

ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2025-003 DEFICIENCY - STATE COMPLIANCE - UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)

Criteria: In accordance with Education Code Sections 14502.1, 14503, 2574(b)(3)(C), 44238.02(b)(3)(B), and 41020, pupils who meet the federal income eligibility criteria or are deemed to be categorically eligible for FRPM under the National School Lunch Program will be counted as FRPM-eligible. LEAs must report appropriate eligible pupil counts into the State's California Longitudinal Pupil Achievement Data System (CALPADS), to facilitate pupils to be counted as eligible for FRPM.

Condition: Three students sampled for compliance with the requirements of Unduplicated Local Control Funding Formula Pupil Counts, were noted to be improperly reported as eligible for Free and Reduced Priced Meals in the District's CALPADS reporting for the 2024-25 school year, for purposes of Unduplicated Local Control Funding Formula Pupil Counts. The following table summarizes the extrapolated impact of the identified errors:

Alum Rock Union Elementary School District					
Unduplicated pupil count based on:	<u>Enrollment</u>	<u>FRPM</u>	<u>ELAS</u>	<u>Both</u>	<u>TOTAL</u>
As certified on CALPADS	7,230	2,843	359	2,783	5,985
Audit Adjustments	-	(147)	-	(76)	(223)
Adjusted Counts	<u>7,230</u>	<u>2,696</u>	<u>359</u>	<u>2,707</u>	<u>5,762</u>

Effect: The District did not comply with the requirements for Unduplicated Local Control Funding Formula Pupil Counts.

Cause: The condition described above was the result of clerical errors in the accumulation of data for unduplicated pupil counts within the CALPADS reporting system for certain students added in the audit year.

Fiscal Impact: The error was extrapolated against the untested population of Unduplicated Local Control Funding Formula Pupil Counts, to determine a total error. The estimated fiscal penalty totals \$655,582, according to the California Department of Education's penalty calculator.

Identification of Repeat Finding: Not applicable.

Recommendation: The District's management team should implement or reinforce internal controls over compliance to ensure that all students are properly reflected in the CALPADS reporting with respect to free or reduced-price meal program counts.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the finding and has begun implementation of a revised process during the year ending June 30, 2025, to ensure accurate reporting of unduplicated local control funding formula pupil counts in succeeding years.