

Tamalpais Union High School District

2014-15 Unaudited Actuals

September 29, 2015

The 2014-15 Unaudited Actuals report contains forms that describe the financial position of each fund as of June 30, 2015, and they reflect the District's financial activity that occurred during the July 1, 2014 to June 30, 2015 fiscal year. The Unaudited Actuals also contain supplemental reports concerning the District's capital assets, average daily attendance, Federal Grant ("No Child Left Behind") expenditures and other disclosures.

This report of financial position was provided to the Marin County Office of Education on September 14, 2015. The independent auditors from Nigro & Nigro, PC will finalize their review of the District's financial statements in October and November. The final audit report will be submitted to the State by December 15, 2015.

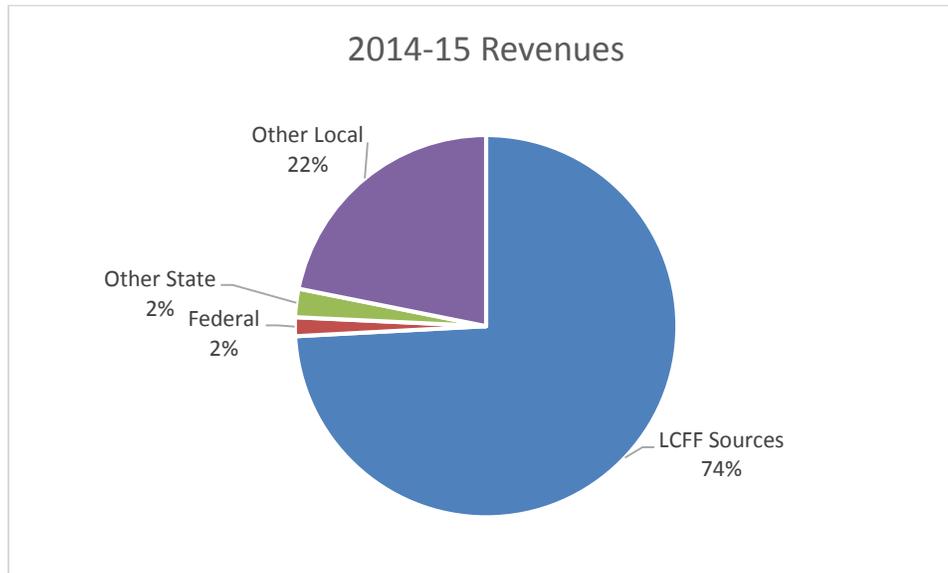
2014-15 Financial Components

1. Average Daily Attendance (ADA)
 - Actual ADA at the Second Period of attendance was 3,954.78.
 - The District experienced an increase of 2%, or 77.7 ADA from 2013-14 into 2014-15.
2. Property Tax Revenue
 - Property tax revenues were \$49,087,991.
 - The District experienced an increase of 6.5%, or \$2,996,865.
 - Property tax revenues are included as "Local Control Funding Formula (LCFF) Sources".
3. Parcel Tax Revenue
 - Parcel tax revenues were \$9,236,194.
 - The District experienced an increase of 1.7%, or \$157,808.
 - Parcel tax revenues are included as "Other Local Revenues".
4. Education Protection Account (EPA)
 - Approved by vote in November, 2010, the Schools and Local Public Safety Protection Act of 2012 (Proposition 30) temporarily increased the State's sales tax rate and the personal income tax rates for taxpayers in high tax brackets.
 - Revenues generated from Proposition 30 are deposited into a dedicated account called the Education Protection Account (EPA).
 - EPA apportionments are calculated as \$200 per Average Daily Attendance (ADA), and the District realized EPA funds of \$799,046 in 2014-15.
 - EPA revenues are included as "Local Control Funding Formula (LCFF) Sources". EPA is funded from temporary taxes, and the funding ceases after 2017-18.
5. State and Federal Programs
 - Except as illustrated under "Contributions to Restricted Programs" on page 3, all federal and state restricted categorical programs are self-funded.

General Fund Revenue Components

The District receives funding for its general operations from various sources. The types of major funding sources are illustrated below:

Local Control Funding Formula Sources	\$50,092,052
Federal Revenue	\$1,074,866
Other State Revenue	\$1,616,671
Other Local Revenue	<u>\$14,764,342</u>
TOTAL REVENUE	\$67,547,931

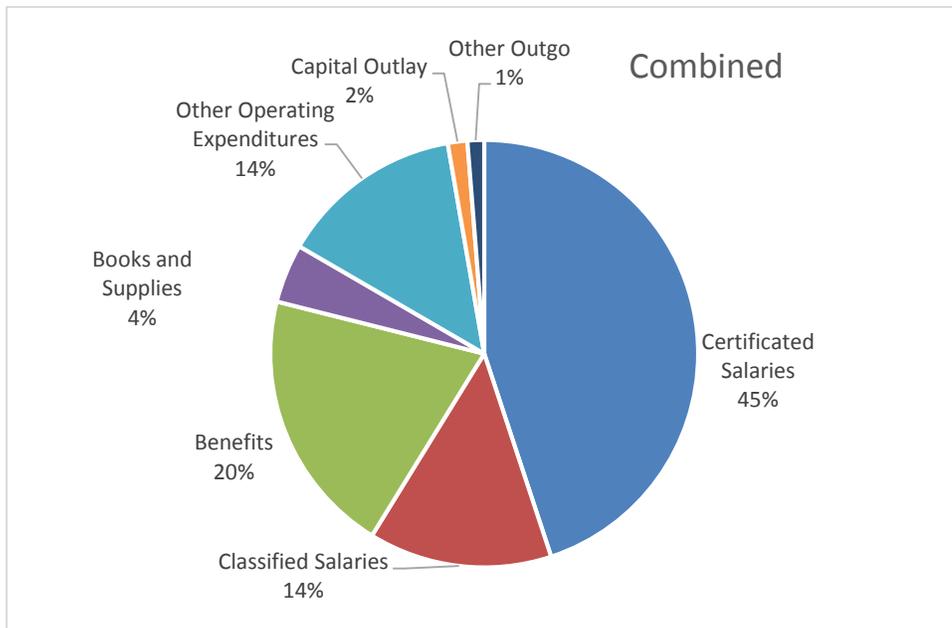


Operating Expenditure Components

The General Fund is used for the majority of the functions within the District. As illustrated below, salaries and benefits comprise 87% of the District's unrestricted budget, and approximately 79% of the total (combined) General Fund budget.

	Unrestricted	Restricted	Combined
Certificated Salaries	27,407,329	2,691,811	30,099,141
Classified Salaries	7,059,813	2,226,782	9,286,595
Benefits	11,406,801	2,077,338	13,484,138
Books and Supplies	1,806,323	1,176,870	2,983,193
Other Operating Expenditures	5,314,289	3,989,168	9,303,456
Capital Outlay	77,311	910,897	988,207
Other Outgo	7,307	886,364	893,671
Transfers of Indirect Cost	(582,152)	531,259	(50,893)
TOTAL	52,497,020	14,490,488	66,987,508

A graphical description of expenditures by percentage is depicted below.



Contributions to Restricted Programs

The following transfers of unrestricted resources to restricted programs are necessary to cover restricted program expenditures in excess of revenue:

Description	Unaudited Actuals
Special Education Mental Health	6,525.57
Vocational Program / Applied Secondary	1,694.06
Special Education	5,318,702.87
Mental Health Pre-Referral	28,934.80
Special Education Low Incidence Equipment	32,250.72
Routine Restricted Maintenance	1,924,727.00
Special Education Excess Cost	392,061.08
Special Education Transportation	308,163.22
TOTAL CONTRIBUTIONS	8,013,059.32

General Fund Summary

The General Fund realized a net increase of \$1,193,399 to its Unrestricted General Fund balance. \$283,758 of these funds are carried over for specific site and district purposes.

UNRESTRICTED CARRYOVER	
Donations	42,995
Restricted 14-15 Award	3,000
Facilities Usage	158,399
Catastrophic Leave	32,100
Drake Energy Award	5,998
Site Discretionary Block Grant	41,266
TOTAL UNRESTRICTED CARRYOVER	283,758

At the June budget adoption no 2015-16 contribution was made for the field and equipment replacement reserve. Staff recommends the transfer of \$270,000 to the Fund 40 field and equipment replacement reserve in the 2015-16 budget as has been the practice in years past. Additionally, staff recommends that the Board designate the remaining surplus of \$639,643 to cover future deficits.

The Restricted Fund Balance is \$1,482,048 and will carry forward into the following restricted programs.

RESTRICTED CARRYOVER	
85,326.25	Prop 39 Clean Air Energy
226,839.36	Lottery
69,568.37	Sp Ed CHSEE
80,509.65	Mental Health
69,469.45	EIA
103,924.69	RRMA
47,514.90	PTA
368,982.59	Foundation
1,252.00	Foundation
-1,164.77	Field Trip
995.6	Local Donations
20,358.77	Alicia Scott Lee Donations
1,470.00	Hector Alvarado Children's Donation
1,107.31	PG&E Grant
35,819.86	Global Studies
5,889.87	The CA Endowment
7,232.50	Ross Valley Healthy Community
269.82	Marin Storm Prevention Program
6,075.58	Tam Music Donations
91,913.89	Modernization Donations
116,052.84	Student Activities
8,547.31	Tam High Academy
88,231.96	Red Hill Community Park
18,788.37	DISC - Drake Integrated Study
27,072.19	Career Pathways
1,482,048.36	TOTAL RESTRICTED CARRYOVER

A comparison of the 2014-15 Unaudited Actuals to the 2014-15 Estimated Budget (from the June budget adoption) is presented for review.

2014-15 GENERAL FUND - UNRESTRICTED ONLY			
	June	Unaudited	
Revenues	<u>Estimate</u>	<u>Actuals</u>	<u>Difference</u>
LCFF Sources	49,934,805	50,092,052	157,247
Federal Revenue	-	-	-
Other State Revenue	1,004,504	1,030,446	25,942
Other Local Revenue	10,064,821	10,151,985	87,164
TOTAL REVENUES	61,004,130	61,274,483	270,353
Expenditures			
Certificated Salaries	27,577,609	27,407,329	(170,280)
Classified Salaries	7,167,483	7,059,813	(107,670)
Employee Benefits	11,553,718	11,406,801	(146,917)
Books and Supplies	2,117,079	1,806,323	(310,756)
Services and Other Oper. Exp.	5,346,189	5,314,289	(31,900)
Capital Outlay	77,808	77,311	(497)
Other Outgo (exclude transfers)	23,000	7,307	(15,693)
Other Outgo (transfers)	(712,384)	(582,152)	130,232
TOTAL EXPENDITURES	53,150,502	52,497,020	(653,482)
Excess (Def.) of Revenues over Expenditures	7,853,628	8,777,463	923,835
Other Financing Sources/Uses			
Interfund Transfers In	200,000	200,000	-
Interfund Transfers Out	(616,207)	(621,004)	(4,797)
Other Sources	-	850,000	850,000
Other Uses	-	-	-
Contributions	(8,559,120)	(8,013,059)	546,061
TOTAL OTHER FINANCING SOURCES	(8,975,327)	(7,584,064)	1,391,263
Net Increase (Decrease) in Fund Balance	(1,121,699)	1,193,399	2,315,098
Fund Balance			
Beginning Fund Balance	24,360,318	24,360,318	-
Net Increase (Decrease)	(1,121,699)	1,193,399	2,315,098
Other Restatements	850,000	-	(850,000)
Ending Fund Balance	24,088,619	25,553,717	1,465,098
Components of Ending Fund Balance			
Revolving Cash	12,000	12,000	-
Prepaid Expenditures	-	3,818	3,818
Assigned	21,993,719	23,509,644	1,515,924
Reserve for Economic Uncertainties	2,082,900	2,028,256	(54,644)
Unassigned/Unappropriated	0	0	0

Key areas of Difference between the June 2015 estimate and the 2014-15 Unaudited Actuals are listed below.

KEY AREAS OF DIFFERENCE		(Difference > \$25,000)		
<u>June Estimate</u>	<u>Unaudited Actuals</u>	<u>Better Than Plan</u>	<u>Worse Than Plan</u>	
REVENUES:				
48,992,849	49,155,950	163,101		Local Tax Revenues
520,193	547,197	27,004		Unrestricted Lottery
9,347,068	9,236,194		(110,874)	Parcel Tax Revenues
349,958	425,866	75,908		Leases and Rentals
313,730	390,968	77,238		All Other Local Revenues
EXPENDITURES/CONTRIBUTIONS:				
8,559,120	8,013,059	546,061		Contributions to Restricted Programs
632,693	530,432	102,261		Teacher - Extra Duty
178,433	149,070	29,362		Assistant Superintendent
2,968,886	2,931,649	37,237		Clerical Salaries
21,296	52,796		(31,500)	Clerical & Office Overtime
806,592	763,179	43,413		Other Classified
2,495,911	2,440,154	55,756		STRS
1,239,019	1,200,981	38,038		PERS
1,040,511	936,534	103,977		Materials and Supplies
137,831	107,213	30,618		Conferences
871,356	1,033,984		(162,628)	Electricity
104,434	130,867		(26,433)	Legal Services
33,638	(269)	33,907		Internal Services
1,056,443	965,726	90,716		Professional Consulting Services
453,630	405,053	48,577		Interfund to Cafeteria
67,577	120,952		(53,375)	Interfund to Community Education

Staff will use this information to adjust the 2015-16 budget as appropriate.

Other Funds

As illustrated below, all other funds have a positive ending balance at June 30, 2015.

FUND	13-14	14-15	Net Change
	<u>Ending Balance</u>	<u>Ending Balance</u>	
11 Adult and Community Education	451,198	110,069	(341,129)
13 Cafeteria	31,900	14,755	(17,145)
14 Deferred Maintenance	1,291,810	1,527,614	235,805
17 Special Reserve Non-Capital	1,217,859	1,020,090	(197,769)
19 Special Revenue	50,490	50,583	92
21 Building Fund	2,828,419	521,450	(2,306,969)
40 Special Reserve Capital Outlay	2,405,534	2,079,015	(326,519)
51 Bond Interest and Redemption	8,620,199	9,893,589	1,273,391
67 Self Insurance	29,575	42,936	13,361

Fund 11 - Adult and Community Education

Adult Education realized a decrease in fund balance of \$341,129. When Adult Education funding was cut in 2009-10, the District planned for the program to operate using Fund 11 reserves. The District was able to provide Adult Education services through 2014-15 with this approach. One-time State funding for Adult Education in 2015-16 will allow the District to continue to provide Adult Education programs in the current year.

Community Education completed the year requiring a contribution of \$120,952.

Fund 13 - Student Nutrition Services

Student Nutrition Services revenues were \$734,337 – a growth of 9.1% over 2013-14. Expenses were \$1,156,534 – a growth of 11.6% over 2013-14. The Student Nutrition Services program required a general fund contribution of \$405,053 in 2014-15.

Fund 14 - Deferred Maintenance Fund

This fund provides for major maintenance projects such as roof repairs, paving, painting and carpentry. The State no longer provides funding for these projects. The District has a practice of transferring \$357,000 from the Unrestricted General Fund into the Deferred Maintenance Fund. This fund has a balance of \$1,527,614.

Fund 17 - Special Reserve for Non Capital Outlay

In 2010-11 the Board approved a \$1,000,000 transfer from the General Fund into Fund 17. The fund was originally intended to provide for post-employment retirement benefits. With enrollment growth expected in the next several years, this fund is now planned to support non-capital expenditures related to that growth. The fund balance is \$1,020,090.

Fund 19 – Special Revenue Fund

Fund 19 holds the Tamalpais Scholarship Fund. Interest in the fund is granted to student scholarships.

Fund 21 - Bond Funds

The Bond Funds had expenditures totaling \$2,230,084 in 2014-15. There is a remaining fund balance of \$521,450. These funds will be spent on the Redwood Photovoltaic Project, Redwood Modular Toilet Room Project, and other projects as allowed.

Fund 40 - Special Reserve for Capital Outlay

With the exception of 2009-10, transfers are made from the General Fund to Fund 40 on an annual basis for District wide technology, furniture replacement, copier replacement, and athletic field replacement and repair. This fund has a balance of \$2,079,015

Fund 51 – Bond Interest and Redemption Fund

The Marin County Auditor maintains control over this fund for the repayment of the District's Bonds.

Fund 67 – Self Insurance Fund

This fund is used to pay for insurance deductibles, and the year-end balance is \$42,936.

Conclusion

The State required Unaudited Actuals reports and supplemental documents are included in this packet. The State reports are designed to provide a general overview of the District's finances with a two to three page summary at the beginning of each Fund report. Behind each short summary report are detailed reports of revenues and expenditures for each fund.

In October 2015, the District's external auditors will meet with District staff and audit the records contained in this packet. The auditors will render an opinion as to the accuracy of these reports no later than December 15, 2015.

Staff recommends approval of the 2014-15 Unaudited Actuals reports.