

2025-26 Unaudited Actuals Executive Summary

Unaudited actuals are the District's final year-end financial results before review by the independent auditor. This updated summary incorporates the 2025-26 Unaudited Actuals Fund Forms printed September 3, 2026. It provides detailed information about the unrestricted General Fund and a concise summary of every fund reported by SRCS.

The updated General Fund reports \$242.923 million in total revenue and \$245.759 million in total expenditures. After \$5.900 million of net other financing sources, the combined General Fund balance increased by \$3.064 million and ended the year at \$18.954 million.

Within the General Fund, unrestricted revenue was approximately \$1.145 million higher than estimated and unrestricted spending was approximately \$1.423 million lower. The unrestricted balance increased by \$4.817 million, compared with the estimated increase of \$1.816 million, and ended the year at \$5.592 million.

Restricted General Fund programs received \$53.906 million and spent \$104.586 million. Contributions and transfers provided \$48.927 million of support, resulting in a \$1.753 million decrease and a restricted ending balance of \$13.362 million. Restricted balances remain available only for their legally designated purposes.

The stronger unrestricted result improves the District's starting position for 2026-27. When the unrestricted spendable General Fund ending balance and Fund 17 are considered together, available reserves equal 2.37% of General Fund expenditures, below the 3% minimum. Continued careful management of staffing, program contributions, enrollment, attendance, and cash flow remains necessary.

Key Unrestricted Results

Measure	Unaudited Actuals	Estimated Actuals	Dollar Difference	Percent Difference
Total revenues	\$189.016 million	\$187.872 million	+\$1.145 million	+0.6%
Total expenditures	\$141.173 million	\$142.596 million	-\$1.423 million	-1.0%
Revenue less spending, before transfers	\$47.844 million	\$45.276 million	+\$2.568 million	+5.7%
Transfers and support for other programs	(\$43.027 million)	(\$43.459 million)	+\$0.432 million	-1.0%
Increase in fund balance	\$4.817 million	\$1.816 million	+\$3.001 million	+165.3%
Ending fund balance	\$5.592 million	\$2.591 million	+\$3.001 million	+115.8%

Percent difference compares the unaudited actuals with estimated actuals. For transfers and support for other programs, the 1.0% decrease is favorable because fewer unrestricted dollars were needed.

What Caused the Better Result

Revenue was approximately \$1.145 million higher than estimated.

- Local revenue was approximately \$592,014 higher, mainly from interest earnings, child care fees, and teacher-residency reimbursements identified during year-end review.
- Local Control Funding Formula (LCFF) revenue was approximately \$360,022 higher.
- Other state revenue was approximately \$192,189 higher.

Spending was approximately \$1.423 million lower than estimated.

- Teacher and other certificated employee salaries were approximately \$792,794 lower.
- Services and other operating costs were approximately \$357,491 lower.
- Books and supplies were approximately \$339,233 lower.
- These savings were partly offset by approximately \$137,150 of additional costs in other categories. Classified employee salaries and employee benefits were close to estimates.

The District also used approximately \$432,378 less in unrestricted funds to support programs funded for specific purposes (Routine Restricted Maintenance and Special Education).

Understanding the Ending Fund Balance

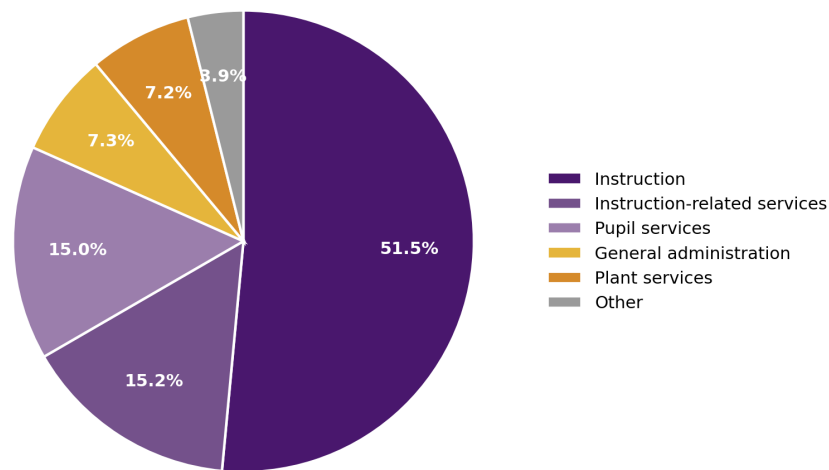
The updated forms include a \$1.886 million restatement to the beginning unrestricted balance. This Board-approved fiscal stabilization action appropriately recovered from carryover Expanded Learning Opportunities Program funds in Fund 12 a share of operating costs that the unrestricted General Fund had paid in prior years. The Board-approved Fiscal Stabilization Plan also included the \$5.4 million transfer from Fund 40, the Special Reserve Fund for Capital Outlay Projects, to Fund 01, the General Fund. The transfer is reflected in the General Fund's other financing sources and Fund 40's other financing uses.

With the restatement reflected in the updated unaudited actuals, the \$3 million improvement in annual activity is also reflected in the comparison of ending balances: \$5.6 million at unaudited actuals versus \$2.6 million at estimated actuals.

The \$5.6 million unrestricted ending balance includes approximately \$393,219 of nonspendable amounts and \$5.2 million designated as the Reserve for Economic Uncertainties. No additional unrestricted amount remained unassigned.

How Unrestricted Funds Were Spent

The chart below shows the major areas supported by the District's \$141.173 million of unrestricted expenditures. More than half supported classroom instruction. Instruction-related and pupil services together represented approximately 30.2% of spending.



“Other” includes ancillary services, community services, and other outgo. Percentages are based on SACS expenditure functions and may not match department or program budgets.

Expenditure area	SRCS unrestricted	Statewide unrestricted	Difference
Instruction	51.5%	53.1%	-1.6 points
Instruction-related services	15.2%	13.4%	+1.8 points
Pupil services	15.0%	9.1%	+5.9 points
General administration	7.3%	8.8%	-1.5 points
Plant services	7.2%	10.7%	-3.5 points
Other	3.9%	5.1%	-1.2 points

Statewide percentages are based on SACS-reported Fund 01 expenditures coded to unrestricted resources. “Other” combines ancillary services, community services, enterprise activities, and other outgo. A higher or lower percentage does not, by itself, indicate better or worse performance; local student needs, programs, staffing, facilities, and accounting practices affect how expenditures are categorized.

Unrestricted Spending by Object Code

The table below compares how SRCS distributed its 2025-26 unrestricted General Fund expenditures across major object-code categories with the statewide distribution in 2024-25, the latest year available. Object codes describe what the District purchased, such as employee salaries, benefits, supplies, or contracted services.

Object-code category	SRCS amount	SRCS share	2024-25 statewide share	Difference
1000-1999 Certificated salaries	\$65.820M	46.6%	45.9%	+0.8 points
2000-2999 Classified salaries	\$21.318M	15.1%	15.0%	+0.1 points
3000-3999 Employee benefits	\$33.319M	23.6%	25.2%	-1.6 points
4000-4999 Books and supplies	\$1.040M	0.7%	2.9%	-2.1 points
5000-5999 Services and operating costs	\$21.701M	15.4%	10.8%	+4.5 points
6000-6999 Capital outlay	\$14,520	0.0%	1.2%	-1.2 points
7100-7499 Other outgo, net	(\$2.040M)	-1.4%	-0.9%	-0.5 points
Total unrestricted expenditures	\$141.173 million	100.0%	100.0%	-

SRCS devoted a larger share of unrestricted spending to services and other operating costs than the statewide pattern (+4.5 percentage points), while its shares for employee benefits, books and supplies, and capital outlay were lower. These differences do not, by themselves, indicate better or worse performance; staffing models, contracted services, facilities' needs, local programs, and accounting practices affect where expenditures are recorded. Other outgo is shown net of transfers of indirect costs and is therefore negative for both SRCS and the state.

Completed General Fund Results

The updated fund forms provide the final unrestricted, restricted, and combined General Fund results shown below. Restricted dollars cannot be redirected to general purposes, even when they are included in the combined ending balance.

General Fund measure	Unrestricted	Restricted	Combined total
Revenue	\$189.016 million	\$53.906 million	\$242.923 million
Expenditures	\$141.173 million	\$104.586 million	\$245.759 million
Other financing sources/uses	(\$43.027 million)	\$48.927 million	\$5.900 million

General Fund measure	Unrestricted	Restricted	Combined total
Change in fund balance	\$4.817 million	(\$1.753 million)	\$3.064 million
Ending fund balance	\$5.592 million	\$13.362 million	\$18.954 million

Summary of All District Funds

Each fund is legally or operationally distinct. A balance in a restricted, capital, student activity, self-insurance, or trust fund generally cannot be used to support unrestricted General Fund operations. The net change below includes transfers and other financing sources or uses.

Fund and primary purpose	Revenue	Expenditures	Net change	Ending balance
Fund 01 - General Fund District operations and restricted programs	\$242.923M	\$245.759M	\$3.064M	\$18.954M
Fund 08 - Student Activity Student body and school activity accounts	\$3.642M	\$3.262M	\$379,918	\$1.726M
Fund 09 - Charter Schools District-operated charter school activity	\$26.999M	\$25.333M	\$1.666M	\$4.844M
Fund 12 - Child Development Preschool and child development programs	\$6.922M	\$5.408M	\$1.514M	\$3.615M
Fund 13 - Cafeteria School meals and nutrition services	\$9.976M	\$10.258M	(\$281,974)	\$6.216M
Fund 14 - Deferred Maintenance Resources reserved for major maintenance	\$41,048	\$0	\$41,048	\$1.191M
Fund 17 - Special Reserve - Other Additional reserve for noncapital needs	\$23,184	\$0	\$23,184	\$632,000
Fund 21 - Building Fund Bond-funded construction and modernization	\$6.848M	\$111.178M	(\$104.301M)	\$93.138M
Fund 25 - Capital Facilities Developer fees and related capital projects	\$3.599M	\$1.614M	\$1.985M	\$10.744M
Fund 35 - County School Facilities State-supported school facility projects	\$229	\$0	\$229	\$6,230
Fund 40 - Capital Outlay Reserve Capital reserves and interfund project support	\$2.581M	\$932,279	(\$3.751M)	\$2.387M
Fund 67 - Self-Insurance District self-insurance activity	\$2.514M	\$2.288M	(\$274,216)	\$693,965
Fund 73 - Foundation Trust Private-purpose foundation resources	\$7,334	\$1,950	\$5,384	\$197,989

The largest year-over-year fund-balance movement occurred in Fund 21, where \$111.178 million of bond-funded construction and modernization spending drew down accumulated project resources while leaving a \$93.138 million ending balance. Fund 40 transferred \$5.400 million to Fund 01 as part of the Board-approved Fiscal Stabilization Plan. The Cafeteria and Self-Insurance Funds ended the year with planned decreases, while the Student Activity, Charter Schools, Child Development, and Capital Facilities Funds increased.

Required Reserve for Economic Uncertainty

California requires the District to maintain a minimum reserve equal to 3% of total General Fund expenditures and other financing uses. SRCS Board Policy targets a 10% reserve. Based on updated 2025-26 General Fund expenditures of \$245.759 million, the minimum is approximately \$7.373 million.

Reserve measure	Amount	Percent of total expenditures
Required minimum reserve	\$7.373 million	3.00%
Spendable General Fund reserve	\$5.199 million	2.12%
Fund 17 reserve	\$0.632 million	0.26%
Combined available reserve	\$5.831 million	2.37%
Amount below minimum	(\$1.542 million)	-0.63 points

The unrestricted spendable General Fund ending balance is \$5.199 million after excluding \$393,219 of nonspendable amounts. Adding \$632,000 in Fund 17 produces a combined available reserve of \$5.831 million, or 2.37% of General Fund expenditures—\$1.542 million (0.63 percentage points) below the 3% minimum. This is an improvement from estimated actuals.

Fiscal Management Considerations

- Treat the better year-end result as an improved starting balance, not as new revenue that will repeat every year.
- Pay for ongoing commitments with reliable ongoing revenue. Use one-time funds for short-term needs that have a clear end date.
- Continue monitoring enrollment, attendance, vacant positions, temporary agency staffing, class sizes, schedule changes, employee overages, and the cost of adding full-time-equivalent sections.
- Continue monitoring how much unrestricted funding is needed to support special education and other programs with legally restricted funding.
- Continue monitoring the budget, reserves, and monthly cash flow separately. A positive year-end balance does not eliminate the District's seasonal cash shortage before property-tax revenue is received.

Next Steps

The independent auditor will review the District's year-end financial statements and may recommend adjustments. Staff will use the final 2025-26 information, updated enrollment and attendance, current staffing, employee compensation and legally required costs, and updated revenue estimates in the 2026-27 First Interim budget report. Before recommending use of the improved balance, staff will consider whether the District can sustain the spending in future years and still meet its cash-flow needs.

Sources: updated 2025-26 fund forms (9/3/26); Estimated Actuals Form 01; and CDE 2024-25 financial data and reserve criteria. Amounts rounded.