



TAMALPAIS UNION HIGH SCHOOL DISTRICT

2021-22 Unaudited Actuals

September 6, 2022

Why do Unaudited Actuals?



- Unaudited actuals are the last major 'look back' at the previous fiscal year
- Looking at actual revenues & expenditures for 2021-22
 - Not budget
- Comparison: Estimated Actuals (June 2022) vs. Unaudited Actuals (Sept 2022)
 - Goal: provides feedback on accuracy of District's budgeting process
 - Accuracy = as close to zero as possible
 - Difference between the two only impacts the 2021-22 Beginning Fund Balance (Reserve)
 - Difference does not impact our 2021-22 budget & multi-year projection
- Required by Ed Code

Agenda



- Revenues & Expenditures
- Contributions & Transfers from General Fund
- Fund Balance & Reserves (all Funds)
- Reconciliation of Estimated Actuals to Unaudited Actuals
- Uncertainties & Prudence
- Next Steps & Questions

Revenue Drivers & Factors

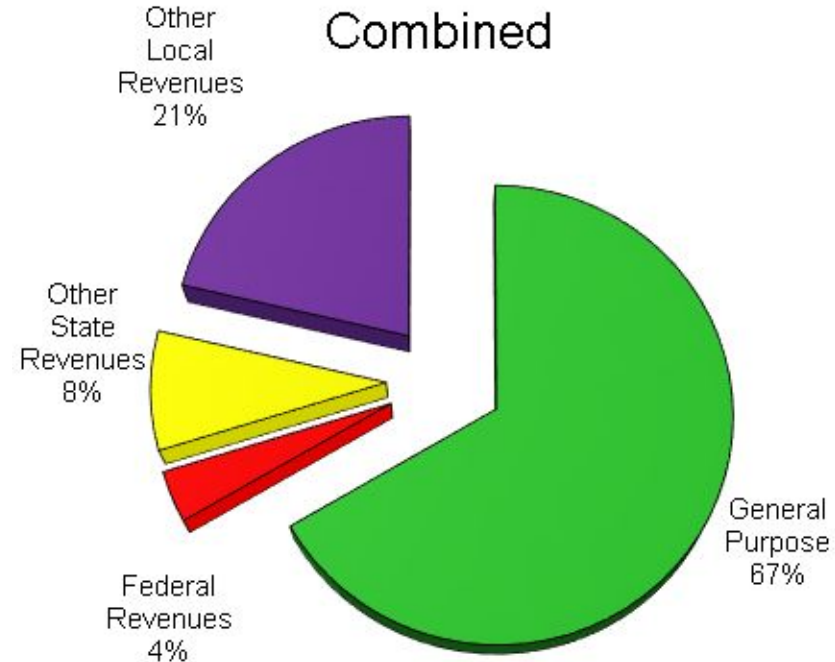


- 2021-22 Average Daily Attendance (ADA)
 - Actual ADA was 4,927, which is an **decrease** of 2 students from 2020-21
 - Reminder: ADA is different than enrollment (5,060 students)
- Due to the fact that TUHSD is 'basic aid', the increase in ADA from 2020-21 does not significantly impact operating revenues
- Property taxes received during the fiscal year were \$72.3M, which was an increase of approximately \$3.0M from 2020-21 and represents a 4.39% increase

Sources of 2021-22 General Revenue (combined)

- General Purpose \$ 73,153,997
 - Property taxes, EPA, minimum State Aid
- State Funding \$ 9,261,615
 - COVID relief, Lottery, Special Education, etc.
- Federal Funding \$ 3,982,578
 - COVID relief, Title I, Title II, etc.
- Local Revenue \$ 23,450,646
 - Parcel taxes, Foundations, facilities fees, interest

TOTAL: \$ 109,848,837



Education Protection Account (EPA)

- Approved by CA voters in 2012 (Prop 30) after 'Great Recession'
- Funding must be used for instructional purposes

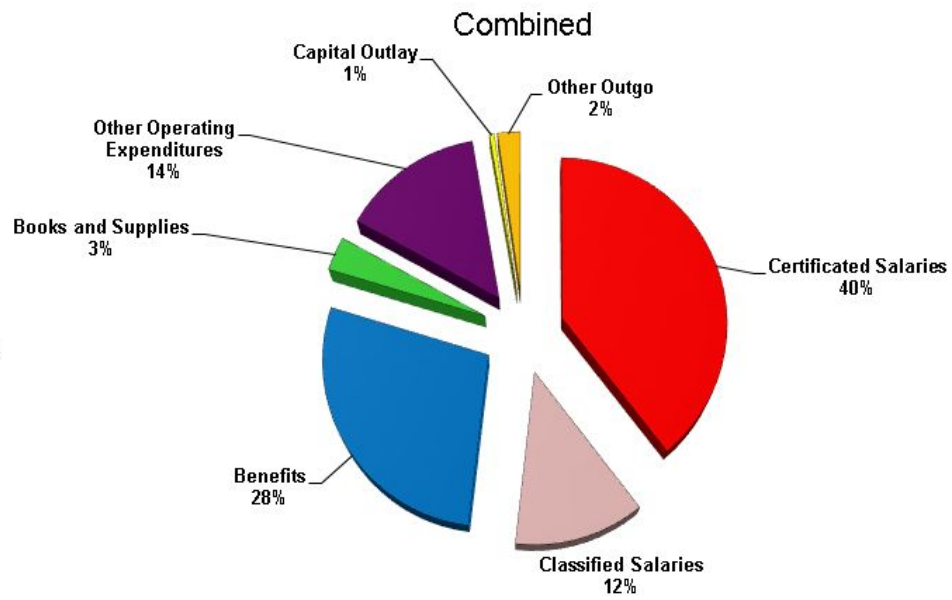
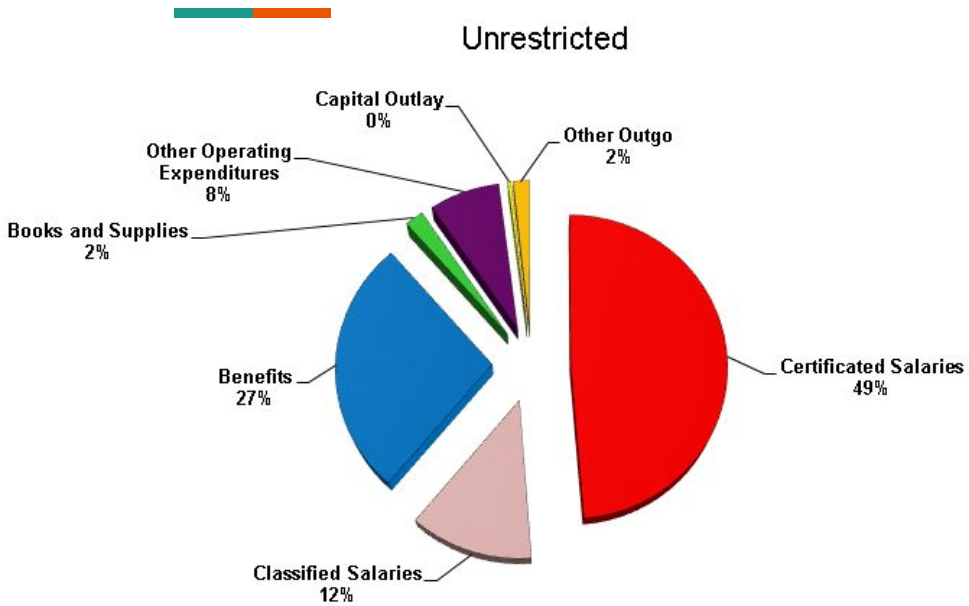
Education Protection Account (EPA) Budget <i>2021-22 Fiscal Year</i>	
Description	Amount
BEGINNING BALANCE	\$0
EPA REVENUES:	
<i>EPA Funds</i>	\$983,142
EPA EXPENDITURES:	
<i>Certificated Instructional Salaries</i>	\$714,583
<i>Certificated Instructional Benefits</i>	\$268,559
TOTAL	\$983,142
ENDING BALANCE	\$0

General Fund Expenditures

Description	Unrestricted	Combined
Certificated Salaries	\$32,854,345	\$40,047,325
Classified Salaries	\$8,316,494	\$12,582,263
Benefits (Payroll Taxes and Health & Welfare Contributions)	\$18,414,291	\$28,250,280
Books and Supplies	\$1,332,769	\$3,372,277
Other Operating Expenditures	\$5,057,730	\$14,534,318
Capital Outlay	\$212,134	\$475,891
Other Outgo	\$1,152,471	\$2,319,498
TOTAL	\$67,340,234	\$101,581,852


80% of combined General Fund expenditures are salary and benefits

General Fund Expenditures



88% of Unrestricted General Fund expenditures are salary & benefits

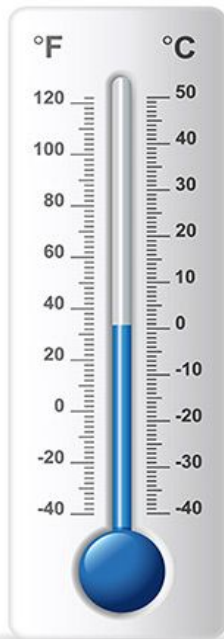
General Fund Contributions & Transfers



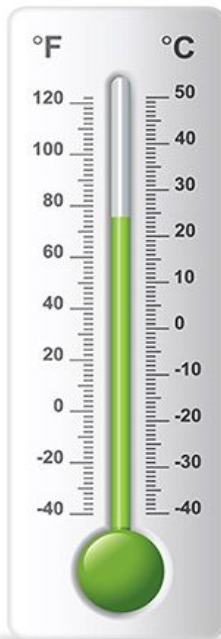
Description	Unaudited Actuals
Special Education - Instruction	\$14,208,840
Restricted Maintenance Account	\$3,101,158
Career Technical Education	\$224,302
Contributions from Foundations	(\$40,000)
TOTAL CONTRIBUTIONS	\$17,494,300

In addition to the above contributions, the District made no transfer to the Cafeteria Special Revenue Fund, \$857k to Deferred Maintenance Fund and \$6.6M to the Capital Outlay Reserve Fund.

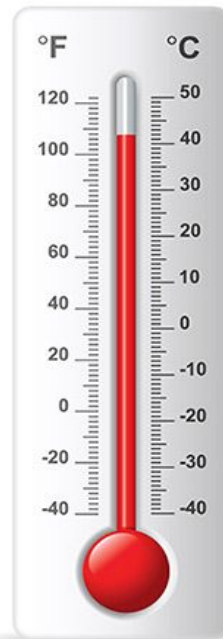
Unaudited Actuals 'Success Criteria'



+/-1% = Great
(about \$1.1M)




+/-2% = Good
(about \$2.2M)



+/-3% = OK
(about \$3.3M)

Note: Percentage is difference relative to total expenditures & other sources/uses

Looking back at 2021-22... June and tonight

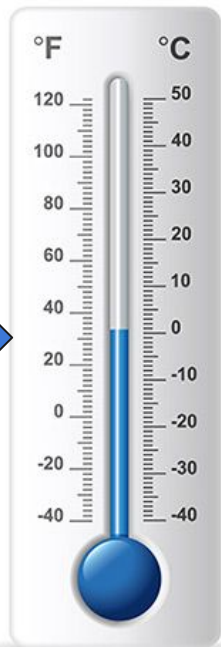
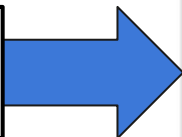


Again, we are looking back at 2021-22 and are comparing our Estimated Actuals (June 2022) to our Unaudited Actuals (September 2022)

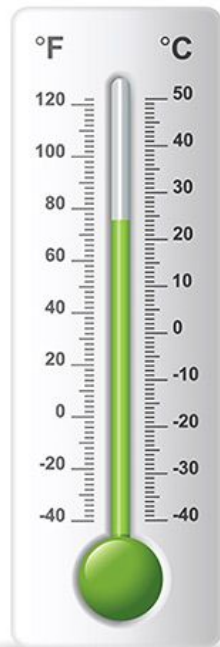
- Overall changes between Estimated Actuals and Unaudited Actuals provide savings
- The variance between Estimated Actuals and Unaudited Actuals was about \$717k, or 0.7% of the Unrestricted budget

Unaudited Actuals 'Success Criteria'

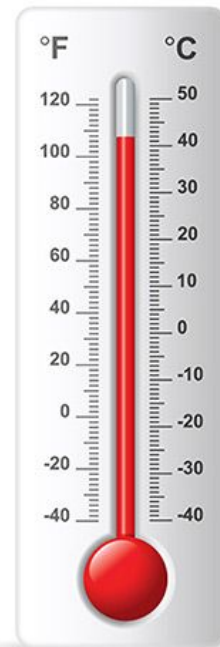
TUHSD is at
+\$717k (0.7%)



+/-1% = Great
(about \$1.1M)




+/-2% = Good
(about \$2.2M)



+/-3% = OK
(about \$3.3M)

Note: Percentage is
difference relative to
total expenditures &
other sources/uses

Comparison of Estimated Actuals vs. Unaudited Actuals



<i>Description</i>	<i>Unrestricted Projected Operating Surplus/(Deficit)</i>	<i>Ending Fund Balance (Reserve)</i>
2021-22 Estimated Actuals Projection (June)	\$ 642,511	\$ 22,643,831
<i>Changes</i>	\$ 717,484	\$ 717,484
2021-22 Unaudited Actuals Projection (September)	\$ 1,359,995	\$ 23,361,315

Components for Change in Unrestricted General Fund Reserve



Description of Significant Variance Components	Amount
Total net revenues slightly lower than estimated in June (Prop Tax, EPA, Fund 14 transfer)	(\$42k)
Expenditures less than anticipated in most categories (classified salaries, benefits, books and supplies, services)	\$1.4M
Transfers out to other funds were more than estimated (Deferred Maintenance and Capital Outlay Reserve funds)	(\$1.6M)
Contributions to Special Education were less than estimated (combo of increased revenue & decreased expend.)	\$959k
Total Variance	\$717k

Components of 2021-22 Ending General Fund Balance (Reserve)



For 2021-22, the General Fund unrestricted ending fund balance is \$23.4M and restricted portion is \$7.5M, for a combined total of \$30.9M.

The components of the District's unrestricted fund balance are as follows:

- Revolving cash & other nonspendable items - \$12k
- Assignments (i.e. 22-23 deficit spending, Prop Tax & SpEd Uncertainty, etc.) - \$17.6M
- Economic Uncertainty (3%) - \$3.3M
- Unassigned /Unappropriated - \$2.5M


The unrestricted reserve represents a 21.7% reserve level, which is above the targeted minimum reserve level of 17%, per Board Policy 3100.

2021-22 Ending Fund Balances (all funds)

As illustrated below, all Funds have a positive ending fund balance at June 30, 2022.

FUND	2020-21	Net Change	2021-22
GENERAL (UNRESTRICTED & RESTRICTED)	\$28,108,510	\$2,773,160	\$30,881,670
STUDENT ACTIVITY SPECIAL RESERVE	\$753,239	\$94,276	\$847,515
ADULT EDUCATION	\$753,378	\$131,941	\$885,319
CAFETERIA	\$389,838	\$290,062	\$679,900
DEFERRED MAINTENANCE	\$2,694,986	\$212,156	\$2,907,142
SPECIAL RESERVE	\$0	\$0	\$0
FOUNDATION	\$53,781	\$35	\$53,816
BUILDING	\$0	\$0	\$0
CAPITAL FACILITIES	\$479,627	\$146,875	\$626,502
CAPITAL OUTLAY	\$5,883,383	\$6,228,972	\$12,112,355
BOND INTEREST & REDEMPTION	\$10,224,432	\$1,696,226	\$11,920,658
SELF INSURANCE	\$0	\$0	\$0
TOTAL	\$49,341,174	\$11,573,703	\$60,914,877

Uncertainties & Prudence: *Moving forward...*

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- Unknown future economic outlook & impact on local property tax revenues
 - TUHSD is now past 'peak enrollment' in 2021-22 with ongoing projected declines through current Kindergarten class
 - *Will current Marin real estate growth translate into increase in future students?*
 - New 'Class Size Increase' MOU expires in 2025-2026 school year
 - Concerns about future increases to STRS & PERS pension rates given statewide loss of enrollment & staff paying into pension systems
 - All COVID relief funding is now exhausted with the conclusion of Summer School 2022
 - Statewide trend of Special Education costs increases continue ('unfunded mandate')
 - TFT and CSEA employee groups have settled on compensation with TUHSD through 2022-23, but not beyond
 - Future cost of a 1% raise in 2023-24 estimated to be \$600k

Next Steps

- Business staff has finished closing the books - *BIG shout-out to the Business Office staff!*
- The auditors express an opinion
 - *“In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2022...”*
 - This is the opinion we want and expect to see!
 - District’s external auditors will conduct fieldwork in November and will render an opinion by December 15th
 - Audit report will be shared with the Board in January

Questions & Comments?