TAMALPAIS UNION HIGH
SCHOOL DISTRICT

2024-25 Unaudited Actuals

September 9, 2025

Why do Unaudited Actuals?

- Unaudited actuals are the last major ‘look back’ at the previous fiscal year
- Looking at actual revenues & expenditures for 2024-25
  - Not budget
- Comparison: Estimated Actuals (June 2025) vs. Unaudited Actuals (Sept 2025)
  - Goal: provides feedback on accuracy of District’s budgeting process
    - Accuracy = difference as small as possible (relative to a total budget of $125M)
  - Difference between the two only impacts the 2025-26 Beginning Fund Balance (Reserve)
  - Difference does not impact our 2025-26 budget & multi-year projection

Agenda

1. Revenues & Expenditures
2. Contributions & Transfers from General Fund
3. Fund Balance & Reserves (all Funds)
4. Reconciliation of Estimated Actuals to Unaudited Actuals
5. Uncertainties & Prudence
6. Next Steps & Questions

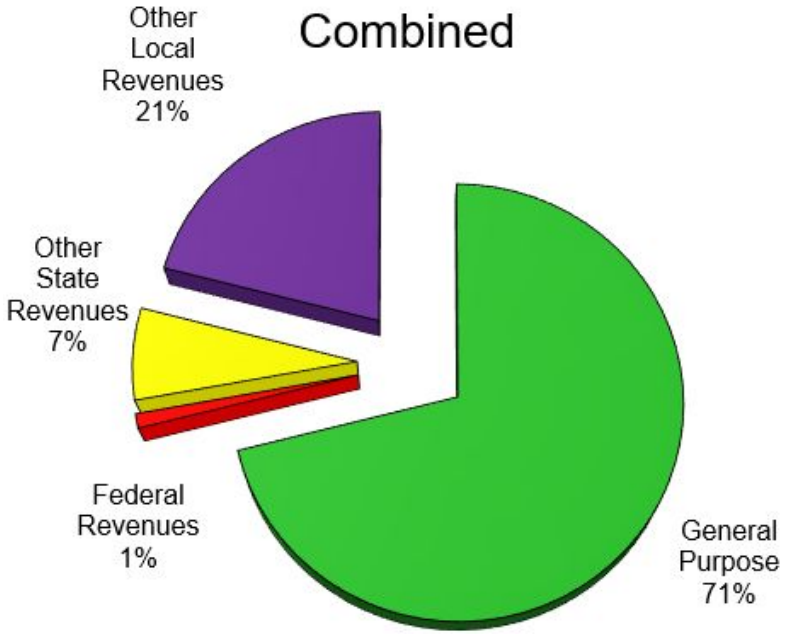
Revenue Drivers & Factors

- 2024-25 Average Daily Attendance (ADA)
  - Funded ADA was 4,553, which is an decrease of 159 students from 2023-24
  - Reminder: ADA is different than enrollment
- Due to the fact that TUHSD is 'basic aid', the decrease in ADA from 2023-24 does not significantly impact operating revenues
- Property taxes received during the fiscal year were $85.9M, which was an increase of approximately $3.7M from 2023-24 and represents a 4.45% increase

Sources of 2024-25 General Revenue (combined)

- General Purpose $ 87,209,543
  - Property taxes, EPA, minimum State Aid, etc.
- State Funding $ 8,386,877
  - AMIM, Lottery, Special Education, ROP, etc.
- Federal Funding $ 1,309,690
  - Title I, Title II, IDEA, etc.
- Local Revenue $ 25,779,476
  - Parcel tax, Foundations, facilities fees, interest

TOTAL: $ 122,685,583



Education Protection Account (EPA)

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

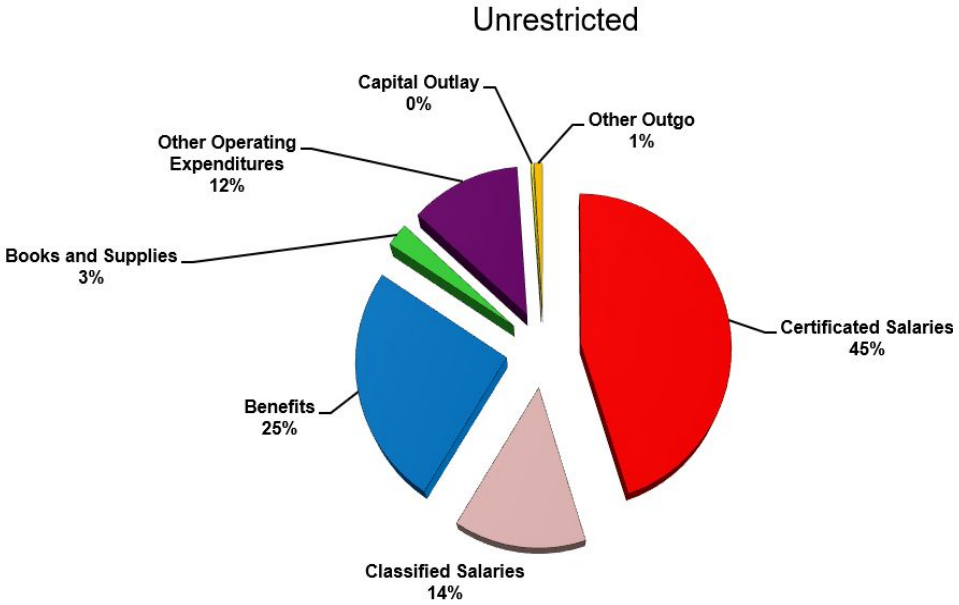
Education Protection Account (EPA) Budget *2024-25 Fiscal Year*	
Description	Amount
BEGINNING BALANCE	$0
EPA REVENUES:	
EPA Funds	$921,486
EPA EXPENDITURES:	
Certificated Instructional Salaries	$663,660
Certificated Instructional Benefits	$257,826
TOTAL	$921,486
ENDING BALANCE	$0

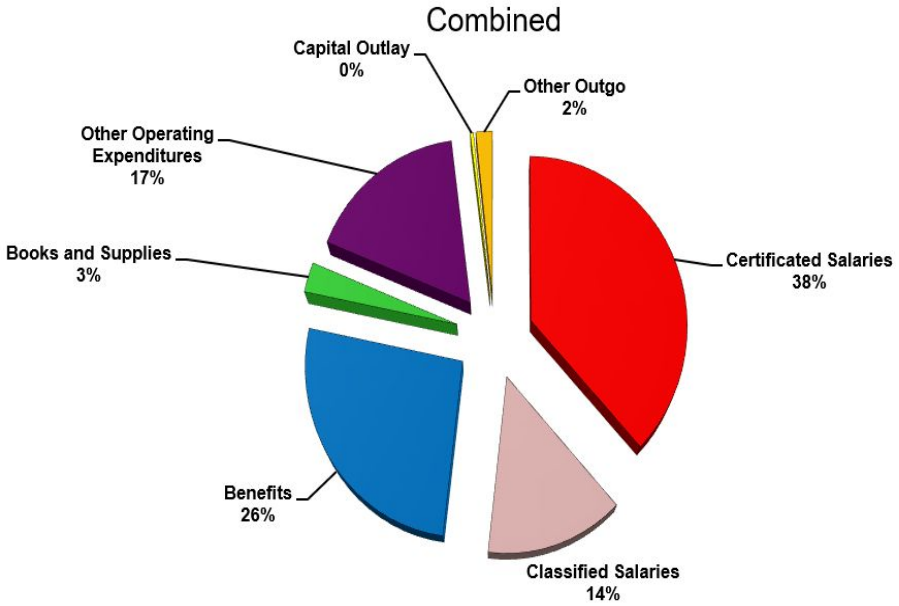
General Fund Expenditures

Description	Unrestricted	Combined
Certificated Salaries	$37,466,343	$45,693,275
Classified Salaries	$11,407,807	$16,558,922
Benefits (Payroll Taxes and Health & Welfare Contributions)	$20,993,010	$31,490,940
Books and Supplies	$2,089,510	$3,432,029
Other Operating Expenditures	$10,141,834	$20,350,898
Capital Outlay	$174,853	$397,689
Other Outgo	$760,096	$2,094,139
TOTAL	**$83,033,453**	**$120,017,893**

79% of combined General Fund expenditures are salary and benefits

General Fund Expenditures





85% of <u>Unrestricted</u> General Fund expenditures are salary & benefits

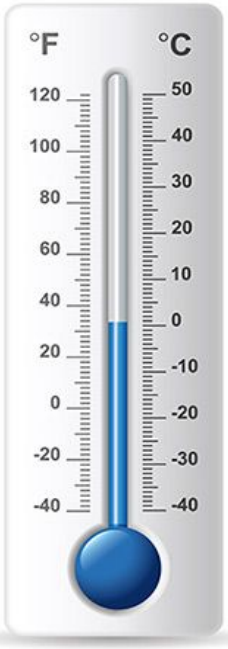
General Fund Contributions & Transfers

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

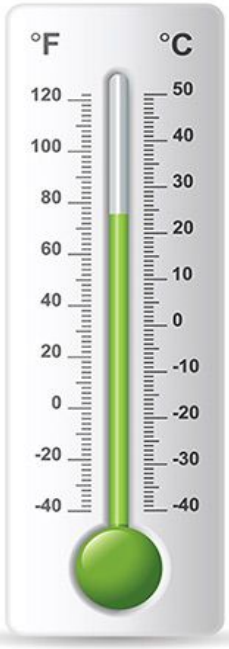
Description	Unaudited Actuals
Special Education - Instruction	$19,201,337
Restricted Maintenance Account	$3,450,000
Career Technical Education	$82,244
TOTAL CONTRIBUTIONS	**$22,733,580**

In addition to the above contributions, the District made a transfer of $130k to the Cafeteria Special Revenue Fund, $357k to Deferred Maintenance Fund, $1M to the Special Reserve Other Than Capital Outlay and $3.9M to the Capital Outlay Reserve Fund.

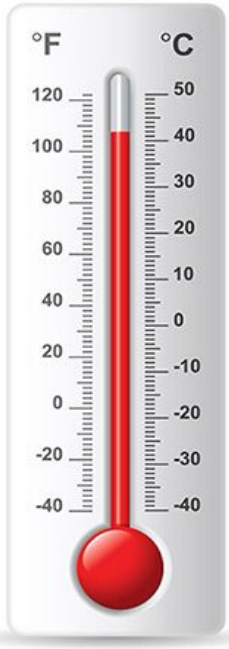
Unaudited Actuals ‘Success Criteria’



+/-1% = Great
(about $1.2M)



+/-2% = Good
(about $2.4M)



+/-3% = OK
(about $3.6M)

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

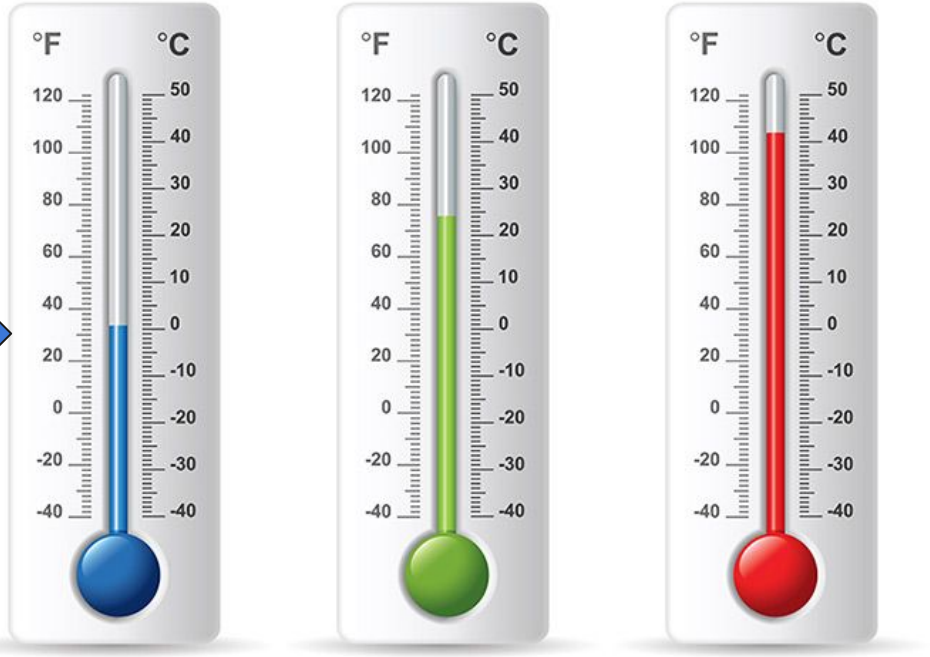
Looking back at 2024-25… June and tonight

Again, we are looking back at 2024-25 and are comparing our Estimated Actuals (June 2025) to our Unaudited Actuals (September 2025)

- Overall changes between Estimated Actuals and Unaudited Actuals provide savings
- The variance between Estimated Actuals and Unaudited Actuals was about $404k, or 0.3% of the combined budget

Unaudited Actuals 'Success Criteria'

TUHSD is at +$404k (0.3%)



+/-1% = Great (about $1.2M)

+/-2% = Good (about $2.4M)

+/-3% = OK (about $3.6M)

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

Comparison of Estimated Actuals vs. Unaudited Actuals

Description	*Unrestricted Projected Operating Surplus/(Deficit)*	*Ending Fund Balance (Reserve)*
2024-25 Estimated Actuals Projection (June)	**$ (1,345,980)**	**$23,207,876 (18.3%)**
Variance	*$ 403,722*	*$ 403,722*
2024-25 Unaudited Actuals Projection (September)	**$ (942,258)**	**$ 23,611,597 (18.8%)**

Components for Change in Unrestricted General Fund Reserve

Description of Significant Variance Components	Amount
Net revenues higher than estimated (i.e. interest, mandated block grant, lottery, facilities rentals, etc.)	$407k
Net expenditures higher than anticipated in some categories (more certificated & classified salaries, less benefits, more books and supplies, more other services primarily utilities, less Capital Outlay)	$(839k)
Net other sources/uses higher than anticipated (reduced Special Education contribution, increased transfer out to Cafeteria and Special Reserve Other Than Capital Outlay funds)	$836k
Total Variance	**$404k**

Components of 2024-25 Ending General Fund Balance (Reserve)

For 2024-25, the General Fund unrestricted ending fund balance is $23.6M and restricted portion is $9.1M, for a combined total of $32.7M.

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

- Revolving cash & other nonspendable items - $46k
- Assignments (i.e. Prop Tax & SpEd Uncertainty, minimum reserve) - $19.7M
- Economic Uncertainty (3%) - $3.8M
- Unassigned /Unappropriated - $160k

The unrestricted reserve represents a 18.8% reserve level, which is above the minimum reserve level of 17%, per Board Policy 3100.

TUHSD Summary of Multi-Year Projections

	2024-25	2025-26	2026-27	2027-28
Operating Surplus (Deficit) *(June 2025)*	$(1.3M)	$(652k)	$(1.8M)	$1.7M*
Ending Fund Balance/Reserve *(June 2025)*	$23.2M (18.3%)	$22.6M (17.6%)	$20.8M (15.7%)	$22.5M (16.9%)*
Operating Surplus (Deficit) *(September 2025)*	$(942k)	$(652k)	$(1.8M)	$1.7M*
Ending Fund Balance/Reserve *(September 2025)*	$23.6M (18.8%)	$23.0M (17.9%)	$21.2M (16.0%)	$22.9M (17.2%)*

Key Assumptions: * Figures do not include any potential increase in staff compensation (cost of 1% raise = $770k)

2024-25 Ending Fund Balances (all funds)

As illustrated below, all Funds have a positive ending fund balance at June 30, 2024.

FUND	2023-24	Net Change	2024-25
GENERAL (UNRESTRICTED & RESTRICTED)	$35,099,417	($2,402,311)	$32,697,107
STUDENT ACTIVITY SPECIAL RESERVE	$690,629	$5,548	$696,177
ADULT EDUCATION	$1,065,791	$61,970	$1,127,761
CAFETERIA	$907,222	$159,235	$1,066,458
DEFERRED MAINTENANCE	$4,484,150	($421,076)	$4,063,075
NON-CAPITAL OUTLAY	$0	$1,035,000	$1,035,000
FOUNDATION	$57,538	$2,234	$59,772
BUILDING	$0	$168,644,311	$168,644,311
CAPITAL FACILITIES	$794,677	$320,180	$1,114,857
CAPITAL OUTLAY	$9,171,878	$5,116,822	$14,288,700
BOND INTEREST & REDEMPTION	$12,683,757	$6,996,807	$19,680,564
TOTAL	**$64,955,060**	$179,518,721	**$244,473,780**

Uncertainties & Prudence

- Potential federal policy changes & impact on educational funding & larger economy (i.e. inflation & interest rates)
  - Impact on local real estate market and TUHSD property tax revenues
  - Title I through IV (about $392k)
  - IDEA (Special Education - about $4.5M)
  - Universal Meals (about $450k in federal funding and $1.2M in State funding via federal gov't)
- Ongoing enrollment decline for at least the next 8 years has begun, but flattens in later years
  - Major 'lesson learned' from past financial challenges: Need to adjust staffing to enrollment accordingly
- Ongoing cost increases for utilities, services and driven costs
- TFT- & CSEA-represented employee groups have settled on compensation through 2026-27, but not afterwards
  - Future cost of a 1% raise in 2027-28 for all staff estimated to be approximately $770k
- Given the above and ongoing reduced property tax revenue growth and expenditure increases (healthcare, utilities), staff is projecting the need for an estimated $2.2M in budget reductions (amount TBD at 1st Interim in Dec 2025) effective 2026-27 to maintain fiscal sustainability
- Assuming implementation of budget reductions, TUHSD is projecting balanced budgets in the official 3-year MYP & minimum 17% reserve = **Sustainable, BUT potential federal & property tax revenue loss due to policy changes could pose risk to general fund**

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, 2025…"*
    - 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?