program is fully funded by its member participants. Claims are filed by members with Clear Risk Solutions, formerly Canfield, which has been contracted to perform program administration, claims adjustment, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the year ending **August 31, 2015, were $1,678,247.63.**

A board of directors consisting of nine members is selected by the membership from six areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program. The Board of Directors has contracted with Clear Risk Solutions to perform day-to-day administration of the program. This program has no employees.

Worker's Compensation Pool

Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint self-insuring to the same extent that they may individually self-insure. Separate agreements to form a workers' compensation pool were made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The North Central Washington Workers' Compensation Pool was formed on April 1, 1984, when school districts and North Central Educational Service District in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses. Twenty-nine school districts and North Central ESD have joined the workers' compensation pool.

This pool is operated for the Coulee Hartline School District's benefit in lieu of the district having to make monthly premium payments to the state of Washington for industrial insurance. Membership automatically renews each year. Even after termination, members are still responsible for contributions for unresolved claims occurring during a period when the district was a member of the pool.

The pool is governed by a board of directors which is comprised of one designated representative from each participating member. An executive committee is elected for conducting the business affairs of the pool.

Each member's contribution to the pool is determined by a rate-making formula based on claims cost and other expenses paid. In fiscal year ending August 31, 2013, August 31, 2014 and August 31, 2015, Coulee Hartline School District made payments totaling $27,866.68, $29,541.94 and $30,261.84 to the industrial insurance pool respectively.

Note 13: Property taxes

Property tax revenues are collected as the result of special levies passed by the voters in the District. Taxes are levied on January 1. The taxpayer has the obligation of paying all taxes on April 30 or one-half then and one-half on October 31. Typically, slightly more than half of the collections are made on the April 30 date. The October 31 collection of property taxes will be recorded as revenue in the 2015-16 school year, consistent with the cash basis of accounting.

NOTE 14: JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

The Coulee Hartline District is a member of the King County Director's Association (KCDA). KCDA is a purchasing cooperative designed to pool the member districts' purchasing power. The board authorized joining the association by passing Resolution #4A-93-94 dated March 15,1994 and has remained in the joint venture ever since. The District's current equity of $1,809.79 is the accumulation of the annual assignment of KCDA's operating surplus based upon the percentage derived from KCDA's total sales to the District compared to all other districts applied against paid administrative fees. The District may withdraw from the joint venture and will receive its equity in ten annual allocations of merchandise or 15 annual payments.

NOTE 15: FUND BALANCE CLASSIFICATION DETAILS

The District's financial statements include the following amounts presented in the aggregate for the year 2014-15.

	General Fund	ASB Fund	Capital Projects Fund	Debt Service Fund	Transportation Vehicle Fund
Nonspendable Fund Balance					
Inventory and Prepaid Items					
Restricted Fund Balance					
For Other Items					
For Unequalized Deductible Revenue					
For Fund Purpose		$75,230			$166,138
For Carryover of Restricted Revenues					
For Skill Centers					
For Carryover of Food Service Revenue					
For Debt Service				264,136	
For Arbitrage Rebate					
For Self-Insurance					
For Uninsured Risks					
Committed Fund Balance					
For Economic Stabilization					
Other Commitments					
Assigned Fund Balance					
Contingencies					
Other Capital Projects	$120,000				
Other Purposes					
Fund Purposes			321,810		
Unassigned Fund Balance	$1,140,157				

The board of directors has established a minimum fund balance policy for the general fund to provide for financial stability and contingencies within the District. The policy is that the District shall maintain a goal of five percent of the current year's expenditures to address potential General Fund needs and to continue to maintain an acceptable and adequate minimum fund balance for district operations. Portions of fund balance that are set aside for the purpose of meeting this policy are recorded on the financial statements as a part of the unassigned fund balance.

The District's financial statements include the following amounts presented in the aggregate for the year 2013-14.

	General Fund	ASB Fund	Capital Projects Fund	Debt Service Fund	Transportation Vehicle Fund
Nonspendable Fund Balance					
Inventory and Prepaid Items					
Restricted Fund Balance					
Carryover of Restricted Revenues					
For Debt Service				269,338	
For Arbitrage Rebate					
For Uninsured Risks					
Other items – (Restricted for Fund Purposes)		64,566			92,454
Committed Fund Balance					
Minimum Fund Balance Policy					
Other Commitments					
Assigned Fund Balance					
Contingencies					
Other Capital Projects	$120,000				
Other Purposes					
Fund Purposes	872,883		229,566		
Unassigned Fund Balance	146,606				

The board of directors has established a minimum fund balance policy for the general fund to provide for financial stability and contingencies within the District. The policy is that the District shall maintain a goal of five percent of the current year's expenditures to address potential General Fund needs and to continue to maintain an acceptable and adequate minimum fund balance for district operations. Portions of fund balance that are set aside for the purpose of meeting this policy are recorded on the financial statements as a part of the unassigned fund balance.

The District's financial statements include the following amounts presented in the aggregate for the year 2012-13.

	General Fund	ASB Fund	Capital Projects Fund	Debt Service Fund	Transportation Vehicle Fund
Nonspendable Fund Balance					
Inventory and Prepaid Items					
Restricted Fund Balance					
Carryover of Restricted Revenues					
For Debt Service				259,745	
For Arbitrage Rebate					
For Uninsured Risks					
Other items – (Restricted for Fund Purposes)		65,187			164,645
Committed Fund Balance					
Minimum Fund Balance Policy					
Other Commitments					
Assigned Fund Balance					
Contingencies					
Other Capital Projects	120,000				
Other Purposes					
Fund Purposes	712,007		322,765		
Unassigned Fund Balance	136,964				

The board of directors has established a minimum fund balance policy for the general fund to provide for financial stability and contingencies within the District. The policy is that the District shall maintain a goal of five percent of the current year's expenditures to address potential General Fund needs and to continue to maintain an acceptable and adequate minimum fund balance for district operations. Portions of fund balance that are set aside for the purpose of meeting this policy are recorded on the financial statements as a part of the unassigned fund balance.

NOTE 16: POST-EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS—BOTH IN SEPARATELY ISSUED PLAN FINANCIAL STATEMENTS AND EMPLOYER STATEMENTS

457 Plan – Deferred Compensation Plan

Coulee Hartline District employees have the option of participating in a deferred compensation plan as defined in §457 of the Internal Revenue Code that is administered by the state deferred compensation plan, or the District.

403(b) Plan – Tax Sheltered Annuity (TSA)

The District offers a tax deferred annuity plan for its employees. The plan permits participants to defer a portion of their salary until future years under two types of deferrals: elective deferrals (employee contribution).

The District complies with IRS regulation that require school districts to have a written plan to include participating investment companies, types of investments, loans, transfers, and various requirements. The plan is administered by TSA Consulting Group, Inc. The plan assets are assets of the District employees, not the school district, and are therefore not reflected on these financial statements.

NOTE 17: TERMINATION BENEFITS

Compensated Absences

Employees earn sick leave at a rate of 12 days per year up to a maximum of one contract year.

Under the provisions of RCW 28A.400.210, sick leave chapter also provides for an annual buyout of an amount up to the maximum annual accumulation of 12 days. For buyout purposes, certified employees only must have a minimum of sixty (60) days accumulated in sick leave to be eligible for buyback purposes. In August any days left in the bank of the current year's twelve sick days will be paid to those certified employees who are eligible and who request reimbursement. Reimbursement rate is the current substitute rate. (Please refer to Section 9 of Collective Bargaining Agreement between the Coulee Hartline Education Association and the District. These expenditures are recorded when paid.

The District has not adopted the buyout provisions for sick leave as authorized under RCW 28A.400.210 for classified employees. As such, no liability exists for buyout of sick leave.

Vacation pay, including benefits, that is expected to be liquidated with expendable available financial resources is reported as expenditures and a fund liability of the governmental fund that will pay it.

No unrecorded liability exists for other employee benefits.

NOTE 18: OTHER DISCLOSURES

The Coulee-Hartline School District entered into a legal cooperative agreement with the Almira School District effective at the beginning of the 1991-92 school year and, on August 24, 2006, extended the agreement for ten years. Either board of directors may terminate participation in the cooperative by notifying the other board in writing.

The Coulee-Hartline School District and the Almira School District continue to operate as independent entities. The districts have agreed to a cost-sharing agreement for educational and extracurricular expenses and combined their high school associated student body funds (ASB) to create a single ASB Fund. The transactions for this fund are reported in the financial statements of the Coulee-Hartline School District.

Coulee-Hartline School District No. 151

Schedule of Long-Term Liabilities: GENERAL FUND

For the Year Ended August 31, 2015

Description	**Beginning Outstanding Debt September 1, 2014**	**Amount Issued / Increased**	**Amount Redeemed / Decreased**	**Ending Outstanding Debt August 31, 2015**	**Amount Due Within One Year**
Non-Voted Debt and Liabilities					
Capital Leases	0.00	0.00	0.00	0.00	0.00
Contracts Payable	0.00	0.00	0.00	0.00	0.00
Non-Cancellable Operating Leases	0.00	0.00	0.00	0.00	0.00
Claims & Judgements	0.00	0.00	0.00	0.00	0.00
Compensated Absences	0.00	0.00	0.00	0.00	0.00
Long-Term Notes	0.00	0.00	0.00	0.00	0.00
Anticipation Notes Payable	0.00	0.00	0.00	0.00	0.00
Lines of Credit	0.00	0.00	0.00	0.00	0.00
Other Non-Voted Debt	0.00	0.00	0.00	0.00	0.00
Other Liabilities					
Non-Voted Notes Not Recorded as Debt	0.00	0.00	0.00	0.00	0.00
Net Pension Liabilities:					
Net Pension Liabilities TRS 1	0.00	792,245.00	0.00	792,245.00	
Net Pension Liabilities TRS 2/3	0.00	196,215.00	0.00	196,215.00	
Net Pension Liabilities SERS 2/3	0.00	104,165.00	0.00	104,165.00	
Net Pension Liabilities PERS 1	0.00	200,547.00	0.00	200,547.00	
Total Long-Term Liabilities	0.00	1,293,172.00	0.00	1,293,172.00	0.00

Coulee-Hartline School District No. 151

Schedule of Long-Term Liabilities: DEBT SERVICE FUND

For the Year Ended August 31, 2015

Description	Beginning Outstanding Debt September 1, 2014	Amount Issued / Increased	Amount Redeemed / Decreased	Ending Outstanding Debt August 31, 2015	Amount Due Within One Year
Voted Debt					
Voted Bonds	720,000.00	0.00	230,000.00	490,000.00	240,000.00
LOCAL Program Proceeds Issued in Lieu of Bonds	0.00	0.00	0.00	0.00	0.00
Non-Voted Debt					
Non-Voted Bonds	25,000.00	0.00	25,000.00	0.00	0.00
LOCAL Program Proceeds	0.00	0.00	0.00	0.00	0.00
Total Long-Term Liabilities	745,000.00	0.00	255,000.00	490,000.00	240,000.00

Coulee-Hartline School District No. 151

Schedule of Long-Term Liabilities: DEBT SERVICE FUND

For the Year Ended August 31, 2014

Description	Beginning Outstanding Debt September 1, 2013	Amount Issued / Increased	Amount Redeemed / Decreased	Ending Outstanding Debt August 31, 2014	Amount Due Within One Year
Voted Debt					
Voted Bonds	940,000.00	0.00	220,000.00	720,000.00	230.000.00
LOCAL Program Proceeds Issued in Lieu of Bonds	0.00	0.00	0.00	0.00	0.00
Non-Voted Debt					
Non-Voted Bonds	120,000.00	0.00	95,000.00	25,000.00	25,000.00
LOCAL Program Proceeds	0.00	0.00	0.00	0.00	0.00
Total Long-Term Liabilities	1,060,000.00	0.00	315,000.00	745,000.00	255,000.00

Coulee-Hartline School District No. 151

Schedule of Long-Term Liabilities: CAPITAL PROJECTS FUND

For the Year Ended August 31, 2014

Description	Beginning Outstanding Debt September 1, 2013	Amount Issued / Increased	Amount Redeemed / Decreased	Ending Outstanding Debt August 31, 2014	Amount Due Within One Year
Non-Voted Debt and Liabilities					
Capital Leases	0.00	0.00	0.00	0.00	0.00
Contracts Payable	52,500.00	0.00	52,000.00	0.00	0.00
Claims & Judgements	0.00	0.00	0.00	0.00	0.00
Compensated Absences	0.00	0.00	0.00	0.00	0.00
Long-Term Notes	0.00	0.00	0.00	0.00	0.00
Anticipation Notes Payable	0.00	0.00	0.00	0.00	0.00
Lines of Credit	0.00	0.00	0.00	0.00	0.00
Other Non-Voted Debt	0.00	0.00	0.00	0.00	0.00
Other Liabilities					
Non-Voted Notes Not Recorded as Debt	0.00	0.00	0.00	0.00	0.00
Total Long-Term Liabilities	52,500.00	0.00	52,000.00	0.00	0.00

Coulee-Hartline School District No. 151

Schedule of Long-Term Liabilities

For the Year Ended August 31, 2013

Description	Beginning Outstanding Debt September 1, 2012	Amount Issued/Increased	Amount Redeemed/Decreased	Ending Outstanding Debt August 31, 2013
Total Voted Bonds	1,150,000.00	0.00	210,000.00	940,000.00
Total Non-Voted Notes/Bonds	210,000.00	0.00	90,000.00	120,000.00
Qualified Zone Academy Bonds (QZAB)	0.00	0.00	0.00	0.00
Qualified School Construction Bonds(QSCB)	0.00	0.00	0.00	0.00
Other Long-Term Debt				
Capital Leases	0.00	0.00	0.00	0.00
Contracts Payable (GL 603)	0.00	63,000.00	10,500.00	52,500.00
NonCancellable Operating Leases	0.00	0.00	0.00	0.00
Claims & Judgments	0.00	0.00	0.00	0.00
Compensated Absences	0.00	0.00	0.00	0.00
Other Long-Term Liabilities	0.00	0.00	0.00	0.00
Total Other Long-Term Liabilities	0.00	0.00	0.00	0.00
TOTAL LONG-TERM LIABILITIES	1,360,000.00	63,000.00	310,500.00	1,112,500.00

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as fraud, state whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our website and through our free, electronic subscription service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
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