TAMALPAIS UNION HIGH
SCHOOL DISTRICT

2025-26 Unaudited Actuals

September 15, 2026

Why do Unaudited Actuals?

- Unaudited actuals are the last major ‘look back’ at the previous fiscal year
- Looking at actual revenues & expenditures for 2025-26
  - Not budget
- Comparison: Estimated Actuals (June 2026) vs. Unaudited Actuals (Sept 2026)
  - Goal: provides feedback on accuracy of District’s budgeting process
    - Accuracy = difference as small as possible (relative to a total budget of $127M)
  - Difference between the two only impacts the 2026-27 Beginning Fund Balance (Reserve)
  - Difference does not impact our 2026-27 budget & multi-year projection

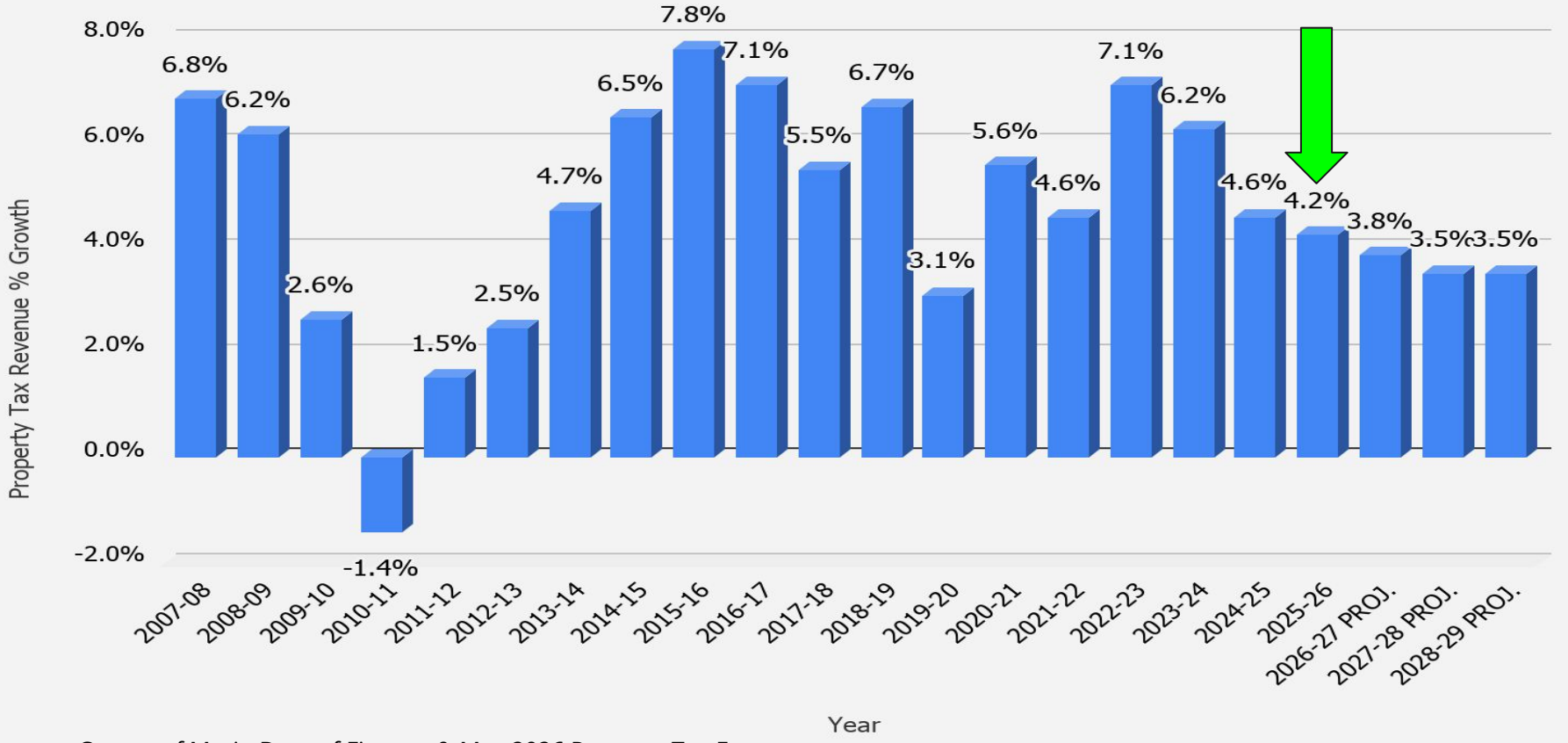
Agenda

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

- 2025-26 Average Daily Attendance (ADA)
  - Funded ADA was 4,357, which is an decrease of 196 students from 2024-25
  - Reminder: ADA is different than enrollment
- Due to the fact that TUHSD is 'basic aid', the decrease in ADA from 2024-25 does not significantly impact operating revenues
- Property taxes received during the fiscal year were $89.6M, which was an increase of approximately $3.6M from 2024-25 and represents a 4.23% increase
  - Property tax revenue growth was budgeted at 4.4% in June 2026

TUHSD Historical Property Tax Revenue Growth

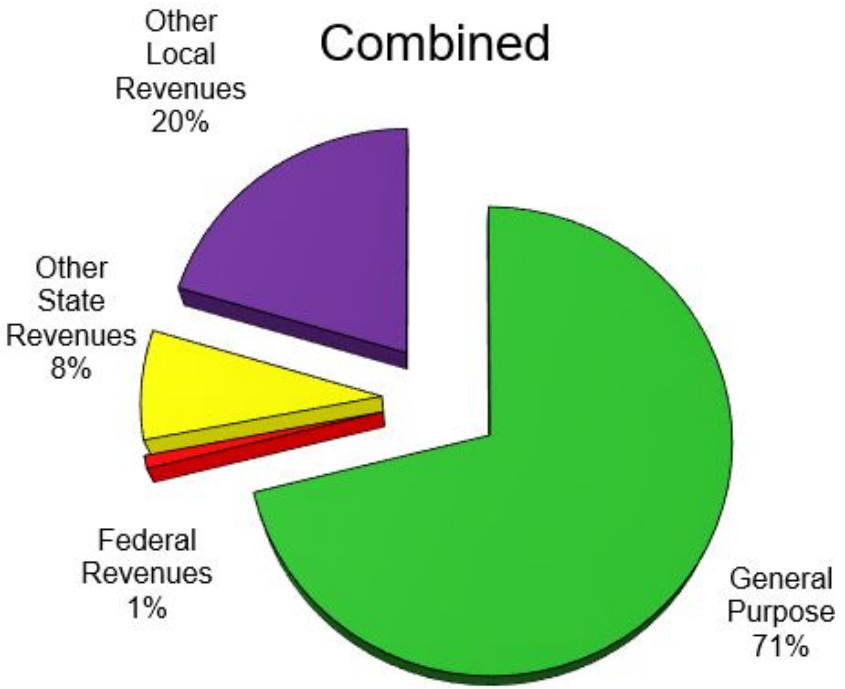


Source: County of Marin Dept of Finance & May 2026 Property Tax Forum

Sources of 2025-26 General Revenue (combined)

- General Purpose $ 90,807,364
  - Property taxes, EPA, minimum State Aid, etc.
- State Funding $ 9,706,137
  - AMIM, Lottery, Special Education, ROP, etc.
- Federal Funding $ 1,145,604
  - Title I, Title II, IDEA, etc.
- Local Revenue $ 26,051,633
  - Parcel tax, Foundations, facilities fees, interest

TOTAL: $ 127,710,738



Education Protection Account (EPA)

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

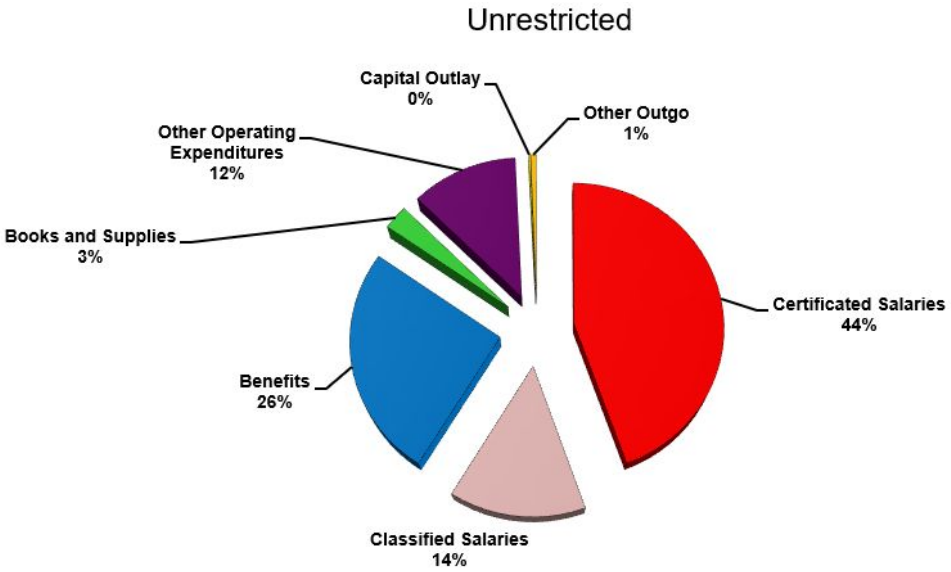
Education Protection Account (EPA) Budget *2025-26 Fiscal Year*	
Description	Amount
BEGINNING BALANCE	$0
EPA REVENUES:	
EPA Funds	$883,966
EPA EXPENDITURES:	
Certificated Instructional Salaries	$635,351
Certificated Instructional Benefits	$248,615
TOTAL	$883,966
ENDING BALANCE	$0

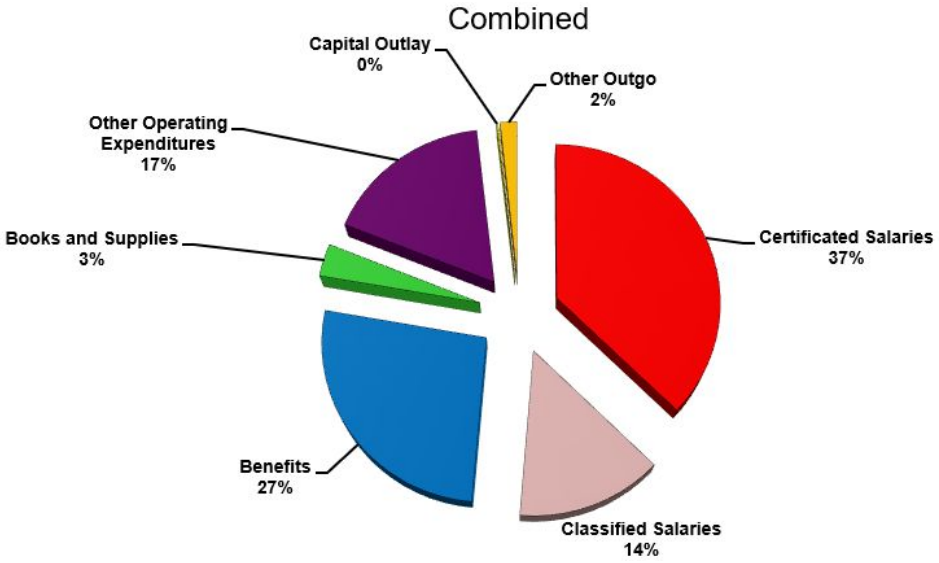
General Fund Expenditures

Description	Unrestricted	Combined
Certificated Salaries	$36,689,776	$45,679,525
Classified Salaries	$11,772,665	$17,185,456
Benefits (Payroll Taxes and Health & Welfare Contributions)	$21,245,965	$32,381,385
Books and Supplies	$2,265,712	$4,051,783
Other Operating Expenditures	$9,793,648	$20,956,741
Capital Outlay	$118,664	$173,919
Other Outgo	$510,893	$2,075,538
TOTAL	**$82,397,323**	**$122,504,347**

78% of combined General Fund expenditures are salary and benefits

General Fund Expenditures





85% of Unrestricted General Fund expenditures are salary & benefits

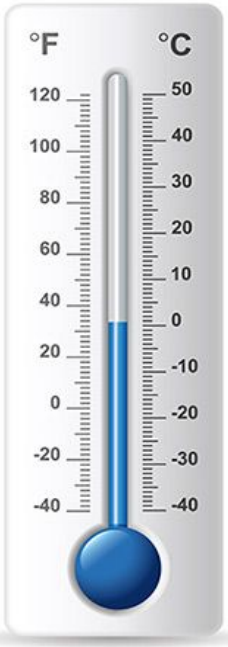
General Fund Contributions & Transfers

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

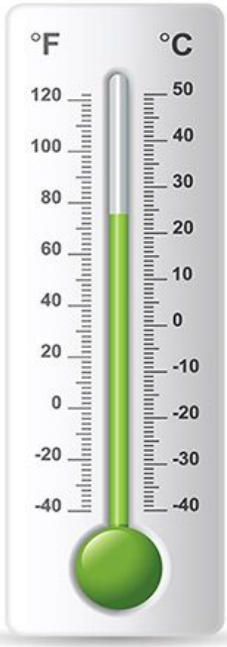
Description	Unaudited Actuals
Special Education - Instruction	$22,049,203
Restricted Maintenance Account	$3,885,000
Career Technical Education	$112,664
TOTAL CONTRIBUTIONS	**$26,046,867**

In addition to the above contributions, $357k from Local Control Funding Formula funds were allocated to the Deferred Maintenance Fund the District transferred $5.5M to other funds (i.e. Cafeteria Special Revenue Fund, Special Reserve Other than Capital Outlay, and Capital Outlay Reserve Fund).

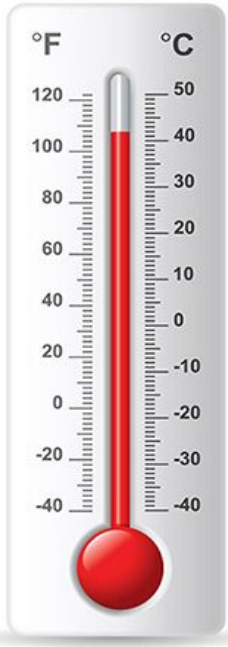
Unaudited Actuals 'Success Criteria'



+/-1% = Great
(about $1.3M)



+/-2% = Good
(about $2.5M)



+/-3% = OK
(about $3.8M)

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

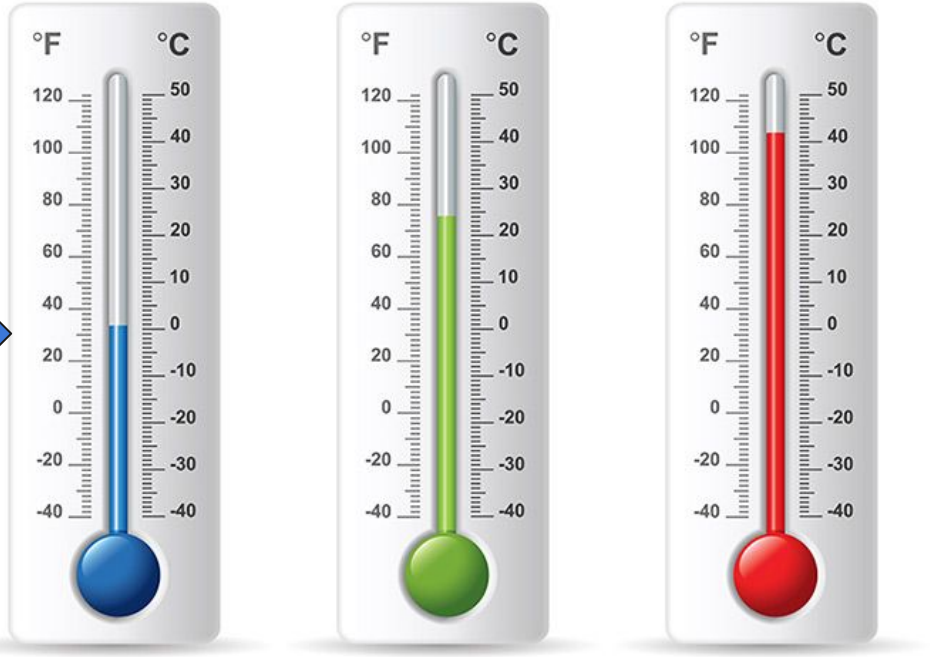
Looking back at 2025-26… June and tonight

Again, we are looking back at 2025-26 and are comparing our Estimated Actuals (June 2026) to our Unaudited Actuals (September 2026)

- Overall changes between Estimated Actuals and Unaudited Actuals provide savings
- The variance between Estimated Actuals and Unaudited Actuals was about $217k, or 0.2% of the combined budget

Unaudited Actuals 'Success Criteria'

TUHSD is at +$217k (0.2%)



+/-1% = Great (about $1.3M)

+/-2% = Good (about $2.5M)

+/-3% = OK (about $3.8M)

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)*
2025-26 Estimated Actuals Projection (June)	**$ (657,251)**	**$22,954,346 (17.3%)**
Variance	*$ 217,264*	*$ 217,264*
2025-26 Unaudited Actuals Projection (September)	**$ (439,987)**	**$ 23,171,610 (18.0%)**

Components for Change in Unrestricted General Fund Reserve

Description of Significant Variance Components	Amount
Net revenues higher than estimated (i.e. less property tax, interest, mandated block grant, lottery, facilities rentals, etc.)	$6k
Net expenditures lower than anticipated in some categories (more certificated & classified salaries, less benefits, more books and supplies, more other services primarily utilities, less Capital Outlay)	$17k
Net other sources/uses lower than anticipated (reduced Special Education and M&O contribution, increased transfer out to Cafeteria fund)	$194k
Total Variance	**$217k**

Components of 2025-26 Ending General Fund Balance (Reserve)

For 2025-26, the General Fund unrestricted ending fund balance is $23.2M and restricted portion is $9.2M, for a combined total of $32.4M.

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

- Revolving cash & other nonspendable items - $179k
- Assignments (i.e. Prop Tax & SpEd Uncertainty, minimum reserve) - $17.9M
- Economic Uncertainty (3%) - $3.8M
- Unassigned /Unappropriated - $1.2M

The unrestricted reserve represents a 18.0% reserve level, which is above the minimum reserve level of 17%, per Board Policy 3100.

TUHSD Summary of Multi-Year Projections

	2025-26	2026-27	2027-28	2028-29
Operating Surplus (Deficit) *(June 2026)*	$(666k)	$(364k)	$4.2M*	$4.8M*
Ending Fund Balance/Reserve *(June 2026)*	$23.0M (17.4%)	$22.6M (17.0%)	$26.9M (20.4%)*	$31.6M (23.6%)*
Operating Surplus (Deficit) *(September 2026)*	$(440k)	$(364k)	$4.2M*	$4.8M*
Ending Fund Balance/Reserve *(September 2026)*	$23.2M (18.0%)	$22.8M (17.2%)	$27.0M (20.6%)*	$31.9M (23.8%)*

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

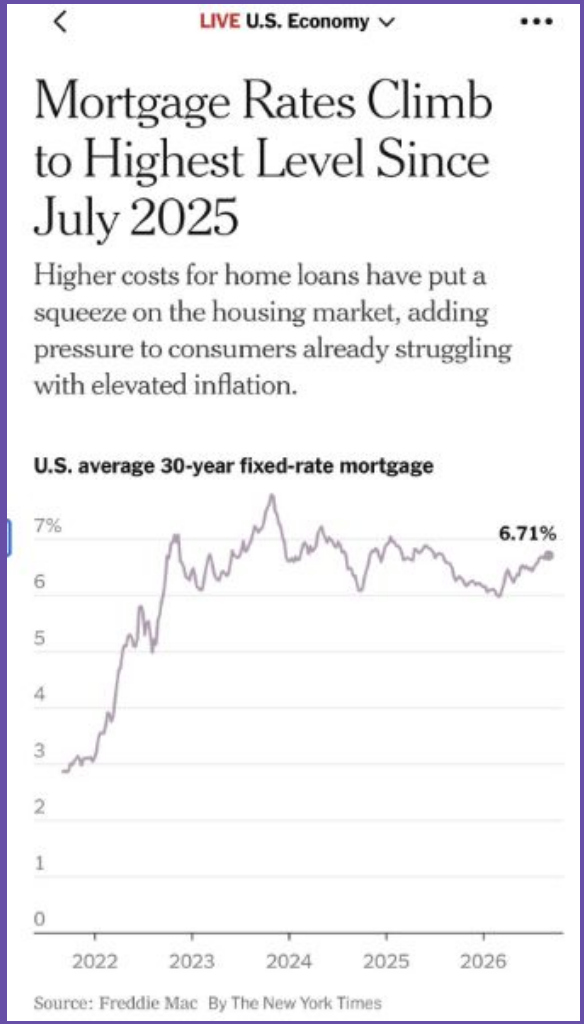
2025-26 Ending Fund Balances (all funds)

As illustrated below, all Funds have a positive ending fund balance at June 30, 2026.

FUND	2024-25	Net Change	2025-26
GENERAL (UNRESTRICTED & RESTRICTED)	$32,697,107	($337,830)	$32,359,277
STUDENT ACTIVITY SPECIAL RESERVE	$696,177	$1,702	$697,879
ADULT EDUCATION	$1,127,761	($81,345)	$1,046,416
CAFETERIA	$1,066,458	($35,607)	$1,030,851
DEFERRED MAINTENANCE	$4,063,075	($1,483,710)	$2,579,365
NON-CAPITAL OUTLAY	$1,035,000	$1,044,367	$2,079,367
FOUNDATION	$59,772	$1,878	$61,650
BUILDING	$168,644,311	($27,120,357)	$141,523,954
CAPITAL FACILITIES	$1,114,857	($471,089)	$643,768
CAPITAL OUTLAY	$14,288,700	$118,969	$14,407,669
BOND INTEREST & REDEMPTION	$19,680,564	$4,963,119	$24,643,683
TOTAL	**$244,473,782**	($23,399,903)	**$221,073,879**

Economic Update

Uncertainties & Prudence

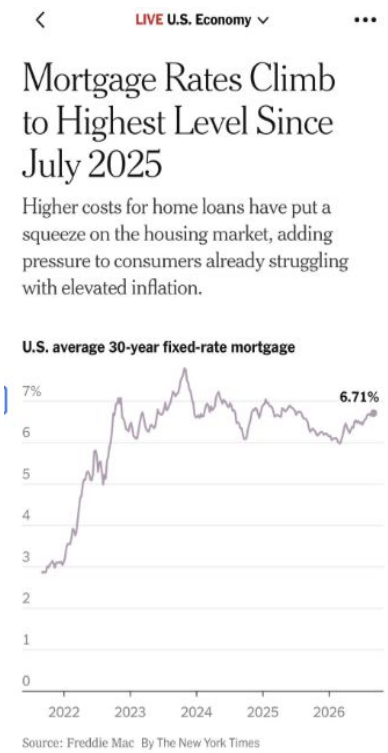


Economic Update

- *Renewed hostilities between the United States and Iran unsettled energy markets in July, even as domestic data painted a more encouraging picture of the economy. Crude prices retreated from their near-term peak after diplomatic overtures eased fears of a prolonged closure of the Strait of Hormuz, though the conflict continues to fuel market volatility. Inflation cooled meaningfully in June after the recent run-up tied to tariffs and conflict-related uncertainty*. Growth slowed from the first quarter's pace, while hiring continued at a moderated clip. The Chandler team continues to expect the ***Federal Reserve to hold the federal funds rate steady through the remainder of 2026, provided actual and market based measures of inflation remain contained***.

- The Federal Open Market Committee held the federal funds rate at 3.50% to 3.75% during its July 28 to 29 meeting, extending its policy pause into a fifth consecutive gathering. Three regional Reserve Bank presidents, Cleveland's Beth Hammack, Minneapolis's Neel Kashkari, and Dallas's Lorie Logan, dissented in favor of raising rates by a quarter point, ***citing inflation that has stayed above target for more than five years.*** Chair Kevin Warsh, in his second meeting leading the Committee, again declined to offer explicit forward guidance, preferring instead to let incoming data dictate the timing of any future move. The balance sheet runoff continued without modification. Officials next convene September 15 to 16.

- Treasury yields advanced across the curve in July, with the two-year note ending the month at 4.29%, the five-year at 4.45%, and the ten-year at 4.74%. The two-year to ten-year spread narrowed to 45 basis points from 69 basis points at year end, while the three-month bill to ten-year spread widened to roughly 97 basis points. Because the two-year yield rose more than the ten-year yield over the year to date, the curve has flattened rather than steepened, a shift driven by ***growing expectations that the Federal Reserve may need to raise rates rather than cut before year end***. The two-year to ten-year spread has averaged near 95 basis points since 2005, underscoring how compressed the relationship between short and long maturities remains relative to that longer run norm.



Source: Chandler Asset Management, 9/4/26

Uncertainties & Prudence

- Global economic, political and policy volatility and uncertainty
  - Inflation, inflation, inflation…
    - Revenues: Negative impact on local real estate market and TUHSD property tax revenues (~3.5% annual growth)
    - Expenditures: Ongoing cost increases for utilities, services, and employee costs (~6.0% annually for TUHSD)
  - $2.8M annual ongoing & growing funding gap between 3.5% revenue and 6.0% expenditure growth rates
- Ongoing enrollment decline for next 8 years, but possibly not after that
  - Major 'lesson learned' from past financial challenges: Need to annually adjust staffing to enrollment accordingly
  - "*Don't kick the can down the road… the problems only compound.*"
- 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
- ***Summary***: *Given the $2.2M of budget reductions for 2026-27,* TUHSD is still projecting future balanced budgets in the official 3-year MYP & a minimum 17% reserve
  - **Short Term = Fiscally Sustainable, BUT uncertainty is pervasive**
  - **Medium Term: Unsustainable trend for growing funding gap between revenues & expenditures without course correction** *(i.e. property tax revenue recovery, budget reduction, slowing expenditure growth %, etc.)*

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, 2026…"*
    - 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?