

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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INDEPENDENT AUDITORS' REPORT

Board of Education
Burbank Unified School District
Burbank, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Burbank Unified School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of budgetary comparison for the general fund, schedule of the district's proportionate share of the net pension liability, schedule of the district's contributions, schedule of changes in the net OPEB liability and related ratios, schedule of postemployment healthcare benefits employer contributions, and schedule of postemployment healthcare benefits money weighted rate of return on plan assets, and notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of average daily attendance (ADA), schedule of instructional time, reconciliation of the annual financial and budget report with the audited financial statements, combining nonmajor fund financial statements, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of average daily attendance (ADA), schedule of instructional time, reconciliation of the annual financial and budget report with the audited financial statements, combining nonmajor fund financial statements, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of financial trends and analysis, and the schedule of charter schools, which are the responsibility of management, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the LEA history and organization structure but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
December 9, 2024

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

INTRODUCTION

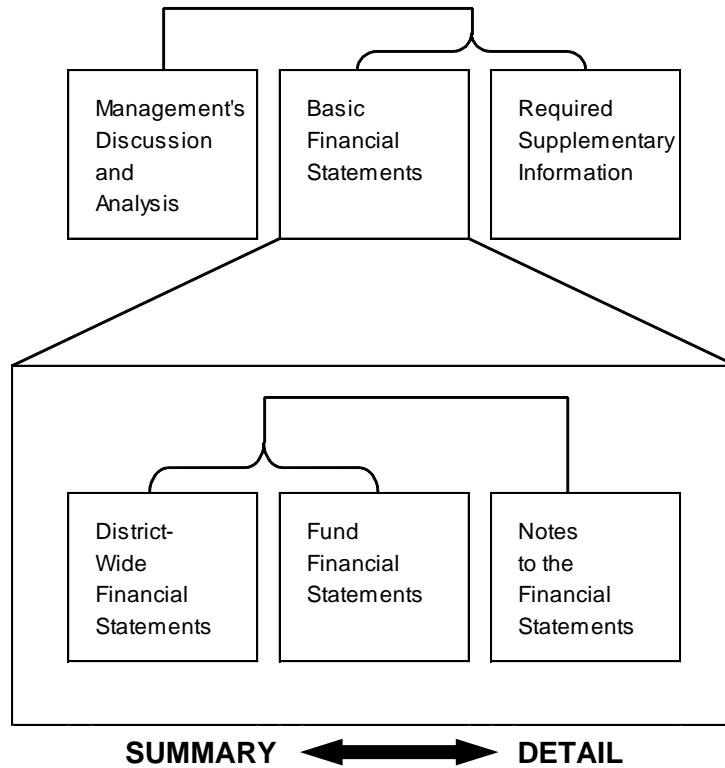
The purpose of this section of the audit report is to allow management to include for the sake of users' additional insights into the operations and trends of the school district in order to make these reports more meaningful. Users should also review the notes to the basic financial statements and the fund financial statements to enhance their understanding of the District's financial performance during the 2023-2024 fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts:

- (1) Management's Discussion and Analysis (this section)
- (2) The basic financial statements
- (3) The required supplementary information

Organization of the Burbank Unified Annual Financial Report



**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *short-term and long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District and report the District's operations in more detail.

The financial statements also include *notes* that explain some of the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with comparison of the District's budget for the year.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes *all* of the District's assets, deferred outflows, liabilities, and deferred inflows. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets plus deferred outflows minus liabilities and deferred inflows – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District one should consider additional nonfinancial factors such as changes in the district property tax base and the condition of school buildings and other facilities.
- GASB Statement No. 68 requires government entities to report their net pension liability in the accrual based financial statements beginning fiscal year 2014-15. This is a change in accounting principle designed to improve accounting and financial reporting and create additional transparency. The amount each entity is required to contribute is based on the difference between the actuarially determined rate and the contribution rate of employees. These studies were performed and provided by PERS and STRS.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Government-Wide Statements (Continued)

In the government-wide financial statements the District's activities are reported as follows:

- *Governmental activities*—All of the District's basic services are included here, such as regular and Special Education, Transportation, and Administration. Property Taxes and State Aid combined (local control funding formula) finance most of these activities. Other funds in the District include Child Development and Cafeteria, which are also considered governmental activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. While some funds are required by state law and by bond covenants, the majority of the District's activities are accounted for in the General Fund.

The District has three kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. It should be noted that a school district of Burbank's size is required to maintain a 3% reserve for economic uncertainties within the ending fund balance of its general fund. This reserve is calculated by multiplying 3% by total expenditures and other outgo of the general fund. However, Burbank Unified School District believes that a 6% reserve for economic uncertainties is more appropriate. The governmental funds statements provide a detailed *short-term* view that helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information in a reconciliation of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Enterprise/Internal Service Funds are considered business-type activities and are reported under a full accrual method. This is the same basis as business-type activities; therefore, no reconciling entries are required. The District has one Internal Service Fund, the Retirees Benefits Fund, used to account for payment of current year healthcare costs.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for assets that belong to others, such as the Retiree Benefits Trust Fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

FINANCIAL HIGHLIGHTS – Government-Wide Statements

**Table 1
Year-to-Year Comparison of Net Position (Millions)**

Summary of Statement of Net Position	Governmental Activities		Total Change
	2023	2024	
Assets			
Noncapital Assets	\$ 171.8	\$ 169.0	\$ (2.8)
Capital Assets	250.4	240.8	(9.6)
Total Assets	<u>422.2</u>	<u>409.8</u>	<u>(12.4)</u>
Deferred Outflows of Resources			
Deferred Loss on Refunding	4.7	3.7	(1.0)
Deferred Outflows of Resources - OPEB	16.2	12.1	(4.1)
Deferred Outflows of Resources - Pensions	42.3	50.1	7.8
Total Deferred Outflows of Resources	<u>63.2</u>	<u>65.9</u>	<u>2.7</u>
Liabilities			
Current Liabilities	30.5	25.1	(5.4)
Long-Term Liabilities	419.4	418.0	(1.4)
Total Liabilities	<u>449.9</u>	<u>443.1</u>	<u>(6.8)</u>
Deferred Inflows of Resources			
Deferred Inflows of Resources - Leases	15.5	14.9	(0.6)
Deferred Inflows of Resources - OPEB	14.4	17.2	2.8
Deferred Inflows of Resources - Pensions	23.9	14.8	(9.1)
Total Deferred Inflows of Resources	<u>53.8</u>	<u>46.9</u>	<u>(6.9)</u>
Net Position			
Net Investment in Capital Assets	110.8	104.9	(5.9)
Net Position Legally Restricted	79.8	81.4	1.6
Net Position Unrestricted	<u>(208.9)</u>	<u>(200.6)</u>	<u>8.3</u>
Total Net Position	<u>\$ (18.3)</u>	<u>\$ (14.3)</u>	<u>\$ 4.0</u>

The net position for the governmental activities decreased by approximately \$4 million over the prior year.

- Long-term liabilities and associated deferred outflows and inflows fluctuated primarily due to actuarially determined pension and retiree healthcare benefit liabilities.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

FINANCIAL HIGHLIGHTS – Government-Wide Statements (Continued)

**Table 2
Year-to-Year Comparison of Change in Net Position (Millions)**

Summary of Statement of Activities	Governmental Activities		Total Change
	2023	2024	
General Revenue:			
Property Taxes - General Purposes	\$ 67.5	\$ 73.1	\$ 5.6
Property Taxes - Debt Service	15.5	15.3	(0.2)
Property Taxes - Other Specific Purposes	1.8	2.2	0.4
Federal/State Aid	97.7	103.1	5.4
Interest/Investment Earnings	2.7	3.5	0.8
Miscellaneous	0.2	2.3	2.1
Total General Revenues	<u>185.4</u>	<u>199.5</u>	<u>14.1</u>
Net Expenditures after Program Revenues for:			
Instruction and Instruction-Related Services	90.3	125.6	35.3
Pupil Services	6.1	14.5	8.4
General Administration	8.5	14.1	5.6
Plant Services	18.0	19.5	1.5
Ancillary, Community, and Enterprise	0.6	0.5	(0.1)
Other Outgo	0.9	2.9	2.0
Debt Service	7.3	6.0	(1.3)
Depreciation and Amortization (Unallocated)	12.8	12.4	(0.4)
Total Expenditures	<u>144.5</u>	<u>195.5</u>	<u>51.0</u>
Change in Net Position	40.9	4.0	(36.9)
Net Position, Beginning of Year, Restated	<u>(59.2)</u>	<u>(18.3)</u>	<u>40.9</u>
Net Position, End of Year	<u>\$ (18.3)</u>	<u>\$ (14.3)</u>	<u>\$ 4.0</u>

Of the \$195.5 million in 2024 net expenditures, direct services to students represent 71.7% of the total. Plant services represent 10% of total expenditures. Depreciation and amortization expense represents 6.3% and general administration and interest on debt service represent about 7.2% and 3.1%, respectively.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds

- Total revenues were approximately \$270.8 million, down approximately \$8.4 million from the prior year. General Fund revenues were approximately \$229.4 million, down \$11.3 million from the prior year. The General Fund represents 85% of total revenues. Student enrollment at Burbank Unified decreased in 2023-24. State law changed post-COVID to allow the District to be funded on the average of the past three years, which is higher than current year ADA. Utilizing the three year average has helped reduce the full impact of the current enrollment and ADA decline. Inter-district transfers continue to help stabilize enrollment fluctuation. The District continues to accept inter-district enrollment transfers from neighboring districts when the parent of the student(s) works within the city's boundaries. The District has an excellent reputation academically, In the 2023-2024 school year the District accepted 155 new Interdistrict Permits, putting the District's active permit count that year at 1,316 Interdistrict permits for students who would otherwise be educated in other school districts.
- Total expenditures were approximately \$264.8 million, up \$27.2 million from the prior year. General Fund expenditures were approximately \$230.4 million, an increase over the prior year of approximately \$23.3 million. The General Fund represented 87% of total expenditures. The Board of Education will continue to monitor expenditures due to declining enrollment.
- General Fund revenue for the year was \$229.4 million with expenses of \$230.4 million. Along with an interfund transfer out of approximately \$161 thousand, this resulted in a decrease to the General Fund ending fund balance of \$1.2 million.

FINANCIAL HIGHLIGHTS – GENERAL FUND BUDGET AND ACTUAL REVENUES

The following items reflect significant variations between original budget amounts and actual results for the general fund:

- Local Control Funding formula (LCFF):
 - Actual State Revenues higher than the Original Budget by \$490 thousand. This is primarily due to LCFF investment of 8.22%, which was a late addition to the state budget and was on top of statutory COLA.
- Federal Revenue Sources:
 - Actual Revenues were higher than the Original Budget by \$2.3 million. This was due to COVID-19 relief funds received but not used to clear out accrual in FY2023-2024.
- Other State Revenue Sources:
 - Actual Revenues exceeded the Original Budget by \$12.4 million. This is primarily due to the recording of the STRS on-behalf payments.
- Other Local Revenue Sources:
 - Actual Revenues were higher than the Original Budget by \$6.7 million. The balance represents higher than anticipated receipt of local gifts, grants, and donations.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

FINANCIAL HIGHLIGHTS – GENERAL FUND BUDGET AND ACTUAL EXPENDITURES

- **Certificated Salaries:**
 - Actual Expenditures were less than the Original Budget by \$6.4 million.
- **Classified Salaries:**
 - Actual Expenditures were higher than Original Budget by \$1.9 million. This is primarily due to over budget of CSEA pay increase around 7%.
- **Books and Supplies:**
 - Actual Expenditures were lower than the Original Budget by \$6.9 million. This is due to movement of expenditures from Books and Supplies into Contract Services.
- **Contracted Services:**
 - Actual Expenditures were higher than Original Budget by approximately \$5.4 million. This is due to contracting with Non-Public Agencies (NPA), which was necessary to fill vacant positions that are unfilled yet required for students with Individual Educational Plans.
- **Capital Outlay:**
 - Actual Expenditures were higher than Original Budget by approximately \$1.1 million due to the increase of schedule of maintenance projects.

FINANCIAL HIGHLIGHTS – INDIVIDUAL MAJOR FUNDS

Special Reserve for Capital Outlay

The Special Reserve for Capital Outlay is a fund used for district facilities projects that are not funded through the Capital Facilities Fund, nor from state construction funds. This fund holds dollars that were transferred from the General Fund at the direction of the Board of Education, for specific facility purposes. Its primary source of funding has been state funded projects in prior years that were completed with excess funds available and community redevelopment funds. It also earns interest income, and occasionally can receive revenues from sale of property.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

FINANCIAL HIGHLIGHTS – INDIVIDUAL MAJOR FUNDS (CONTINUED)

Special Reserve for Capital Outlay (Continued)

- The Special Reserve for Capital Outlay Fund began 2023-24 with a fund balance of \$17.3 million and ended the year with a fund balance of \$19.6 million.
- \$2.4 million of this fund balance is held in reserve for future maintenance of the high school athletic fields as per an agreement with the City of Burbank. This reserve is increased by \$150,000 annually.

Bond Interest and Redemption Fund

- The Bond Interest and Redemption Fund is used to account for the collection of tax on voter approved general obligation bonded debt. Assessment, collection, and payment of the principal and interest on the general obligation bonds is managed by the County Assessor and County Auditor- Controller as applicable.

FINANCIAL HIGHLIGHTS – INDIVIDUAL NONMAJOR FUNDS

Student Activity Fund

The Student Activity Fund is used to account for the activity of the District's Associated Student Body organizations which raise and expend money to promote the general welfare, morale, and educational experiences of students. The amounts reported represent the combined totals of all schools within the District that operate Associated Student Body Funds.

- The Student Activity Fund began 2023-24 with a fund balance of \$1.6 million and ended the year with a fund balance of \$2.5 million.

Adult Education Fund

The Adult Education Fund exists to record the financial activities of the Burbank Adult Education School. Prior to state legislated Tier III flexibility, the adult education funds were held completely separate from the General Fund. After the state flexibility was legislated in 2008-09, adult education funds were available for use in the General Fund. Burbank Unified has elected to keep the Adult Education Fund as a separate fund and not include it into the General Fund.

Funding continues to be received directly from the state into the Adult Education Fund based on 2022-23 expenditures, under the direction of LARAEC, Los Angeles Regional Adult Education Consortium.

- The Adult Education Fund began 2023-24 with a fund balance of \$4.5 million, and ended the year with a fund balance of \$4.4 million.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

FINANCIAL HIGHLIGHTS – INDIVIDUAL NONMAJOR FUNDS (CONTINUED)

Child Development Fund

The Child Development Fund is established for operations of state funded preschool and childcare programs, as well as district-run childcare and after-school programs. The Child Development Fund, and related programs, have experienced large reductions in state funding. The last several years the state funded child development program and preschool program have run at a deficit, which has been large enough to create an overall deficit for the fund. The District is addressing the deficit by increasing rates; and as of 2021-22, the District closed its Horace Mann Child Care Center, which is now operated by YMCA. However, costs are outpacing the rate increase and in FY2024-25 the rate of the program will be increased by 15% to cover the gap and allow the Child Development Fund to be self-supporting.

- The Child Development Fund began 2023-24 with a fund balance of \$484 thousand and ended the year with a fund balance of \$445 thousand.

Cafeteria Fund

The Cafeteria Fund began 2023-24 with a fund balance of \$4 million and ended the year with a fund balance of \$6.6 million.

Deferred Maintenance Fund

The state discontinued providing its contribution in 2013-14 and included it as part of the LCFF allocations. Revenues earned in this fund are a result of interest earnings on the balance carried forward from years past.

- The Deferred Maintenance Fund began 2023-24 with a fund balance of \$484 thousand, and ended the year with a fund balance of \$180 thousand.

Building Fund

The Building Fund began 2023-24 with a fund balance of \$5.2 million and ended the year with a fund balance of \$4.2 million.

Capital Facilities Fund

The Capital Facilities Fund, also known as the Developer Fee Fund, received revenues from impact fees charged to residents for new residential and commercial construction. Total revenues were \$2.6 million for 2023-24. This fund is used to pay for growth-related facilities projects, as needs arise.

- The Capital Facilities Fund began 2023-24 with \$6.8 million in fund balance, and ended the year with \$9.4 million.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

FINANCIAL HIGHLIGHTS – INTERNAL SERVICE AND TRUST FUNDS

Retiree Benefits Fund – Self Insurance Fund

The Retiree Benefits Self Insurance Fund covers the cost of retiree health benefits annually. In 2022-23, the District resumed its contribution for half of the year at 0.86%. The total net position in this fund at year-end was \$1.8 million.

Retiree Benefits Fund – Trust Fund

The Governing Board maintains its own irrevocable trust with Principal Custody Solutions as its Trustee, and has recorded the activity of the trust in a separate Retiree Benefits Fund. This fund was established by the Board of Education to begin to accumulate balances sufficient to meet the obligations defined by GASB Statement No. 74/75 and the District's actuarial study of postretirement benefits.

- The Retiree Benefits Fund (irrevocable trust) began 2023-24 with a deficit net position of \$1.3 million, and ended the year with net position of \$1.4 million. The increase is due to net investment gains. The Trust is in the process of being liquidated as of December 2024 and the Retiree Benefits Fund will be supported by the General Fund in the out years.

OTHER INFORMATION

Over the course of the year, the District revises its annual operating budget several times. The District is required to adopt its budget by June 30th each year, which is often prior to final funding information from the State. After the state budget is adopted, the District is required to analyze the impact of the state budget to the District budget within 45 days of the Governor's signature. Any necessary budget revisions are then made to reflect the impact. The District is also required by law to make two formal presentations each year on its financial condition, projecting both budget and cash flow for the current and two future fiscal years. Budget revisions are made after these presentations to reflect current information. The District makes additional budget revisions throughout the year as information regarding funding and expenditures becomes available.

Debt and Capital Assets

General Obligation Bond and Related Capital Improvements

The District passed a \$110 million General Obligation Bond in March of 2013. Additional modernization projects and facilities projects began in the summer of 2013. In 2023-24, the District spent \$1.2 million for modernization projects at Huerta Middle School, Edison Elementary School, Jefferson Elementary School, McKinley Elementary School, Miller Elementary School, Roosevelt Elementary School and Stevenson Elementary School.

Additional information on capital assets can be found at Note 8 and additional information on long-term liabilities can be found at Notes 9 to 14.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Average Daily Attendance

Average daily attendance for Burbank decreased. However, the District continues to attract inter-district attendance to backfill the natural attrition in student enrollment which would otherwise reduce its attendance base. Due to its excellent reputation, the District continues to receive more applications for inter-district attendance than it can grant. By policy, any families who work within the District's boundaries may apply for inter-district attendance and bring their school-aged children to Burbank schools if space allows.

FACTORS BEARING ON THE DISTRICT'S FINANCIAL FUTURE

The District is highly dependent upon the state of California's economic outlook in all aspects of its operation. The Board of Education's decision to set aside an additional 3% reserve within its fund balance, making a total of 6% set aside for economic uncertainties, is one factor that provides additional assurance of solvency during the State's financial difficulties. The following represent elements that could potentially affect the District's financial profile.

- The District's enrollment pattern has shown a decrease over the last two fiscal years, even though inter-district attendance remains strong. The District experienced a decline in enrollment due to the COVID-19 pandemic in 2023-24. The District continues to monitor this trend closely, however, the District does expect the trend to continue.
- The increasing costs of district-paid STRS and PERS is outpacing the revenue coming into the district. The state reduced the contribution percentage for 2019-21 and 2020-21 in an effort to fiscally aid districts during the COVID-19 crisis. However, for 2022-23, the contributions return to their former rates. This increase with the continued decrease in enrollment poses a significant fiscal burden.
- The state has completed LCFF implementation and the District is funded at 100% of the target funding. Now that all Districts are at full funding the only increases to revenue will be COLA. The COLA for 2023-24 was 8.22%.
- The District has inherent increased costs each fiscal year due to "step" increases that result from contracted bargaining unit language, and also inherent increased costs annually due to health insurance increases, and other supply and material cost increases. These increased costs will be especially scrutinized as future year District budgets are adopted with little funding increases.
- Districts have been cautioned to increase their reserve in preparation for the next recession. The state is faced with an unpredictable economy due to the COVID-19 pandemic crisis. The required reserve for economic uncertainty of 3% plus additional board 3% reserve for a total 6% reserve will not cover one month of payroll.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

CONTACTING THE DISTRICT'S FINANCIAL TEAM

This financial report provides the most current information regarding the District's financial status. The level of detail is complex. Some users may wish for additional information. Any questions about this report may be directed to Andrew Cantwell, Assistant Superintendent, Administrative Services (818) 729-4473.

BASIC FINANCIAL STATEMENTS

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental Activities
ASSETS	
Cash in County Treasury	\$ 132,317,338
Cash on Hand and in Banks	3,178,517
Cash in Revolving Fund	25,060
Cash with Fiscal Agent	25
Accounts Receivable	18,112,574
Lease Receivable	15,316,493
Stores	49,361
Land	7,621,124
Capital Assets, Net of Depreciation and Amortization	233,146,655
Total Assets	409,767,147
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - Refunding	3,666,226
Deferred Outflows - OPEB	12,139,310
Deferred Outflows - Pensions	50,107,752
Total Deferred Outflows of Resources	65,913,288
LIABILITIES	
Accounts Payable and Other Current Liabilities	21,742,305
Accrued Interest Payable	1,849,426
Unearned Revenue	1,509,124
Long-Term Liabilities:	
Due Within One Year Other than Pensions and OPEB	12,571,620
Net Other Postemployment Benefits (OPEB) Due Within One Year	2,169,794
Due in More Than One Year Other than Pensions and OPEB	167,502,350
Net OPEB Liabilities	69,255,443
Net Pension Liability	166,518,792
Total Liabilities	443,118,854
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - Leases	14,870,520
Deferred Inflows - OPEB	17,314,347
Deferred Inflows - Pensions	14,745,183
Total Deferred Inflows of Resources	46,930,050
NET POSITION	
Net Investment in Capital Assets	104,870,842
Restricted for:	
Debt Service	13,047,950
Construction Projects	25,175,161
Routine Restricted Maintenance	1,240,521
Educational Programs	22,704,573
Child Nutrition Programs	6,606,511
Student Activities	2,455,617
Classified Employee Summer Assistance Program	272,705
District and Site Operations	9,866,591
Unrestricted	(200,608,940)
Total Net Position	\$ (14,368,469)

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions	Expenses	Program Revenues			Governmental Activities	Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities:						
Instruction	\$ 152,662,657	\$ 4,669,124	\$ 42,575,046	\$ -	\$	(105,418,487)
Instruction - Related Services	24,934,720	559,144	4,162,982	-		(20,212,594)
Pupil Services	26,900,200	2,134,831	10,276,620	-		(14,488,749)
Ancillary Services	1,575,382	519,184	484,108	-		(572,090)
Community Services	178,300	129,659	119,751	-		71,110
General Administration	16,831,392	265,701	2,452,023	-		(14,113,668)
Plant Services	20,862,066	153,412	1,187,270	-		(19,521,384)
Other Outgo	3,369,137	38,736	410,249	-		(2,920,152)
Debt Service - Interest	5,963,983	-	-	-		(5,963,983)
Depreciation and Amortization (Unallocated)	12,449,400	-	-	-		(12,449,400)
Total Governmental Activities	\$ 265,727,237	\$ 8,469,791	\$ 61,668,049	\$ -		(195,589,397)

GENERAL REVENUES AND SUBVENTIONS

Property Taxes Levied for:	
General Purposes	73,135,835
Debt Service	15,345,476
Other Specific Purposes	2,189,722
Federal and State Aid not Restricted to	
Specific Purposes	103,080,186
Interest and Investment Earnings	3,492,410
Miscellaneous	2,309,449
Total General Revenues	199,553,078

CHANGE IN NET POSITION

	3,963,681
Net Position - Beginning of Year	(18,332,150)
NET POSITION - END OF YEAR	\$ (14,368,469)

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General Fund	Special Reserve Fund for Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash in County Treasury	\$ 74,730,620	\$ 19,628,762	\$ 39,719,731	\$ 134,079,113
Cash on Hand and in Banks	451,916	-	2,726,601	3,178,517
Cash in Revolving Fund	25,060	-	-	25,060
Cash with Fiscal Agent	25	-	-	25
Accounts Receivable	16,087,970	202,630	1,821,974	18,112,574
Lease Receivable	15,316,493	-	-	15,316,493
Stores	20,292	-	29,069	49,361
	<u>74,730,620</u>	<u>19,628,762</u>	<u>39,719,731</u>	<u>134,079,113</u>
Total Assets	<u>\$ 106,632,376</u>	<u>\$ 19,831,392</u>	<u>\$ 44,297,375</u>	<u>\$ 170,761,143</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable and Current Liabilities	\$ 19,893,327	\$ 247,643	\$ 1,519,595	\$ 21,660,565
Unearned Revenue	1,409,839	-	99,285	1,509,124
Total Liabilities	<u>21,303,166</u>	<u>247,643</u>	<u>1,618,880</u>	<u>23,169,689</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Leases	14,870,520	-	-	14,870,520
Total Deferred Inflows of Resources	<u>14,870,520</u>	<u>-</u>	<u>-</u>	<u>14,870,520</u>
FUND BALANCES				
Nonspendable	45,352	-	29,069	74,421
Restricted	32,758,348	13,738,156	40,423,170	86,919,674
Assigned	-	5,845,593	2,226,256	8,071,849
Unassigned	37,654,990	-	-	37,654,990
Total Fund Balances	<u>70,458,690</u>	<u>19,583,749</u>	<u>42,678,495</u>	<u>132,720,934</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 106,632,376</u>	<u>\$ 19,831,392</u>	<u>\$ 44,297,375</u>	<u>\$ 170,761,143</u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds \$ 132,720,934

Amounts reported for governmental funds are different than the Statement of Net Position because:

Capital assets used in governmental activities are not financial resource and, therefore, are not reported as assets in governmental funds. These assets consist of:

Land	\$ 7,621,124	
Capital Assets, Net of Depreciation and Amortization	<u>233,146,655</u>	240,767,779

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:

General Obligation Bonds Payable and Related Premium	(161,603,930)	
Finance Purchase	(12,606,814)	
Lease Liability	(293,112)	
SBITA Liability	(225,799)	
Compensated Absences	(5,344,315)	
Net Other Postemployment Benefits Other than Pensions (OPEB)	(71,425,237)	
Net Pension Liability	<u>(166,518,792)</u>	(418,017,999)

In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods. Deferred outflows and inflows of resources at year-end consist of:

Deferred Outflows - Refunding	3,666,226	
Deferred Outflows - OPEB	12,063,312	
Deferred Outflows - Pensions	50,107,752	
Deferred Inflows - OPEB	(17,238,349)	
Deferred Inflows - Pensions	<u>(14,745,183)</u>	33,853,758

An internal service funds is used by the District to cover the cost of retiree benefits. The assets and liabilities should be included with governmental activities. The net position is: (1,843,515)

Interest expense related to general obligation bonds payable was incurred but not accrued through June 30, 2024. (1,849,426)

Total Net Position - Governmental Activities \$ (14,368,469)

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

	General Fund	Special Reserve Fund for Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Local Control Funding Formula Sources:				
State Apportionments	\$ 96,315,926	\$ -	\$ -	\$ 96,315,926
Local Sources	<u>73,135,834</u>	<u>-</u>	<u>-</u>	<u>73,135,834</u>
Total Local Control Funding Formula Sources	169,451,760	-	-	169,451,760
Federal Sources	8,801,278	-	4,544,343	13,345,621
Other State Sources	41,517,947	-	10,396,256	51,914,203
Other Local Sources	9,630,896	2,878,781	23,602,700	36,112,377
Total Revenues	<u>229,401,881</u>	<u>2,878,781</u>	<u>38,543,299</u>	<u>270,823,961</u>
EXPENDITURES				
Instruction	146,373,073	-	6,326,148	152,699,221
Instruction - Related Services	22,653,596	-	2,052,850	24,706,446
Pupil Services	19,990,136	-	7,033,746	27,023,882
Ancillary Services	1,552,496	-	-	1,552,496
Community Services	172,760	-	-	172,760
General Administration	15,790,193	-	809,221	16,599,414
Plant Services	20,507,949	621,913	2,105,415	23,235,277
Other Outgo	3,369,137	-	-	3,369,137
Debt Service	-	-	15,427,615	15,427,615
Total Expenditures	<u>230,409,340</u>	<u>621,913</u>	<u>33,754,995</u>	<u>264,786,248</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,007,459)	2,256,868	4,788,304	6,037,713
OTHER FINANCING SOURCES (USES)				
Interfund Transfer In	-	-	160,996	160,996
Interfund Transfer Out	<u>(160,996)</u>	<u>-</u>	<u>-</u>	<u>(160,996)</u>
Total Other Financing Sources (Uses)	<u>(160,996)</u>	<u>-</u>	<u>160,996</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,168,455)	2,256,868	4,949,300	6,037,713
Fund Balances - Beginning of Year	<u>71,627,145</u>	<u>17,326,881</u>	<u>37,729,195</u>	<u>126,683,221</u>
FUND BALANCES - END OF YEAR	<u>\$ 70,458,690</u>	<u>\$ 19,583,749</u>	<u>\$ 42,678,495</u>	<u>\$ 132,720,934</u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds \$ 6,037,713

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Capital Outlay, net of Adjustments	\$ 2,845,771	
Depreciation and Amortization Expense	(12,449,400)	
Excess (Deficiency) of Capital Outlay Over Depreciation and Amortization Expense		(9,603,629)

Governmental funds report the repayment of debt principal and interest when payments are due. In the Statement of Activities, debt principal is eliminated and reported as a reduction in debt in the Statement of Net Position, and interest is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of debt and related items is as follows:

Finance Purchase	785,809	
Principal Payments on Leases	476,291	
Principal Payments on SBITAs	273,403	
General Obligation Bond Principal and Accreted Interest Payments	<u>11,970,000</u>	13,505,503

In governmental funds, pension costs are recognized when the employer contribution is made, but in the Statement of Activities, pension costs are recognized on the accrual basis. The difference between accrual basis pension costs and actual employer contribution was: 5,659,202

In governmental funds, OPEB costs are recognized when the health and welfare payments are made, but in the Statement of Activities, OPEB costs are recognized on the accrual basis. The difference between accrual basis OPEB costs and actual health and welfare payments: (5,289,102)

Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Decrease in Deferred Outflows - Refunding	(1,023,132)	
Decrease in Accrued Interest Payable	(741,682)	
Accreted Interest Accrual	(2,596,380)	
Premium on General Obligation Bonds - Amortization	319,323	
Net Increase in Compensated Absences	<u>(310,359)</u>	(4,352,230)

An internal service fund is used by the District to charge the costs of postemployment benefits to the individual funds. The net loss of the internal service fund is reported with governmental activities. (1,993,776)

Change in Net Position of Governmental Activities \$ 3,963,681

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2024**

	Governmental Activities Internal Service Fund <hr/> Retiree Benefits Self-Insurance Fund <hr/>
ASSETS	
Due from Fiscal Agent	\$ -
Total Assets	<hr/> -
LIABILITIES	
Deficit in County Treasury	1,761,775
Accounts Payable	81,740
Total Liabilities	<hr/> 1,843,515
NET POSITION	
Unrestricted	<hr/> (1,843,515)
Total Net Position	<hr/> <u>\$ (1,843,515)</u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024**

	Governmental Activities Internal Service Fund <hr/> Retiree Benefits Self-Insurance Fund <hr/>
OPERATING REVENUES	
In-District Premiums/Contributions	\$ -
Total Operating Revenues	<hr/> -
OPERATING EXPENDITURES	
Benefits and Other Operating Expenses	<hr/> 1,993,776
Total Operating Expenditures	<hr/> 1,993,776
OPERATING LOSS	(1,993,776)
Net Position - Beginning of Year	<hr/> 150,261
NET POSITION - END OF YEAR	<hr/> \$ (1,843,515) <hr/>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024**

	Governmental Activities Internal Service Fund <hr/> Retiree Benefits Self-Insurance Fund <hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Paid for Benefits and Other Operating Expenses	\$ (1,912,036)
Net Cash Used by Operating Activities	<u>(1,912,036)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	<u>(3,322)</u>
Net Cash Used by Investing Activities	<u>(3,322)</u>
NET DECREASE IN CASH	(1,915,358)
Cash - Beginning of Year	<u>153,583</u>
CASH - END OF YEAR	<u><u>\$ (1,761,775)</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (1,993,776)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Increase in Accounts Payable	<u>81,740</u>
Net Cash Used by Operating Activities	<u><u>\$ (1,912,036)</u></u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024**

	<u>Retiree Benefits Trust Fund</u>
ASSETS	
Investments with Fiscal Agent	<u>\$ 1,414,008</u>
Total Assets	<u>1,414,008</u>
NET POSITION	
Held in Trust for Other Postemployment Benefits	<u>1,414,008</u>
Total Net Position	<u>\$ 1,414,008</u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024**

	Retiree Benefits Trust Fund
ADDITIONS	
Employer Contributions	\$ 2,169,794
Investment Gain:	
Interest Income and Dividends	56,725
Realized Gain on Investments	815
Unrealized Gain on Investments	29,663
Net Investment Gain	87,203
Total Additions	2,256,997
DEDUCTIONS	
Benefit Payments	2,169,794
Other Expenses	5,000
Total Deductions	2,174,794
CHANGE IN NET POSITION	82,203
Net Position - Beginning of Year	1,331,805
NET POSITION - END OF YEAR	\$ 1,414,008

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual, updated to conform to the most current financial and reporting requirements promulgated by the California Department of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The significant accounting policies applicable to the District are described below.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with GAAP as prescribed by GASB. The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the District's financial activities. Fiduciary activities are excluded from the basic financial statements and are reported separately in the fiduciary fund statements.

The District's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements.

Government-Wide Financial Statements

The statement of net position and the statement of activities displays information about the District as a whole. These statements include the financial activities of the primary government, including governmental activities of proprietary funds. Fiduciary funds are excluded.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District. Depreciation, amortization, and interest expense have not been allocated to specific functions.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary and proprietary funds are reported by type.

The fund financial statement expenditures are presented in a function-oriented format. The following is a brief description of the functions:

Instruction: includes the activities directly dealing with the interaction between teachers and students.

Instruction-Related Services: includes supervision of instruction, instructional library, media and technology, and school site administration.

Pupil Services: includes home to school transportation, food services, and other pupil services.

Ancillary Services: includes activities that are generally designed to provide students with experiences outside the regular school day.

Community Services: includes activities that provide services to community participants other than students.

General Administration: includes data processing services and all other general administration services.

Plant Services: includes activities of maintaining the physical plant. This also includes facilities acquisition and construction expenditures.

Other Outgo: includes transfers to other agencies.

Debt Service: includes principal and interest payments for long-term debt.

The proprietary and fiduciary fund expenditures are presented by natural classification.

Fund Accounting

To ensure compliance with the California Education Code, the financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations, and equities.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The statement of revenues, expenditures, and changes in fund balance are statements of financial activities of the particular fund related to the current reporting period. Expenditures of the various funds frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization. The modified accrual basis of accounting is used for all governmental funds.

Governmental Funds – Major

General Fund: used to account for all financial resources except those required to be accounted for in another fund. In addition, balances held in the payroll clearance fund no longer meet the definition of fiduciary activities and are therefore reported in the General Fund.

Special Reserve Fund for Capital Outlay: used to account for specific board-approved capital expenditures.

Governmental Funds – Nonmajor

Special Revenue Funds: used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Student Activity Fund: used to account for raising and expending money to promote the general welfare, morale, and educational experiences of the student body. The amounts reported represent the combined totals of all schools within the District that operate Associated Student Body Funds.

Adult Education Fund: used to account for resources restricted or committed to adult education programs maintained by the District.

Child Development Fund: used to account for resources committed to child development programs.

Cafeteria Fund: used to account for revenues received and expenditures made to operate the District's food service programs.

Deferred Maintenance Fund: used for the purpose of major repair or replacement of District property. The District has taken formal action to commit state apportionment funding from the local control funding formula to this fund for the continued operation of the original program. The fund, therefore, meets the requirements to be reported as a Special Revenue fund.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds – Nonmajor (Continued)

Capital Projects Funds: used to account for the financial resources that are restricted, committed or assigned for the acquisition and/or construction of major governmental general capital assets.

Building Fund: used to account for construction projects funded by the proceeds of voter approved bonds.

Capital Facilities Fund: used to account for resources received from residential and commercial developer impact fees.

Debt Service Fund: used to account for the financial resources that are restricted, committed, or assigned and the accumulation of resources for, the payment of general long-term debt principal, interest, and related costs.

Bond Interest and Redemption Fund: used to account for the payment of principal and interest on general long-term debt.

Proprietary Funds

Self-Insurance Fund

Internal Service Fund: used to account for payment of current year retiree healthcare costs within the Retiree Benefits Self-Insurance Fund.

Fiduciary Funds

Retiree Benefits Trust Fund: used to accumulate irrevocable contributions for future retiree healthcare costs.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. Revenues in governmental fund financial statements are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of state apportionment, interest, and reimbursement grants which are considered available as they are collectible within one year.

Government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Governmental funds are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable revenue, and in the presentation of expenses versus expenditures.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash in the County Treasury is recorded at cost, which approximates fair value.

Receivables

Receivables are generally recorded when the amount is earned and can be estimated. All material receivables are considered fully collectible.

Stores

Stores are presented at the lower of cost or market on an average basis and are expensed when used. Stores inventory consists of expendable supplies held for consumption. At June 30, 2024, the inventory for supplies is \$30,486. The inventory for food is \$22,314.

Capital Assets

Generally, capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the statement of net position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined by GASB. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except for land, art collection and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	35 Years
Furniture and Equipment	5 to 15 Years
Vehicles	8 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Charge on Refunding: A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition priced. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Outflows/Inflows – Other Postemployment Benefits (OPEB): The deferred outflows/inflows of resources related to OPEB results from the effects of actuarially-determined changes to the OPEB plan. These amounts are deferred and amortized as detailed in Note 13 to the financial statements.

Deferred Outflows/Inflows – Pensions: The deferred outflows/inflows of resources related to pensions resulted from District contributions to employee pension plans subsequent to the measurement date of the actuarial valuations for the pension plans and the effects of actuarially-determined changes to the pension plan. These amounts are deferred and amortized as detailed in Note 15 to the financial statements.

Deferred Inflows – Leases: The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods, less any lease incentives paid, to or on behalf of the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that eligibility requirements have been met. Unearned revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenditures.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Sick leave benefits are accumulated without limit for each employee. The employees do not gain a vested right to accumulated sick leave, therefore, accumulated employee sick leave benefits are not recognized as a liability of the District. The District's policy is to record sick leave as an operating expense in the period taken. However, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Long-Term Obligations

The District reports long-term debt of governmental funds at face value in the government-wide financial statements. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Postemployment Benefits Other than Pension (OPEB)

For purposes of measuring the District's OPEB liability related to the OPEB Trust, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trust and additions to/deductions from the OPEB Trust fiduciary net position have been determined on the same basis as they are reported by the trustee. For this purpose, the Trustee recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are report at cost.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Pension Liability

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (collectively, the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, plan contributions are recognized in the payroll period in which they are earned and benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on use through external restrictions imposed by donors, grantors, laws, or regulations of other governments or by enabling legislation adopted by the District. The residual balance is classified as unrestricted net position.

Fund Balance Classification

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classification (Continued)

Committed: Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Education. These amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same formal action (vote or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Education, through a formal action has given authority to the Assistant Superintendent of Administrative Services to assign amounts for a specific purpose that is neither restricted nor committed.

Unassigned: The residual fund balance for the General Fund and all other spendable amounts. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

Spending Order Policy

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted net position or fund balance is available.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District's policy considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment functions.

Minimum Fund Balance Policy

The District has adopted a minimum fund balance policy in order to protect against revenue shortfalls and unexpected one-time expenditures. The Board of Education recognizes that good fiscal management comprises the foundational support of the entire District. To make that support as effective as possible, the Board has established a general fund reserve of 6% for economic uncertainty, which exceeds the requirements of law of 3%. The District was unable to meet their policy; however, they still maintained the state recommended reserve.

State Apportionments

Certain current year apportionments from the state are based upon various financial and statistical information of the previous year. Second period to annual corrections for local control funding formula and other state apportionments (either positive or negative) are accrued at the end of the fiscal year.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1st. Taxes are payable in two installments on November 1st and February 1st. Unsecured property taxes are payable in one installment on or before August 31st.

Real and personal property tax revenues are reported in the same manner in which the County auditor records and reports actual property tax receipts to the California Department of Education. This is generally on a cash basis. A receivable has not been recognized in the General Fund for property taxes due to the fact that any receivable is offset by a payable to the state for local control funding formula purposes. Property taxes for debt service purposes are not material and have therefore not been accrued in the government-wide financial statements.

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The state of California makes direct on-behalf payments for retirement benefits to the State Teachers' Retirement System (STRS) on behalf of all school districts in California. The amount of on-behalf payments made for the District has been recorded in the fund financial statements.

Contributed Services

GAAP require that contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are to be recorded at fair value in the period received. Although the District receives numerous hours of volunteer time, it is not deemed necessary to record these hours on the books of the District based on the above guidelines. In addition, the District receives donations of immaterial equipment and supplies which are not recorded upon receipt.

Classification of Revenues – Proprietary Funds

Proprietary funds distinguish operating revenues from nonoperating revenues. Operating revenues include activities that have the characteristics of exchange transactions, such as food service sales, federal and most state and local grants and contracts, and self-insurance premiums. Nonoperating revenues include activities that have the characteristics of nonexchange transactions that are defined as nonoperating revenues by GASB.

Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of elected officials who, together, constitute the Board of Education.

The District considered its financial and operational relationships with potential component units under the reporting entity definition of GASB. The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and a financial benefit or burden relationship is present and that the dependent unit should be reported as part of the other.

Oversight responsibility is derived from the District's power and includes, but is not limited to: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters.

Due to the nature and significance of their relationship with the District, including ongoing financial support of the District or its other component units, certain organizations warrant inclusion as part of the financial reporting entity. A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.
- The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

Based upon the application of the criteria listed above, the following potential component units have been excluded in the District's reporting entity:

The Burbank Arts and Education Foundation: In October 2020, the Burbank Education Foundation and the Burbank Arts For All Foundation merged to form the Burbank Arts and Education Foundation. The Foundation is a separate nonprofit corporation formed to promote and assist educational, the visual and performing arts programs of the District. The Board of Directors is elected by their own Board and independent of any District Board of Education appointments. The Board is responsible for approving its own budget and accounting and finance related activities. Separate financial statements for the Foundation may be obtained through the District.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 BUDGETS

By state law, the District's Governing Board must approve a budget no later than July 1, using the Single Adoption Budget process. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements. Budgets for all governmental funds were adopted on a basis consistent with GAAP.

These budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. The original and final revised budget for the General Fund is presented in a budgetary comparison schedule in the required supplementary section.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. Expenditures cannot legally exceed appropriations by major object account.

NOTE 3 DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has not established a policy for custodial risk that follows requirements as set forth in Education Code 41002.5. As of June 30, 2024, \$12,415,843 of the District's bank balance of \$12,915,843 was exposed to credit risk, as they are not covered by depository insurance, but with collateral held by the pledging bank's trust department but not in the District's name.

Cash in County

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Los Angeles County Treasury as part of the common investment pool. The District is considered an involuntary participant in the investment pool. These pooled funds are carried at amortized cost which approximates fair value. Fair value of pooled investments at June 30, 2024 is measured at 96.17% of amortized cost. The District's deposits in the fund are considered to be highly liquid.

The county is authorized to deposit cash and invest excess funds by California Government Code Sections 53534, 53601, 53635, and 53648. The county is restricted to invest in time deposits, U.S. government securities, state registered warrants, notes, or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the county are either secured by federal depository insurance or are collateralized. The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Cash in County (Continued)

The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer follow. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized cost, of the participant's percentage participation on the date of such withdrawals.

The pool sponsor's annual financial report may be obtained from the Los Angeles County Public Affairs Office, Kenneth Hahn Hall of Administration, 500 W. Temple Street, Room 358, Los Angeles, California 90012.

Investments with Fiscal Agent

Investments held by the District's Grantor Trust (the Trust) are limited to those within the terms of the trust agreement, any applicable plan documents and in accordance with California Government Code Sections 16430, 53601 and 53602. The Trust did not violate any provisions of the investment policy during the fiscal year ended June 30, 2024.

Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District did not have any investments in the Level 2 or 3 category. Investments' fair value measurements at June 30, 2024 are presented below:

<u>Investment</u>	<u>Cost</u>	<u>Fair Value Measurements Level 1</u>
Cash and Cash Equivalents	\$ 13,281	\$ 13,281
Mutual Fund - Equity	34,823	35,194
Mutual Fund - Corporate Bonds	1,338,599	1,171,908
Closed End Funds - Equity	124,987	193,625
Total	<u>\$ 1,511,690</u>	<u>\$ 1,414,008</u>

Investments categorized as Level 1 are valued based on prices quoted in active markets for those securities.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments with Fiscal Agent (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The investment policy limits investment maturities to seven years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The District follows Government Code to reduce exposure to investment credit risk. As of June 30, 2024, the Trust's investments in mutual funds are unrated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District places no limit on the amount that may be invested in any one issuer. In accordance with GASB, the District is exposed to concentration of credit risk whenever an investment in any one issuer exceeds 5%. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts Receivable	General Fund	Special Reserve Fund for Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
Federal and State	\$ 13,182,484	\$ -	\$ 1,480,943	\$ 14,663,427
Miscellaneous	2,905,486	202,630	341,031	3,449,147
Total Accounts Receivable	\$ 16,087,970	\$ 202,630	\$ 1,821,974	\$ 18,112,574

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 INTERFUND TRANSACTIONS

Interfund activity has been eliminated in the Government-wide statements. The following transactions are reported in the fund financial statements.

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the 2023-24 fiscal year are as follows:

Transfer from the General Fund to the Child Development Fund for the Monterey Child Development program and for the Around the Bell program	<u><u>\$ 160,996</u></u>
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NOTE 6 FUND BALANCES

The following amounts were nonspendable, restricted, committed, assigned, or unassigned as shown below:

	General Fund	Special Reserve Fund for Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Cash in Revolving Fund	\$ 25,060	\$ -	\$ -	\$ 25,060
Stores	20,292	-	29,069	49,361
Total Nonspendable	45,352	-	29,069	74,421
Restricted:				
General Fund	32,758,348	-	-	32,758,348
Student Activity Fund	-	-	2,455,617	2,455,617
Legally Restricted Programs	-	-	9,250,430	9,250,430
Capital Projects/Facilities	-	13,738,156	13,819,747	27,557,903
Bond Interest Redemption Fund	-	-	14,897,376	14,897,376
Total Restricted	32,758,348	13,738,156	40,423,170	86,919,674
Assigned:				
Special Reserve Capital	-	5,845,593	-	5,845,593
Adult Education	-	-	2,212,089	2,212,089
Cafeteria	-	-	14,167	14,167
Total Assigned	-	5,845,593	2,226,256	8,071,849
Unassigned:				
Economic Uncertainties	6,917,110	-	-	6,917,110
Unassigned/Unappropriated Amount	30,737,880	-	-	30,737,880
Total Unassigned	37,654,990	-	-	37,654,990
Total Fund Balance	\$ 70,458,690	\$ 19,583,749	\$ 42,678,495	\$ 132,720,934

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 LEASE RECEIVABLE

The District, acting as lessor, leases noncancellable leases of various ground lease properties and facilities under long-term lease agreements. The leases expire on various dates through November 2058. During the year ended June 30, 2024, the District recognized \$590,057 and \$312,431 in lease revenue and interest revenue, respectively, pursuant to these agreement.

Total future minimum lease payments to be received under the lease agreement are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 434,491	\$ 304,740	\$ 739,231
2026	442,261	296,969	739,230
2027	338,767	289,584	628,351
2028	345,846	282,504	628,350
2029	353,073	275,277	628,350
2030 - 2034	1,879,175	1,262,577	3,141,752
2035 - 2039	2,083,906	1,057,847	3,141,753
2040 - 2044	2,310,941	830,812	3,141,753
2045 - 2049	2,562,711	579,042	3,141,753
2050 - 2054	2,338,260	324,815	2,663,075
2055 - 2059	2,227,062	79,300	2,306,362
Total	<u>\$ 15,316,493</u>	<u>\$ 5,583,467</u>	<u>\$ 20,899,960</u>

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 CAPITAL ASSETS AND DEPRECIATION/AMORTIZATION – SCHEDULE OF CHANGES

Capital asset activity for the year ended June 30, 2024 is shown below:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024
Capital Assets Not Being Depreciated:				
Land	\$ 7,621,124	\$ -	\$ -	\$ 7,621,124
Construction in Progress	209,187	-	(209,187)	-
Total Capital Assets Not Being Depreciated	7,830,311	-	(209,187)	7,621,124
Capital Assets Being Depreciated:				
Site Improvements	40,422,548	293,981	-	40,716,529
Building and Improvements	394,769,606	1,709,455	-	396,479,061
Equipment	6,244,962	1,051,522	-	7,296,484
Total Capital Assets Being Depreciated	441,437,116	3,054,958	-	444,492,074
Less Accumulated Depreciation for:				
Site Improvements	14,670,286	1,106,802	-	15,777,088
Building and Improvements	180,514,845	10,287,289	-	190,802,134
Equipment	5,286,240	11,285	-	5,297,525
Total Accumulated Depreciation	200,471,371	11,405,376	-	211,876,747
Total Capital Assets Being Depreciated, Net	240,965,745	(8,350,418)	-	232,615,327
Right-to-Use Lease Assets:				
Equipment	1,365,852	-	(130,882)	1,234,970
Total Right-to-Use Lease Assets	1,365,852	-	(130,882)	1,234,970
Less Accumulated Amortization:				
Equipment	641,989	464,599	(130,882)	975,706
Total Accumulated Amortization	641,989	464,599	(130,882)	975,706
Total Right-to-Use Lease Assets, Net	723,863	(464,599)	-	259,264
Subscription Based Information Technology Arrangement Assets (SBITA):				
SBITA	1,600,303	-	(996,342)	603,961
Total SBITA	1,600,303	-	(996,342)	603,961
Less Accumulated Amortization:				
SBITA	748,814	579,425	(996,342)	331,897
Total SBITA, Net	851,489	(579,425)	-	272,064
Governmental Activities Capital Assets, Net	<u>\$ 250,371,408</u>	<u>\$ (9,394,442)</u>	<u>\$ (209,187)</u>	<u>\$ 240,767,779</u>

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 LONG-TERM LIABILITIES – SCHEDULE OF CHANGES

A schedule of changes in long-term liabilities for the year ended June 30, 2024 is shown below:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amount Due in One Year
General Obligations Bonds:					
Bond B	\$ 1,119,932	\$ -	\$ 1,119,932	\$ -	\$ -
Bond C	9,274,478	-	1,979,820	7,294,658	1,911,945
Series 2013 Bond	21,307,990	-	475,000	20,832,990	600,000
Series 2015A Bond	3,670,000	-	-	3,670,000	740,000
Series 2017 Bond	33,516,109	-	890,000	32,626,109	1,265,000
Series 2020 Bond	62,260,000	-	100,000	62,160,000	1,235,000
Accreted Interest:					
Bond B	2,903,432	106,636	3,010,068	-	-
Bond C	19,698,834	1,488,608	4,395,180	16,792,262	4,638,055
Bond 2013	10,169,938	652,072	-	10,822,010	-
Bond 2017	3,630,596	349,064	-	3,979,660	-
Bond Premium:					
Series 2013 Bond Premium	1,264,038	-	3,880	1,260,158	63,952
Series 2015A Bond Premium	655,243	-	211,789	443,454	189,023
Series 2017 Bond Premium	1,826,283	-	103,654	1,722,629	199,013
Total Bonds	<u>171,296,873</u>	<u>2,596,380</u>	<u>12,289,323</u>	<u>161,603,930</u>	<u>10,841,988</u>
Finance Purchase - Direct					
Borrowing	13,392,623	-	785,809	12,606,814	866,054
Lease Liability	769,403	-	476,291	293,112	164,247
SBITA Liability	499,202	-	273,403	225,799	164,899
Compensated Absences	5,033,956	310,359	-	5,344,315	534,432
Total	<u>\$ 190,992,057</u>	<u>\$ 2,906,739</u>	<u>\$ 13,824,826</u>	<u>\$ 180,073,970</u>	<u>\$ 12,571,620</u>

Liabilities are liquidated by the General Fund for governmental activities, including finance purchases, leases, SBITAs, and compensated absences. General obligation bond liabilities are liquidated through property tax collections as administered by the County Controller's office through the Bond Interest and Redemption Fund.

NOTE 10 FINANCE PURCHASE

In April 2015, the District entered into a finance purchase agreement in the amount of \$11,333,731 to finance the construction and installation of solar systems and other energy conservation measures. Interest payments commenced monthly beginning April 25, 2015 and principal and interest payments commenced monthly beginning March 25, 2016 and through February 25, 2033. Interest is calculated at a rate of 3.52%. The debt is secured by the equipment and any proceeds associated with the equipment. Prepayment is allowed at 102% of the principal component of the payment beginning in March 25, 2016 and through the term of the loan.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 FINANCE PURCHASE (CONTINUED)

In June 2018, the District entered into a finance purchase agreement in the amount of \$7,300,000 to finance energy conservation and other Improvements, equipment and fixtures. Principal payments commenced semi-annually beginning June 15, 2019 and each June 15 and December 15, thereafter and through June 15, 2038. Interest is calculated at a rate of 3.75%. Delinquent principal payments include an additional interest rate of 5% per annum. Prepayment is allowed at 102% of the principal component of the payment through the term of the loan.

Total future minimum payments under these agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 866,054	\$ 381,006	\$ 1,247,060
2026	951,235	354,636	1,305,871
2027	1,041,613	325,686	1,367,299
2028	1,137,464	293,998	1,431,462
2029	1,153,489	259,406	1,412,895
2030 - 2034	5,063,603	801,381	5,864,984
2035 - 2038	2,393,356	230,956	2,624,312
Total	<u>\$ 12,606,814</u>	<u>\$ 2,647,069</u>	<u>\$ 15,253,883</u>

NOTE 11 LEASE PAYABLE

The District leases various office equipment and vehicles under long-term, noncancellable lease agreements. The latest expiration date of June 2028 and the leases were calculated at interest rates ranging from .25% to .47% based on the length of the lease and the District's incremental cost of borrowing. The leased assets and the related accumulated amortization are detailed in Note 8.

Total future minimum lease payments under the lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 164,247	\$ 5,409	\$ 169,656
2026	48,516	3,565	52,081
2027	50,231	1,849	52,080
2028	30,118	262	30,380
Total	<u>\$ 293,112</u>	<u>\$ 11,085</u>	<u>\$ 304,197</u>

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 SUBSCRIPTION PAYABLE

The District has entered into subscription based-information technology arrangements (SBITA) for various instructional and administrative software programs. The SBITA arrangements expire at various dates through June 2026 and were calculated at interest rates ranging from 0.47% to 2.88% based on the Daily Treasury Par Yield Curve Rate as of the SBITA commencement date. The SBITA assets and the related accumulated amortization are detailed in Note 8.

Principal and interest requirements to maturity under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 164,899	\$ 1,670	\$ 166,569
2026	60,900	-	60,900
Total	<u>\$ 225,799</u>	<u>\$ 1,670</u>	<u>\$ 227,469</u>

NOTE 13 GENERAL OBLIGATION BONDS

Election 1997

On April 8, 1997, \$112,500,000 in general obligation bonds were authorized by an election held within the District. The bonds were authorized to finance the renovation, construction, and modernization of classrooms and school facilities.

Between August 1997 and July 2002, the District issued bonds, Series A – C, totaling \$112,494,996. In February 2011, the District issued a refunding bond to refund portions of Series C. As of June 30, 2016, the 2011 Refunding Bond was liquidated.

Capital appreciation bonds were issued as part of Series A, B and C with maturity dates from August 1, 2009 through 2022, August 1, 2011 through 2023, and August 1, 2015 through 2028, respectively. Prior to the applicable maturity date, each bond will accrue accreted interest on the principal components, with all interest accruing through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Accreted interest is accrued and included as an addition in the long-term debt schedule.

Measure S – 2013 General Obligation Bonds

On March 5, 2013, \$110,000,000 in general obligation bonds were authorized by an election held within the District. The bonds were authorized to finance the improvement of student safety and security including upgraded fire protection, increased energy efficiency and improved accessibility for students with disabilities.

Between May 2013 and March 2017, the District issued bonds, series 2013, 2015A, and 2017 totaling \$109,997,596.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 13 GENERAL OBLIGATION BONDS (CONTINUED)

Measure S – 2013 General Obligation Bonds (Continued)

Convertible capital appreciation bonds were issued as part of Series 2013, 2015A, and 2017 with maturity dates from August 1, 2033 through February 1, 2038; August 1, 2031 through August 1, 2034; and August 2031 through August 2032, respectively. These bonds converted to current interest bonds on August 1, 2023 (the conversion date). Prior to the conversion date, each bond will accrue accreted interest on the principal component, with all interest accruing through the conversion date and payable only upon maturity or prior payment of the principal component. Accreted interest is accrued and included as an addition in the long-term debt schedule.

Premium is amortized on the effective interest method over the life of the respective bond.

Refunding Bonds – Series 2020

On October 29, 2020 the District issued \$62,880,000 in General Obligation Refunding Bonds, Series 2020 (Federally Taxable). The bonds were issued to refund a portion of the outstanding Series 2013 Bonds and a portion of the outstanding 2015A Bonds. The bonds were issued as serial and term bonds with interest rates ranging from 0.369% to 2.484%. The bonds mature beginning on August 1, 2021 with final maturity on August 1, 2034.

The outstanding general obligation bonded debt of the District at June 30, 2024 is:

General Obligation Bonds	Date of Issue	Date of Maturity	Interest Rate	Amount of Original Issue	Outstanding June 30, 2024
Election 1997:					
Series B	8/1/1998	8/1/2023	4.1% - 5.3%	\$ 39,996,370	\$ -
Accreted Interest					-
Series C	7/1/2002	8/1/2027	3.0% - 5.7%	65,000,839	7,294,658
Accreted Interest					16,792,262
Measure S:					
Series 2013	5/16/2013	2/1/2038	2.5% - 5.0%	40,997,990	20,832,990
Accreted Interest					10,822,010
Series 2015A	8/1/2015	8/1/2034	3.0% - 5.0%	34,998,497	3,670,000
Series 2017	3/15/2017	8/1/2032	3.125% - 5.0%	34,001,109	32,626,109
Accreted Interest					3,979,660
Refunding Bonds					
Series 2020	10/29/2020	8/1/2034	0.369% - 2.484%	62,880,000	62,160,000
Total					158,177,689
Unamortized Bond Premium					3,426,241
Total Bonds Payable					<u>\$ 161,603,930</u>

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 13 GENERAL OBLIGATION BONDS (CONTINUED)

The annual debt service requirements to maturity for general obligation bonds are as follows:

1997 Election

<u>Year Ending June 30,</u>	Principal	Accreted Interest	Total
2025	\$ 1,911,945	\$ 4,638,055	\$ 6,550,000
2026	1,846,804	4,888,196	6,735,000
2027	1,791,082	5,133,918	6,925,000
2028	1,744,827	5,375,173	7,120,000
Total	<u>\$ 7,294,658</u>	<u>\$ 20,035,342</u>	<u>\$ 27,330,000</u>

Measure S

<u>Year Ending June 30,</u>	Principal	Current Interest	Accreted Interest	Total
2025	\$ 2,605,000	\$ 2,736,133	\$ -	\$ 5,341,133
2026	3,075,000	3,001,525	-	6,076,525
2027	2,430,000	2,863,900	-	5,293,900
2028	2,780,000	2,739,350	-	5,519,350
2029	4,665,000	2,558,925	-	7,223,925
2030 - 2034	25,225,497	9,435,262	7,141,703	41,802,462
2035 - 2039	16,348,602	2,644,363	7,434,198	26,427,163
Total	<u>\$ 57,129,099</u>	<u>\$ 25,979,458</u>	<u>\$ 14,575,901</u>	<u>\$ 97,684,458</u>

2020 Refunding

<u>Year Ending June 30,</u>	Principal	Current Interest	Total
2025	\$ 1,235,000	\$ 1,289,899	\$ 2,524,899
2026	1,230,000	1,278,599	2,508,599
2027	2,385,000	1,256,197	3,641,197
2028	2,555,000	1,219,877	3,774,877
2029	7,595,000	1,130,972	8,725,972
2030 - 2034	41,150,000	2,986,735	44,136,735
2035	6,010,000	74,644	6,084,644
Total	<u>\$ 62,160,000</u>	<u>\$ 9,236,923</u>	<u>\$ 71,396,923</u>

NOTE 14 POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The District administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). Certificated employees may retire and receive District-paid contributions towards healthcare upon attainment of age 55 and completion of 15 years or continuous District service. The District pays the single premium for medical coverage for a retiree until age 65, at which time benefits cease.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Plan Description (Continued)

Classified employees may retire under PERS and receive District-paid statutory minimum benefits under the Public Employees Medical and Hospital Care Act (PEMHCA) for their lifetime, with ongoing benefits to their surviving spouses, if any. For classified employees who have attained age 55 and completed 15 years of service at retirement, the District pays a supplement equal to the highest PEMHCA HMO retiree-only premium plus vision coverage until age 65 or for a minimum of 5 years if retirement occurs after age 60. Retirees may then continue coverage under PEMHCA and receive the statutory minimum for their lifetime. Classified employees hired on or after August 1, 2004 are subject to a medical cap of \$3,485. Benefits are prorated for part-time employees based on their full-time equivalency (FTE) at time of retirement.

Management employees may retire and receive District-paid retiree medical, retiree vision, and dependent medical benefits after attainment of age 55 and completion of either 5 years of continuous service in a management, supervisory or confidential position. District-paid benefits continue until age 65 or for a minimum of five years if retirement occurs after age 60.

The Retiree Health Plan does not issue a separate financial report.

Plan Membership

Membership of the plan consisted of the following at June 30, 2024, the date of the latest actuarial valuation.

Participant Type:	Number of Participants
Inactive Participants Currently Receiving Benefits	493
Inactive Participants Entitled to but not yet Receiving Benefit Payments	-
Active Employees	1,647
Total	2,140

Funding Policy

The District funds the cost of retiree benefits on a pay-as-you-go basis. Any contributions toward the unfunded liability are made on a discretionary basis.

During the fiscal year ended June 30, 2024, the District did not contribute to the plan.

The components of the net OPEB liability of the District at June 30, 2024 was as follows:

	Balance June 30, 2024
Total OPEB Liability	\$ 72,839,245
Plan Fiduciary Net Position	1,414,008
District's Net OPEB Liability (Asset)	\$ 71,425,237

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Amortization of Deferred Outflows of Resources and Deferred Inflows of Resources

The deferred outflows of resources related to OPEB resulting from the differences between projected and actual return on investments is amortized over a five-year period on a straight-line basis. The deferred outflows of resources related to OPEB resulting from changes in expected and actual experience and changes in assumptions is amortized on a straight-line basis over a range of 7.4 to 9.8 years.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,145,275	\$ 4,735,632
Changes in Assumptions or Other Inputs	8,647,702	12,426,719
Differences Between Expected and Actual Return on Investments	270,335	75,998
Total	\$ 12,063,312	\$ 17,238,349

The first year of amortization is recognized in OPEB expense for the year the change occurs. The remaining amount will be recognized to OPEB expense as follows:

Year Ending June 30,	Amortization
2025	\$ 1,119,469
2026	416,071
2027	(177,079)
2028	(188,762)
2029	(1,702,783)
Thereafter	(4,641,953)
Total	\$ (5,175,037)

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Investments

The plan's policy for allocation of invested assets is established and may be amended by the District's agreement with their Investment Manager. It is the policy of the Investment Manager to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of specific asset classes. Assets held in the plan may be invested in accordance with California Government Code Sections 53600 through 53622. The investment policy has a long-term focus. It discourages both major shifts of asset class allocations over a short time span and, except for liquidity purposes, the use of cash equivalents. The Investment Manager has established a target net return of 6%. The Members will periodically review the reasonableness of this target rate with the Investment Manager. The table below summarizes the asset allocation strategic parameters.

	<u>Trust Policy</u>	<u>Trust Holdings</u>
Equity	10% (+/- 15%)	11.50%
Fixed Income	90% (+/- 5%)	88.50%
Yield	-	4.30%
Credit Quality	-	A+
Duration Shall not Exceed	7 Years	6.1 Years

At June 30, 2024, all plan investments were in mutual funds. The plan held no investments in any one organization that represented 5% or more of fiduciary net position.

Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The plan's investments' fair value measurements at June 30, 2024 are presented below:

<u>Investment</u>	<u>Cost</u>	<u>Fair Value Measurements Level 1</u>
Cash and Cash Equivalents	\$ 13,281	\$ 13,281
Mutual Fund - Equity	34,823	35,194
Mutual Fund - Corporate Bonds	1,338,599	1,171,908
Closed End Funds - Equity	124,987	193,625
Total	<u>\$ 1,511,690</u>	<u>\$ 1,414,008</u>

Actuarial Methods and Assumptions

The District's net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	3.94%
Health Care Trend Rate	4%

Mortality rates were based on 2020 CalSTRS Mortality tables for Certificated employees, and 2021 CalPERS Mortality for Miscellaneous and Schools Employees for Classified employees.

The long-term expected rate of return on the plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate of return of 5.0%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024 are as follows:

	<u>Trust Policy</u>	<u>Trust Holdings</u>
Equity	10% (+/- 15%)	11.50%
Fixed Income	90% (+/- 5%)	88.50%
Yield	-	4.30%
Credit Quality	-	A+
Duration Shall not Exceed	7 Years	6.1 Years

The discount rate used to measure the total OPEB liability was 3.94%. The rate was based on the long-term expected rate of return on OPEB plan investments to the extent that the OPEB plan's fiduciary net position is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return. A yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher was used to the extent that those conditions were not met.

Since the most recent valuation, the following changes have been made:

- The discount rate was changed from 3.65% to 3.94%.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		Net OPEB Liability (Asset) (a) - (b)
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	
Balances at June 30, 2023	\$ 74,494,162	\$ 1,331,805	\$ 73,162,357
Changes for the Year:			
Service Cost	3,667,275	-	3,667,275
Interest	2,746,366	-	2,746,366
Difference Between Expected and Actual Experience	-	-	-
Changes in Assumptions	(1,928,075)	-	(1,928,075)
Experience (Gains)/Losses	(3,970,689)	-	(3,970,689)
Investment Gains/(Losses)	-	24,061	(24,061)
Employer Contributions*	-	2,169,794	(2,169,794)
Benefit Payments*	(2,169,794)	(2,169,794)	-
Administrative Expenses	-	(5,000)	5,000
Expected Investment Income	-	63,142	(63,142)
Net Changes	<u>(1,654,917)</u>	<u>82,203</u>	<u>(1,737,120)</u>
Balances at June 30, 2024	<u>\$ 72,839,245</u>	<u>\$ 1,414,008</u>	<u>\$ 71,425,237</u>

* Amount includes implicit subsidy associated with benefits paid.

The following presents the District's net OPEB liability calculated using the discount rate of 3.94% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.94%) or 1-percentage-point higher (4.94%) than the current rate:

<u>Sensitivity Discount Rate</u>	<u>Net OPEB Liability (Asset)</u>
1% Decrease (2.94%)	\$ 80,754,714
Current Discount Rate (3.94%)	71,425,237
1% Increase (4.94%)	63,636,196

The following presents the District's net OPEB liability calculated using the current healthcare cost trend rate of 4.0% , as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.0%) or 1-percentage-point higher (5.0%) than the current rate:

<u>Healthcare Trend Rate</u>	<u>Net OPEB Liability (Asset)</u>
1% Decrease	\$ 61,541,381
Current Healthcare Trend Rate	71,425,237
1% Increase	83,835,307

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

OPEB Expense

For the year ended June 30, 2024, the District recognized OPEB expense of \$7,458,896.

NOTE 15 EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

As of June 30, 2024, the District's net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the retirement plans are as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS (STRP)	\$ 98,247,690	\$ 26,666,368	\$ 9,948,656	\$ 18,478,349
CalPERS (Schools Pool Plan)	68,271,102	23,441,384	4,796,527	8,900,914
Total	<u>\$ 166,518,792</u>	<u>\$ 50,107,752</u>	<u>\$ 14,745,183</u>	<u>\$ 27,379,263</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by state statutes, as legislatively amended, within the state Teachers' Retirement Law.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service. The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes to the STRP Defined Benefit Program and STRP Defined Benefit Supplement Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2024 are summarized as follows:

<u>Provisions and Benefits</u>	<u>STRP Defined Benefit Program and Supplement Program</u>	
	<u>On or Before December 31, 2012</u>	<u>On or After January 1, 2013</u>
Hire Date		
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0% - 2.4%	2.0% - 2.4%
Required Employee Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	19.10%	19.10%
Required State Contribution Rate	10.828%	10.828%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. The contribution rates for each plan for the year ended June 30, 2024 are presented above and the total District contributions were \$16,612,212.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for state pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

	Balance June 30, 2024
District Proportionate Share of the Net Pension Liability	\$ 98,247,690
State's Proportionate Share of the Net Pension Liability Associated with the District	47,074,081
Total	\$ 145,321,771

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the state, actuarially determined. At June 30, 2023, the District's proportion was 0.129% which is an increase of 0.001% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$12,074,973 and revenue and corresponding expense of \$6,403,376 for contributions provided by the state representing total pension expense of \$18,478,349. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 16,612,212	\$ -
Differences Between Expected and Actual Experience	7,720,650	5,256,750
Changes of Assumptions	568,890	-
Changes in Proportion	1,344,076	4,691,906
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	420,540	-
Total	\$ 26,666,368	\$ 9,948,656

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis. All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the STRP for the June 30, 2023 measurement date is seven years.

The remaining amount will be recognized to pension expense as follows:

<u>Year Ending June 30.</u>	<u>Amortization</u>
2025	\$ (3,824,814)
2026	(5,444,313)
2027	7,347,778
2028	(109,560)
2029	743,078
2030	1,393,331
Total	<u>\$ 105,500</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The financial reporting actuarial valuation as of June 30, 2022 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.10%
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Actuarial Methods and Assumptions (Continued)

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants and adopted by the CalSTRS Board in January 2020. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	38 %	5.25 %
Real Estate	15	4.05
Private Equity	14	6.75
Fixed Income	14	2.45
Risk Mitigating Strategies	10	2.25
Inflation Sensitive	7	3.65
Cash/Liquidity	2	0.05

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments, and administrative expense occur midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS)

Discount Rate (Continued)

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% Decrease	\$ 164,802,660
Current Discount Rate	98,247,690
1% Increase	42,966,030

Plan Fiduciary Net Position

Detailed information about the STRP's plan fiduciary net position is available in a separate annual comprehensive financial report on the CalSTRS website. Copies of the CalSTRS annual comprehensive financial report may be obtained from CalSTRS.

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool Plan under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least 5 years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Benefits Provided (Continued)

The CalPERS provisions and benefits in effect at June 30, 2024 are summarized as follows:

<u>Provisions and Benefits</u>	<u>Schools Pool Plan (CalPERS)</u>	
	<u>On or Before December 31, 2012</u>	<u>On or After January 1, 2013</u>
Hire Date	2% at 55	2% at 62
Benefit Formula	5 Years of Service	5 Years of Service
Benefit Vesting Schedule	Monthly for Life	Monthly for Life
Benefit Payments	55	62
Retirement Age	1.1% - 2.5%	1.0% - 2.5%
Monthly Benefits as a Percentage of Eligible Compensation	7.00%	8.00%
Required Employee Contribution Rate	26.68%	26.68%
Required Employer Contribution Rate		

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024 are as presented above and the total District contributions were \$10,512,426.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$68,271,102. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2023, the District's proportion was 0.1886% which is a decrease of 0.0040% from its proportion measured as of June 30, 2022.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2024, the District recognized pension expense of \$8,900,914. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 10,512,426	\$ -
Differences Between Expected and Actual Experience	2,491,406	1,048,544
Changes of Assumptions	3,145,222	-
Changes in Proportion	-	3,747,983
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	7,292,330	-
Total	\$ 23,441,384	\$ 4,796,527

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis. All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the CalPERS Schools Pool Plan for the June 30, 2023 measurement date is 3.8 years.

The remaining amount will be recognized in pension expense as follows:

Year Ending June 30.	Amortization
2025	\$ 1,487,647
2026	1,052,766
2027	5,365,074
2028	226,944
Total	\$ 8,132,431

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The financial reporting actuarial valuation as of June 30, 2022 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Experience Study	2000 through 2019
Actuarial Cost Method	Entry Age Normal
Discount Rate	6.90%
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by Entry Age and Service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those rates include generational mortality improvements using 80% of scale MP 2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity - Cap-weighted	30 %	4.54 %
Global Equity - Non-cap-weighted	12	3.84
Private Equity	13	7.28
Treasury	5	0.27
Mortgage-backed Securities	5	0.50
Investment Grade Corporates	10	1.56
High Yield	5	2.27
Emerging Market Debt	5	2.48
Private Debt	5	3.57
Real Assets	15	3.21
Leverage	(5)	(0.59)

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%, which was unchanged from the prior fiscal year. This rate reflects the long-term expected rate of return for the Schools Pool Plan net of investment expenses and without reduction for administrative expenses. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the Schools Pool Plan fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% Decrease	\$ 98,702,367
Current Discount Rate	68,271,102
1% Increase	43,120,355

Plan Fiduciary Net Position

Detailed information about CalPERS Schools Pool Plan fiduciary net position is available in a separate annual comprehensive financial report available on the CalPERS website. Copies of the CalPERS annual comprehensive financial report may be obtained from CalPERS.

NOTE 16 ALTERNATE PENSION PLANS

Accumulation Program for Part-Time and Limited Service Employees (APPLE)

Plan Description and Contribution Information

The Accumulation Program for Part-Time and Limited Service Employees (APPLE) is a defined contribution plan qualifying under Section 401(a) and Section 501 of the Internal Revenue Code (IRC). The plan covers part-time, seasonal, and temporary employees and employees not covered by Section 3121(b)(7)(F) of the IRC. The benefit provisions and contribution requirements of plan members and the District are established and may be amended by the APPLE Administration Committee. Contributions of 7.5% of covered compensation of eligible employees are made by the employee. Employees receive their contributions plus accumulated earnings upon withdrawal.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 16 ALTERNATE PENSION PLANS (CONTINUED)

**Accumulation Program for Part-Time and Limited Service Employees (APPLE)
(Continued)**

Plan Description and Contribution Information (Continued)

Contribution by Employee for the Year	\$	115,352
Contributions by Employer for the Year	\$	-
Pension Expense Recognized by Employer	\$	-

Total contributions made are 100% of the amount of contributions required for fiscal year ended June 30, 2024.

NOTE 17 JOINT POWERS AGREEMENTS

The District participates in three joint power agreement (JPA) entities: the West San Gabriel Workers' Compensation JPA (WSGWCJPA), the West San Gabriel Liability and Property JPA (WSGLPJPA), and the Alliance of Schools in Cooperative Insurance Programs (ASCIP).

WSGWCJPA provides workers' compensation coverage for its eight-member school districts. During the year ended June 30, 2024, the District made payments of \$2,382,975 to WSGWCJPA for insurance coverage.

WSGLPJPA arranges for and provides property and liability insurance for its ten-member school districts. During the year ended June 30, 2024, the District made payments of \$2,238,736 to WSGLPJPA for insurance coverage.

ASCIP provides the District with vision and dental programs. During the year ended June 30, 2024, the District made payments of \$185,033 to ASCIPA for insurance coverage.

Each JPA is governed by a board consisting of a representative from each member district. Each governing board controls the operations of its JPA independent of any influence by the District beyond the District's representation on the governing boards.

Each JPA is independently accountable for its fiscal matters and maintains their own accounting records. Budgets are not subject to any approval other than that of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPA. Separate financial statements for each JPA may be obtained from the respective entity.

The relationships between the District and the JPAs are such that neither JPA is a component unit of the District for financial reporting purposes.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 18 COMMITMENTS AND CONTINGENCIES

Litigation

The District is involved in claims and legal actions arising in the ordinary course of business, many of which provide for minimal exposure due to insurance coverage. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial statements.

The District is involved in three claims with a possibility of loss which have not been determined to be covered by insurance as of the report date. The probability of the outcome of the claims is possible with losses in ranged from \$1 million to \$25 million each. However, should the cases result in an unfavorable outcome to the District, management believes that any judgement amount will be considerably lower than the high range. As the outcome and amount are uncertain, a liability has not been recorded in these financial statements.

The District is involved in two claims with disputed insurance coverage. The probability of the outcome of the claims is possible with losses ranging from \$600 thousand to \$1.2 million in one case and \$4 million to \$8 million in the second case. However, should the cases result in an unfavorable outcome to the District, management believes that any judgement amount will be considerably lower than the high range. As the outcome and amount are uncertain, a liability has not been recorded in these financial statements.

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes, including reimbursement of mandated costs, which are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

Purchase Commitments

As of June 30, 2024, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$2.1 million. Projects will be funded through the Building Fund.

NOTE 19 DEFICIT NET POSITION

Self-Insurance Fund

The Self-Insurance fund ended the year with a deficit net position of \$1,843,515. This deficit was due to the timing of a transfer from the retiree benefit trust fund to cover retiree benefits.

REQUIRED SUPPLEMENTARY INFORMATION

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	Budgetary Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local Control Funding Formula Sources:			
State Apportionments	\$ 104,557,211	\$ 96,315,926	\$ 96,315,926
Local Sources	64,404,857	73,135,834	73,135,834
Total Local Control Funding Formula Sources	168,962,068	169,451,760	169,451,760
Federal Sources	6,444,680	9,214,462	8,801,278
Other State Sources	29,106,886	33,981,528	41,517,947
Other Local Sources	2,968,546	9,089,648	9,630,896
Total Revenues	207,482,180	221,737,398	229,401,881
EXPENDITURES			
Certificated Salaries	94,960,305	88,508,694	88,508,694
Classified Salaries	35,328,776	37,204,754	37,204,754
Employee Benefits	49,460,518	46,816,705	54,353,124
Books and Supplies	14,353,442	7,442,498	7,442,498
Services and Other Operating Expenditures	33,632,597	38,998,765	38,998,764
Capital Outlay	251,966	1,341,589	1,341,589
Other Outgo	2,491,704	1,688,988	1,688,988
Direct Support - Indirect Cost	(1,096,765)	(809,221)	(809,221)
Debt Service	-	1,680,150	1,680,150
Total Expenditures	229,382,543	222,872,922	230,409,340
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,900,363)	(1,135,524)	(1,007,459)
OTHER FINANCING USES			
Interfund Transfers Out	(422,919)	(160,996)	(160,996)
Total Other Financing Uses	(422,919)	(160,996)	(160,996)
NET CHANGE IN FUND BALANCE	<u>\$ (22,323,282)</u>	<u>\$ (1,296,520)</u>	(1,168,455)
Fund Balances - Beginning of Year			71,627,145
FUND BALANCES - END OF YEAR			<u>\$ 70,458,690</u>

BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEARS ENDED JUNE 30, 2024

CalSTRS - STRP	2024	2023	2022	2021	2020
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
District's Proportion of the Net Pension Liability (NPL)	0.129%	0.128%	0.131%	0.136%	0.137%
District's Proportionate Share of the NPL	\$ 98,247,690	\$ 88,942,080	\$ 59,615,480	\$131,796,240	\$123,732,920
State's Proportionate Share of the NPL Associated with the District	47,074,081	44,542,454	29,996,822	67,505,113	70,512,560
Total	<u>\$145,321,771</u>	<u>\$133,484,534</u>	<u>\$ 89,612,302</u>	<u>\$199,301,353</u>	<u>\$194,245,480</u>
District's Covered Payroll	\$ 80,835,000	\$ 79,146,000	\$ 73,047,000	\$ 77,210,000	\$ 75,200,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	122%	112%	82%	171%	165%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81%	81%	87%	72%	73%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's Proportion of the NPL	0.134%	0.135%	0.140%	0.136%	0.131%
District's Proportionate Share of the NPL	\$123,155,380	\$124,848,000	\$113,233,400	\$ 91,560,640	\$ 76,552,470
State's Proportionate Share of the NPL Associated with the District	73,859,624	73,859,624	64,471,245	48,425,355	46,226,151
Total	<u>\$197,015,004</u>	<u>\$198,707,624</u>	<u>\$177,704,645</u>	<u>\$139,985,995</u>	<u>\$122,778,621</u>
District's Covered Payroll	\$ 73,600,000	\$ 73,600,000	\$ 67,800,000	\$ 64,300,000	\$ 56,000,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	167%	170%	167%	142%	137%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71%	69%	70%	74%	77%

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEARS ENDED JUNE 30, 2024**

CalPERS - Schools Pool Plan	2024	2023	2022	2021	2020
Measurement Period	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
District's Proportion of the Net Pension Liability (NPL)	0.1886%	0.1926%	0.2137%	0.2143%	0.2191%
District's Proportionate Share of the NPL	\$ 68,271,102	\$ 66,271,898	\$ 43,454,681	\$ 65,753,832	\$ 63,855,055
District's Covered Payroll	\$ 32,513,000	\$ 33,316,000	\$ 30,570,000	\$ 31,285,000	\$ 30,700,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	210%	199%	142%	210%	208%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70%	70%	81%	70%	70%
	2019	2018	2017	2016	2015
Measurement Period	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's Proportion of the NPL	0.2198%	0.2183%	0.2159%	0.2166%	0.2172%
District's Proportionate Share of the NPL	\$ 58,605,600	\$ 52,113,972	\$ 42,640,384	\$ 31,927,054	\$ 24,657,488
District's Covered Payroll	\$ 28,900,000	\$ 28,600,000	\$ 26,100,000	\$ 24,200,000	\$ 21,300,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	203%	182%	163%	132%	116%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71%	72%	74%	79%	83%

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
YEARS ENDED JUNE 30, 2024**

CalSTRS - STRP	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ 16,612,212	\$ 15,439,598	\$ 13,391,533	\$ 11,797,073	\$ 13,202,547
Contributions in Relation to the					
Contractually Required Contribution	16,612,212	15,439,598	13,391,533	11,797,073	13,202,547
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 86,975,000	\$ 80,835,000	\$ 79,146,000	\$ 73,047,000	\$ 77,210,000
Contributions as a Percentage of Covered Payroll	19.10%	19.10%	16.92%	16.15%	17.10%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 12,240,467	\$ 10,619,489	\$ 9,259,795	\$ 7,279,029	\$ 5,708,080
Contributions in Relation to the					
Contractually Required Contribution	12,240,467	10,619,489	9,259,795	7,279,029	5,708,080
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 75,200,000	\$ 73,600,000	\$ 73,600,000	\$ 67,800,000	\$ 64,300,000
Contributions as a Percentage of Covered Payroll	16.28%	14.43%	12.58%	10.73%	8.88%

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS (CONTINUED)
YEARS ENDED JUNE 30, 2024**

CalPERS - Schools Pool Plan	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ 10,512,426	\$ 8,248,365	\$ 7,632,681	\$ 6,328,053	\$ 6,169,553
Contributions in Relation to the					
Contractually Required Contribution	10,512,426	8,248,365	7,632,681	6,328,053	6,169,553
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 39,402,000	\$ 32,513,000	\$ 33,316,000	\$ 30,570,000	\$ 31,285,000
Contributions as a Percentage of Covered Payroll	26.68%	25.37%	22.91%	20.70%	19.72%
	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 5,553,146	\$ 4,487,272	\$ 3,969,039	\$ 3,089,291	\$ 2,874,389
Contributions in Relation to the					
Contractually Required Contribution	5,553,146	4,487,272	3,969,039	3,089,291	2,874,389
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 30,700,000	\$ 28,900,000	\$ 28,600,000	\$ 26,100,000	\$ 24,200,000
Contributions as a Percentage of Covered Payroll	18.06%	15.53%	13.89%	11.85%	11.77%

See accompanying Notes to Required Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
YEARS ENDED JUNE 30, 2024**

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018	2017
Service Cost	\$ 3,667,275	\$ 3,659,840	\$ 4,237,319	\$ 4,086,126	\$ 2,512,624	\$ 2,439,441	\$ 1,355,260	\$ 1,315,786
Interest	2,746,366	2,552,197	1,732,827	1,671,505	1,923,092	1,928,343	2,508,707	2,360,547
Difference Between Expected and Actual Experience	(3,970,689)	-	2,382,848	156,686	3,116,336	(6,252,533)	-	-
Changes in Assumptions	(1,928,075)	(1,066,496)	(14,199,566)	425,765	12,240,624	15,297,309	-	-
Benefit Payments*	(2,169,794)	(1,834,822)	(2,149,555)	(2,033,251)	(1,687,738)	(1,578,458)	(1,462,800)	(958,527)
Net Change in Total OPEB Liability	(1,654,917)	3,310,719	(7,996,127)	4,306,831	18,104,938	11,834,102	2,401,167	2,717,806
Total OPEB Liability - Beginning	74,494,162	71,183,443	79,179,570	74,872,739	56,767,801	44,933,699	42,532,532	39,814,726
Total OPEB Liability - Ending (a)	\$ 72,839,245	\$ 74,494,162	\$ 71,183,443	\$ 79,179,570	\$ 74,872,739	\$ 56,767,801	\$ 44,933,699	\$ 42,532,532
Plan Fiduciary Net Position	2024	2023	2022	2021	2020	2019	2018	2017
Contributions - Employer*	\$ 2,169,794	\$ 268,316	\$ 1,222,201	\$ 503,251	\$ 297,738	\$ 220,489	\$ 1,363,850	\$ 1,913,143
Net Investment Income (Loss)	87,203	40,256	(337,764)	376,164	415,076	446,181	93,836	188,955
Benefit Payments*	(2,169,794)	(1,834,822)	(2,149,555)	(2,033,251)	(1,687,738)	(1,578,458)	(1,462,800)	(958,527)
Administrative Expense	(5,000)	(6,154)	(6,166)	(5,000)	(9,017)	(5,371)	(8,086)	(7,802)
Net Change in Plan Fiduciary Net Position	82,203	(1,532,404)	(1,271,284)	(1,158,836)	(983,941)	(917,159)	(13,200)	1,135,769
Plan Fiduciary Net Position - Beginning	1,331,805	2,864,209	4,135,493	5,294,329	6,278,270	7,195,429	7,208,629	6,072,860
Plan Fiduciary Net Position - Ending (b)	\$ 1,414,008	\$ 1,331,805	\$ 2,864,209	\$ 4,135,493	\$ 5,294,329	\$ 6,278,270	\$ 7,195,429	\$ 7,208,629
Net OPEB Liability (Asset) - Ending (a) - (b)	\$ 71,425,237	\$ 73,162,357	\$ 68,319,234	\$ 75,044,077	\$ 69,578,410	\$ 50,489,531	\$ 37,738,270	\$ 35,323,903
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.94%	1.79%	4.02%	5.22%	7.07%	11.06%	16.01%	16.95%
Covered Payroll	\$ 123,779,540	\$ 120,760,527	\$ 117,815,148	\$ 114,941,608	\$ 111,865,312	\$ 108,871,350	\$ 105,700,340	\$ 108,080,227
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	57.70%	60.58%	57.99%	65.29%	62.20%	46.38%	35.70%	32.68%

* Amount includes implicit subsidy associated with benefits paid.

Note: Accounting standards require presentation of 10 years of information. However, the information in the schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Notes to Required Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS
EMPLOYER CONTRIBUTIONS
YEARS ENDED JUNE 30, 2024**

OPEB Contributions	2024 *	2023 *	2022 *	2021 *	2020 *	2019	2018	2017
Actuarially Determined Contribution (ADC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,280,900	\$ 3,295,674	\$ 3,082,097
Contributions in Relation to the ADC	-	-	-	-	-	220,489	1,363,850	1,363,850
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,060,411</u>	<u>\$ 1,931,824</u>	<u>\$ 1,718,247</u>
District's Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,871,350	\$ 105,700,340	\$ 105,700,340
Contributions as a Percentage of Covered Payroll		n/a	n/a	n/a	n/a	0.20%	1.29%	1.29%

* An Actuarially Determined Contribution (ADC) was not calculated for years subsequent to 2019.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS
MONEY-WEIGHTED RATE OF RETURN ON PLAN ASSETS
YEARS ENDED JUNE 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	6.60%	1.64%	-10.73%	7.45%	4.50%	7.45%	2.70%	2.96%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024**

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Budgetary Comparison for the General

A budgetary comparison is presented for the general fund that has a legally adopted annual budget. This schedule presents the budget as originally adopted, the revised budget as of the fiscal year-end, actual amounts at fiscal year-end, and any adjustments needed to present the amounts in accordance with accounting principles generally accepted in the United States of America (GAAP).

Schedules of District's Proportionate Share of the Net Pension Liability – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the state's proportionate share of the net pension liability associated with the District for the last 10 years.

Benefit changes – None

Changes of Assumptions:

June 30, 2023 Measurement Period:

CalPERS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was in/decreased from 2.3% to 2.5%. A new discount rate was applied increasing the rate from 3.65% to 3.94%.

June 30, 2022 Measurement Period:

CalPERS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 2.50% to 2.30%. A new discount rate was applied decreasing the rate from 7.15% to 6.90%.

June 30, 2020 Measurement Period:

CalSTRS Board adopted a new experience study which updated assumptions for termination rates and service rates.

June 30, 2019 Measurement Period:

CalPERS Board adopted new mortality assumptions for the plan. Assumption for inflation rate was reduced from 2.75% to 2.50%. Assumption for individual salary increases and overall payroll growth was reduced from 3.00% to 2.75%.

June 30, 2018 Measurement Period:

CalSTRS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 3.00% to 2.75%. Assumption for payroll growth was reduced from 3.75% to 3.50%. CalPERS applied a new discount rate decreasing the rate from 7.65% to 7.15%.

June 30, 2016 Measurement Period:

CalPERS applied a new discount rate increasing the rate from 7.50% to 7.65%.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedules of District Contributions – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution for the last 10 years.

Schedule of Changes in the Net OPEB Liability and Related Ratios

The schedule is intended to show trends about the changes in the District's actuarially determined liability for postemployment benefits other than pensions.

Benefit Changes – None.

Changes in Assumptions:

2023-24

The discount rate was changed from 3.65% to 3.94%

2022-23

The discount rate was changed from 3.54% to 3.65%

2021-22

The discount rate was changed from 2.16% to 3.54%

2020-21

The discount rate was changed from 2.20% to 2.16%.

2019-20

The discount rate was changed from 3.36% to 2.20%. The healthcare trend rate was changed from 4.90% to 4.00%. Assumed rates of retirement, termination, and mortality have been updated to align with those currently being used by the statewide pension system.

2018-19

The discount rate was changed from 6.00% to 3.36%. The healthcare trend rate was changed from 6.00% decreasing to 5.00% to 4.90%.

2017-18

The discount rate was changed from 3.13% to 3.62%.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of Postemployment Healthcare Benefits Employer Contributions

The schedule is intended to show trends about the amounts contributed in relation to the actuarially determined contribution.

Benefit Changes: None

Changes in Assumptions:

2018-2019

The discount rate was changed from 6.00% to 3.91%

Mortality rates were based on 2020 CalSTRS Mortality tables for Certificated employees, and 2017 CalPERS Mortality for Miscellaneous and Schools Employees for Classified employees.

Schedule of Postemployment Healthcare Benefits Money-Weighted Rate of Return on Plan Assets

The schedule is intended to show trends about the rate of return on plan assets.

NOTE 2 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excesses of expenditures over appropriations, by major object accounts, occurred in the General Fund as follows:

Object Account	Amount
Employee Benefits	\$ (7,536,419)

The excess of expenditures over appropriations for employee benefits is due to the exclusion of the STRS on-behalf contribution from the budget.

SUPPLEMENTARY INFORMATION

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2024**

The requirements governing ADA, admission of pupils, types of schools, recording and reporting of pupil attendance, and similar matters are controlled by provisions of the Education Code and by regulations of the California Department of Education.

ADA statistics reported to the state for the fiscal year ended June 30, 2024 are as follows:

	Second Period Certificate # 71773CA9	Adjustments	Revised Second Period Adjusted	Annual Certificate # A54A4AFA	Adjustments	Annual Adjusted
Grades Transitional Kindergarten Through Third:						
Regular ADA	3,674.04	-	3,674.04	3,683.27	-	3,683.27
Extended Year Special Education	15.67	-	15.67	15.67	-	15.67
Special Education - Nonpublic, Nonsectarian Schools	0.96	-	0.96	1.14	-	1.14
Total Grades Transitional Kindergarten Through Third ADA	<u>3,690.67</u>	<u>-</u>	<u>3,690.67</u>	<u>3,700.08</u>	<u>-</u>	<u>3,700.08</u>
Grades Four Through Six:						
Regular ADA	2,829.79	-	2,829.79	2,839.01	-	2,839.01
Extended Year Special Education	4.12	-	4.12	4.12	-	4.12
Special Education - Nonpublic, Nonsectarian Schools	3.10	-	3.10	3.19	-	3.19
Extended Year Special Education - Nonpublic, Nonsectarian schools	0.03	-	0.03	0.03	-	0.03
Total Grades Four Through Six ADA	<u>2,837.04</u>	<u>-</u>	<u>2,837.04</u>	<u>2,846.35</u>	<u>-</u>	<u>2,846.35</u>
Grades Seven and Eight:						
Regular ADA	2,102.73	-	2,102.73	2,107.82	-	2,107.82
Extended Year Special Education	2.88	-	2.88	2.88	-	2.88
Special Education - Nonpublic, Nonsectarian Schools	2.86	-	2.86	3.03	-	3.03
Extended Year Special Education - Nonpublic, Nonsectarian schools	0.05	-	0.05	0.05	-	0.05
Community Day School	0.63	-	0.63	0.77	-	0.77
Total Grades Seven and Eight ADA	<u>2,109.15</u>	<u>-</u>	<u>2,109.15</u>	<u>2,114.55</u>	<u>-</u>	<u>2,114.55</u>
Grades Nine Through Twelve:						
Regular ADA	4,776.94	(0.30)	4,776.64	4,767.24	(0.23)	4,767.01
Extended Year Special Education	11.52	-	11.52	11.52	-	11.52
Special Education - Nonpublic, Nonsectarian Schools	14.31	-	14.31	14.78	-	14.78
Extended Year Special Education - Nonpublic, Nonsectarian schools	0.33	-	0.33	0.33	-	0.33
Community Day School	15.85	-	15.85	15.13	-	15.13
Total Grades Nine Through Twelve ADA	<u>4,818.95</u>	<u>(0.30)</u>	<u>4,818.65</u>	<u>4,809.00</u>	<u>(0.23)</u>	<u>4,808.77</u>
Total ADA	<u><u>13,455.81</u></u>	<u><u>(0.30)</u></u>	<u><u>13,455.51</u></u>	<u><u>13,469.98</u></u>	<u><u>(0.23)</u></u>	<u><u>13,469.75</u></u>

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2024**

<u>Grade Level</u>	<u>Minutes Requirement</u>	<u>Minutes Offered</u>	<u>Status</u>	<u>Days Offered Traditional</u>	<u>Status</u>
Kindergarten	36,000	36,424	In Compliance	180	In Compliance
Grade 1	50,400	51,136	In Compliance	180	In Compliance
Grade 2	50,400	51,136	In Compliance	180	In Compliance
Grade 3	50,400	51,136	In Compliance	180	In Compliance
Grade 4	54,000	54,001	In Compliance	180	In Compliance
Grade 5	54,000	54,001	In Compliance	180	In Compliance
Grade 6	54,000	54,001	In Compliance	180	In Compliance
Grade 7	54,000	54,001	In Compliance	180	In Compliance
Grade 8	54,000	54,001	In Compliance	180	In Compliance
Grade 9	64,800	64,730	Not In Compliance	180	In Compliance
Grade 10	64,800	64,730	Not In Compliance	180	In Compliance
Grade 11	64,800	64,730	Not In Compliance	180	In Compliance
Grade 12	64,800	64,730	Not In Compliance	180	In Compliance

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
United States Department of Agriculture				
Pass-Through Program From California Department of Education:				
Child Nutrition Cluster:				
Child Nutrition Program - Basic Breakfast	10.553	13525	\$ 577,981	\$ -
Child Nutrition Program - Especially Needy Breakfast	10.553	13526	182,863	-
Child Nutrition Program - Lunch	10.555	13396	1,601,810	-
Child Nutrition Program: Meal Supplements in National School Lunch Program	10.555	13755	898,372	-
Child Nutrition Program - SNP COVID-19 Emergency Operational Costs Reimbursement (ECR)	10.555	15637	142,075	-
Child Nutrition Program - Commodities	10.555	13396	398,988	-
Total Child Nutrition Cluster			<u>3,802,089</u>	-
Child Nutrition: Child and Adult Care Food Program	10.558	13393	29,564	-
CACFP COVID-19 Emergency Operational Costs Reimbursement (ECR)	10.558	15577	5,461	-
Total Child and Adult Care Food Program			<u>35,025</u>	-
Total United States Department of Agriculture			<u>3,837,114</u>	-
United States Department of Education				
Pass-Through Program From Foothill-SELPA				
Special Education Cluster:				
IDEA: Local Assistance Entitlement, Part B, Sec 611 (Formerly 94-142)	84.027	13379	3,192,481	-
IDEA: Local Private Schools	84.027	10115	35,023	-
IDEA: Mental Health Services, Part B, Sec 611	84.027	15197	172,241	-
IDEA: We Can Work	84.027	01110	357,301	-
Subtotal: Assistance Listing #84.027			<u>3,757,046</u>	-
IDEA: Preschool Grants	84.173	13430	71,047	-
IDEA: Preschool Staff Development	84.173	13431	739	-
Total Special Education Cluster			<u>3,828,832</u>	-
Pass-Through Programs From the California Department of Education				
Education Stabilization Fund (ESF):				
COVID-19 - Elementary and Secondary School Emergency Relief (ESSERII)	84.425D	15517	74,150	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER III)	84.425D	15559	1,381,117	-
COVID-19 - Elementary and Secondary COVID-19 - American Rescue Plan - Homeless Children and Youth II (ARP HCY II)	84.425U	15566	9,774	-
Subtotal: Education Stabilization Fund (ESF)			<u>1,465,041</u>	-
Title III, Language Acquisition Grants:				
Title III, Limited English Proficiency	84.365	15146	254,548	-
Title III, Immigrant Education	84.365	14346	60,508	-
Total Title III, Language Acquisition Grants			<u>315,056</u>	-
Adult Education Basic Grants to States:				
Adult Basic Education & ELA	84.002	14508	273,123	-
Adult Education: Adult Secondary Education, Section 231	84.002	13978	150,774	-
English Literacy and Civics Education	84.002	14109	125,419	-
Total Adult Education Basic Grants to States			<u>549,316</u>	-

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
United States Department of Education (Continued)				
Pass-Through Programs From the California Department of Education				
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14239	\$ 1,630,115	\$ -
Title I, School Improvement Funding	84.010	15438	23,260	-
Subtotal: Assistance Listing #84.010			<u>1,653,375</u>	-
Title II, Supporting Effective Instruction	84.367	14341	376,235	-
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	106,783	-
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894	100,148	-
Total United States Department of Education			<u>8,394,786</u>	-
United States Department of Health and Human Services				
Pass-Through Program From California Department of Education:				
Child Development - Federal Child Care Cluster:				
Child Development - Federal Child Care	93.596	13609	140,253	-
Early Education: ARP California State Preschool Program One-time Stipend	93.575	15640	23,452	-
COVID-19 - Child Development - ARP One-Time Stipend	93.575	15640	97,784	-
Total Child Development - Federal Child Care Cluster			<u>261,489</u>	-
Total United States Department of Health and Human Services			261,489	-
Federal Communications Commission				
Emergency Connectivity Fund	32.009	(1)	955,807	-
Total Federal Communications Commission			<u>955,807</u>	-
Total Federal Programs Expenditures			<u>\$ 13,449,196</u>	<u>\$ -</u>
Reconciliation to Federal Revenue				
Total Federal Program Expenditures			\$ 13,449,196	\$ -
Revenues in Excess (Deficiency) of Expenditures Related to Federal Entitlements:				
Child Care and Development from CA Department of Social Services	93.575	10163	13,243	-
Child Development: Federal General Child Care and Dev (CCTR)	93.596	13609	54,170	-
Child Development - ARP One-Time Stipend	93.575	15640	(23,452)	-
Child Nutrition Program - SNP COVID-19 Emergency Operational Costs Reimbursement (ECR)	10.555	15637	(142,075)	-
Child Nutrition: Child and Adult Care Food Program COVID-19 Emergency Operational Costs Reimbursement (ECR)	10.558	13393	(5,461)	-
Total Federal Program Revenue			<u>\$ 13,345,621</u>	<u>\$ -</u>

The District is the recipient of a federal program that does not result in cash receipts or disbursements. The District was granted \$398,988 of commodities under the National School Lunch Program (Assistance Listing #10.555).

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

	2025 (Budgeted)	2024	2023	2022
Total Revenues	\$ 204,721,469	\$ 229,401,881	\$ 240,664,757	\$ 211,977,851
Total Expenditures	222,667,903	230,409,340	207,123,765	204,517,468
Other Financing Sources (Uses)	(65,000)	(160,996)	384,367	(545,425)
Change in Fund Balance	(18,011,434)	(1,168,455)	33,925,359	6,914,958
Ending Fund Balance	<u>\$ 52,447,256</u>	<u>\$ 70,458,690</u>	<u>\$ 71,627,145</u>	<u>\$ 37,701,786</u>
Available Reserve	<u>\$ 32,361,751</u>	<u>\$ 37,654,990</u>	<u>\$ 12,404,364</u>	<u>\$ 12,303,774</u>
Available Reserve %	15%	16%	6%	6%
ADA - P2	<u>13,625</u>	<u>13,456</u>	<u>13,434</u>	<u>13,266</u>
Total Long-Term Debt	<u>\$ 144,154,630</u>	<u>\$ 180,073,970</u>	<u>\$ 190,992,057</u>	<u>\$ 367,820,072</u>

Available reserves are those amounts reserved for economic uncertainty and any other remaining unassigned fund balance from the General Fund.

The 2025 budget is the original budget adopted by the Board of Education on June 20, 2024.

For a District this size, the state recommends 3% of total General Fund expenditures, transfers out and other uses. For the year ended June 30, 2024, the District has met this requirement.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2024**

The District is not the granting agency for any Charter Schools.

**BURBANK UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE ANNUAL FINANCIAL AND BUDGET REPORT
WITH THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

Differences between the fund balances reported on the June 30, 2024 Annual Financial and Budget Report for the governmental funds and the audited financial statements are as follows:

	Nonmajor Governmental Funds			
	General Fund	Building Fund	Student Activity Fund	Retiree Benefits Trust Fund
June 30, 2024 Annual Financial and Budget Report Fund Balance	\$ 70,330,632	\$ 4,544,160	\$ -	\$ 1,331,805
Adjustments and Reclassifications:				
Post-Closing Adjustment to Cash	-	-	2,457,572	-
Post-Closing Adjustment to Other Current Assets	-	-	(1,955)	-
Post-Closing Adjustment to Investments With Fiscal Agent	-	-	-	82,203
Post-Closing Adjustment to Lessor Receivable	(461,999)	-	-	-
Post-Closing Adjustment to Deferred Inflow of Resources	590,057	-	-	-
Adjustment to Accounts Payable	-	(348,435)	-	-
June 30, 2024 Audited Financial Statement Fund Balance	<u>\$ 70,458,690</u>	<u>\$ 4,195,725</u>	<u>\$ 2,455,617</u>	<u>\$ 1,414,008</u>

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
ASSETS									
Cash in County Treasury	\$ -	\$ 3,844,465	\$ 736,105	\$ 5,731,790	\$ 498,161	\$ 4,692,223	\$ 9,319,611	\$ 14,897,376	\$ 39,719,731
Cash on Hand and in Banks	2,455,617	-	-	270,984	-	-	-	-	2,726,601
Accounts Receivable	-	826,752	61,308	752,042	5,443	51,662	124,767	-	1,821,974
Stores	-	-	-	29,069	-	-	-	-	29,069
Total Assets	<u>\$ 2,455,617</u>	<u>\$ 4,671,217</u>	<u>\$ 797,413</u>	<u>\$ 6,783,885</u>	<u>\$ 503,604</u>	<u>\$ 4,743,885</u>	<u>\$ 9,444,378</u>	<u>\$ 14,897,376</u>	<u>\$ 44,297,375</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ -	\$ 260,049	\$ 292,659	\$ 94,767	\$ 323,860	\$ 548,160	\$ 100	\$ -	\$ 1,519,595
Unearned Revenue	-	-	59,914	39,371	-	-	-	-	99,285
Total Liabilities	-	260,049	352,573	134,138	323,860	548,160	100	-	1,618,880
FUND BALANCES									
Nonspendable	-	-	-	29,069	-	-	-	-	29,069
Restricted	2,455,617	2,199,079	444,840	6,606,511	179,744	4,195,725	9,444,278	14,897,376	40,423,170
Assigned	-	2,212,089	-	14,167	-	-	-	-	2,226,256
Total Fund Balances	<u>2,455,617</u>	<u>4,411,168</u>	<u>444,840</u>	<u>6,649,747</u>	<u>179,744</u>	<u>4,195,725</u>	<u>9,444,278</u>	<u>14,897,376</u>	<u>42,678,495</u>
Total Liabilities and Fund Balances	<u>\$ 2,455,617</u>	<u>\$ 4,671,217</u>	<u>\$ 797,413</u>	<u>\$ 6,783,885</u>	<u>\$ 503,604</u>	<u>\$ 4,743,885</u>	<u>\$ 9,444,378</u>	<u>\$ 14,897,376</u>	<u>\$ 44,297,375</u>

See accompanying Notes to Supplementary Information.

BURBANK UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
REVENUES									
Federal Sources	\$ -	\$ 549,316	\$ 335,013	\$ 3,660,014	\$ -	\$ -	\$ -	\$ -	\$ 4,544,343
Other State Sources	-	4,722,982	975,038	4,661,012	-	-	-	37,224	10,396,256
Other Local Sources	1,471,562	375,922	2,649,562	582,400	19,895	201,969	2,630,426	15,670,964	23,602,700
Total Revenues	1,471,562	5,648,220	3,959,613	8,903,426	19,895	201,969	2,630,426	15,708,188	38,543,299
EXPENDITURES									
Instruction	-	3,203,879	3,122,269	-	-	-	-	-	6,326,148
Instruction-Related Services	-	1,605,070	447,780	-	-	-	-	-	2,052,850
Pupil Services	602,553	229,285	96,685	6,105,223	-	-	-	-	7,033,746
General Administration	-	268,483	360,911	179,827	-	-	-	-	809,221
Plant Services	-	426,237	132,747	15,919	323,860	1,203,906	2,746	-	2,105,415
Debt Service	-	-	-	-	-	-	-	15,427,615	15,427,615
Total Expenditures	602,553	5,732,954	4,160,392	6,300,969	323,860	1,203,906	2,746	15,427,615	33,754,995
Excess (Deficiency) of Revenues Over Expenditures	869,009	(84,734)	(200,779)	2,602,457	(303,965)	(1,001,937)	2,627,680	280,573	4,788,304
OTHER FINANCING SOURCES									
Interfund Transfers In	-	-	160,996	-	-	-	-	-	160,996
Total Other Financing Sources	-	-	160,996	-	-	-	-	-	160,996
NET CHANGES IN FUND BALANCE	869,009	(84,734)	(39,783)	2,602,457	(303,965)	(1,001,937)	2,627,680	280,573	4,949,300
Fund Balance - Beginning of Year	1,586,608	4,495,902	484,623	4,047,290	483,709	5,197,662	6,816,598	14,616,803	37,729,195
FUND BALANCE - END OF YEAR	<u>\$ 2,455,617</u>	<u>\$ 4,411,168</u>	<u>\$ 444,840</u>	<u>\$ 6,649,747</u>	<u>\$ 179,744</u>	<u>\$ 4,195,725</u>	<u>\$ 9,444,278</u>	<u>\$ 14,897,376</u>	<u>\$ 42,678,495</u>

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024**

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance (ADA)

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of article 8 (commencing with section 46200) of chapter 2 of part 26 of the Education Code.

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal governmental for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

The District did not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Schedule of Financial Trends and Analysis

2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting requires that this schedule be prepared showing financial trends of the general fund over the past three fiscal years as well as the current year budget. This schedule is intended to identify if the District faces potential fiscal problems and if they have met the recommended available reserve percentages.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of Charter Schools

2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting requires that this schedule list all charter schools chartered by the District and inform the users whether or not the charter school information is included in the District's financial statements.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the annual Financial and Budget Report form to the audited financial statements.

Combining Fund Financial Statements

Combining fund balance sheets and statements of revenues, expenditures and changes in fund balance have been presented for the nonmajor funds to provide additional information to the users of these financial statements. These statements have been prepared using the basis of accounting described in the notes to the financial statements.

OTHER INFORMATION

**BURBANK UNIFIED SCHOOL DISTRICT
HISTORY AND ORGANIZATION
YEAR ENDED JUNE 30, 2024**

The District was established on July 1, 1936, and is comprised of an area of approximately 17.1 square miles located in Los Angeles County. There were no changes in the boundaries of the District during the year. The District operates eleven elementary schools, three middle schools, two comprehensive high schools, one adult school, one continuation high school, a special education school, and 11 children’s centers. During the school year 2023-2024, the District operated a Community Day School that was subsequently closed as of June 30, 2024.

The Board of Education and the District Administrators for the fiscal year ended June 30, 2024 were as follows:

BOARD OF EDUCATION

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Dr. Emily Weisberg	President	December 2024
Dr. Armond Aghakhanian	Vice President	December 2024
Ms. Abby Pontzer Kamkar	Clerk	December 2026
Ms. Charlene Tabet	Member	December 2026

DISTRICT ADMINISTRATORS

Dr. John Paramo, Ed.D.	Superintendent
Ms. Cindy Quiterio	Executive Assistant to the Superintendent and Board of Education

OTHER INDEPENDENT AUDITORS' REPORTS



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Burbank Unified School District
Burbank, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Burbank Unified School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 9, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 and 2024-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
December 9, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Burbank Unified School District
Burbank, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Burbank Unified School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Board of Education
Burbank Unified School District

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
December 9, 2024



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE

Board of Education
Burbank Unified School District
Burbank, California

Report on State Compliance

Opinion on State Compliance

We have audited the Burbank Unified School District's (the District) compliance with the types of compliance requirements applicable to the District described in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2024. The District's applicable state compliance requirements are identified in the table below.

In our opinion, the District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the state compliance requirements as identified in the table provided below. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for State Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
Local Education Agencies Other than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Yes
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not Applicable
K. GANN Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court School	Not Applicable
N. Middle or Early College High Schools	Not Applicable
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes
Q. Apprenticeship: Related and Supplemental Instruction	Not Applicable
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable
TT. Home to School Transportation Reimbursement	Yes
^ School Districts, County Offices of Education, and Charter Schools	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Yes
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunity Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded Learning Opportunity Program	Yes
EZ. Transitional Kindergarten	Yes
Charter Schools:	
AA. Attendance	No ¹
BB. Mode of Instruction	No ¹
CC. Nonclassroom Based Instruction/Independent Study	No ¹
DD. Determination of Funding for Nonclassroom Based Instruction	No ¹
EE. Annual Instructional Minutes – Classroom Based	No ¹
FF. Charter School Facility Grant Program	No ¹

¹ Testing for Charter Schools was done by each school's respective auditor.

² Testing is not applicable as the District did not participate in the program.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, and which are described in the accompanying schedule of findings and questioned costs as items 2024-003, 2024-004, and 2024-005. Our opinion on each state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

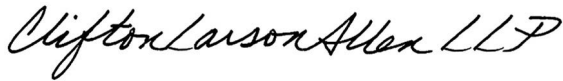
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003, 2024-004, and 2024-005 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Board of Education
Burbank Unified School District

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Glendora, California
December 9, 2024

FINDINGS AND QUESTIONED COSTS

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)

84.425D, 84.425U
84.010

Name of Federal Program or Cluster

COVID-19 Education Stabilization Fund (ESF)
Title 1

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section I – Summary of Auditors’ Results (Continued)

All audit findings must be identified as one or more of the following categories:

Five Digit Code	Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Section II – Financial Statement Findings

2024-001 Internal Control: Year End Closing 30000

Criteria: The preparation of the financial statement in accordance with GAAP requires management to reconcile beginning and ending account balances.

Condition: The District’s ending balance for the Building Fund, accounts payable and expense accounts, was understated, the ending balance for the Special Reserve Fund for Capital Outlay Projects, accounts payable and expense accounts, were understated, and the ending balance of the General Fund ESSER accounts receivable and revenue account was overstated as of June 30, 2024.

Effect: The errors resulted in an audit adjustment of \$348,435 to correct the understatement in the Building Fund; a passed adjustment of \$151,195 for the Special Reserve Fund for Capital Outlay Projects; and a passed adjustment of \$1,377,469 for the General Fund.

Cause: There were staffing shortages and/or turnover in accounting department personnel.

Repeat Finding: No

Recommendation: Procedures related to the closing and reconciliation process should be established and followed. Cross training employees and/or documenting responsibilities of specific functions and key responsibilities should be done timely to ensure that tasks are followed even in the absence of key personnel. Review by individuals not immediately involved in the closing process should be done to identify errors or omissions.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section II – Financial Statement Findings (Continued)

2024-001 Internal Control: Year End Closing (Continued)

Corrective Action Plan: The District will start the year end reconciliation process and planning earlier and create written protocols. The District will also work with LACOE to ensure personnel have an understanding of the closing process for different types of resources/funds so that the District is reviewing appropriately.

2024-002 Internal Control: Bank Reconciliations

30000

Criteria: Proper internal control includes timely reconciliation of bank accounts.

Condition: The District's bank accounts were not appropriately reconciled in a timely manner. June 2024 reconciliations were performed in October 2024.

Effect: Accounting errors or potential fraud may not be identified in a timely manner.

Cause: There were staffing shortages and/or turnover in accounting department personnel.

Repeat Finding: Yes, Prior year Finding 2023-001

Recommendation: Procedures related to the reconciliation process should be performed. Cross training employees and/or documenting responsibilities of specific functions and key responsibilities should be available to ensure that tasks are followed even in the absence of key personnel.

Corrective Action Plan: The District's newly created accounting supervisor position will ensure this process is done monthly and that at least 2 staff members are trained in this capacity. The District will create a schedule for these reconciliations to be reviewed to ensure it doesn't slip through the cracks.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a) for the year ended June 30, 2024.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section IV – Findings and Questioned Costs – State Awards

2024-003 After/Before School Education and Safety Program

40000

Criteria: California Education Code 8483(a)(2) states that it is the intent of the Legislature that pupils participate in the full day of the program every day during which pupils participate, except as allowed by the early release policy.

Condition: The district utilizes two methods to document student early release, a daily sign-in/sign-out sheet or an early release form. Parents are required to either indicate the allowable condition when signing out the pupil or are required to complete an early release request form in advance. If a student is going to be absent, the parent is expected to communicate to the ASES Site Coordinator via note or phone call prior to the absence. During our testing, it was noted the District did not have early release documentation for 11 students for 50 student days that were sampled.

Effect: The District was not able to support that early release, or absence was consistent with the District's established policy.

Cause: The District continues to struggle with parents completing the necessary documentation for early releases at the two sites tested.

Questioned Costs and Units: Not applicable as funding is not determined based on attendance.

Repeat Finding: Yes, Prior year Finding 2023-002

Recommendation: The District should adopt and design procedures and controls to ensure the appropriate early release and absence documentation is retained.

Corrective Action Plan:

- 1) Site staff will continue to be trained on the absence and accountability procedures so that each absence is appropriately documented by the school staff, including the parent component of reporting absences.
- 2) ASES Parent Handbook will be reviewed so that the absence steps are clear for parents.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section IV – Findings and Questioned Costs – State Awards (Continued)

2024-004 Independent Study 40000

Criteria: For long-term independent study (more than 14 schooldays), Local Education Agencies shall obtain all required signatures on the independent study agreement prior to the pupil's first day of instruction. Failure to do so would result in ineligible Average Daily attendance (ADA) and a fiscal penalty as described in Education Code (EC) sections 51747(g)(9)(A) and 51759.6(b)(1). For pupils participating in independent study for fewer than 15 schooldays, the independent study agreement shall be signed within 10 schooldays of the first day of the pupil's enrollment in independent study. Failure to do so would also result in ineligible ADA and a fiscal penalty as described in EC sections 51747(g)(9) and 51749.6(b).

Condition: It was noted that 1 student out of the 25 sampled for testing, attendance was reported prior to obtaining the required signatures on the master agreement. The District began claiming attendance for the student beginning on August 14, 2023, however the master agreement was not signed until November, 8, 2023.

Effect: Misreporting of Average Daily Attendance (ADA,) resulting in disallowed funding received.

Cause: Inadvertent error by Independent Learning Academy personnel

Questioned Costs and Units: 0.30 ADA and \$3,939

Repeat Finding: No

Recommendation: Continue training at independent study site and emphasize importance of obtaining signed master agreements timely.

Corrective Action Plan: The ILA program has been restructured to be under the direction of the Principal at our alternative education school (Monterey High School). Monterey has a continuation program, behavior program, and community day school program. This provides additional oversight but also better communication for situations where students are in diagnostic placements such as the student involved in this case where the parents and school(s) are identifying placement or need a combination of services. This will ensure Master agreements are completed when students are being placed through an IEP or other process where multiple programs are being considered.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section IV – Findings and Questioned Costs – State Awards (Continued)

2024-005 Instructional Time

40000

Criteria: Per Education Code 46207(a), a school district is required to offer, at a minimum, 64,800 minutes of instruction for pupils in grades 9-12. Failure to do so results in a penalty stated in a finding and payment to the California Department of Education.

Condition: The spreadsheet used for calculating annual instructional minutes for Burbank High School contained formula errors. As a result, the school were led to believe they were in compliance with the minutes requirement.

Effect: Misreporting of instructional time, resulting in disallowed funding received.

Cause: There was turnover in the Instructional Services Department, resulting in a lack of proper review of the school's instructional time calculation.

Questioned Costs and Units: \$69,492

Repeat Finding: No

Recommendation: The District should have appropriate team members review the instructional time spreadsheet to ensure formulas are calculating correctly. We also recommend that the Instructional Services/Educational Services Department review the site's calculation for compliance in a timely manner (i.e. before school starts).

Corrective Action Plan: The Directors for Elementary and Secondary Education will review instructional time spreadsheets prior to the academic year starting in addition to the Fiscal team creating a 'locked' version of the spreadsheet so certain features cannot be tampered with and will depict if the minutes do not meet minimum thresholds.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

2023-001 Internal Control: Bank Reconciliations

30000

Criteria: Proper internal control includes timely reconciliation of bank accounts.

Condition: The District's bank accounts were not appropriately reconciled in a timely manner. June 2023 reconciliations were performed in November 2023.

Effect: Accounting errors or potential fraud may not be identified in a timely manner.

Cause: There were staffing shortages and/or turnover in accounting department personnel.

Repeat Finding: No

Recommendation: Procedures related to the reconciliation process should be performed. Cross training employees and/or documenting responsibilities of specific functions and key responsibilities should be available to ensure that tasks are followed even in the absence of key personnel.

Current Status: Not implemented refer to 2024-002.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

2023-002 After/Before School Education and Safety Program

40000

Criteria: California Education Code 8483(a)(2) states that it is the intent of the Legislature that pupils participate in the full day of the program every day during which pupils participate, except as allowed by the early release policy.

Condition: The district utilizes two methods to document student early release, a daily sign-in/sign-out sheet or an early release form. Parents are required to either indicate the allowable condition when signing out the pupil or are required to complete an early release request form in advance. If a student is going to be absent, the parent is expected to communicate to the ASES Site Coordinator via note or phone call prior to the absence. During our testing, it was noted the District did not have early release documentation for 6 students and absence documentation for 1 student for the 50 student days that were sampled.

Effect: The District was not able to support that early release or absence was consistent with the District's established policy.

Cause: The District struggled with parents completing the necessary documentation for early release at one of the two sites tested and there was not a process in place to track or follow up with parents to ensure this was obtained.

Questioned Costs and Units: Not applicable as funding is not determined based on attendance.

Recommendation: The District should adopt and design procedures and controls to ensure the appropriate early release and absence documentation is retained.

Current Status: Not implemented refer to 2024-003.



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