

**Burbank Unified School District
Administrative Services**

REPORT TO THE BOARD

TO: Members of the Board of Education

FROM: Andrew Cantwell, Assistant Superintendent, Administrative Services

PREPARED BY: Mariam Abdelhamid, Director of Fiscal Services

SUBMITTED BY: Terri Ramirez-Adams, Senior Administrative Assistant

DATE: June 20, 2024

SUBJECT: Report on Excess Reserves

Background:

Per Education Code Section 42127(a)(2)(B), districts that propose to adopt a budget that includes a combined assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties (REU) must provide the following information at the public hearing for their proposed budget prior to budget adoption:

- The minimum reserve for REU level required in each year identified in the budget
- The amount of assigned and unassigned ending fund balance that exceeds the REU in each year
- Reasons for the REU being greater than the minimum

District's required REU level:

The District is required to retain a 3% REU, the Board of Education recognizing their duty to maintain fiscal solvency set Board policy to reserve an additional 3%.

District's Assigned and Unassigned Ending Fund Balances:

	2024-25	2025-26	2026-27
Beginning Balance	\$41,932,235	\$32,501,468	\$21,479,998
Revenue	\$204,721,469	\$199,811,547	\$203,887,117
Expense	\$222,667,903	\$210,086,772	\$207,592,070
Non-Spendable	\$100,060	\$100,060	\$100,060
Vacation Liability	\$272,000	\$272,000	\$272,000
Committed	\$9,799,069	\$-0-	\$-0-
Assigned LCAP Supplemental	\$524,000	\$-0-	\$-0-
Restricted Ending Fund Balance	\$1,086,399	(\$2,746,054)	\$2,052,741

Reserve (REU) 3%	\$6,681,987	\$6,302,603	\$6,227,762
Board REU up to 3%	\$7,768,386	\$3,556,549	\$3,340,800
Unassigned Fund Balance	(\$1,224,701)	\$3,414,364	\$-0-

District's Reasons for Unassigned Ending Fund Balance in Excess of REU:

It is prudent for the District to carry an amount over the required and Board approved reserved to protect against the volatility of state revenues.

Financial Impact:

None

Recommendations:

Andrew Cantwell, Assistant Superintendent, Administrative Services, will report on the Ending Fund Balance in Excess of reserve for economic uncertainties (REU), as presented.