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Alum Rock Union School District

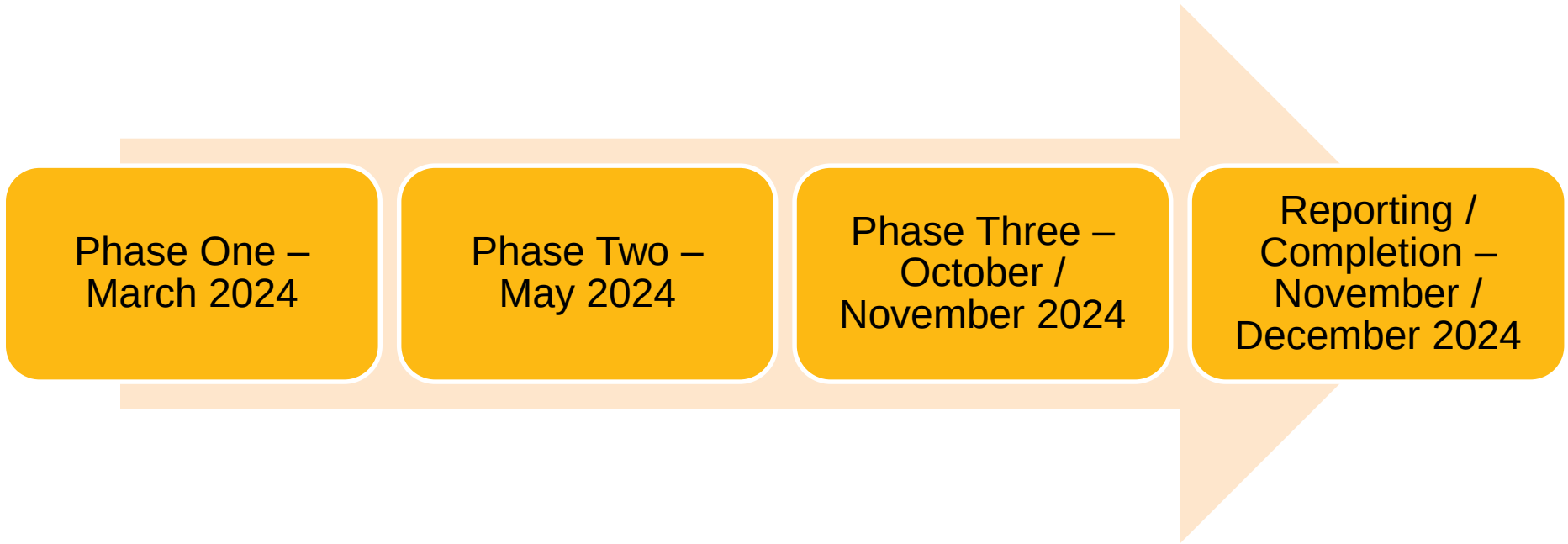
Audit Results for the Year Ended June 30, 2024

January 30, 2025



Auditor’s Responsibilities, Planned Scope, and Audit Timeline

- Express an opinion on the financial statements, federal and state compliance
- Risk of material misstatement
- Internal control evaluation
- Risk based audit approach



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New Accounting Standards

- **There were no new accounting standard with a material impact to the District's June 30, 2024 financial statements. However, the District adopted Governmental Accounting Standards Board Statement No. 100, which did not result in a material change to the financial statements.**

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Corrected and Uncorrected Misstatements

- Corrected Misstatements:
  - No corrected misstatements

- Uncorrected Misstatements:
  - No uncorrected misstatements

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Other Required Communications

- There were no difficulties encountered with management
- There were no disagreements with management
- No consultation with other accountants
- No significant or adverse events require your attention in connection with the completion of the audit

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Federal Compliance and Controls

- Federal programs are sampled for testing based on requirements outlined for auditors in the Uniform Guidance (Federal Guidelines)

- *Programs tested under the Uniform Guidance for the 2023-24 audit were as follows:*

Assistance Listing Numbers	Program Names	2023-24 Expenditures
84.425, 84.425U	Education Stabilization Fund (ESF) Programs	$14,926,738

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Audit Results

Type of Opinion	Results / Questioned Cost
Financial Statements	Unmodified
Federal Compliance	Unmodified
State Compliance	Qualified
GAGAS Compliance	Unmodified

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Audit Findings & Recommendations

- State Compliance – two findings were reported for the 2024 audit:
  - *Classroom Teacher Salaries* – The District's classroom teacher salaries as a percentage of current expense of education in the General Fund, was calculated to be 58.14%, which is deficient by 1.86% from the requirement of 60%, or $2,551,288.
  - *After/Before School Education and Safety Program* – A cumulative total of 3 days of attendance were noted to be reported in error, within the District's after school program. The total impact of this error was less than .50 ADA, therefore no fiscal impact was applicable.

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Financial Highlights

- Key Statistics:
  - Total assets of the District at June 30, 2024: $ 325.3 million
  - Total net position of the District at June 30, 2024: $ 3.3 million)
    - Net Pension Liability at June 30, 2024: $ (121.3 million)
  - Total change in net position for the District for the year ended June 30, 2024: $ 18.4 million
  - General Fund, Fund Balance at June 30, 2024: $ 77.5 million
  - In compliance with reserves recommended by the State of California

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Conclusion

- The District's financial statements are presented fairly in all material respects
- No corrected misstatements identified through our audit
- No audit findings related to internal controls and federal compliance
- Management and staff at the District office and school sites were prepared and responded timely to our requests
- The District's audit report was filed with the State Controller's Office before the December 15, 2024 reporting deadline

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Thank you

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