Unaudited Actuals Report 2025-26



Los Gatos-Saratoga
UNION HIGH SCHOOL DISTRICT

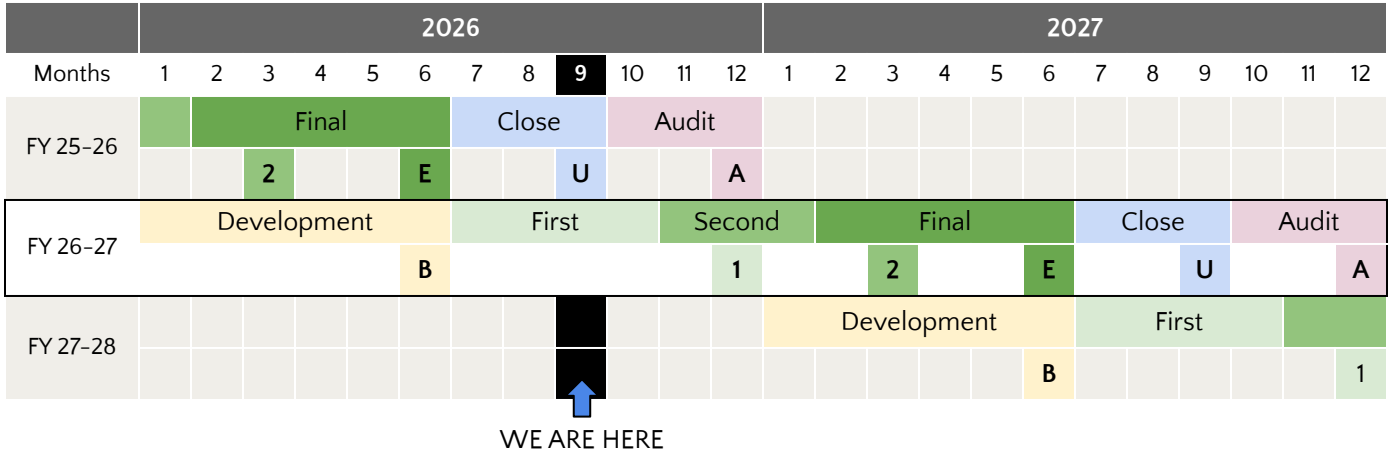
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Los Gatos-Saratoga
UNION HIGH SCHOOL DISTRICT

Fiscal Year Cycle



B: Budget Adoption 1: First Interim 2: Second Interim E: Estimated Actuals U: Unaudited Actuals A: Annual Audit

Los Gatos-Saratoga
UNION HIGH SCHOOL DISTRICT

Starting Point

Updates from the Estimated Actuals in June

Comparison to June Estimates

TABLE 1
Summary of General Fund Revisions Since Estimated Actuals

Key Notes: Revenues are slightly higher largely due to greater than expected donations from school-connected organizations. Expenses are somewhat lower due to utility cost savings driven by energy efficiency improvements and savings in special education contract services. The result is a modest improvement in the District's ending net position.

	Estimated Actuals June 2026	Unaudited Actuals Sept 2026	Difference	
General Fund Revenue	86,798,542	87,518,550	720,008	+0.8%
General Fund Expenditures	86,627,949	85,088,641	(1,539,308)	-1.7%
Transfers to Other Funds	795,001	803,205	8,204	+1.0%
Net Increase (Decrease) in Fund Balance	(624,407)	1,626,704	2,251,111	

General Fund Revenue

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Property Taxes

TABLE 2
Comparison of Major Ongoing Property Tax Components

Key Notes: Property taxes made up 84.4% of General Fund revenue; secured tax roll revenue, which makes up about 74% of General Fund revenue, grew by 5.43%.

	2024-25	2025-26	Difference
Secured Tax Roll	61,130,902	64,448,539	3,317,637
Unsecured Tax Roll	3,297,922	3,452,776	154,854
RDA Pass-Thru	2,950,151	3,156,779	206,628
RDA Residual	1,294,535	1,447,914	153,379
COE Property Tax Transfers	1,699,726	1,403,539	(296,187)

Federal and State Revenue

TABLE 3
Comparison of General Fund Federal and State Revenue

	2024-25	2025-26	Difference
Federal Revenue	861,608	871,241	9,633
MSA & EPA State Revenue	769,493	751,865	(17,628)
Other State Revenue	4,877,119	6,232,733	1,355,614

Key Notes: Federal and state sources combine to provide about 8% of General Fund revenue.

The significant increase in state revenue is largely due to a one-time block grant provided in 2025-26.

Local Revenue

TABLE 4
Comparison of Major General Fund Local Revenue

	2024-25	2025-26	Difference
Parcel Tax	2,488,245	2,546,915	58,670
RDA Pass-Thru	2,950,151	3,156,779	206,628
Leases and Rentals	221,358	251,655	30,297
Interest	486,311	580,699	94,388
Other Local Revenue	1,574,250	1,705,764	131,514

Key Notes: RDA Pass-Thru revenue is restricted to facilities purposes.

Interest income increased significantly during the year.

Other Local Revenue includes payments, grants, and donations from school-connected organizations and ASB accounts.

General Fund Expenditures

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Expenses by Category

TABLE 5
Comparison of Major General Fund Expenditure Categories

Key Notes: Total General Fund expenses increased by 5.7% from the prior year, mainly due to a 5% negotiated salary increase, step and column adjustments, and increases to the cost of benefits for employees and retirees..

	2024-25	2025-26	Difference
Certificated Salaries	29,986,124	31,312,174	1,326,050
Classified Salaries	12,896,492	13,851,391	954,899
Employee Benefits	22,041,325	23,689,841	1,648,516
Books & Supplies	2,043,087	2,155,255	112,168
Services & Operating Exp	13,156,602	13,632,425	475,823
Capital Outlay	102,656	117,996	15,340
Other Outgo	305,310	329,559	24,249

Contributions and Transfers

TABLE 6
General Fund Contributions and Transfers to Other Funds

Key Notes: In general, the contributions and transfers to Deferred Maintenance and Capital Outlay are not discretionary; the transfer to Cafeteria is required to offset the program's operating deficit.

	2024-25	2025-26	Difference
To Special Education	12,450,473	13,642,573	1,192,100
All Other Contributions	84,417	235,535	151,118
To Fund 13 – Cafeteria	698,732	432,315	(266,417)
To Fund 14 – Deferred Maintenance	400,000	400,000	-
To Fund 40 – Capital Outlay	2,911,591	206,425	(2,705,166)

Reserves

Ending Balances in Fund 01 and Fund 17

Year-End Reserve

TABLE 7
Summary of Reserves and Components of Ending Fund Balance

	2024-25	2025-26
Unassigned Unrestricted Reserve (Fund 01)	5,833,785	8,525,695
Reserve for Economic Uncertainty (Fund 17)	3,624,078	3,710,880
Total Available Reserve (Funds 01 & 17)	9,457,863	12,236,575
Reserve Percentage	11.19%	14.21%

Key Notes: The increase in reserve is partially inflated by the use of one-time funds to pay ongoing expenses, as one-time funds are generally not counted as part of the available reserve.

Other Funds

Summary of Activity and Interactions with the General Fund

Ending Balances

TABLE 8
Projected Ending Fund Balances as of Jun 30, 2026

NOTES:

(1) The operating deficit listed for the Cafeteria Fund is before an offsetting transfer of $432,315 from the General Fund.

(2) The Bond Redemption Fund is maintained by the county controller-treasurer.

Fund		2025-26 Surplus/(Deficit)	Fund Balance June 30, 2026
08	Student Activity	(189,023)	1,252,374
13	Cafeteria [1]	(426,403)	17,933
14	Deferred Maintenance	(434,871)	19,614
17	Special Reserve (Non-Capital Outlay)	184,391	3,710,880
20	Postemployment Benefits	(152,551)	1,056,797
21	Building	(5,146,718)	19,343
25	Capital Facilities	498,352	1,301,776
40	Special Reserve (Capital Outlay)	83,701	14,216,724
51	Bond Redemption [2]	333,625	4,451,894
73	Foundation Trust	21,705	480,003

Los Gatos-Saratoga
UNION HIGH SCHOOL DISTRICT

Conclusion

Staff Recommendation

Recommendation

District staff have prepared this report in accordance with state law and regulations and have verified its contents for accuracy. State law requires districts to undergo an independent audit each year. The Board has engaged Chavan & Associates LLP as its independent, external auditor for the 2025-26 fiscal year. Barring unforeseen circumstances, the auditor's report will be presented at the Board's regular meeting on December 17.

It is recommended that the Board approve the 2025-26 Unaudited Actuals Financial Report presented here and in the attached documents.

Fiscal Goals

Four goals set by the Superintendent in March 2026

LGSUHSD Fiscal Goals

1. End deficit spending by the end of 2027-28.
2. Meet the CEA requirement by the end of 2027-28, while balancing student/staff supports and wellness initiatives.
3. Provide negotiated raises in 2026-27 and 2027-28.
4. Meet 10% reserve requirement in Board Policy.

Goal 1: End Deficit Spending

General Fund Ending Position

24-25: (2,258,902)

25-26: 1,626,704 *[includes $900K one-time revenue]*

26-27: 1,855,000 *[includes $2.4M one-time revenue]*

27-28: (335,000)

Goal 1: End Deficit Spending

What have we done?

Energy efficiency initiatives (electricity and water)

DO reorganization

Non-classroom position reductions

Review and reduction of contract services

RDA pass thru revenue realignment

Facility use fee review and realignment

Goal 2: Meet CEA Requirement

CEA Percentage (and Gap)

24-25: 48.28% (1,299,017)

25-26: 49.43% (441,011)

26-27: 49.80% (200,000) *[projection]*

27-28: 50% *[projection]*

Goal 2: Meet CEA Requirement

What have we done?

Increased salaries faster than some other spending categories.

Reduced non-classroom positions.

Move some qualifying roles from contracts (non-CEA) to employees (within CEA).

Ensured resources that are excluded from CEA aren't used to pay for CEA-eligible expenses.

Goal 3: Negotiate Raises

Negotiated Salary Increases

24-25: 8%

25-26: 5%

26-27: 5.8%

27-28:

Goal 4: Restore 10% Reserve

Reserve at Unaudited Actuals

24-25: 11.19%

25-26: 14.12%

26-27: 12.39% *[August 10 multi-year projection]*

27-28: 12.52% *[August 10 multi-year projection]*



Expense Functions

Measuring what activities expenditures are supporting

Expense Coding

All spending is connected to a 29-digit account code.

We frequently talk about the 4-digit Object Code that describes the type of “thing” being paid for with an expenditure; any Object Code in the range 1000-1999, for example, is a certificated salary.

The account code also contains a 4-digit Function Code that describes the activity being funded.

Function Code Categories

1000: Instruction — direct classroom services to students

2000: Instruction-Related Services — admin or support to those who provide instruction

3000: Pupil Service — direct non-classroom services for students (e.g., counseling, food service)

4000: Ancillary Services — extracurricular activities for students (e.g., sports, clubs)

5000: Community Services — services provided to non-students (e.g., facility rentals)

6000: Enterprise Services — services designed to create income for the district

7000: General Administration — operational services (e.g., payroll, HR, legal, liability insurance)

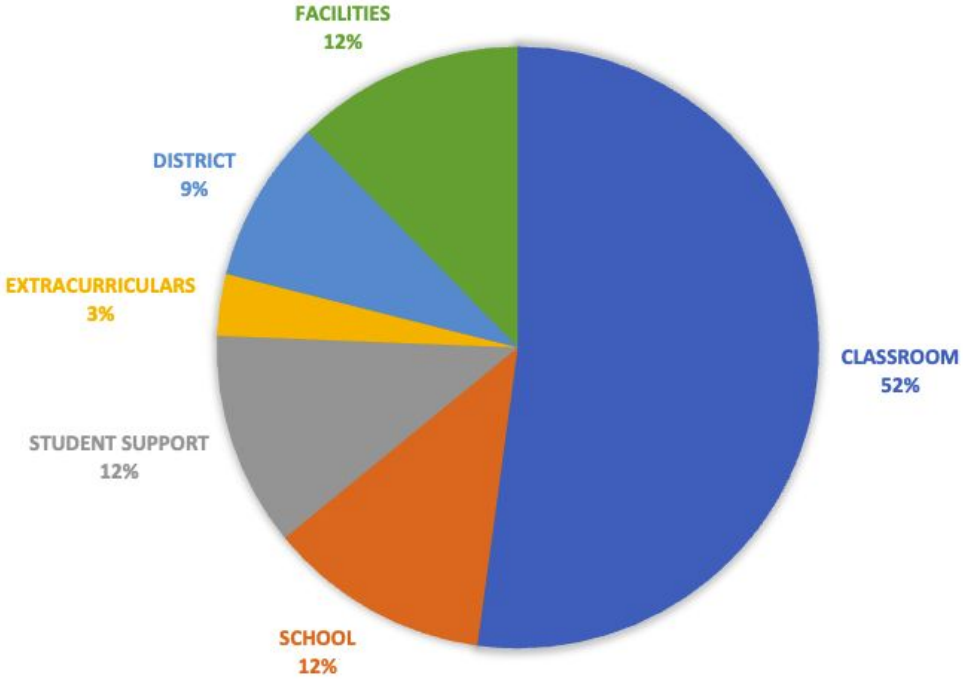
8000: Plant Operations — keeping the schools clean, safe, and functional

9000: Other Outgo — transferring funds outside of the general fund

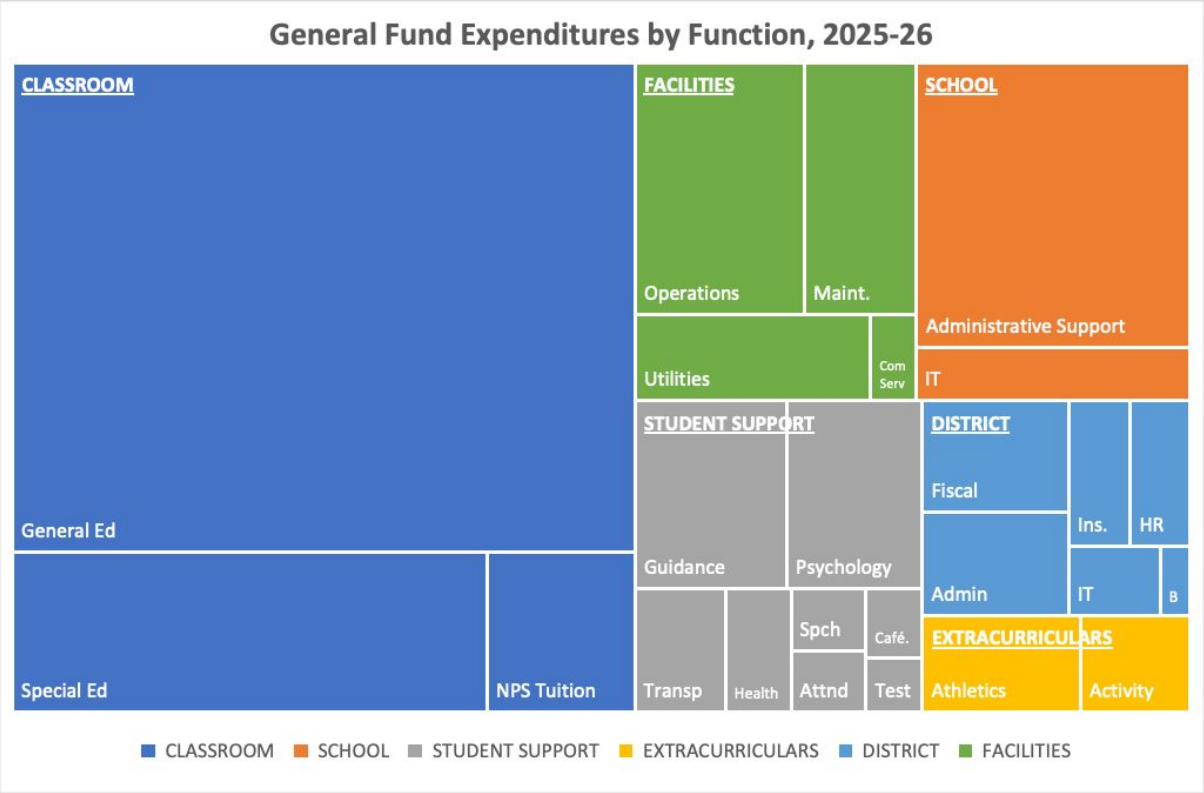
Function Code Categories

1000: Instruction →	Classroom
2000: Instruction-Related Services →	School
3000: Pupil Service →	Student Support
4000: Ancillary Services →	Extracurricular
5000: Community Services →	Facilities
6000: Enterprise Services →	District
7000: General Administration →	District
8000: Plant Operations →	Facilities
9000: Other Outgo →	*various*

General Fund Expenditures by Function Category, 2025-26



Los Gatos-Saratoga
UNION HIGH SCHOOL DISTRICT



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General Fund Expenditures by Function, 2025-26

FUNCTION	PERCENTAGE	AMOUNT
General Education	39.9%	34,327,714
Administrative Support (School	10.2%	8,786,143
Special Education	9.9%	8,541,622
Operations	5.6%	4,827,408
Guidance Counseling	3.7%	3,215,541
Maintenance	3.7%	3,178,413
Psychology & Mental Health	3.3%	2,866,800
NPS Tuition	3.1%	2,657,963
Utilities	2.6%	2,281,999
Fiscal Services	2.1%	1,841,886
Athletics	2.0%	1,711,998
Administration (DO)	2.0%	1,710,274
IT (Site)	1.9%	1,642,491
Transportation	1.5%	1,255,879
Activities	1.4%	1,180,456
Insurance: Property & Liability	1.2%	1,005,499
Human Resources	1.1%	975,672
Health Services	1.1%	908,327
IT (District)	0.8%	710,854
Speech Pathology	0.6%	523,726
Attendence & Social Work	0.6%	518,067
Community Services	0.5%	444,240
Cafeteria	0.5%	436,365
Testing	0.4%	344,665
Board of Trustees	0.3%	233,380

CATEGORY
CLASSROOM
SCHOOL
STUDENT SUPPORT
EXTRACURRICULARS
DISTRICT
FACILITIES

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