

Saratoga Union School District

Second Interim Report
Presentation
March 13, 2025

REPORTING REQUIREMENTS

Education Code Section 42130 requires Districts to submit two financial interim reports to the County Office of Education each fiscal year:

- ❖ 1st Interim: Financial transactions from July 1 to October 31
- ❖ 2nd Interim: Financial transactions from July 1 to January 31

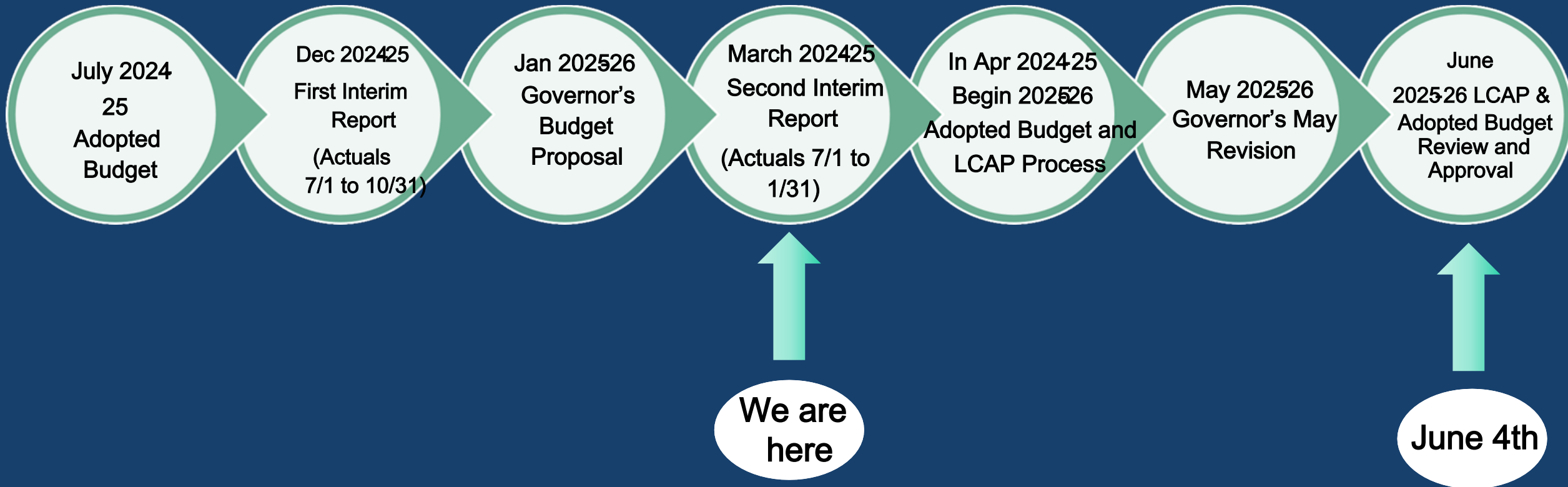
The Interim Financial Report is designed to:

- ❖ Identify the changes to the budget, since adoption in June
- ❖ The overall change to revenues, expenditures and ending balance and reserves
- ❖ Provide an in-depth multi-year analysis, using current year projection factors, to state the district's ability to meet its financial obligations for the current and two subsequent fiscal years
- ❖ Certify, based on current information, the district will be able to meet its fiscal obligations for the current and two subsequent fiscal years

CERTIFICATION TYPES

- ❖ Positive— The district *will* meet its financial obligations in the current and two subsequent fiscal years
- ❖ Qualified— The district *may not* meet its financial obligations for the current or two subsequent fiscal years
- ❖ Negative— The district *will not* meet its financial obligation for the remainder of the current year or subsequent year

THE BUDGET REPORTING CYCLE



HOW IS THE DISTRICT FUNDED?



The proportion of state, local, and federal funding shifts over time and often responds to historical factors such as recession, pandemic, or other emergencies.

- ❖ State Funding 6.14%
- ❖ Federal Funding 1.18%
- ❖ Local Funding: 92.69%



SUSD as a Basic Aid district, local funding is higher in lieu of state funding, but subject to risk based on fluctuations in property assessments.

Maintaining high reserves is essential to protect against these fluctuations

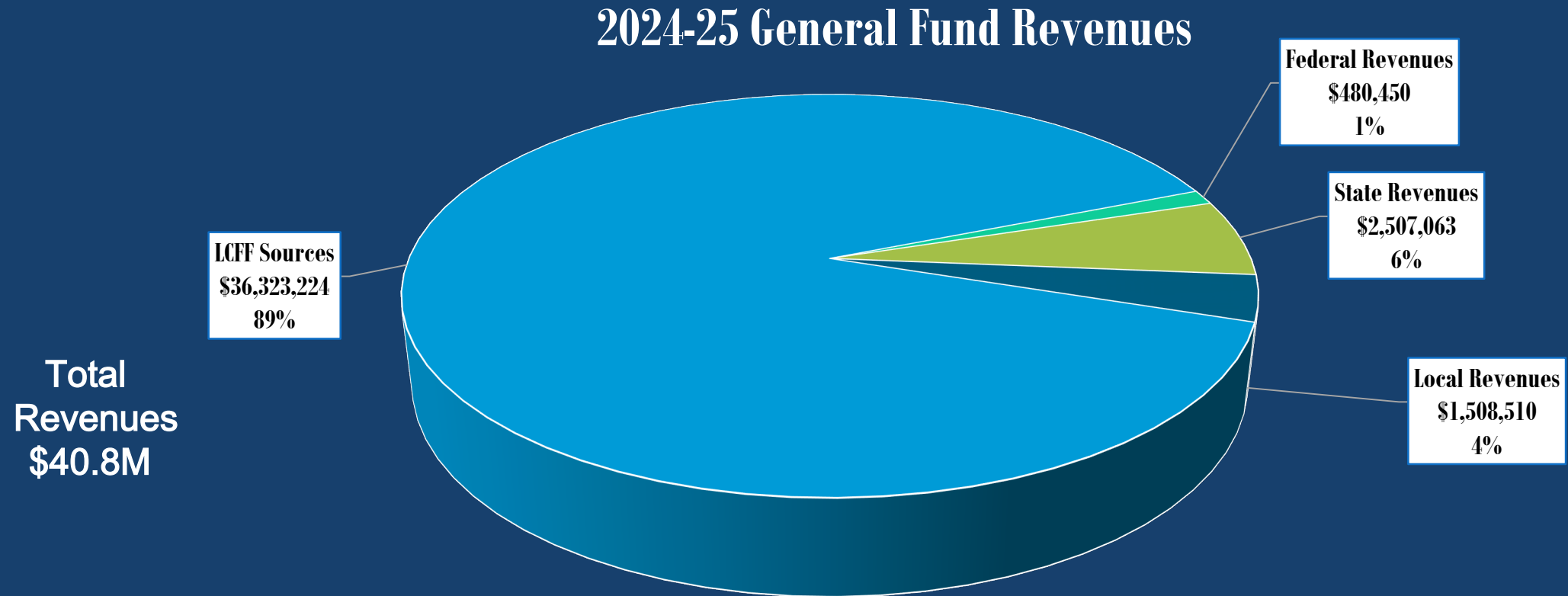
LOCAL FACTORS INFLUENCING DISTRICT BUDGETING

- ❖ Declining Enrollment
- ❖ Property Tax Trends and assessed valuations
- ❖ Increasing costs due to inflation, pensions, and unfunded or underfunded mandates, new programs not funded by the State such as Transitional Kindergarten.
- ❖ Local funds such as declining donations which impacts added programs unless supported by the General Fund

TOTAL GENERAL FUND OVERVIEW

	202425 Second Interim
Revenues	\$40,819,247
Expenditures	(\$42,937,781)
Transfers In/(Out)	(\$65,869)
Total Increase/(Decrease)	(\$2,184,403)
Beginning Fund Balance	\$12,424,718
Ending Fund Balance	\$10,240,315

REVENUES – TOTAL GENERAL FUND



Revenues are reduced in General Fund by direct revenue limit transfer of \$3.5 million to deferred maintenance for approved projects. Funds are accounted for in Fund 14 – Deferred Maintenance Fund

GENERAL FUND REVENUE BUDGET CHANGES

Revenue Category	202425 First Interim	202425 Second Interim	Change
LCFF Sources	\$36,300,354	\$36,323,224	\$22,870
Federal Revenues	\$478,725	\$480,450	\$1,725
State Revenues	\$2,493,181	\$2,507,063	\$13,882
Local Revenues	\$1,515,464	\$1,508,510	(\$6,954)
Transfers In	\$ -	\$ -	-
TOTAL REVENUES	\$40,787,724	\$40,819,247	\$31,523

Overall change is just 0.07%

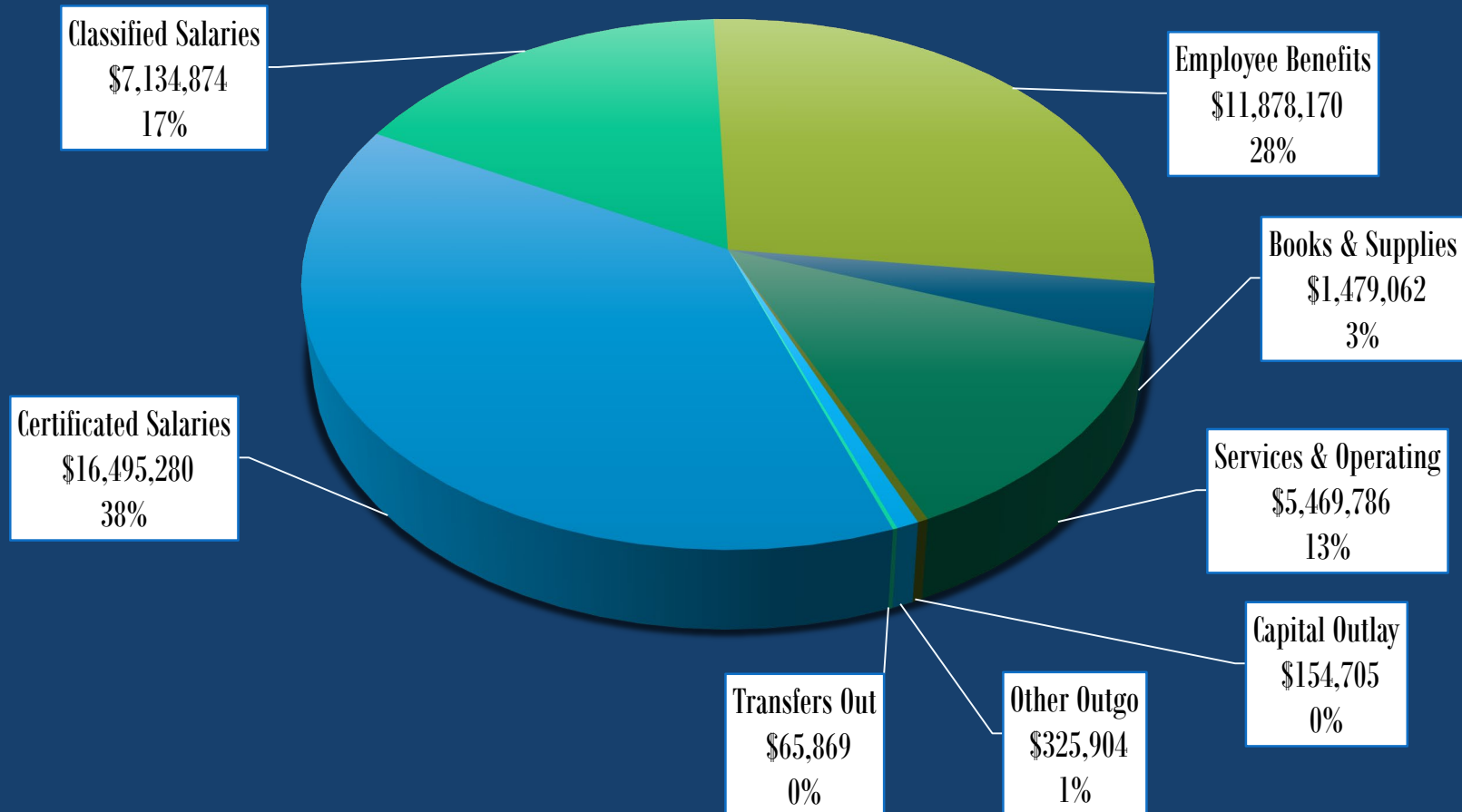
EXPENDITURES

TOTAL GENERAL FUND

2024-25 General Fund Expenditures

Total
Expenditures
\$43M

83% to
Salaries and
Benefits





GENERAL FUND EXPENDITURE BUDGET CHANGES

ExpenditureCategory	202425 First Interim	202425 Second Interim	Change
Certificated Salaries	\$16,593,288	\$16,495,280	(\$98,008)
Classified Salaries	\$7,122,048	\$7,134,874	\$12,826
Employee Benefits	\$11,982,648	\$11,878,170	(\$104,478)
Books & Supplies	\$1,538,617	\$1,479,062	(\$59,555)
Services & Operating	\$5,800,740	\$5,469,786	(\$330,954)
Capital Outlay	\$431,705	\$154,705	(\$277,000)
Debt Service	\$325,904	\$325,904	-
Transfers Out	\$65,869	\$65,869	-
Totals	\$43,860,819	\$43,003,650	(\$857,169)

Overall change is just 2%

CHANGE IN OVERALL GENERAL FUND BUDGET FUND BALANCE

Description	Change
First Interim General Fund Ending Fund Balance	\$9,351,623
Summary of Adjustments:	
Increases in Fund Balance:	\$968,921
<ul style="list-style-type: none"> • Special Education property taxes from SELPA • State revenues for Title I, II, and III and state Special Education grants • State reimbursement grants for ELPAC and CAASP, site donations for field trips and Science Camps • New Literacy Screening Grant • Reduction of one Roving Teacher, alignment of current Certificated staffing and benefits • Reduction of nonpublic school expenses, utilities, legal fees and removed Erate equipment to 2025 	
Deductions to Fund Balance:	(\$80,229)
<ul style="list-style-type: none"> • Decrease in property taxes • Alignment of current Classified staffing and benefits • Reduction of technology devices needed for current year • Moved some maintenance projects from the General Fund to the Deferred Maintenance Fund and other facilities funds • Removal of some one-time contracted services 	
Second Interim Adjusted Ending Fund Balance	\$10,240,315

COMPONENTS OF ENDING FUND BALANCE

Description	Unrestricted	Restricted	Total
Revolving Cash	\$635	-	\$635
Restricted	-	\$1,041,497	\$1,041,497
Assigned Reserves: Maintenance/Other Projects, Technology Replacement, Instructional Materials Adoptions	\$1,250,000	-	\$1,250,000
Economic Uncertainty (Required 3%)	\$1,290,110	-	\$1,290,110
General Fund Unassigned/Unappropriated	\$6,658,072	-	\$6,658,072
Total General Fund Ending Fund Balance	\$9,198,817	\$1,041,497	\$10,240,315
Fund 17 – Basic Aid Reserve Fund Balance	\$6,053,762		
Total Available Reserves (Economic Uncertainty, GF Unassigned/Undesignated & Fund 17)	\$14,001,944		
Available Reserves % (Available Reserves/GF Total Expenditures)	32.56%		

SECOND INTERIM MULTI -YEAR PROJECTION (MYP) ASSUMPTIONS

Description	202425	202526	202627
Enrollment	1,655	1,595	1,551
Average Daily Attendance (Projected)	1,603.17	1,545.94	1,503.26
Average Daily Attendance (Funded)	1,603.17	1,602.33	1,566.88
Unduplicated Student Count % - 3 year rolling average	9.98%	10.62%	11.19%
Property Tax Growth %	5.04%	4.00%	4.00%
Step & Column	1.5%	1.5%	1.5%
Full-Time Equivalent Positions (Total FTEs)	214.8615	216.8615	216.8615
STRS Employer Rates	19.10%	19.10%	19.10%
PERS Employer Rates	27.05%	27.40%	27.50%
Unemployment Rate	0.05%	0.05%	0.05%
Health Insurance Employer Premium Increases	6.7%	10%	10%
General Fund Contributions to Restricted Programs	\$8,242,918	\$8,284,123	\$8,152,960



MULTI -YEAR PROJECTIONS (MYP) – GEN FUND COMBINED

Description	202425 Second Interim	202526 Projection	202627 Projection
General Fund Beginning Balance– July 1	\$12,424,718	\$10,240,315	\$7,885,111
Revenues	\$40,819,247	\$41,968,983	\$45,966,655
Expenditures	\$42,937,781	\$43,716,400	\$43,799,030
Transfers Out	\$65,869	-	-
Total Expenditures & Transfers	\$43,003,650	\$43,716,400	\$43,799,030
Surplus/(Deficit Spending)	(\$2,184,404)	(\$2,355,203)	\$1,831,625
General Fund (Fund 01) Ending Balance – June 30th	\$10,240,315	\$7,885,111	\$9,716,736
General Fund (Fund 01) & Basic Aid Reserve Fund (Fund 17) Ending Balance – June 30th	\$14,001,944	\$12,047,565	\$13,809,955
Ending Balance– Available Reserves % (Fund 01 & Fund 17) (Must be at least 3% all years for Positive Qualification)	32.56%	27.18%	31.29%

OTHER DISTRICT FUNDS SUMMARY

Fund	Beginning Balance	Revenues	Expenditures	Ending Balance
Student Body Fund (08)	\$9,444	\$3,002	\$4,800	\$7,646
Cafeteria Fund (13)	\$296,422	\$1,184,323	\$1,454,389	\$26,356
Deferred Maintenance (14)	\$1,656,490	\$3,550,000	\$1,826,525	\$3,379,965
Basic Aid Reserve (17)	\$5,928,762	\$125,000	-	\$6,053,762
Special Reserve for Post Employment Benefits (20)	\$507,267	\$10,000	-	\$517,267
Building (21)	\$1,833,380	\$59,254	-	\$1,892,634
Capital Facilities (25)	\$3,676,817	\$100,448	\$623,665	\$3,153,600
Bond Interest Redemption (51)	\$6,110,225	\$8,447,607	\$4,755,000	\$9,802,832
Enterprise (63 Treehouse)	\$1,016,446	\$1,525,173	\$1,499,233	\$1,042,386

MANAGEMENT RECOMMENDATION

Based on management's analysis, management recommends the Governing Board certify the 2024-25 Second Interim Report for the current and two subsequent fiscal years as presented with a
Positive Certification

Next steps:

- ❖ Begin process of developing 2025-26 Adopted Budget and LCAP
- ❖ Governor's 2025-26 May Revision Proposal
- ❖ 2025-26 Adopted Budget & LCAP Adoption board presentation June 4th

QUESTIONS?