ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT

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May 21, 2024

To: Board of Trustees

From: Kolvira Chheng, Assistant Superintendent of Business Services

Re: Approve Third Interim Report

BACKGROUND

Pursuant of Education Code section 42131(e), the governing board of each school district filing a qualified or negative certification for the second report required under Section 42130 or classified as qualified or negative by the county superintendent of schools, shall provide to the county superintendent of schools, the Controller and the Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30. The District projects that it will be able to meet the reserves requirement for the current and two subsequent fiscal years. Additionally, the District will maintain a positive cash balance for the remainder of the current fiscal year.

The District used the same key assumptions as the second interim report, except for the following notable changes. For the Unrestricted General Fund, the third interim report reflects the shifting of $12.5M in "other adjustments" from FY 2025-26 to FY 2023-24 to utilize $10.9M in Learning Recovery Grant and $1.6M in other one-time funding source. For the Restricted General Fund, $3.5M in Wellness Center Grant and $1.3M in Proposition 28 (Arts and Music Funding) were added in FY 2023-24.

The chart below reflects the District's multi-year projections for the Restricted General Fund.

	RESTRICTED GENERAL FUND		
	2023-24 Third Interim	2024-25 Projected	2025-26 Projected
BEGINNING BALANCE	**32,876,914**	**-**	**-**
LCFF	71,064	-	-
Fed	23,696,111	5,277,220	5,177,959
State	26,775,613	21,262,255	20,826,437
Local	5,042,679	784,380	776,377
TOTAL REVENUES	**55,585,468**	**27,323,855**	**26,780,773**
1xxx	27,894,956	17,553,000	17,816,295
2xxx	13,028,525	10,308,356	10,513,524
3xxx	23,460,499	18,002,254	18,168,654
4xxx	24,525,022	1,417,593	1,293,770
5xxx	24,572,302	10,922,682	10,350,623
6xxx	3,231,318	-	-
7xxx	6,739,394	4,930,757	4,882,907
Other Adjustments	-	-	-
TOTAL EXPENDITURES	**123,452,014**	**63,134,642**	**63,025,773**
TOTAL CONTRIBUTIONS/TRANSFERS	**34,989,632**	**35,810,787**	**36,245,000**
Surplus/(Deficit)	**(32,876,915)**	**0**	**0**
ENDING FUND BALANCE	**0**	**0**	**0**

The chart below reflects the District's multi-year projections for the Unrestricted General Fund.

	UNRESTRICTED GENERAL FUND		
	2023-24	**2024-25**	**2025-26**
	Third Interim	**Projected**	**Projected**
BEGINNING BALANCE	**39,067,447**	**45,256,423**	**26,027,606**
LCFF	114,010,181	108,294,744	106,625,613
Fed	-	-	-
State	1,873,499	1,923,245	1,873,191
Local	8,472,875	8,092,245	8,014,053
TOTAL REVENUES	**124,356,555**	**118,310,234**	**116,512,857**
1xxx	38,728,206	48,809,147	48,678,534
2xxx	13,482,956	16,254,627	16,579,720
3xxx	21,628,250	26,183,339	26,195,830
4xxx	2,626,507	2,626,508	2,126,508
5xxx	12,228,889	12,228,889	11,928,889
6xxx	184,944	184,944	184,944
7xxx	(5,701,805)	(4,559,190)	(4,511,340)
Other Adjustments	-	-	-
TOTAL EXPENDITURES	**83,177,948**	**101,728,264**	**101,183,085**
TOTAL CONTRIBUTIONS/TRANSFERS	**(34,989,632)**	**(35,810,787)**	**(36,245,000)**
Surplus/(Deficit)	**6,188,976**	**(19,228,817)**	**(20,915,228)**
ENDING FUND BALANCE	**45,256,423**	**26,027,606**	**5,112,378**

RECOMMENDATION

Staff recommends the Board of Trustees approve the Third Interim Report as presented above.