2025-2026 Unaudited Actuals Presentation

SUNNYVALE SCHOOL DISTRICT

Board of Education Meeting
September 10, 2026

Our Promise: Every student is known by name, strength and need, ready to excel in high school and beyond, and to lead a life of joy and purpose.

Presentation Overview

- What are Unaudited Actuals?
- Year-end results of Combined General Fund
- Year-end results of Unrestricted General Fund
- What changed from adoption?
- What changed and why?

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What Are Unaudited Actuals (UA)?

- By September 15, the governing board must approve an annual statement of all District receipts and expenditures for the preceding fiscal year -California Education Code Section 42100
- Budgets are estimates. UA are the financial statements that give a real financial status for the fiscal year.
- Shows how much revenue came in and what the total expenditures were.
- Are reported using the State's Standardized Account Code Structure (SACS) forms.
- Are submitted to the County Office of Education for review.
- Are considered "unaudited" until the independent annual audit is completed.
- The ending balances become the beginning balances for 2026-27. Approval of the report does not authorize additional expenditures.

Combined General Fund: Adoption to Unaudited Actuals

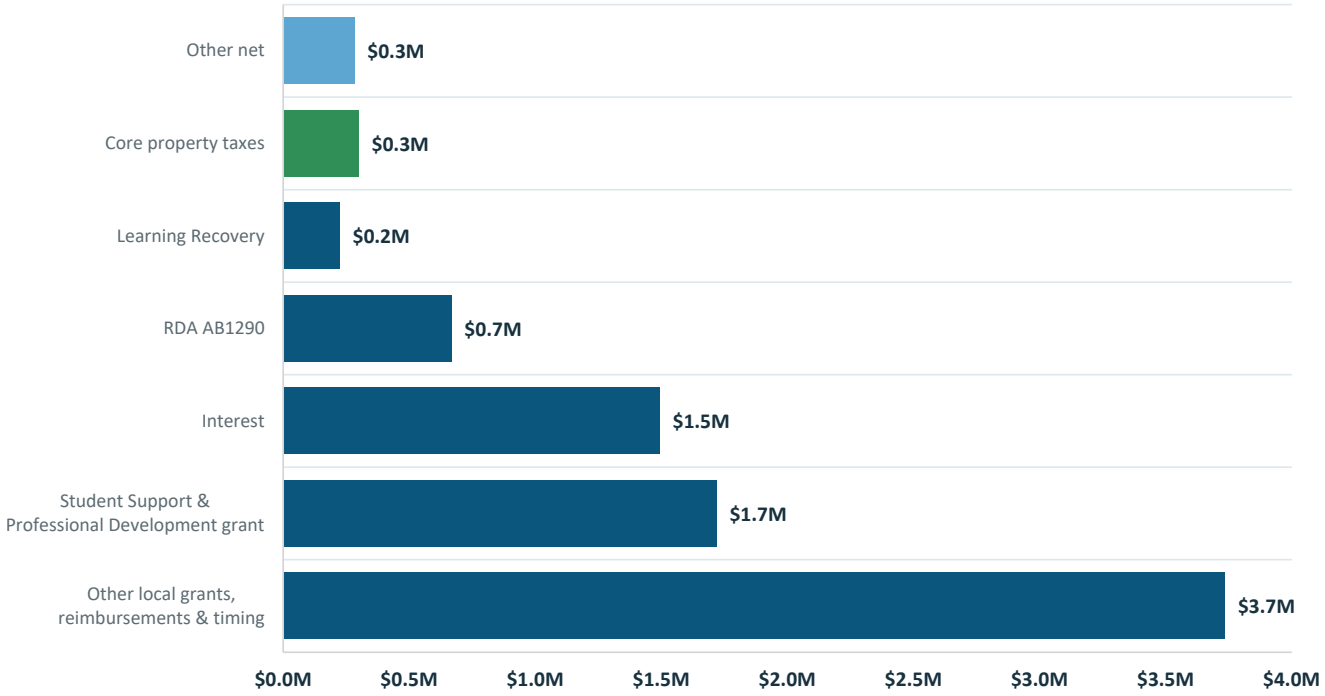
	Adopted Budget	Unaudited Actuals	Change
Revenue	$147.0M	$155.4M	+$8.4M
Expenditures and other uses	$157.9M	$150.7M	-$7.3M
Change in fund balance	**-$11.0M**	**+$4.7M**	**+$15.7M**

The combined result improved because revenue was higher and spending was lower than adoption.

- The combined result includes both unrestricted and restricted activity.
- A combined surplus does not mean ongoing unrestricted operations are balanced

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Most of the $8.4M Revenue Increase Was One-Time or Variable



Clearly identified one-time revenue:

- Student Support and Professional Development Grant: $1.71M
- Learning Recovery Emergency Block Grant: $0.22M

Other non-recurring factors

- Interest varies with rates and cash balances.
- RDA AB1290 receipts and local grants/reimbursements are not a reliable annual base.

Core property taxes were only $0.3M above adoption.

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2025-26 Actual Expenditures Below Adoption by $7.3M

Expenditure Category	Adoption	Actual	Variance
Capital outlay	$3.8M	$1.6M	**$2.3M lower**
Services and operating expenditures	$19.0M	$17.1M	**$1.9M lower**
Books and supplies	$4.3M	$2.6M	**$1.7M lower**
Classified salaries	$28.0M	$26.9M	**$1.1M lower**
Certificated salaries	$59.7M	$59.4M	**$0.3M lower**
Benefits	$41.9M	$41.9M	**$0.04M higher**
Other outgo and uses	$1.3M	$1.2M	**$0.1M lower**
TOTAL	**$157.9M**	**$150.7M**	**$7.3M lower**

This is an adoption-to-actual variance; not every difference represents an ongoing reduction.

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Unrestricted General Fund Improved, but Remained in Deficit

	Adopted Budget	Unaudited Actuals	Improvement
Revenue and other sources	$95.1M	$99.2M	+$4.1M
Expenditures and other uses	$102.9M	$101.0M	-$1.9M
Unrestricted deficit	**-$7.8M**	**-$1.7M**	**+$6.1M**

- The unrestricted deficit improved by approximately $6.1 million from adoption.
- The District still used approximately $1.7 million of unrestricted fund balance in 2025-26.
- This is a much stronger result for the year, but it is not yet a balanced budget.

Unrestricted Expenditures - Below Adoption by $1.9 M

Unrestricted expenditure category	Adoption	Actual	Change
Services and operating expenditures	$12.6M	$11.0M	**$1.6M lower**
Books and supplies	$2.7M	$1.5M	**$1.2M lower**
Classified salaries	$14.6M	$14.2M	**$0.4M lower**
Certificated salaries	$45.6M	$46.6M	**$0.9M higher**
Benefits	$25.1M	$25.2M	**$0.2M higher**
Capital outlay	$1.4M	$1.6M	**$0.2M higher**
Other outgo and uses	$0.9M	$1.0M	**$0.1M higher**
TOTAL	**$102.9M**	**$101.0M**	**$1.9M lower**

Lower services and supplies were partly offset by higher salary, benefit and capital costs.

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Unrestricted Spending: Actual Results and Future Direction

Unrestricted category	2025-26 actual vs. 2024-25 actual	2026-27 budget vs. 2025-26 actual	2027-28 projection vs. 2025-26 actual
Certificated salaries	+$1.7M	-$0.7M	+$0.9M
Classified salaries	+$0.5M	+$0.8M	+$1.3M
Benefits	+$1.0M	+$1.0M	+$1.5M
Books and supplies	-$1.7M	+$1.1M	+$1.1M
Services and operations	-$0.8M	-$0.2M	+$1.0M
Capital outlay	+$0.03M	-$1.6M	-$1.6M
Other outgo and uses	+$0.8M	-$0.7M	-$0.6M
TOTAL CHANGE	**+$1.6M**	**-$0.2M**	**+$3.7M**

The 2026-27 total is nearly flat because lower capital outlay masks growth in ongoing operating costs.

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Local Budget Factors Continue to Tighten the Outlook

Revenue

- Property-tax growth: 3.21% in 2025-26; 3.5% assumed for 2026-27* and 3% thereafter.
- General Fund interest revenue declines from $2.44M to approximately $0.62M in the projection years.
- As a basic-aid district, revenue does not automatically increase when individual student service needs increase.

Costs and enrollment

- Enrollment is projected to decline by 41 students in 2026-27, 55 in 2027-28 and 75 in 2028-29.
- A 1% salary and statutory-benefit change costs approximately $1.10M in 2026-27.
- SPED, transportation, after-school and child-nutrition costs continue to exceed their dedicated funding.

The District is required to submit a Fiscal Stabilization Plan to the Santa Clara County Office of Education to address the projected structural deficit beginning in 2027–28.

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Programs Deliver Value and Require Sustainable Funding

SPECIAL EDUCATION	$38.7M cost	$29.8M unrestricted contribution in 2026-27
TRANSPORTATION	$1.70M gap	775 students served on an average across the District.
AFTER SCHOOL	$1.07M gap	ELOP carryover temporarily supports costs above revenue
CHILD NUTRITION	$0.40M gap	2025-26 expenditures exceeded program revenue

- Restricted carryover can provide temporary support, but it does not replace ongoing revenue.
- Maintaining services requires costs, staffing and funding to be reviewed together.

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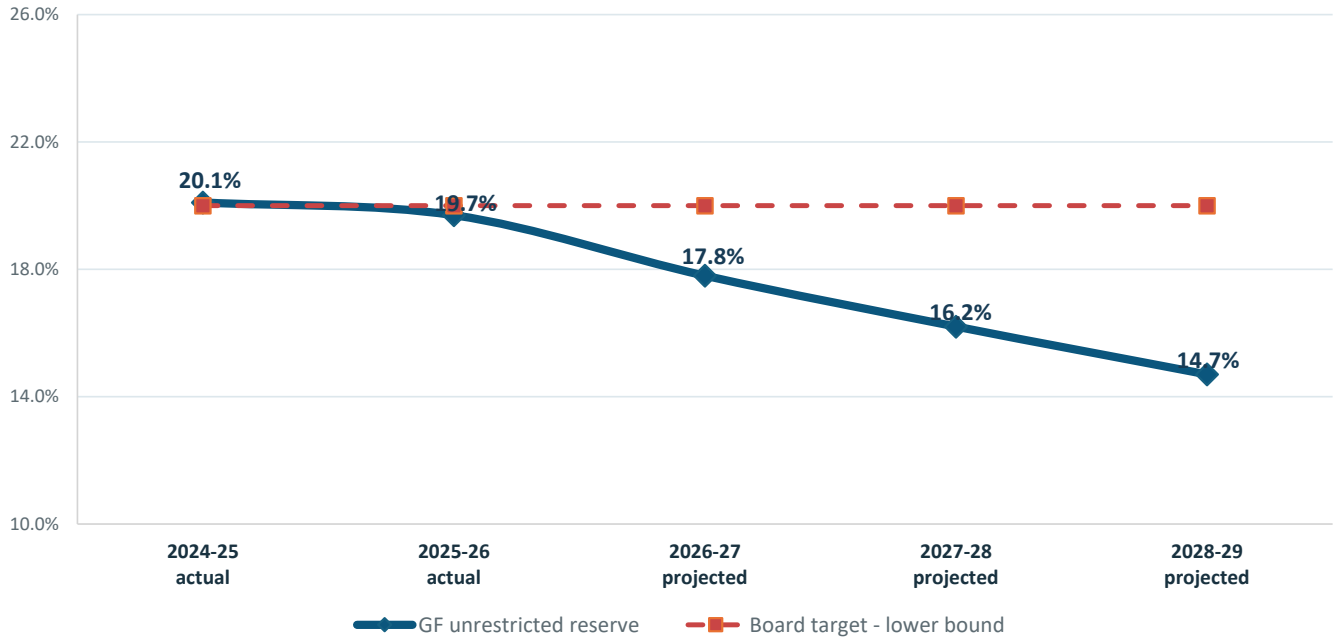
State and Federal Funding Covers About 23% of 2026-27 SPED Cost

Year	SPED expenditures	State/federal and other program funding	Funding %	Unrestricted contribution	GF share
2020-21	$21.1M	$7.3M	34.5%	$13.8M	65.5%
2021-22	$24.2M	$8.2M	33.8%	$16.0M	66.2%
2022-23	$27.7M	$7.3M	26.3%	$20.4M	73.7%
2023-24	$30.8M	$6.8M	22.1%	$24.0M	77.9%
2024-25	$32.7M	$7.2M	22.2%	$25.5M	77.8%
2025-26	$32.8M	$6.3M	19.2%	$26.5M	80.8%
2026-27 budget	**$38.7M**	**$9.0M**	**23.2%**	**$29.8M**	**76.8%**

The unrestricted General Fund supports approximately 77% of the program cost.

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General Fund Unrestricted Reserves Continue to Decline



- 2025-26 ending fund balance is $29.4 M which translates to a reserve of 19.7%
- Fund 17 and restricted balances are shown separately and are not included in this percentage.
- Projected unrestricted deficits reduce the reserve each year.

The stronger 2025-26 closing improved the starting point, but recurring deficits continue to reduce flexibility.

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Actions Taken During 2025-26 Strengthened the Year-End Result

Actions taken during 2025-26:

- Implemented a limited hiring freeze and reviewed vacancies before filling positions.
- Reviewed contracts before renewal or continuation
- Offered an early retirement incentive to reduce ongoing staffing costs.
- Maintained communication with labor partners and the community regarding the District's financial outlook.

SCCOE* 2026-27 budget review:

- The SCCOE draft review of 2026-27 budget, notes that the District remains fiscally solvent in the current and two subsequent years
- Projected unrestricted deficits narrow each year from $2.7M to $2.0 M for the current and next two years but the structural deficit still needs to be addressed.
- SCCOE requests the District to continue to identify ongoing reductions to address the structural deficit for the three years to the tune of $7.2 Million.

* SCCOE stands for Santa Clara County Office of Education

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Next Steps: Sustain Progress & Address the Deficit

Ongoing Actions

- Continue monitoring expenditures and vacancies
- Review staffing, programs and contracts for sustainability
- Align staffing & services with enrollment and student needs

By mid - February 2027

- Update revenue and expenditure assumptions
- Develop a FSP* addressing the projected 3 year deficit of $7.2M
- Present the revised budget and multi-year projection
- Continue engaging labor partners and the community

*FSP stands for Fiscal Stabilization Plan

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