

SARATOGA UNION SCHOOL DISTRICT

AUDIT REPORT
JUNE 30, 2025



SARATOGA UNION SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2025

FINANCIAL SECTION

Report on the Audit of the Financial Statements	1
Management's Discussion and Analysis.....	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	11
Statement of Activities	12
Fund Financial Statements	
Governmental Funds – Balance Sheet.....	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	14
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	16
Proprietary Funds – Statement of Net Position	17
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Net Position	18
Proprietary Funds – Statement of Cash Flows	19
Notes to Financial Statements.....	20

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Budgetary Comparison Schedule	50
Deferred Maintenance Fund – Budgetary Comparison Schedule	51
Schedule of Changes in Total OPEB Liability and Related Ratios	52
Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS	53
Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS	54
Schedule of District Contributions - CalSTRS	55
Schedule of District Contributions - CalPERS	56
Notes to Required Supplementary Information	57

SUPPLEMENTARY INFORMATION

Schedule of Average Daily Attendance (ADA)	59
Schedule of Instructional Time	60
Schedule of Financial Trends and Analysis	61
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	62
Combining Statements – Non-Major Governmental Funds	
Combining Balance Sheet	63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	64
Notes to Supplementary Information	65

OTHER INFORMATION

Local Education Agency Organization Structure	66
---	----

SARATOGA UNION SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2025

OTHER INDEPENDENT AUDITORS’ REPORTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.....67

Report on State Compliance and on Internal Control over Compliance for State Programs.....69

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors’ Results.....73

Financial Statement Findings74

State Award Findings and Questioned Costs75

Summary Schedule of Prior Audit Findings.....76

FINANCIAL SECTION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTSIndependent Auditors' Report

Governing Board
Saratoga Union School District
Saratoga, California

Report on the Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Saratoga Union School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Saratoga Union School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Saratoga Union School District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Saratoga Union School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter***Change in Accounting Principle***

As described in Note 1 to the financial statements, the Saratoga Union School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Saratoga Union School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Saratoga Union School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Saratoga Union School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of district contributions for pensions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Saratoga Union School District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025 on our consideration of the Saratoga Union School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Saratoga Union School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Saratoga Union School District's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
December 9, 2025

SARATOGA UNION SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

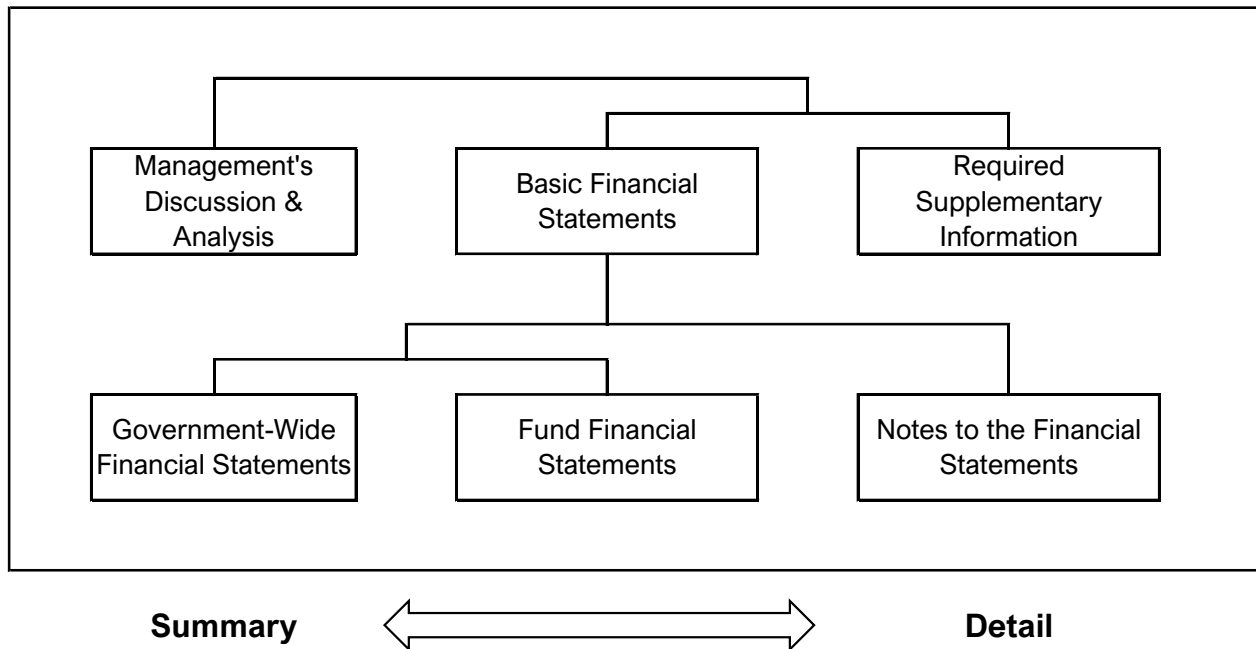
Our discussion and analysis of Saratoga Union School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's combined net position was \$17,205,211 at June 30, 2025. This was an increase of \$10,490,929 from the prior year, after restatement.
- Overall revenues were \$56,340,490 which exceeded expenses of \$45,849,561.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



**SARATOGA UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
 - ▶ **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Property taxes, federal and state grants and parcel taxes finance most of these activities.

**SARATOGA UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's combined net position was \$17,205,211 at June 30, 2025, as reflected in the table below. Of this amount, \$(40,013,310) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities			Business-Type Activities		
	2025	2024	Net Change	2025	2024	Net Change
ASSETS						
Current and other assets	\$ 37,689,533	\$ 33,648,747	\$ 4,040,786	\$ 1,257,259	\$ 1,013,209	\$ 244,050
Capital assets	51,545,858	48,634,563	2,911,295	-	-	-
Total Assets	89,235,391	82,283,310	6,952,081	1,257,259	1,013,209	244,050
DEFERRED OUTFLOWS OF RESOURCES	10,903,579	11,488,054	(584,475)	394,782	441,352	(46,570)
LIABILITIES						
Current liabilities	12,147,381	6,831,026	5,316,355	22,072	13,918	8,154
Long-term liabilities	64,273,063	69,662,389	(5,389,326)	996,060	1,045,598	(49,538)
Total Liabilities	76,420,444	76,493,415	(72,971)	1,018,132	1,059,516	(41,384)
DEFERRED INFLOWS OF RESOURCES	7,135,559	6,829,660	305,899	11,665	-	11,665
NET POSITION						
Net investment in capital assets	43,103,335	38,646,188	4,457,147	-	-	-
Restricted	14,115,186	11,542,539	2,572,647	-	-	-
Unrestricted	(40,635,554)	(39,740,438)	(895,116)	622,244	395,045	227,199
Total Net Position	\$ 16,582,967	\$ 10,448,289	\$ 6,134,678	\$ 622,244	\$ 395,045	\$ 227,199

**SARATOGA UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The following table takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses for the year.

	Governmental Activities			Business-Type Activities		
	2025	2024	Net Change	2025	2024	Net Change
REVENUES						
Program revenues						
Charges for services	\$ 56,913	\$ 63,334	\$ (6,421)	\$ -	\$ -	\$ -
Operating grants and contributions	3,144,614	3,865,687	(721,073)	1,663,700	1,437,717	225,983
General revenues						
Property taxes	48,944,154	48,186,115	758,039	-	-	-
Unrestricted federal and state aid	1,027,060	1,073,426	(46,366)	-	-	-
Other	1,450,161	1,383,814	66,347	53,888	33,411	20,477
Total Revenues	54,622,902	54,572,376	50,526	1,717,588	1,471,128	246,460
EXPENSES						
Instruction	23,949,354	22,799,586	1,149,768	-	-	-
Instruction-related services	3,630,747	3,662,696	(31,949)	-	-	-
Pupil services	3,508,325	3,735,722	(227,397)	-	-	-
General administration	4,532,937	3,975,127	557,810	-	-	-
Plant services	4,189,350	4,104,083	85,267	-	-	-
Ancillary services	59,889	66,430	(6,541)	-	-	-
Debt service	2,021,631	2,515,690	(494,059)	-	-	-
Depreciation	2,466,939	2,390,940	75,999	-	-	-
Enterprise activities	-	-	-	1,490,389	1,186,158	304,231
Total Expenses	44,359,172	43,250,274	1,108,898	1,490,389	1,186,158	304,231
Change in net position	10,263,730	11,322,102	(1,058,372)	227,199	284,970	(57,771)
Net Position - Beginning, as Restated*	6,319,237	(873,813)	7,193,050	395,045	110,075	284,970
Net Position - Ending	\$ 16,582,967	\$ 10,448,289	\$ 6,134,678	\$ 622,244	\$ 395,045	\$ 227,199

*Beginning net position was restated for governmental activities for the 2025 year only.

**SARATOGA UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

The cost of all our governmental activities this year was \$44,359,172. The net cost of these activities was only \$41,157,645 because a portion of the charges for services and costs were paid by other governments and organizations who subsidized programs with grants and contributions.

	Net Cost of Services	
	2025	2024
Instruction	\$ 22,094,634	\$ 20,238,437
Instruction-related services	3,630,747	3,659,151
Pupil services	2,175,688	2,404,563
General administration	4,532,807	3,974,711
Plant services	4,189,350	4,080,824
Ancillary services	45,849	56,937
Debt service	2,021,631	2,515,690
Depreciation	2,466,939	2,390,940
Total	\$ 41,157,645	\$ 39,321,253

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$35,298,151, which is more than last year's ending fund balance of \$31,898,625. The District's General Fund had \$709,659 less in operating revenues than expenditures for the year ended June 30, 2025. The District's Deferred Maintenance Fund had \$137,133 less in operating revenues than expenditures for the year ended June 30, 2025. The District's Bond Interest and Redemption Fund had \$4,807,499 more in operating revenues than expenditures for the year ended June 30, 2025.

CURRENT YEAR BUDGET 2024-2025

Budget revisions and appropriation transfers are presented to the Board for their approval on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

**SARATOGA UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2024-2025 the District had invested \$51,545,858 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS			
Land	\$ 145,166	\$ 145,166	\$ -
Construction in progress	2,435,658	2,694,898	(259,240)
Land improvements	6,667,911	6,006,739	661,172
Buildings & improvements	93,038,489	88,358,917	4,679,572
Furniture & equipment	1,343,218	1,046,488	296,730
Less: Accumulated depreciation	(52,084,584)	(49,617,645)	(2,466,939)
Total	\$ 51,545,858	\$ 48,634,563	\$ 2,911,295

Long-Term Liabilities

At year-end, the District had \$65,269,123 in long-term liabilities, a decrease of 13% from last year's restated amount – as shown below. More detailed information about the District's long-term liabilities is presented in the footnotes to the financial statements.

	Governmental Activities			Business-Type Activities		
	2025	2024	Net Change	2025	2024	Net Change
LONG-TERM LIABILITIES						
Total general obligation bonds	\$ 34,770,347	\$ 37,506,753	\$ (2,736,406)	\$ -	\$ -	\$ -
Early retirement incentive	-	325,904	(325,904)	-	-	-
Compensated absences*	4,749,335	4,262,946	486,389	-	-	-
Total OPEB liability	7,250,386	6,914,396	335,990	-	-	-
Net pension liability	27,258,994	29,862,346	(2,603,352)	996,060	1,045,598	(49,538)
Less: current portion of long-term liabilities	(9,755,999)	(5,080,904)	(4,675,095)	-	-	-
Total	\$ 64,273,063	\$ 73,791,441	\$ (9,518,378)	\$ 996,060	\$ 1,045,598	\$ (49,538)

*The amount previously reported for compensated absences at June 30, 2024 has been restated to reflect the District's implementation of GASB Statement 101 for the year ended June 30, 2025.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Several economic and fiscal factors could influence the District's financial condition in the coming year, including uncertain Federal and State revenues, high pension obligations, and a cooling California economy.

Long-Term Declining Enrollment

California's K–12 system continues to experience enrollment decline. Statewide enrollment fell another 0.5% in 2024–25 to about 5.8 million students, roughly 420,000 fewer than a decade ago. The Department of Finance projects an additional 586,000-student decline by 2033–34. Lower birth rates, high housing costs, and out-migration are key drivers, along with growing competition from charter and private schools. Because many costs—such as staffing and facilities—cannot easily adjust, revenue loss from declining Average Daily Attendance (ADA) creates structural fiscal challenges that require multi-year planning.

**SARATOGA UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Revenue Uncertainties

- **Status of Proposition 98:** The 2025–26 State Budget sets the Proposition 98 guarantee at \$114.6 billion, slightly below earlier projections. To maintain K–12 funding commitments amid weaker tax receipts, the State relied on reserve drawdowns, internal borrowing, and limited deferrals. The outlook remains fragile since Proposition 98 revenues are highly sensitive to income-tax and capital-gains fluctuations. A market slowdown could trigger future adjustments. The Legislative Analyst's Office urges districts to budget cautiously and preserve flexibility given ongoing volatility.
- **Federal Funding Uncertainties:** Federal funding for K–12 education remains uncertain heading into 2025–26. Several large federal programs—including Title I, Title II, IDEA, and after-school and enrichment grants—face potential reductions or delays under current federal budget proposals and continuing appropriations negotiations. The U.S. Department of Education has also paused or delayed disbursement of certain previously approved formula and competitive grants, creating short-term cash-flow and planning challenges for districts. Analyses by nonpartisan agencies such as the Congressional Budget Office and the Learning Policy Institute note that up to \$5–6 billion in K-12 formula funds nationwide remain at risk of reduction or deferral if congressional appropriations are not finalized. While districts are expected to continue receiving baseline allocations during temporary funding resolutions, long-term federal support levels for education could decline modestly in real terms, requiring districts to plan for possible funding interruptions or reductions in future years.

Pension Liabilities and Employer Rates

The District participates in CalSTRS and CalPERS, both of which remain underfunded and continue to exert upward pressure on budgets. For 2025–26, the CalSTRS employer rate is 19.10%, and the CalPERS Schools Pool rate is 26.81%. These elevated rates—well above pre-2014 levels—will likely persist through the decade as both systems address unfunded liabilities. Districts must continue to account for escalating pension costs in long-range projections.

Economic and Market Conditions

California's economy has cooled following its post-pandemic rebound. High interest rates, weaker venture investment, and commercial-real-estate softness have slowed growth, especially in tech-dependent regions. The UCLA Anderson Forecast (Fall 2025) expects subdued growth into 2026, with unemployment near 5%. Inflation has eased, but interest-rate uncertainty continues to constrain housing and business investment.

Because the State's tax base depends heavily on capital-gains income, stock-market volatility remains a major risk to General Fund and Proposition 98 revenues. Fiscal advisors therefore recommend that districts maintain prudent reserves and avoid long-term commitments based on one-time revenue gains.

Summary

Volatile revenues, persistent pension costs, and broader economic uncertainty all contribute to a challenging fiscal environment for California school districts. The District's 2025–26 budget reflects these conditions through conservative revenue assumptions, strong reserves, and continued monitoring of State fiscal trends.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Business Office at Saratoga Union School District, 20460 Forrest Hills Drive, Saratoga, California, 95070, (408) 867-3424, Ext. 507.

SARATOGA UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 36,370,693	\$ 1,246,266	\$ 37,616,959
Accounts receivable	1,285,012	10,367	1,295,379
Prepaid expenses	33,828	626	34,454
Capital assets:			
Capital assets, not depreciated	2,580,824	-	2,580,824
Capital assets, net of accumulated depreciation	48,965,034	-	48,965,034
Total Assets	89,235,391	1,257,259	90,492,650
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	9,785,865	394,782	10,180,647
Deferred outflows related to OPEB	1,117,714	-	1,117,714
Total Deferred Outflows of Resources	10,903,579	394,782	11,298,361
LIABILITIES			
Accrued liabilities	2,192,192	22,072	2,214,264
Unearned revenue	199,190	-	199,190
Long-term liabilities, current portion	9,755,999	-	9,755,999
Long-term liabilities, non-current portion	64,273,063	996,060	65,269,123
Total Liabilities	76,420,444	1,018,132	77,438,576
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	3,704,886	11,665	3,716,551
Deferred inflows related to OPEB	3,430,673	-	3,430,673
Total Deferred Inflows of Resources	7,135,559	11,665	7,147,224
NET POSITION			
Net investment in capital assets	43,103,335	-	43,103,335
Restricted:			
Capital projects	3,137,157	-	3,137,157
Debt service	9,958,652	-	9,958,652
Educational programs	808,206	-	808,206
Food service	203,328	-	203,328
Associated student body	7,843	-	7,843
Unrestricted	(40,635,554)	622,244	(40,013,310)
Total Net Position	\$ 16,582,967	\$ 622,244	\$ 17,205,211

The accompanying notes are an integral part of these financial statements.

**SARATOGA UNION SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Function/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 23,949,354	\$ 55,042	\$ 1,799,678	\$ (22,094,634)	
Instruction-related services					
Instructional supervision and administration	807,109	-	-	(807,109)	
Instructional library, media, and technology	172,237	-	-	(172,237)	
School site administration	2,651,401	-	-	(2,651,401)	
Pupil services					
Home-to-school transportation	113,382	-	1,172	(112,210)	
Food services	1,346,059	1,330	1,223,511	(121,218)	
All other pupil services	2,048,884	-	106,624	(1,942,260)	
General administration					
Centralized data processing	1,014,700	-	-	(1,014,700)	
All other general administration	3,518,237	130	-	(3,518,107)	
Plant services	4,189,350	-	-	(4,189,350)	
Ancillary services	59,889	411	13,629	(45,849)	
Interest on long-term debt	2,021,631	-	-	(2,021,631)	
Depreciation (unallocated)	2,466,939	-	-	(2,466,939)	
Total Governmental Activities	\$ 44,359,172	\$ 56,913	\$ 3,144,614	(41,157,645)	
BUSINESS-TYPE ACTIVITIES					
Enterprise activities	1,490,389	-	1,663,700		\$ 173,311
Total Business-Type Activities	1,490,389	-	1,663,700		173,311
Total School District	\$ 45,849,561	\$ 56,913	\$ 4,808,314		\$ (40,984,334)
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes				39,174,582	-
Property taxes, levied for debt service				9,299,948	-
Property taxes, levied for other specific purposes				469,624	-
Federal and state aid not restricted for specific purposes				1,027,060	-
Interest and investment earnings				1,278,560	53,888
Interagency revenues				1,818	-
Miscellaneous				169,783	-
Subtotal, General Revenue				51,421,375	53,888
CHANGE IN NET POSITION				10,263,730	227,199
Net Position - Beginning, as Restated				6,319,237	395,045
Net Position - Ending				\$ 16,582,967	\$ 622,244
					\$ 17,205,211

The accompanying notes are an integral part of these financial statements.

**SARATOGA UNION SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

	General Fund	Deferred Maintenance Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 18,293,879	\$ 3,165,198	\$ 9,903,044	\$ 5,008,572	\$ 36,370,693
Accounts receivable	942,236	31,186	55,608	255,982	1,285,012
Due from other funds	-	-	-	16,323	16,323
Prepaid expenditures	33,828	-	-	-	33,828
Total Assets	\$ 19,269,943	\$ 3,196,384	\$ 9,958,652	\$ 5,280,877	\$ 37,705,856
LIABILITIES					
Accrued liabilities	\$ 429,493	\$ 1,723,788	\$ -	\$ 38,911	\$ 2,192,192
Due to other funds	16,323	-	-	-	16,323
Unearned revenue	199,190	-	-	-	199,190
Total Liabilities	645,006	1,723,788	-	38,911	2,407,705
FUND BALANCES					
Nonspendable	34,463	-	-	-	34,463
Restricted	808,206	-	9,958,652	5,241,966	16,008,824
Committed	-	1,472,596	-	-	1,472,596
Assigned	2,382,712	-	-	-	2,382,712
Unassigned	15,399,556	-	-	-	15,399,556
Total Fund Balances	18,624,937	1,472,596	9,958,652	5,241,966	35,298,151
Total Liabilities and Fund Balances	\$ 19,269,943	\$ 3,196,384	\$ 9,958,652	\$ 5,280,877	\$ 37,705,856

The accompanying notes are an integral part of these financial statements.

SARATOGA UNION SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2025

Total Fund Balance - Governmental Funds **\$ 35,298,151**

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 103,630,442	
Accumulated depreciation	<u>(52,084,584)</u>	51,545,858

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Total general obligation bonds	\$ 34,770,347	
Compensated absences	4,749,335	
Total OPEB liability	7,250,386	
Net pension liability	<u>27,258,994</u>	(74,029,062)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources related to pensions	\$ 9,785,865	
Deferred inflows of resources related to pensions	<u>(3,704,886)</u>	6,080,979

Deferred outflows and inflows of resources relating to OPEB:

In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.

Deferred outflows of resources related to OPEB	\$ 1,117,714	
Deferred inflows of resources related to OPEB	<u>(3,430,673)</u>	(2,312,959)

Total Net Position - Governmental Activities	<u>\$ 16,582,967</u>
---	-----------------------------

**SARATOGA UNION SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Deferred Maintenance Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	\$ 35,818,214	\$ 4,000,000	\$ -	\$ -	\$ 39,818,214
Federal sources	470,073	-	-	162,869	632,942
Other state sources	2,550,103	-	14,963	1,055,458	3,620,524
Other local sources	2,574,860	122,514	9,550,573	419,065	12,667,012
Total Revenues	41,413,250	4,122,514	9,565,536	1,637,392	56,738,692
EXPENDITURES					
Current					
Instruction	26,578,251	-	-	-	26,578,251
Instruction-related services					
Instructional supervision and administration	872,754	-	-	-	872,754
Instructional library, media, and technology	171,908	-	-	-	171,908
School site administration	2,888,649	-	-	-	2,888,649
Pupil services					
Home-to-school transportation	113,382	-	-	-	113,382
Food services	86,999	-	-	1,385,951	1,472,950
All other pupil services	2,296,871	-	-	-	2,296,871
General administration					
Centralized data processing	1,021,990	-	-	-	1,021,990
All other general administration	3,361,065	-	-	5,344	3,366,409
Plant services	4,260,655	69,329	-	-	4,329,984
Facilities acquisition and construction	89,480	4,190,318	-	801,707	5,081,505
Ancillary services	55,001	-	-	5,571	60,572
Debt service					
Principal	325,904	-	4,755,000	-	5,080,904
Interest and other	-	-	3,037	-	3,037
Total Expenditures	42,122,909	4,259,647	4,758,037	2,198,573	53,339,166
Excess (Deficiency) of Revenues Over Expenditures	(709,659)	(137,133)	4,807,499	(561,181)	3,399,526
Other Financing Sources (Uses)					
Transfers in	856,787	-	-	84,387	941,174
Transfers out	(84,387)	-	(856,787)	-	(941,174)
Net Financing Sources (Uses)	772,400	-	(856,787)	84,387	-
NET CHANGE IN FUND BALANCE	62,741	(137,133)	3,950,712	(476,794)	3,399,526
Fund Balance - Beginning	18,562,196	1,609,729	6,007,940	5,718,760	31,898,625
Fund Balance - Ending	\$ 18,624,937	\$ 1,472,596	\$ 9,958,652	\$ 5,241,966	\$ 35,298,151

The accompanying notes are an integral part of these financial statements.

**SARATOGA UNION SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances - Governmental Funds \$ 3,399,526

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 5,378,234	
Depreciation expense:	<u>(2,466,939)</u>	2,911,295

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

4,755,000

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.

(2,018,594)

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

(486,389)

Other expenditures relating to prior periods:

Certain expenditures recognized in governmental funds relate to prior periods. Typical examples are payments on structured legal settlements or retirement incentives paid over time. These expenditures are recognized in the government-wide statement of activities in the period in which the obligations were first incurred, so they must not be recognized again in the current period. Expenditures relating to prior periods for early retirement incentives were:

325,904

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:

10,161

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was:

1,366,827

Change in Net Position of Governmental Activities

\$ 10,263,730

The accompanying notes are an integral part of these financial statements.

SARATOGA UNION SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Business-Type Activities
	Child Care Fund
ASSETS	
Current assets	
Cash and investments	\$ 1,246,266
Accounts receivable	10,367
Prepaid expenses	626
Total current assets	1,257,259
Total Assets	1,257,259
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	394,782
Total Deferred Outflows of Resources	394,782
LIABILITIES	
Current liabilities	
Accrued liabilities	22,072
Total current liabilities	22,072
Non-current liabilities	
Net pension liability	996,060
Total non-current liabilities	996,060
Total Liabilities	1,018,132
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	11,665
Total Deferred Inflows of Resources	11,665
NET POSITION	
Unrestricted	622,244
Total Net Position	\$ 622,244

The accompanying notes are an integral part of these financial statements.

**SARATOGA UNION SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2025**

	Business-Type Activities
	Child Care Fund
OPERATING REVENUES	
Other local revenues	\$ 1,663,700
Total operating revenues	<u>1,663,700</u>
OPERATING EXPENSES	
Salaries and benefits	1,606,972
Supplies and materials	72,477
Professional services	(189,060)
Total operating expenses	<u>1,490,389</u>
Operating income/(loss)	<u>173,311</u>
NON-OPERATING REVENUES/(EXPENSES)	
Interest income	53,888
Total non-operating revenues/(expenses)	<u>53,888</u>
CHANGE IN NET POSITION	227,199
Net Position - Beginning	<u>395,045</u>
Net Position - Ending	<u>\$ 622,244</u>

The accompanying notes are an integral part of these financial statements.

**SARATOGA UNION SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	Business-Type Activities
	Child Care Fund
Cash flows from operating activities	
Cash received from user charges	\$ 1,662,340
Cash payments for payroll, insurance, and operating costs	(1,474,164)
Net cash provided by (used for) operating activities	188,176
Cash flows from investing activities	
Interest received	53,888
Net cash provided by (used for) investing activities	53,888
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	242,064
 CASH AND CASH EQUIVALENTS	
Beginning of year	1,004,202
End of year	\$ 1,246,266
 Reconciliation of operating income (loss) to cash provided by (used for) operating activities	
Operating income/(loss)	\$ 173,311
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(1,360)
(Increase) decrease in prepaid expenses	(626)
(Increase) decrease in deferred outflows related to pensions	46,570
Increase (decrease) in accrued liabilities	8,154
Increase (decrease) in net pension liability	(49,538)
Increase (decrease) in deferred inflows related to pensions	11,665
Net cash provided by (used for) operating activities	\$ 188,176

The accompanying notes are an integral part of these financial statements.

**SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Saratoga Union School District (the “District”) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District operates under a locally elected Board form of government and provides educational services to grades K-8 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no such component units.

C. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fund Financial Statements. The fund financial statements provide information about the District's funds, including its proprietary funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the District, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

Major Governmental Funds

General Fund: The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

Deferred Maintenance Fund: This fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes (*Education Code Sections 17582–17587*).

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code Sections 15125–15262*). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

Non-Major Governmental Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

Student Activity Fund: This fund may be used to account for student body activities that do not meet the fiduciary criteria established in GASB Statement No. 84.

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections 38090–38093*). The Cafeteria Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections 38091 and 38100*).

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Capital Project Funds: Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Building Fund: This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code Section 15146*) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section 17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section 41003*).

Capital Facilities Fund: This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections 17620–17626*). The authority for these levies may be county/city ordinances (*Government Code Sections 65970–65981*) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section 66006*).

Proprietary Funds

Enterprise Funds: Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

Child Care Fund: This fund may be used to account for other business-type activities. The District is using this fund to report child care activities.

D. Basis of Accounting – Measurement Focus

Government-Wide and Proprietary Fund Financial Statements

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Government-Wide and Proprietary Fund Financial Statements (continued)

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Child Care Fund are childcare fees. Operating expenses for the Child Care Fund include salaries and benefits of employees and supplies and materials purchased to run the childcare program.

Governmental Funds

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursements grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Unearned Revenue (continued)

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	20-50
Furniture and Equipment	2-15

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

Compensated Absences

In accordance with GASB Statement No. 101, *Compensated Absences*, accumulated unpaid employee vacation and sick leave benefits are accrued as a liability in the government-wide financial statements as the benefits are earned, provided they accumulate and are more likely than not to be used or paid. The measurement of this liability includes estimated salary amounts and the employer's share of related taxes and benefits, as applicable, that are directly related to these compensated absences.

For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. For accumulated sick leave benefits, a liability is recognized for the portion that employees have earned and that are more likely than not to be used or paid. The District's policy for sick leave recognition aligns with this criterion, accruing the liability based on historical usage patterns and other relevant factors.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide and proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Premiums and Discounts

In the government-wide and proprietary fund financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 through June 30, 2024

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Postemployment Benefits Other Than Pensions (OPEB) (continued)

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Deferred Outflows/Deferred Inflows of Resources

In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans (the Plans) of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, lease receivables (net of related deferred inflows), prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Fund Balance (continued)

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body, and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

F. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities columns of the statement of activities.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

H. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

I. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

J. New Accounting Pronouncements

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has implemented this Statement as of June 30, 2025.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024. The District has implemented this Statement as of June 30, 2025.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The statement is effective for periods beginning after June 15, 2025. The District has not yet determined the impact on the financial statements.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements (continued)

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The statement is effective for periods beginning after June 15, 2025. The District has not yet determined the impact on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Activities	Business-Type Activities
Investment in county treasury	\$ 36,319,202	\$ 1,244,792
Fair value adjustment	43,013	1,474
Cash on hand and in banks	7,843	-
Cash in revolving fund	635	-
Total	\$ 36,370,693	\$ 1,246,266

B. Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; collateralized mortgage obligations; and the County Investment Pool.

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Santa Clara County Treasurer's pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U. S. Treasury Obligations	5 years	None	None
U. S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$37,608,481. The average weighted maturity for this pool is 415 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2025, the District's bank balance was not exposed to custodial credit risk.

G. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Santa Clara County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2025 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	\$ 37,608,481
Total	<u>\$ 37,608,481</u>

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025 consisted of the following:

	General Fund	Deferred Maintenance Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Governmental Activities	Business-Type Activities
Federal Government						
Categorical aid	\$ 384,544	\$ -	\$ -	\$ 23,968	\$ 408,512	\$ -
State Government						
Apportionment	22,078	-	-	-	22,078	-
Categorical aid	208,733	-	-	171,905	380,638	-
Lottery	124,315	-	-	-	124,315	-
Local Government						
Other local sources	202,566	31,186	55,608	60,109	349,469	10,367
Total	\$ 942,236	\$ 31,186	\$ 55,608	\$ 255,982	\$ 1,285,012	\$ 10,367

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 01, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 145,166	\$ -	\$ -	\$ 145,166
Construction in progress	2,694,898	2,435,658	2,694,898	2,435,658
Total capital assets not being depreciated	2,840,064	2,435,658	2,694,898	2,580,824
Capital assets being depreciated				
Land improvements	6,006,739	661,172	-	6,667,911
Buildings & improvements	88,358,917	4,679,572	-	93,038,489
Furniture & equipment	1,046,488	296,730	-	1,343,218
Total capital assets being depreciated	95,412,144	5,637,474	-	101,049,618
Less: Accumulated depreciation				
Land improvements	4,084,910	147,420	-	4,232,330
Buildings & improvements	44,902,842	2,240,761	-	47,143,603
Furniture & equipment	629,893	78,758	-	708,651
Total accumulated depreciation	49,617,645	2,466,939	-	52,084,584
Total capital assets being depreciated, net	45,794,499	3,170,535	-	48,965,034
Governmental Activities				
Capital Assets, net	\$ 48,634,563	\$ 5,606,193	\$ 2,694,898	\$ 51,545,858

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due From/Due To)

The individual interfund receivable and payable balance at June 30, 2025 consisted of \$16,323 due from the General Fund to the Capital Facilities Fund for reimbursement of expenses for Redwood Middle School cafeteria remodel project.

B. Operating Transfers

Interfund transfers for the year ended June 30, 2025 consisted of the following:

		Interfund Transfers In		
		Non-Major Governmental Funds		Total
Interfund Transfers Out		General Fund		
General Fund		\$ -	\$ 84,387	\$ 84,387
Bond Interest and Redemption Fund		856,787	-	856,787
Total		\$ 856,787	\$ 84,387	\$ 941,174
Transfer from the Bond Interest and Redemption Fund to the General Fund for proceeds remaining after payoff of bond obligation.			\$	856,787
Transfer from the General Fund to the Cafeteria Fund to move school food grant to the fund.				68,064
Transfer from the General Fund to the Capital Facilities Fund for reimbursement of expenses for Redwood Middle School cafeteria remodel project.				16,323
Total				\$ 941,174

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2025 consisted of the following:

	General Fund	Deferred Maintenance Fund	Non-Major Governmental Funds	Governmental Activities	Business-Type Activities
Payroll	\$ 146,437	\$ -	\$ -	\$ 146,437	\$ 10,530
Construction	-	1,723,788	1,270	1,725,058	-
Vendors payable	283,056	-	37,641	320,697	11,542
Total	\$ 429,493	\$ 1,723,788	\$ 38,911	\$ 2,192,192	\$ 22,072

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2025 consisted of \$199,190 in the General Fund from local sources.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2025 consisted of the following:

	Restated Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Balance Due In One Year
Governmental Activities					
General obligation bonds	\$ 37,506,753	\$ 2,018,594	\$ 4,755,000	\$ 34,770,347	\$ 9,000,000
Early retirement incentive	325,904	-	325,904	-	-
Compensated absences*	4,262,946	486,389	-	4,749,335	755,999
Total OPEB liability	6,914,396	335,990	-	7,250,386	-
Net pension liability	29,862,346	-	2,603,352	27,258,994	-
Total	\$ 78,872,345	\$ 2,840,973	\$ 7,684,256	\$ 74,029,062	\$ 9,755,999

*The change in the compensated absences liability is presented as a net change.

	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Balance Due In One Year
Business-Type Activities					
Net pension liability	\$ 1,045,598	\$ -	\$ 49,538	\$ 996,060	\$ -
Total	\$ 1,045,598	\$ -	\$ 49,538	\$ 996,060	\$ -

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments for early retirement incentive are made in the General Fund.

A. Compensated Absences

Restated beginning total unpaid employee compensated absences was \$4,262,946 and increased by a net amount of \$486,389 during the year ended June 30, 2025. The ending compensated absences at June 30, 2025 amounted to \$4,749,335. This amount is included as part of long-term liabilities in the government-wide financial statements.

B. General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2024	Additions	Deductions	Bonds Outstanding June 30, 2025
2/28/2002	3/1/2028	5.11 - 5.47%	\$ 10,346,069	\$ 30,717,368	\$ 1,632,341	\$ 4,070,000	\$ 28,279,709
4/22/2004	9/1/2028	5.25 - 5.70%	2,824,557	6,789,385	386,253	685,000	6,490,638
				\$ 37,506,753	\$ 2,018,594	\$ 4,755,000	\$ 34,770,347

The District's outstanding bonds mature through 2029 as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 2,605,075	\$ 6,394,925	\$ 9,000,000
2027	2,634,195	7,005,805	9,640,000
2028	3,917,660	11,372,340	15,290,000
2029	1,179,229	3,670,771	4,850,000
Accretion	24,434,188	(24,434,188)	-
Total	\$ 34,770,347	\$ 4,009,653	\$ 38,780,000

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. Early Retirement Incentive

The District has offered a supplemental employee retirement plan as an incentive to certain eligible employees. The final payments remaining on the plan were made during the year ended June 30, 2025.

D. Other Postemployment Benefits

The District's beginning total OPEB liability was \$6,914,396 and increased by \$335,990 during the year ended June 30, 2025. The ending total OPEB liability at June 30, 2025 was \$7,250,386. See Note 10 for additional information regarding the total OPEB liability.

E. Net Pension Liability

The District's beginning net pension liability was \$30,907,944 and decreased by \$2,652,890 during the year ended June 30, 2025. The ending net pension liability at June 30, 2025 was \$28,255,054. See Note 11 for additional information regarding the net pension liability.

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2025:

	General Fund	Deferred Maintenance Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable					
Revolving cash	\$ 635	\$ -	\$ -	\$ -	\$ 635
Prepaid expenditures	33,828	-	-	-	33,828
Total non-spendable	34,463	-	-	-	34,463
Restricted					
Educational programs	808,206	-	-	-	808,206
Food service	-	-	-	203,328	203,328
Associated student body	-	-	-	7,843	7,843
Capital projects	-	-	-	5,030,795	5,030,795
Debt service	-	-	9,958,652	-	9,958,652
Total restricted	808,206	-	9,958,652	5,241,966	16,008,824
Committed					
Deferred maintenance	-	1,472,596	-	-	1,472,596
Total committed	-	1,472,596	-	-	1,472,596
Assigned					
Elementary furniture replacement	856,787	-	-	-	856,787
Maintenance and other projects	500,000	-	-	-	500,000
Educational technology replacement plan	250,000	-	-	-	250,000
Instructional materials adoptions	250,000	-	-	-	250,000
Other postemployment benefits	525,925	-	-	-	525,925
Total assigned	2,382,712	-	-	-	2,382,712
Unassigned	15,399,556	-	-	-	15,399,556
Total	\$ 18,624,937	\$ 1,472,596	\$ 9,958,652	\$ 5,241,966	\$ 35,298,151

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3 percent of General Fund expenditures and other financing uses.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Postemployment Benefit Plan (the “Plan”) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical, dental and vision insurance benefits to eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

B. Benefits Provided

Classified, Classified Management and Confidential employees may retire with District-paid retiree medical benefits after the later of age 55 and completion of at least 10 years of consecutive FTE District service. The District minimum retiree benefit is the Kaiser single retiree rate, plus dental and vision coverage. Retirees age 55 with 15 years of service earn the PPO single retiree rate, plus dental and vision coverage. Retirees age 55 with 20 years of service may enroll in any plan or tier. Benefits are paid for the earlier of five years or age 65.

Certificated and Certificated Management employees may retire with District-paid retiree medical benefits after the later of age 55 and completion of at least 10 years of consecutive FTE District service. The District minimum retiree benefit is the Kaiser single retiree rate, plus dental and vision coverage. Retirees age 55 with 15 years of service earn the PPO single retiree rate, plus dental and vision coverage. Retirees age 55 with 20 years of service may select any plan or tier. For retirements on or after July 1, 2014, the District pays 90% of the premium and the retiree pays the remaining 10% of the premium. Benefits are paid for the earlier of five years or age 65. Employees hired on or after July 1, 2013 are not eligible for health benefits in retirement.

C. Contributions

For the measurement period, the District contributed \$337,603 to the Plan, all of which was used for current premiums. There is no actuarially determined contribution, nor any contribution requirement established by statute or contract. The District’s contribution is currently based on a projected pay as-you-go funding method, that is, benefits are payable when due.

D. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	16
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	154
Total number of participants**	170

*Information not provided

**As of the June 30, 2023 valuation date

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

E. Total OPEB Liability

The Saratoga Union School District's total OPEB liability of \$7,250,386 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

F. Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2025 was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the June 30, 2024 measurement date.

Economic assumptions:

Inflation	2.50%
Salary increases	3.00%
Discount rate	3.97%
Initial trend rate	5.50%

Non-economic assumptions:

Mortality:

Certificated	CalSTRS Experience Analysis (2015-2018)
Classified	CalPERS Experiences Study (2000-2019)

Retirement rates:

Certificated	CalSTRS Experience Analysis (2015-2018)
Classified	CalPERS Experiences Study (2000-2019)

Actuarial Assumptions:

Certificated	CalSTRS Experience Analysis (2015-2018)
Classified	CalPERS Experiences Study (2000-2019)

The discount rate was based on the Fidelity GO AA 20 Years Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed thirty years.

G. Changes in Total OPEB Liability

	June 30, 2025
Total OPEB Liability	
Service cost	\$ 445,926
Interest on total OPEB liability	277,654
Changes of assumptions	(49,987)
Benefits payments	<u>(337,603)</u>
Net change in total OPEB liability	335,990
Total OPEB liability - beginning	<u>6,914,396</u>
Total OPEB liability - ending	<u>\$ 7,250,386</u>
 Covered-employee payroll	 \$ 23,305,435
 District's total OPEB liability as a percentage of covered-employee payroll	 31.11%

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Saratoga Union School District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.97%)	Valuation Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$ 7,633,082	\$ 7,250,386	\$ 6,815,344

I. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Saratoga Union School District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease (4.50%)	Healthcare Cost Trend Rate (5.50%)	1% Increase (6.50%)
Total OPEB liability	\$ 6,519,593	\$ 7,250,386	\$ 8,092,596

J. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the Saratoga Union School District recognized OPEB expense of \$328,825. At June 30, 2025, the Saratoga Union School District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,353	\$ 2,447,333
Changes in assumptions	755,374	983,340
District contributions subsequent to the measurement date	338,987	-
Total	\$ 1,117,714	\$ 3,430,673

The \$338,987 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2026	\$ 142,694	\$ 537,449
2027	142,694	537,449
2028	142,694	537,449
2029	142,694	509,952
2030	142,212	479,586
Thereafter	65,739	828,788
Total	\$ 778,727	\$ 3,430,673

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
CalSTRS Pension	\$ 15,534,877	\$ 6,260,969	\$ 3,625,513	\$ 1,707,503
CalPERS Pension	12,720,177	3,919,678	91,038	1,796,858
Total	\$ 28,255,054	\$ 10,180,647	\$ 3,716,551	\$ 3,504,361

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, CA 95851-0275.

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2025, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2025 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$3,116,872 for the year ended June 30, 2025.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$1,434,796 to CalSTRS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 15,534,877
State's proportionate share of the net pension liability associated with the District	7,127,564
Total	\$ 22,662,441

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.023 percent, which did not change from its proportion measured as of June 30, 2023.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2025, the District recognized pension expense of \$1,707,503. In addition, the District recognized pension expense and revenue of \$(680,994) for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 62,683
Differences between expected and actual experience	1,757,195	679,331
Changes in assumptions	68,003	1,060,978
Changes in proportion and differences between District contributions and proportionate share of contributions	1,318,899	1,822,521
District contributions subsequent to the measurement date	3,116,872	-
Total	<u>\$ 6,260,969</u>	<u>\$ 3,625,513</u>

The \$3,116,872 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 719,922	\$ 1,899,339
2027	671,039	(458,313)
2028	660,878	767,663
2029	660,879	624,240
2030	330,761	615,176
2031	100,618	177,408
Total	<u>\$ 3,144,097</u>	<u>\$ 3,625,513</u>

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Growth	3.50%

* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2021 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Public Equity	38%	5.25%
Real Estate	15%	4.05%
Private Equity	14%	6.75%
Fixed Income	14%	2.45%
Risk Mitigating Strategies	10%	2.25%
Inflation Sensitive	7%	3.65%
Cash/Liquidity	2%	0.05%
	<hr/> 100% <hr/>	

*Real return is net of assumed 2.75% inflation.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	\$ 27,631,462	\$ 15,534,877	\$ 5,433,726

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, CA 95811.

Benefits Provided

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 8.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2025 was 27.05% of annual payroll. Contributions to the plan from the District were \$1,745,619 for the year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the District reported a liability of \$12,720,177 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.036 percent, which did not change from its proportion measured as of June 30, 2023.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2025, the District recognized pension expense of \$1,796,858. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ 494,105	\$ -
Differences between expected and actual experience	1,066,401	91,038
Changes in assumptions	281,159	-
Changes in proportion and differences between District contributions and proportionate share of contributions	332,394	-
District contributions subsequent to the measurement date	1,745,619	-
Total	<u>\$ 3,919,678</u>	<u>\$ 91,038</u>

The \$1,745,619 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 946,262	\$ 91,038
2027	1,250,632	-
2028	200,767	-
2029	(223,602)	-
Total	<u>\$ 2,174,059</u>	<u>\$ 91,038</u>

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Discount Rate	6.90%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from 2000 through 2019.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions (continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*
Global Equity – cap-weighted	30.0%	4.54%
Global Equity – non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%
	<u>100.0%</u>	

*An expected inflation of 2.30% used for this period. Figures are based on the 2021-22 CalPERS Asset Liability Management Study

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS’ website.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 18,895,929	\$ 12,720,177	\$ 7,618,514

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 12 – RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2025, the District contracted with the Santa Clara County Schools' Insurance Group for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

B. Workers' Compensation

For fiscal year 2025, the District participated in the Santa Clara County Schools' Insurance Group, an insurance purchasing pool. The intent of the Santa Clara Schools' Insurance Group is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Santa Clara County Schools' Insurance Group. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the Santa Clara Schools' Insurance Group. Each participant pays its workers' compensation premium based on its individual rate. A participant will then either receive money from or be required to contribute to the "equity-pooling fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the Santa Clara County Schools' Insurance Group. Participation in the Santa Clara Schools' Insurance Group is limited to districts that can meet the Santa Clara Schools' Insurance Group's selection criteria.

Coverage provided by the Santa Clara County Schools' Insurance Group for property and liability and workers' compensation is as follows:

	<u>Type of Coverage</u>	<u>Limits</u>
Santa Clara County Schools' Insurance Group	Workers' Compensation	State Statutory Limits
Santa Clara County Schools' Insurance Group	Property	\$ 500,000,000
Santa Clara County Schools' Insurance Group	Liability	\$ 5,000,000

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

C. Construction Commitments

As of June 30, 2025, the District had commitments with respect to unfinished capital projects of \$1,240,216.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 14 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District is a member of the Santa Clara County Schools' Insurance Group (SCCSIG) public entity risk pools, and the West Valley Schools Transportation Agency joint powers authority (JPA). The District pays an annual premium to the applicable entity for its dental, vision, workers' compensation, property liability coverage, and special education transportation. The relationships between the District, the pools, and the JPA's are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements. However, fund transactions between these entities and the District are included in these statements. The audited financial statements are generally available from the respective entities.

NOTE 15 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2025, total deferred outflows related to pensions was \$10,180,647 and total deferred inflows related to pensions was \$3,716,551.

B. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2025, total deferred outflows related to other postemployment benefits was \$1,117,714 and total deferred inflows related to other postemployment benefits was \$3,430,673.

NOTE 16 – RESTATEMENT OF NET POSITION

The beginning net position of the Governmental Activities has been restated due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement guidance for liabilities related to compensated absences, requiring that the liability be recognized when leave is attributable to services already rendered and it is probable that the leave will be used or paid. This standard supersedes certain provisions of GASB Statement No. 16.

The cumulative effect of applying GASB 101 required a restatement of the beginning net position, as follows:

	Governmental Activities
Net Position - Beginning, as Previously Reported	\$ 10,448,289
Restatement	(4,129,052)
Net Position - Beginning, as Restated	<u>\$ 6,319,237</u>

REQUIRED SUPPLEMENTARY INFORMATION

**SARATOGA UNION SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	\$ 35,872,523	\$ 35,883,298	\$ 35,818,214	\$ (65,084)
Federal sources	482,752	480,450	470,073	(10,377)
Other state sources	2,386,742	2,522,070	2,550,103	28,033
Other local sources	1,249,265	2,820,499	2,039,589	(780,910)
Total Revenues	39,991,282	41,706,317	40,877,979	(828,338)
EXPENDITURES				
Certificated salaries	16,924,158	16,519,712	16,321,394	198,318
Classified salaries	7,074,918	7,143,198	6,893,778	249,420
Employee benefits	12,294,531	11,877,450	11,533,177	344,273
Books and supplies	1,206,619	1,717,655	1,517,505	200,150
Services and other operating expenditures	4,661,891	5,206,022	5,221,371	(15,349)
Capital outlay	525,000	393,315	309,780	83,535
Other outgo				
Excluding transfers of indirect costs	325,904	325,904	325,904	-
Total Expenditures	43,013,021	43,183,256	42,122,909	1,060,347
Excess (Deficiency) of Revenues				
Over Expenditures	(3,021,739)	(1,476,939)	(1,244,930)	232,009
Other Financing Sources (Uses)				
Transfers in	-	-	856,787	856,787
Transfers out	(303,275)	(68,064)	(84,387)	(16,323)
Net Financing Sources (Uses)	(303,275)	(68,064)	772,400	840,464
NET CHANGE IN FUND BALANCE				
Fund Balance - Beginning	(3,325,014)	(1,545,003)	(472,530)	1,072,473
Fund Balance - Ending	12,424,718	12,424,718	12,424,718	-
	\$ 9,099,704	\$ 10,879,715	\$ 11,952,188	\$ 1,072,473

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- The amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects and the Special Reserve Fund for Postemployment Benefits in accordance with the fund type definitions promulgated by GASB Statement No. 54.
- The amounts on that schedule include the prior year fair value adjustment to the District's investment in county treasury.

**SARATOGA UNION SCHOOL DISTRICT
DEFERRED MAINTENANCE FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 3,500,000	\$ 4,000,000	\$ 4,000,000	\$ -
Other local sources	-	25,000	122,514	97,514
Total Revenues	<u>3,500,000</u>	<u>4,025,000</u>	<u>4,122,514</u>	<u>97,514</u>
EXPENDITURES				
Books and supplies	-	1,392,210	1,260,565	131,645
Services and other operating expenditures	125,377	3,504,055	2,423,644	1,080,411
Capital outlay	-	630,143	575,438	54,705
Total Expenditures	<u>125,377</u>	<u>5,526,408</u>	<u>4,259,647</u>	<u>1,266,761</u>
NET CHANGE IN FUND BALANCE	3,374,623	(1,501,408)	(137,133)	1,364,275
Fund Balance - Beginning	1,656,490	1,656,490	1,656,490	-
Fund Balance - Ending	<u>\$ 5,031,113</u>	<u>\$ 155,082</u>	<u>\$ 1,519,357</u>	<u>\$ 1,364,275</u>

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reason:

- The amounts on that schedule include the prior year fair value adjustment to the District's investment in county treasury.

SARATOGA UNION SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB Liability								
Service cost	\$ 445,926	\$ 454,144	\$ 544,171	\$ 487,408	\$ 464,348	\$ 419,650	\$ 427,911	\$ 469,956
Interest on total OPEB liability	277,654	273,597	152,996	231,489	296,197	313,452	280,876	222,995
Difference between expected and actual experience	-	(533,438)	-	(3,292,083)	-	51,955	-	-
Changes of assumptions	(49,987)	(68,990)	(819,584)	357,246	1,053,079	(149,045)	(202,751)	(522,403)
Benefits payments	<u>(337,603)</u>	<u>(339,559)</u>	<u>(344,997)</u>	<u>(348,498)</u>	<u>(231,792)</u>	<u>(313,790)</u>	<u>(190,587)</u>	<u>(107,851)</u>
Net change in total OPEB liability	335,990	(214,246)	(467,414)	(2,564,438)	1,581,832	322,222	315,449	62,697
Total OPEB liability - beginning	<u>6,914,396</u>	<u>7,128,642</u>	<u>7,596,056</u>	<u>10,160,494</u>	<u>8,578,662</u>	<u>8,256,440</u>	<u>7,940,991</u>	<u>7,878,294</u>
Total OPEB liability - ending	<u>\$ 7,250,386</u>	<u>\$ 6,914,396</u>	<u>\$ 7,128,642</u>	<u>\$ 7,596,056</u>	<u>\$ 10,160,494</u>	<u>\$ 8,578,662</u>	<u>\$ 8,256,440</u>	<u>\$ 7,940,991</u>
 Covered-employee payroll	 \$ 23,305,435	 \$ 12,938,347	 \$ 13,529,702	 \$ 13,177,283	 \$ 13,921,049	 \$ 18,718,745	 \$ 18,263,374	 \$ 17,872,452
 District's total OPEB liability as a percentage of covered-employee payroll	 31.11%	 53.44%	 52.69%	 57.65%	 72.99%	 45.83%	 45.21%	 44.43%

See accompanying notes to required supplementary information.

SARATOGA UNION SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension liability	0.023%	0.023%	0.025%	0.025%	0.025%	0.026%	0.026%	0.026%	0.027%	0.028%
District's proportionate share of the net pension liability	\$ 15,534,877	\$ 17,801,166	\$ 17,249,577	\$ 11,170,408	\$ 24,446,270	\$ 23,502,837	\$ 23,549,838	\$ 23,856,592	\$ 21,703,380	\$ 18,790,273
State's proportionate share of the net pension liability associated with the District	7,127,564	8,529,193	8,638,639	5,620,634	12,601,953	12,822,471	13,483,449	14,113,473	12,357,166	9,937,957
Total	\$ 22,662,441	\$ 26,330,359	\$ 25,888,216	\$ 16,791,042	\$ 37,048,223	\$ 36,325,308	\$ 37,033,287	\$ 37,970,065	\$ 34,060,546	\$ 28,728,230
District's covered payroll	\$ 15,516,624	\$ 14,420,005	\$ 14,276,161	\$ 13,717,121	\$ 13,774,181	\$ 14,151,362	\$ 13,761,399	\$ 13,722,772	\$ 13,483,941	\$ 13,166,141
District's proportionate share of the net pension liability as a percentage of its covered payroll	100.12%	123.45%	120.83%	81.43%	177.48%	166.08%	171.13%	173.85%	160.96%	142.72%
Plan fiduciary net position as a percentage of the total pension liability	83.55%	80.62%	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**SARATOGA UNION SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
District's proportion of the net pension liability	0.036%	0.036%	0.037%	0.035%	0.036%	0.034%	0.035%	0.034%	0.034%	0.035%
District's proportionate share of the net pension liability	\$ 12,720,177	\$ 13,106,778	\$ 12,598,971	\$ 7,094,272	\$ 11,047,552	\$ 9,935,526	\$ 9,278,517	\$ 8,016,449	\$ 6,678,862	\$ 5,156,822
District's covered payroll	\$ 7,043,826	\$ 6,273,616	\$ 5,639,228	\$ 5,022,863	\$ 5,190,134	\$ 4,805,548	\$ 4,625,856	\$ 4,253,420	\$ 4,057,026	\$ 4,053,366
District's proportionate share of the net pension liability as a percentage of its covered payroll	180.59%	208.92%	223.42%	141.24%	212.86%	206.75%	200.58%	188.47%	164.62%	127.22%
Plan fiduciary net position as a percentage of the total pension liability	72.29%	69.96%	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**SARATOGA UNION SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Contractually required contribution	\$ 3,116,872	\$ 2,942,569	\$ 2,732,792	\$ 2,398,614	\$ 2,208,262	\$ 2,353,033	\$ 2,291,157	\$ 1,977,723	\$ 1,718,586	\$ 1,443,065
Contributions in relation to the contractually required contribution*	(3,116,872)	(2,942,569)	(2,732,792)	(2,398,614)	(2,208,262)	(2,353,033)	(2,291,157)	(1,977,723)	(1,718,586)	(1,443,065)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 16,436,189	\$ 15,516,624	\$ 14,420,005	\$ 14,276,161	\$ 13,717,121	\$ 13,774,181	\$ 14,151,362	\$ 13,761,399	\$ 13,722,772	\$ 13,483,941
Contributions as a percentage of covered payroll	18.96%	18.96%	18.95%	16.80%	16.10%	17.08%	16.19%	14.37%	12.52%	10.70%

*Amounts do not include on-behalf contributions

**SARATOGA UNION SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Contractually required contribution	\$ 1,745,619	\$ 1,658,442	\$ 1,442,626	\$ 1,183,685	\$ 969,810	\$ 962,770	\$ 853,004	\$ 721,367	\$ 595,884	\$ 480,693
Contributions in relation to the contractually required contribution*	(1,745,619)	(1,658,442)	(1,442,626)	(1,183,685)	(969,810)	(962,770)	(853,004)	(721,367)	(595,884)	(480,693)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,445,642	\$ 7,043,826	\$ 6,273,616	\$ 5,639,228	\$ 5,022,863	\$ 5,190,134	\$ 4,805,548	\$ 4,625,856	\$ 4,253,420	\$ 4,057,026
Contributions as a percentage of covered payroll	23.44%	23.54%	23.00%	20.99%	19.31%	18.55%	17.75%	15.59%	14.01%	11.85%

*Amounts do not include on-behalf contributions

**SARATOGA UNION SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in Total OPEB Liability and Related Ratios

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, including the total OPEB liability as a percentage of covered-employee payroll.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for OPEB.

Changes in Assumptions

The discount rate has changed since the prior measurement date from 3.86% to 3.97%. The initial healthcare cost trend rate has changed since the prior measurement date from 6.00% to 5.50%

Schedule of the District's Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for CalSTRS or CalPERS.

Changes in Assumptions

There were no changes in economic assumptions since the previous valuation for CalSTRS or CalPERS.

Schedule of District Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

SARATOGA UNION SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2025, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Services and other operating expenditures	\$ 5,206,022	\$ 5,221,371	\$ 15,349

SUPPLEMENTARY INFORMATION

**SARATOGA UNION SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2025**

	Second Period Report	Annual Report
SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	573.34	575.96
Extended Year Special Education	1.17	1.17
Special Education - Nonpublic Schools	0.38	0.47
Total TK/K through Third	574.89	577.60
Fourth through Sixth		
Regular ADA	567.57	569.36
Extended Year Special Education	0.46	0.46
Extended Year Special Education - Nonpublic Schools	0.11	0.11
Total Fourth through Sixth	568.14	569.93
Seventh through Eighth		
Regular ADA	449.06	450.35
Extended Year Special Education	0.11	0.11
Special Education - Nonpublic Schools	1.30	1.24
Extended Year Special Education - Nonpublic Schools	0.13	0.13
Total Seventh through Eighth	450.60	451.83
TOTAL SCHOOL DISTRICT	1,593.63	1,599.36

**SARATOGA UNION SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025**

Grade Level	Minutes Requirement	Actual Instructional Minutes	Number of Days	Status
Kindergarten	36,000	51,800	180	Complied
Grade 1	50,400	50,625	180	Complied
Grade 2	50,400	50,625	180	Complied
Grade 3	50,400	54,675	180	Complied
Grade 4	54,000	54,675	180	Complied
Grade 5	54,000	54,675	180	Complied
Grade 6	54,000	59,946	180	Complied
Grade 7	54,000	59,946	180	Complied
Grade 8	54,000	59,946	180	Complied

See accompanying notes to supplementary information.

**SARATOGA UNION SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

	2026 (Budget)	2025	2024	2023
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 44,765,483	\$ 41,734,766	\$ 39,961,709	\$ 41,293,212
Expenditures And Other Financing Uses	46,130,248	42,207,296	39,458,421	38,201,722
Net change in Fund Balance	\$ (1,364,765)	\$ (472,530)	\$ 503,288	\$ 3,091,490
Ending Fund Balance	\$ 10,587,423	\$ 11,952,188	\$ 12,424,718	\$ 11,921,430
Available Reserves*	\$ 14,135,502	\$ 15,399,556	\$ 14,505,898	\$ 12,923,999
Available Reserves As A Percentage Of Outgo	30.64%	36.49%	36.76%	33.83%
Long-term Liabilities	\$ 64,273,063	\$ 74,029,062	\$ 74,743,293	\$ 84,556,141
Average Daily Attendance At P-2	1,479	1,594	1,550	1,572

The General Fund balance has increased by \$30,758 over the past two years. However, the fiscal year 2025-26 budget projects a decrease of \$1,364,765. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years but anticipates incurring an operating deficit during the 2025-26 fiscal year. Total long-term liabilities have decreased by \$10,527,079 over the past two years.

Average daily attendance has increased by 22 ADA over the past two years. However, a decrease of 115 ADA is anticipated during the 2025-26 fiscal year.

*Available reserves consist of all unassigned fund balance within the General Fund and Special Reserve Fund for Other Than Capital Outlay Projects.

** Actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Than Capital Outlay Projects and Special Reserve Fund for Postemployment Benefits in accordance with the fund type definitions promulgated by GASB Statement No. 54. Also, audit adjustments made in prior years are not reflected in this schedule.

**SARATOGA UNION SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Special Reserve Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Postemployment Benefits	Child Care Fund
June 30, 2025, annual financial and budget report fund balance	\$ 11,952,188	\$ 6,146,824	\$ 525,925	\$ 1,235,187
Adjustments and reclassifications:				
Increase (decrease) in total fund balances:				
Allocation of pensions (GASB 68)	-	-	-	(612,943)
Fund balance transfer (GASB 54)	6,672,749	(6,146,824)	(525,925)	-
Net adjustments and reclassifications	6,672,749	(6,146,824)	(525,925)	(612,943)
June 30, 2025, audited financial statement fund balance	<u>\$ 18,624,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 622,244</u>

See accompanying notes to supplementary information.

**SARATOGA UNION SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Student Activity		Capital Facilities		Non-Major
	Fund	Cafeteria Fund	Building Fund	Fund	Governmental Funds
ASSETS					
Cash and investments	\$ 7,843	\$ 13,220	\$ 1,864,556	\$ 3,122,953	\$ 5,008,572
Accounts receivable	-	197,256	29,080	29,646	255,982
Due from other funds	-	-	-	16,323	16,323
Total Assets	\$ 7,843	\$ 210,476	\$ 1,893,636	\$ 3,168,922	\$ 5,280,877
LIABILITIES					
Accrued liabilities	\$ -	\$ 7,148	\$ -	\$ 31,763	\$ 38,911
Total Liabilities	-	7,148	-	31,763	38,911
FUND BALANCES					
Restricted	7,843	203,328	1,893,636	3,137,159	5,241,966
Total Fund Balances	7,843	203,328	1,893,636	3,137,159	5,241,966
Total Liabilities and Fund Balances	\$ 7,843	\$ 210,476	\$ 1,893,636	\$ 3,168,922	\$ 5,280,877

See accompanying notes to supplementary information.

**SARATOGA UNION SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	Student Activity Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds
REVENUES					
Federal sources	\$ -	\$ 162,869	\$ -	\$ -	\$ 162,869
Other state sources	-	1,055,458	-	-	1,055,458
Other local sources	3,970	9,189	161,927	243,979	419,065
Total Revenues	3,970	1,227,516	161,927	243,979	1,637,392
EXPENDITURES					
Current					
Pupil services					
Food services	-	1,385,951	-	-	1,385,951
General administration					
All other general administration	-	-	-	5,344	5,344
Facilities acquisition and construction	-	-	71,172	730,535	801,707
Ancillary services	5,571	-	-	-	5,571
Total Expenditures	5,571	1,385,951	71,172	735,879	2,198,573
Excess (Deficiency) of Revenues Over Expenditures	(1,601)	(158,435)	90,755	(491,900)	(561,181)
Other Financing Sources (Uses)					
Transfers in	-	68,064	-	16,323	84,387
Net Financing Sources (Uses)	-	68,064	-	16,323	84,387
NET CHANGE IN FUND BALANCE	(1,601)	(90,371)	90,755	(475,577)	(476,794)
Fund Balance - Beginning	9,444	293,699	1,802,881	3,612,736	5,718,760
Fund Balance - Ending	\$ 7,843	\$ 203,328	\$ 1,893,636	\$ 3,137,159	\$ 5,241,966

See accompanying notes to supplementary information.

**SARATOGA UNION SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with article 8 (commencing with section 46200) of chapter 2 of part 26 of the *Education Code*.

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

Combining Statements – Non-Major Funds

These statements provide information on the District's non-major funds.

OTHER INFORMATION

**SARATOGA UNION SCHOOL DISTRICT
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2025**

The Saratoga Union School District was established in 1896 and consists of an area comprising approximately 8 square miles. The District operates three elementary schools and one middle school. There were no boundary changes during the year.

GOVERNING BOARD

Member	Office	Term Expires
Melissa Stanis	President	2028
Cynthia Miller	Clerk	2026
Eric Cao	Member	2026
Ramya Vasu	Member	2028
Vidya Vineet	Member	2026

DISTRICT ADMINISTRATORS

Dr. Kenneth Geisick
Superintendent

Moiria Barker
Assistant Superintendent, Educational Services

Jean Aldrete
Chief Business Official

OTHER INDEPENDENT AUDITORS' REPORTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**Independent Auditors' Report

Governing Board
Saratoga Union School District
Saratoga, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Saratoga Union School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Saratoga Union School District's basic financial statements, and have issued our report thereon dated December 9, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Saratoga Union School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Saratoga Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Saratoga Union School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Saratoga Union School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
December 9, 2025

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER
COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

Governing Board
Saratoga Union School District
Saratoga, California

Report on State Compliance***Opinion on State Compliance***

We have audited Saratoga Union School District's compliance with the requirements specified in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to Saratoga Union School District's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2025.

In our opinion, Saratoga Union School District complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 2025.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

We are required to be independent of Saratoga Union School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Saratoga Union School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Saratoga Union School District's state programs.

Auditor's Responsibilities for the Audit of State Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Saratoga Union School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Saratoga Union School District's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Saratoga Union School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of Saratoga Union School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Saratoga Union School District's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine Saratoga Union School District's compliance with the state laws and regulations applicable to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	Not Applicable
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools or Programs	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Not Applicable

Auditor's Responsibilities for the Audit of State Compliance (continued)

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The term "Not Applicable" is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control Over Compliance (continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of State Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
December 9, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**SARATOGA UNION SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

The District was not subject to Uniform Guidance Single Audit for the year ended June 30, 2025 because federal award expenditures did not exceed \$750,000.

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with 2024-25 Guide for Annual Audits of California K-12 Local Education Agencies ?	<u>No</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**SARATOGA UNION SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FIVE DIGIT CODE

20000
30000

AB 3627 FINDING TYPE

Inventory of Equipment
Internal Control

There were no financial statement findings for the year ended June 30, 2025.

**SARATOGA UNION SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

FIVE DIGIT CODE

10000
40000
42000
43000
60000
61000
62000
70000
71000
72000

AB 3627 FINDING TYPE

Attendance
State Compliance
Charter School Facilities Programs
Apprenticeship: Related and Supplemental Instruction
Miscellaneous
Classroom Teacher Salaries
Local Control Accountability Plan
Instructional Materials
Teacher Misassignments
School Accountability Report Card

There were no state award findings or questioned costs for the year ended June 30, 2025.

**SARATOGA UNION SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

There were no findings or questioned costs for the year ended June 30, 2024.