ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT
2930 Gay Avenue, San Jose, CA 95127

Office of Superintendent of Schools

ITEM REQUIRING ATTENTION - BOARD OF EDUCATION

To the Board of Trustees: Date: September 18, 2026

Subject: **Approval of Revised 2025 – 2026 Unaudited Actual Financial Report and Form CEA**

Support Information: On September 17, 2026, the Board approved the District's 2025-26 Unaudited Actuals and application for an Exemption from the Required Expenditures for Classroom Teachers' Salaries (Form CEA).
Following the Board meeting, District staff worked with the Santa Clara County Office of Education (SCCOE) to identify allowable adjustments that enable the District to meet the 60% classroom teacher salary expenditure requirement.
As a result, the District has revised the 2025-26 Unaudited Actuals and Form CEA. The revised Form CEA meets the 60% requirement; therefore, the District no longer needs to request an exemption. The revisions do not change the District's actual revenues or expenditures for 2025-26.

Fiscal Impact: No

Budget Source: Not Applicable

Recommended Action: Staff recommends that the Board of Trustees approve the 2025 – 2026 Unaudited Actuals Financial Report and Form CEA.

Recommend Approval

Submitted by: Teresa DeCelles Title: Assistant Superintendent, Business Services

Approved by: Dr. Marnie Hazelton Title: Superintendent

To the Board of Trustees: Meeting: September 24, 2026
Regular Board Meeting

Agenda Placement

Dr. Marnie Hazelton, Superintendent

DISPOSITION BY BOARD OF TRUSTEES

Motion by: _____ Seconded by: _____

Approved: _____ Not Approved: _____ Tabled: _____

Following is a summary of the critical data elements contained in your unaudited actual data. Since these data may have fiscal implications for your agency, please verify their accuracy before filing your unaudited actual financial reports.

Form	Description	Value
CEA	Percent of Current Cost of Education Expended for Classroom Compensation	60.06%
	Must equal or exceed 60% for elementary, 55% for unified, and 50% for high school districts or future apportionments may be affected. (EC 41372)	
	CEA Deficiency Amount	$0.00
	Applicable to districts not exempt from the requirement and not meeting the minimum classroom compensation percentage - see Form CEA for further details.	
ESMOE	Every Student Succeeds Act (ESSA) Maintenance of Effort (MOE) Determination	MOE Met
	If MOE Not Met, the 2027-28 apportionment may be reduced by the lesser of the following two percentages:	
	MOE Deficiency Percentage - Based on Total Expenditures	0.00%
	MOE Deficiency Percentage - Based on Expenditures Per ADA	0.00%
GANN	Adjustments to Appropriations Limit Per Government Code Section 7902.1	$0.00
	Adjusted Appropriations Limit	$61,763,199.82
	Appropriations Subject to Limit	$61,763,199.82
	These amounts represent the board approved Appropriations Limit and Appropriations Subject to Limit pursuant to Government Code Section 7906 and EC 42132.	
ICR	Preliminary Proposed Indirect Cost Rate	8.58%
	Fixed-with-carry-forward indirect cost rate for use in 2027-28 subject to CDE approval.	

UNAUDITED ACTUAL FINANCIAL REPORT:

To the County Superintendent of Schools:

2025-26 UNAUDITED ACTUAL FINANCIAL REPORT. This report was prepared in accordance with Education Code Section 41010 and is hereby approved and filed by the governing board of the school district pursuant to Education Code Section 42100.

Signed: _____ Date of Meeting: Sep 17, 2026

Clerk / Secretary of the Governing Board

(Original signature required)

Printed Name: Minh Pham Title: Board Clerk

To the Superintendent of Public Instruction:

2025-26 UNAUDITED ACTUAL FINANCIAL REPORT. This report has been verified for accuracy by the County Superintendent of Schools pursuant to Education Code Section 42100.

Signed: _____ Date: _____

County Superintendent/Designee

(Original signature required)

Printed Name: Dr. David M. Toston, Sr. Title: County Superintendent of Schools

For additional information on the unaudited actual reports, please contact:

For County Office of Education:	For School District:
Yen Lam	Mike Fogel
Name	Name
District Business Advisor	Interim Director, Fiscal Services
Title	Title
408-453-6510	408-928-6847
Telephone	Telephone
ylam@sccoe.org	michael.fogel@arusd.org
E-mail Address	E-mail Address

PART I - CURRENT EXPENSE FORMULA	Total Expense for Year (1)	EDP No.	Reductions (See Note 1) (2)	EDP No.	Current Expense of Education (Col 1 - Col 2) (3)	EDP No.	Reductions (Extracted) (See Note 2) (4a)	Reductions (Overrides)* (See Note 2) (4b)	EDP No.	Current Expense-Part II (Col 3 - Col 4) (5)	EDP No.
1000 - Certificated Salaries	58,552,780.81	301	0.00	303	58,552,780.81	305	639,696.10	3,536,005.70	307	55,016,775.11	309
2000 - Classified Salaries	23,439,021.04	311	24,402.36	313	23,414,618.68	315	2,666,332.73	5,965,119.88	317	17,449,498.80	319
3000 - Employee Benefits	41,567,213.40	321	2,733.90	323	41,564,479.50	325	1,718,861.96	4,437,383.55	327	37,127,095.95	329
4000 - Books, Supplies Equip Replace. (6500)	6,120,139.32	331	295,617.11	333	5,824,522.21	335	831,706.10	3,323,636.13	337	2,500,886.08	339
5000 - Services. . . & 7300 - Indirect Costs	35,100,155.40	341	148,596.15	343	34,951,559.25	345	4,056,005.96	23,098,861.19	347	11,852,698.06	349
				TOTAL	164,307,960.45	365			TOTAL	123,946,954.00	369

Note 1 - In Column 2, report expenditures for the following programs: Nonagency (Goals 7100-7199), Community Services (Goal 8100), Food Services (Function 3700), Fringe Benefits for Retired Persons (Objects 3701-3702), and Facilities Acquisition & Construction (Function 8500).

Note 2 - In Column 4, report expenditures for: Transportation (Function 3600), Lottery Expenditures (Resource 1100), Special Education Students in Nonpublic Schools (Function 1180), and other federal or state categorical aid in which funds were granted for expenditures in a program not incurring any teacher salary expenditures or requiring disbursement of the funds without regard to the requirements of EC Section 41372.

* If an amount (even zero) is entered in any row of Column 4b or in Line 13b, the form uses only the values in Column 4b and Line 13b rather than the values in Column 4a and Line 13a.

PART II: MINIMUM CLASSROOM COMPENSATION (Instruction, Functions 1000-1999)	Object		EDP No.
1. Teacher Salaries as Per EC 41011	1100	45,962,269.90	375
2. Salaries of Instructional Aides Per EC 41011	2100	3,470,051.27	380
3. STRS	3101 & 3102	12,618,230.26	382
4. PERS	3201 & 3202	1,612,542.29	383
5. OASDI - Regular, Medicare and Alternative	3301 & 3302	1,101,729.57	384
6. Health & Welfare Benefits (EC 41372) (Include Health, Dental, Vision, Pharmaceutical, and Annuity Plans)	3401 & 3402	8,148,123.50	385
7. Unemployment Insurance	3501 & 3502	24,330.95	390
8. Workers' Compensation Insurance	3601 & 3602	1,504,934.68	392
9. OPEB, Active Employees (EC 41372)	3751 & 3752	0.00	
10. Other Benefits (EC 22310)	3901 & 3902	0.00	393
11. SUBTOTAL Salaries and Benefits (Sum Lines 1 - 10)		74,442,212.42	395
12. Less: Teacher and Instructional Aide Salaries and Benefits deducted in Column 2		0.00	
13a. Less: Teacher and Instructional Aide Salaries and Benefits (other than Lottery) deducted in Column 4a (Extracted)		31,621.40	396
b. Less: Teacher and Instructional Aide Salaries and Benefits (other than Lottery) deducted in Column 4b (Overrides)*		0.00	396
14. TOTAL SALARIES AND BENEFITS		74,442,212.42	397
15. Percent of Current Cost of Education Expended for Classroom Compensation (EDP 397 divided by EDP 369) Line 15 must equal or exceed 60% for elementary, 55% for unified and 50% for high school districts to avoid penalty under provisions of EC 41372		60.06%	
16. District is exempt from EC 41372 because it meets the provisions of EC 41374. (If exempt, enter 'X')			

PART III: DEFICIENCY AMOUNT

A deficiency amount (Line 5) is only applicable to districts not meeting the minimum classroom compensation percentage required under EC 41372 and not exempt under the provisions of EC 41374.

1. Minimum percentage required (60% elementary, 55% unified, 50% high)	60.00%	
2. Percentage spent by this district (Part II, Line 15)	60.06%	
3. Percentage below the minimum (Part III, Line 1 minus Line 2)	0.00%	
4. District's Current Expense of Education after reductions in columns 4a or 4b (Part I, EDP 369)	123,946,954.00	
5. Deficiency Amount (Part III, Line 3 times Line 4)	0.00	

PART IV: Explanation for adjustments entered in Part I, Column 4b (required)

Form CEA provides a manual override to exclude funding on a resource-by-resource basis, provided that none of the funds were used for teacher salaries for instruction during the regular instructional day.

The following Resources were excluded: 2600,3010,3310,4127, 6332,6546,6547,6762,7032, 7311 and 7810.

Unaudited Actuals
Unaudited Actuals 2025-26
Technical Review Checks
Phase - All
Display - Exceptions Only

Alum Rock Union Elementary **Santa Clara County**

Following is a chart of the various types of technical review checks and related requirements:

F - Fatal (Data must be corrected; an explanation is not allowed)
W/WC - Warning/Warning with Calculation (If data are not correct, correct the data; if data are correct an explanation is required)
O - Informational (If data are not correct, correct the data; if data are correct an explanation is optional, but encouraged)

GENERAL LEDGER CHECKS

EFB-POSITIVE - (**Warning**) - Ending balance (Object 979Z) is negative for the following resources. Please explain the cause of the negative balances and your plan to resolve them. **Exception**

FUND	RESOURCE	NEG. EFB
21	0000	($253,749.97)

Explanation: For Fund 21, this is due to the GASB 31 Fair Market Value of Investments entry, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Our portion of the fair market value of the County's commingled pool at June 30, 2025 and 2026 are based on our cash positions as of June 30, 2025 and 2026, respectively, in proportion to the entire cash held in the commingled pool.

Total of negative resource balances for Fund 21 ($253,749.97)

OBJ-POSITIVE - (**Warning**) - The following objects have a negative balance by resource, by fund: **Exception**

FUND	RESOURCE	OBJECT	VALUE
21	0000	9790	($253,749.97)

Explanation: For Fund 21, this is due to the GASB 31 Fair Market Value of Investments entry, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Our portion of the fair market value of the County's commingled pool at June 30, 2025 and 2026 are based on our cash positions as of June 30, 2025 and 2026, respectively, in proportion to the entire cash held in the commingled pool.

REV-POSITIVE - (**Warning**) - In the following resources, total revenues exclusive of contributions (objects 8000-8979) are negative, by fund: **Exception**

FUND	RESOURCE	VALUE
21	0000	($107,332.54)

Explanation: For Fund 21, this is due to the GASB 31 Fair Market Value of Investments entry, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Our portion of the fair market value of the County's commingled pool at June 30, 2025 and 2026 are based on our cash positions as of June 30, 2025 and 2026, respectively, in proportion to the entire cash held in the commingled pool.