

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025



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 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, 2025, 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 accompanying 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, 2025, 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.

Emphasis of Matter – Implementation of New Accounting Standard

As discussed in Note 1 to the financial statements, during the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This Statement establishes a unified recognition and measurement model for liabilities associated with compensated absences, including unused leave and leave taken but not yet paid. The implementation of GASB 101 resulted in changes to the accounting treatment and disclosures related to compensated absences. Our opinion is not modified with respect to this matter.

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 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 January 26, 2026 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

Ontario, California
January 26, 2026

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

INTRODUCTION

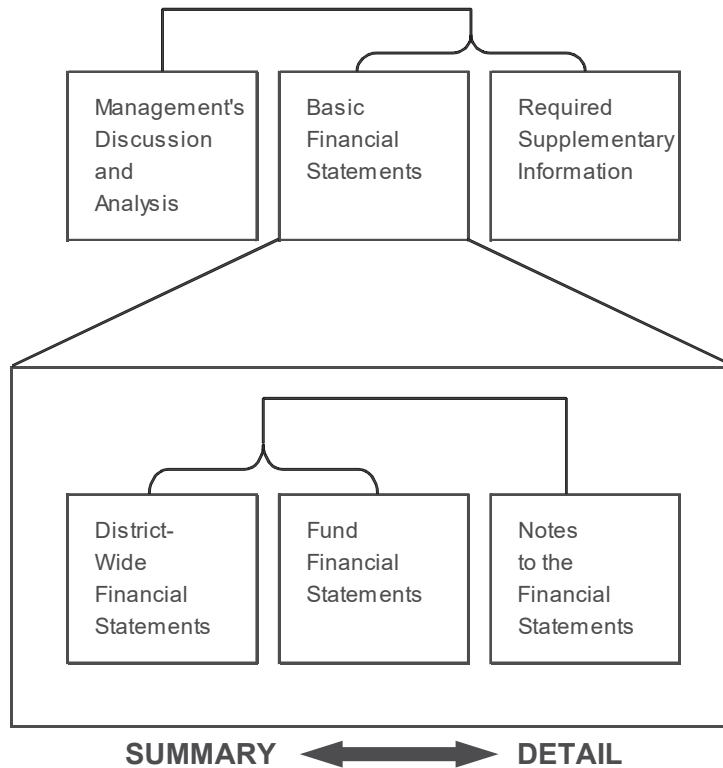
The purpose of this section of the audit report is to allow management to include for the sake of users' additional insights into the operations and trends of the school district in order to make these reports more meaningful. Users should also review the notes to the basic financial statements and the fund financial statements to enhance their understanding of the District's financial performance during the 2024-2025 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, 2025**

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, 2025**

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, 2025**

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
	2024	2025	
Assets			
Noncapital Assets	\$ 169.0	\$ 209.9	\$ 40.9
Capital Assets	240.8	263.2	22.4
Total Assets	<u>409.8</u>	<u>473.1</u>	<u>63.3</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	3.7	-	(3.7)
Deferred Outflows of Resources - OPEB	12.1	7.8	(4.3)
Deferred Outflows of Resources - Pensions	50.1	53.8	3.7
Total Deferred Outflows of Resources	<u>65.9</u>	<u>61.6</u>	<u>(4.3)</u>
Liabilities			
Current Liabilities	25.1	29.3	4.2
Long-Term Liabilities	418.0	476.2	58.2
Total Liabilities	<u>443.1</u>	<u>505.5</u>	<u>62.4</u>
Deferred Inflows of Resources			
Deferred Inflows of Resources - Leases	14.9	14.2	(0.7)
Deferred Inflows of Resources - OPEB	17.2	23.7	6.5
Deferred Inflows of Resources - Pensions	14.8	16.5	1.7
Deferred Charge on Refunding	-	2.2	2.2
Total Deferred Inflows of Resources	<u>46.9</u>	<u>56.6</u>	<u>9.7</u>
Net Position			
Net Investment in Capital Assets	104.9	101.8	(3.1)
Net Position Legally Restricted	81.4	68.4	(13.0)
Net Position Unrestricted	(200.6)	(197.6)	3.0
Total Net Position	<u>\$ (14.3)</u>	<u>\$ (27.4)</u>	<u>\$ (13.1)</u>

The net position for the governmental activities decreased by approximately \$13.1 million over the prior year.

- Total Assets increased primarily due to increase in cash from bond issuance in May 2025.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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
	2024	2025	
General Revenue:			
Property Taxes - General Purposes	\$ 73.1	\$ 76.2	\$ 3.1
Property Taxes - Debt Service	15.3	13.5	(1.8)
Property Taxes - Other Specific Purposes	2.2	2.3	0.1
Federal/State Aid	103.1	97.1	(6.0)
Interest/Investment Earnings	3.5	3.1	(0.4)
Miscellaneous	2.3	0.9	(1.4)
Total General Revenues	<u>199.5</u>	<u>193.1</u>	<u>(6.4)</u>
Net Expenditures after Program Revenues for:			
Instruction and Instruction-Related Services	125.6	136.8	11.2
Pupil Services	14.5	17.1	2.6
General Administration	14.1	13.7	(0.4)
Plant Services	19.5	18.0	(1.5)
Ancillary and Community	0.5	0.8	0.3
Other Outgo	2.9	2.4	(0.5)
Debt Service	6.0	4.9	(1.1)
Depreciation and Amortization (Unallocated)	12.4	12.5	0.1
Total Expenditures	<u>195.5</u>	<u>206.2</u>	<u>10.7</u>
Change in Net Position	4.0	(13.1)	(17.1)
Net Position, Beginning of Year	<u>(18.3)</u>	<u>(14.3)</u>	<u>4.0</u>
Net Position, End of Year	<u>\$ (14.3)</u>	<u>\$ (27.4)</u>	<u>\$ (13.1)</u>

Of the \$206.2 million in 2025 net expenditures, direct services to students represent 74.6% of the total. Plant services represent 8.7% of total expenditures. Depreciation and amortization expense represents 6.1% and general administration and interest on debt service represent about 6.6% and 2.4%, respectively.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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

- Total revenues were approximately \$254.2 million, down approximately \$16.6 million from the prior year. General Fund revenues were approximately \$215.1 million, down \$14.3 million from the prior year. The General Fund represents 85% of total revenues. Student enrollment at Burbank Unified decreased in 2024-2025. 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 2024-2025 school year the District accepted 237 new Interdistrict Permits, putting the District's active permit count that year at 1,288 Interdistrict permits for students who would otherwise be educated in other school districts.
- Total expenditures were approximately \$301.9 million, up \$37.1 million from the prior year. General Fund expenditures were approximately \$237 million, an increase over the prior year of approximately \$6.6 million. The General Fund represented 79% of total expenditures. The Board of Education will continue to monitor expenditures due to declining enrollment.
- General Fund revenue for the year was \$215.1 million with expenses of \$237 million. Along with an interfund transfer out of approximately \$1 million, proceeds from leases of \$457 thousand and proceeds from SBITA of \$710 thousand, this resulted in a decrease to the General Fund ending fund balance of \$21.8 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 \$276 thousand. This is primarily due to LCFF investment of 1.07%, which was a late addition to the state budget and was on top of statutory COLA.
- Federal Revenue Sources:
 - Actual Revenues were less than the Original Budget by \$1.7 million. This was due to all COVID-19 relief funds received in 2023-24 and no new federal funds in 2024-25.
- Other State Revenue Sources:
 - Actual Revenues exceeded the Original Budget by \$4.1 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 \$7.7 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, 2025**

FINANCIAL HIGHLIGHTS – GENERAL FUND BUDGET AND ACTUAL EXPENDITURES

- **Certificated Salaries:**
 - Actual Expenditures were higher than the Original Budget by \$42 thousand,
- **Classified Salaries:**
 - Actual Expenditures were lower than Original Budget by \$2 million.
- **Books and Supplies:**
 - Actual Expenditures were lower than the Original Budget by \$3.7 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 \$8.7 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 \$2.7 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.

- The Special Reserve for Capital Outlay Fund began 2024-25 with a fund balance of \$19.6 million and ended the year with a fund balance of \$20.9 million.
- \$2.6 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.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FINANCIAL HIGHLIGHTS – INDIVIDUAL MAJOR FUNDS (CONTINUED)

Building Fund

- The Building Fund began 2024-25 with a fund balance of \$4.2 million and ended the year with a fund balance of \$55 million.

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 2024-25 with a fund balance of \$2.5 million and ended the year with a fund balance of \$2 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 2024-25 with a fund balance of \$4.4 million, and ended the year with a fund balance of \$3.5 million.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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 increased by 15% to cover the gap and allow the Child Development Fund to be self-supporting.

- The Child Development Fund began 2024-25 with a fund balance of \$445 thousand and ended the year with a fund balance of \$1.3 million.

Cafeteria Fund

The Cafeteria Fund began 2024-25 with a fund balance of \$6.6 million and ended the year with a fund balance of \$6.9 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 2024-25 with a fund balance of \$180 thousand, and ended the year with a fund balance of \$91 thousand.

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 \$1.9 million for 2024-25 This fund is used to pay for growth-related facilities projects, as needs arise.

- The Capital Facilities Fund began 2024-25 with \$9.4 million in fund balance, and ended the year with \$11.3 million.

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.

**BURBANK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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 2024-25, the District resumed its contribution for half of the year at 0.86%. The total net position in this fund at year-end was \$0.

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 2024-25 with a deficit net position of \$1.4 million, and ended the year with net position of \$0. The decrease is due to the Trust being liquidated in 2024-25 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. In 2024-25, the District pass a \$80 million General Obligation Bond in May 2025.

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, 2025**

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 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 1.07%.
- 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, 2025**

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 Interim Superintendent, (818) 729-4473.

BASIC FINANCIAL STATEMENTS

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Governmental Activities
ASSETS	
Cash in County Treasury	\$ 158,582,557
Cash on Hand and in Banks	12,595,568
Cash in Revolving Fund	25,060
Cash with Fiscal Agent	25
Accounts Receivable	23,815,112
Lease Receivable	14,771,573
Stores	35,551
Land	7,621,124
Capital Assets, Net of Depreciation and Amortization	255,614,530
Total Assets	473,061,100
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - OPEB	7,805,361
Deferred Outflows - Pensions	53,849,676
Total Deferred Outflows of Resources	61,655,037
LIABILITIES	
Accounts Payable and Other Current Liabilities	25,582,948
Accrued Interest Payable	1,668,175
Unearned Revenue	2,091,852
Long-Term Liabilities:	
Due Within One Year Other than Pensions and OPEB	13,395,985
Net Other Postemployment Benefits (OPEB) Due Within One Year	1,898,148
Due in More Than One Year Other than Pensions and OPEB	235,918,991
Net OPEB Liabilities	64,986,603
Net Pension Liability	159,995,914
Total Liabilities	505,538,616
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - Leases	14,206,940
Deferred Inflows - OPEB	23,708,975
Deferred Inflows - Pensions	16,464,917
Deferred Inflows - Refunding	2,239,234
Total Deferred Inflows of Resources	56,620,066
NET POSITION	
Net Investment in Capital Assets	101,845,416
Restricted for:	
Debt Service	16,491,917
Construction Projects	25,759,178
Routine Restricted Maintenance	498,798
Educational Programs	9,395,330
Child Nutrition Programs	6,904,577
Student Activities	1,954,190
Classified Employee Summer Assistance Program	87,699
District and Site Operations	7,283,314
Unrestricted	(197,662,964)
Total Net Position	\$ (27,442,545)

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Functions	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction	\$ 151,848,713	\$ 4,308,830	\$ 30,087,675	\$ (117,452,208)
Instruction - Related Services	24,062,151	502,106	4,206,082	(19,353,963)
Pupil Services	28,043,975	1,001,119	9,882,443	(17,160,413)
Ancillary Services	1,364,775	213,301	335,041	(816,433)
Community Services	192,153	127,759	103,492	39,098
Enterprise	208	-	-	(208)
General Administration	17,453,209	146,617	3,646,341	(13,660,251)
Plant Services	21,149,040	1,429,045	1,697,700	(18,022,295)
Other Outgo	2,789,341	37,351	319,734	(2,432,256)
Debt Service - Interest	4,860,382	-	-	(4,860,382)
Depreciation and Amortization (Unallocated)	12,504,702	-	-	(12,504,702)
Total Governmental Activities	\$ 264,268,649	\$ 7,766,128	\$ 50,278,508	(206,224,013)
GENERAL REVENUES AND SUBVENTIONS				
Property Taxes Levied for:				
General Purposes				76,176,829
Debt Service				13,526,492
Other Specific Purposes				2,355,204
Federal and State Aid not Restricted to				
Specific Purposes				97,075,063
Interest and Investment Earnings				3,152,115
Miscellaneous				864,234
Total General Revenues				<u>193,149,937</u>
CHANGE IN NET POSITION				(13,074,076)
Net Position - Beginning of Year				<u>(14,368,469)</u>
NET POSITION - END OF YEAR				\$ (27,442,545)

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Special Reserve Fund for Capital Outlay	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash in County Treasury	\$ 33,500,641	\$ 21,042,431	\$ 63,105,384	\$ 40,928,403	\$158,576,859
Cash on Hand and in Banks	10,063,576	-	-	2,531,992	12,595,568
Cash in Revolving Fund	25,060	-	-	-	25,060
Cash with Fiscal Agent	25	-	-	-	25
Accounts Receivable	22,946,230	182,115	17,165	669,602	23,815,112
Lease Receivable	14,771,573	-	-	-	14,771,573
Stores	17,913	-	-	17,638	35,551
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 81,325,018</u>	<u>\$ 21,224,546</u>	<u>\$ 63,122,549</u>	<u>\$ 44,147,635</u>	<u>\$209,819,748</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Current Liabilities	\$ 16,423,497	\$ 315,576	\$ 8,043,502	\$ 794,675	\$ 25,577,250
Unearned Revenue	1,989,908	-	-	101,944	2,091,852
Total Liabilities	<u>18,413,405</u>	<u>315,576</u>	<u>8,043,502</u>	<u>896,619</u>	<u>27,669,102</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows - Leases	14,206,940	-	-	-	14,206,940
Total Deferred Inflows of Resources	<u>14,206,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,206,940</u>
FUND BALANCES					
Nonspendable	42,973	-	-	17,638	60,611
Restricted	14,690,115	14,338,067	55,079,047	41,133,654	125,240,883
Assigned	-	6,570,903	-	2,099,724	8,670,627
Unassigned	33,971,585	-	-	-	33,971,585
Total Fund Balances	<u>48,704,673</u>	<u>20,908,970</u>	<u>55,079,047</u>	<u>43,251,016</u>	<u>167,943,706</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 81,325,018</u>	<u>\$ 21,224,546</u>	<u>\$ 63,122,549</u>	<u>\$ 44,147,635</u>	<u>\$209,819,748</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, 2025**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds \$ 167,943,706

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	255,614,530	263,235,654

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	(231,457,638)	
Finance Purchase	(11,740,760)	
Lease Liability	(413,628)	
SBITA Liability	(792,055)	
Compensated Absences	(4,910,895)	
Net Other Postemployment Benefits Other than Pensions (OPEB)	(66,884,751)	
Net Pension Liability	(159,995,914)	(476,195,641)

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 - OPEB	7,805,361	
Deferred Outflows - Pensions	53,849,676	
Deferred Inflows - OPEB	(23,708,975)	
Deferred Inflows - Pensions	(16,464,917)	
Deferred Inflow - Refunding	(2,239,234)	19,241,911

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:

-

Interest expense related to general obligation bonds payable was incurred but not accrued through June 30, 2025.

(1,668,175)

Total Net Position - Governmental Activities

\$ (27,442,545)

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025**

	General Fund	Special Reserve Fund for Capital Outlay	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Local Control Funding Formula (LCFF)					
Sources:					
State Apportionments	\$ 91,302,409	\$ -	\$ -	\$ -	\$ 91,302,409
Local Sources	76,176,829	-	-	-	76,176,829
Total LCFF Sources	167,479,238	-	-	-	167,479,238
Federal Sources	6,423,882	-	-	4,273,077	10,696,959
Other State Sources	34,110,748	-	-	9,957,323	44,068,071
Other Local Sources	7,079,747	3,075,371	117,190	20,451,815	30,724,123
Total Revenues	215,093,615	3,075,371	117,190	34,682,215	252,968,391
EXPENDITURES					
Instruction	148,502,800	-	-	6,475,484	154,978,284
Instruction - Related Services	22,587,961	-	-	2,242,397	24,830,358
Pupil Services	21,054,393	-	-	9,136,792	30,191,185
Ancillary Services	1,347,752	-	-	-	1,347,752
Community Services	185,472	-	-	-	185,472
Enterprise	208	-	-	-	208
General Administration	16,663,110	-	455,000	657,939	17,776,049
Plant Services	23,880,310	1,750,150	28,778,868	772,165	55,181,493
Other Outgo	2,789,341	-	-	-	2,789,341
Debt Service	-	-	-	15,117,049	15,117,049
Total Expenditures	237,011,347	1,750,150	29,233,868	34,401,826	302,397,191
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,917,732)	1,325,221	(29,116,678)	280,389	(49,428,800)
OTHER FINANCING SOURCES (USES)					
Sale of Bonds	-	-	80,000,000	53,135,000	133,135,000
Premium from Sale of Bonds	-	-	-	9,861,208	9,861,208
Deposit to Refunding Bond Escrow Agent	-	-	-	(58,508,351)	(58,508,351)
Issuance of Leases	457,022	-	-	-	457,022
Issuance of SBITA	710,423	-	-	-	710,423
Interfund Transfer Out	(1,003,730)	-	-	-	(1,003,730)
Total Other Financing Sources (Uses)	163,715	-	80,000,000	4,487,857	84,651,572
NET CHANGE IN FUND BALANCE	(21,754,017)	1,325,221	50,883,322	4,768,246	35,222,772
Fund Balances - Beginning of Year as Originally Reported	70,458,690	19,583,749	-	42,678,495	132,720,934
Adjustment (see Note 19)	-	-	4,195,725	(4,195,725)	-
Fund Balances - Beginning of Year, as Adjusted	70,458,690	19,583,749	4,195,725	38,482,770	132,720,934
FUND BALANCES - END OF YEAR	<u>\$ 48,704,673</u>	<u>\$ 20,908,970</u>	<u>\$ 55,079,047</u>	<u>\$ 43,251,016</u>	<u>\$ 167,943,706</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, 2025**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds \$ 35,222,772

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	\$ 34,972,577	
Depreciation and Amortization Expense	(12,359,999)	22,612,578

In governmental funds, proceeds from the disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and resulting gain or loss was: (144,703)

Issuance of long term liabilities are reported as proceeds or issuances in the governmental funds increases long-term liabilities in the Statement of Net Position.

Sale of General Obligation Bonds	(142,996,208)	
Issuance of Leases	(457,022)	
Issuance of SBITA	(710,423)	(144,163,653)

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	866,054	
Principal Payments on Leases	336,506	
Principal Payments on SBITAs	144,167	
General Obligation Bond Principal and Accreted Interest Payments	73,415,000	74,761,727

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: 8,545,068

**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, 2025**

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: (6,188,091)

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:

Net change in Deferred Charge of Refunding	(5,905,460)	
Decrease in Accrued Interest Payable	181,251	
Accreted Interest Accrual	(978,919)	
Premium on General Obligation Bonds - Amortization	706,419	
Net Increase in Compensated Absences	433,420	(5,563,289)

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. 1,843,515

Change in Net Position of Governmental Activities \$ (13,074,076)

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2025**

	Governmental Activities Internal Service Fund <hr/> Retiree Benefits Self-Insurance Fund <hr/>
ASSETS	
Cash in County Treasury	\$ 5,698
Total Assets	<hr/> 5,698
LIABILITIES	
Accounts Payable	5,698
Total Liabilities	<hr/> 5,698 <hr/>
NET POSITION	
Unrestricted	<hr/> -
Total Net Position	<hr/> <hr/> \$ -

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, 2025**

	Governmental Activities Internal Service Fund <hr/> Retiree Benefits Self-Insurance Fund <hr/>
OPERATING REVENUES	
In-District Premiums/Contributions	\$ 2,880,848
Total Operating Revenues	<hr/> 2,880,848
OPERATING EXPENDITURES	
Benefits and Other Operating Expenses	2,041,063
Total Operating Expenditures	<hr/> 2,041,063
OPERATING INCOME	839,785
TRANSFERS	
Transfers In	<hr/> 1,003,730
CHANGE IN NET POSITION	1,843,515
Net Position - Beginning of Year	<hr/> (1,843,515)
NET POSITION - END OF YEAR	<hr/> <hr/> \$ -

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025**

	Governmental Activities Internal Service Fund <hr/> Retiree Benefits Self-Insurance Fund <hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received for Benefits and Other Operating Expenses	\$ 763,743
Net Cash Provided by Operating Activities	<u>763,743</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	1,003,730
Net Cash Provided by Noncapital Financing Activities	<u>1,003,730</u>
NET INCREASE IN CASH	1,767,473
Cash - Beginning of Year	<u>(1,761,775)</u>
CASH - END OF YEAR	<u><u>\$ 5,698</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ 839,785
Changes in Operating Assets:	
Decrease in Accounts Payable	<u>(76,042)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 763,743</u></u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	<u>Retiree Benefits Trust Fund</u>
ASSETS	
Total Assets	\$ <u> -</u>
NET POSITION	
Total Net Position	\$ <u><u> -</u></u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2025**

	Retiree Benefits Trust Fund
ADDITIONS	
Employer Contributions	\$ 431,308
Investment Gain:	
Interest Income and Dividends	22,871
Realized Gain(Loss) on Investment	(39,784)
Unrealized Gain(Loss) on Investment	97,681
Net Investment Gain	80,768
Total Additions	512,076
 DEDUCTIONS	
Benefit Payments	1,920,377
Other Expenses	5,707
Total Deductions	1,926,084
 CHANGE IN NET POSITION	(1,414,008)
Net Position - Beginning of Year	1,414,008
 NET POSITION - END OF YEAR	\$ -

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025**

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.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

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.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds – Nonmajor (Continued)

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.

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.

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.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2025, the inventory for supplies is \$17,913. The inventory for food is \$17,638.

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.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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.

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.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

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.

Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave.

The liability for compensated absences is reported as incurred in the governmentwide fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment. The policy also permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Adoption of New Accounting Standards

GASB Statement No. 101 Compensated Absences

In June, 2022, the GASB issued GASB Statement No. 101 *Compensated Absences*. This implementation updates the recognition and measurement guidance for compensated absences and resulted in the recognition of a liability for compensated absences for leave that has not been used but is attributable to services already rendered, accumulates, and is more likely than not to be used or paid and leave that has been used but not yet paid or settled. The District adopted the requirements of the guidance effective July 1, 2024 and has applied the provisions of this standard to the beginning of the period of adoption.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, \$11,763,131 of the District's bank balance of \$12,263,131 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, 2025 is measured at 97.52% 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, 2025**

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.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts Receivable	General Fund	Special Reserve Fund for Capital Outlay	Building Fund	Nonmajor Governmental Funds
Federal and State	\$ 12,144,215	\$ -	\$ -	\$ 477,101
Miscellaneous	10,802,015	182,115	17,165	192,501
Total Accounts Receivable	<u>\$ 22,946,230</u>	<u>\$ 182,115</u>	<u>\$ 17,165</u>	<u>\$ 669,602</u>

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 2024-25 fiscal year are as follows:

Transfer from the General Fund to the Retiree Benefits Self-Insurance Fund to cover the negative beginning net position	<u>\$ 1,003,730</u>
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**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Cash in Revolving Fund	\$ 25,060	\$ -	\$ -	\$ -	\$ 25,060
Stores	17,913	-	-	17,638	35,551
Total Nonspendable	<u>42,973</u>	<u>-</u>	<u>-</u>	<u>17,638</u>	<u>60,611</u>
Restricted:					
Legally Restricted Programs	14,690,115	-	-	9,689,441	24,379,556
Student Activity Fund	-	-	-	1,954,190	1,954,190
Capital Projects/Facilities	-	14,338,067	55,079,047	11,329,931	80,747,045
Debt Service	-	-	-	18,160,092	18,160,092
Total Restricted	<u>14,690,115</u>	<u>14,338,067</u>	<u>55,079,047</u>	<u>41,133,654</u>	<u>125,240,883</u>
Assigned:					
Capital Projects/Facilities	-	6,570,903	-	-	6,570,903
Adult Education	-	-	-	2,099,724	2,099,724
Total Assigned	<u>-</u>	<u>6,570,903</u>	<u>-</u>	<u>2,099,724</u>	<u>8,670,627</u>
Unassigned:					
Economic Uncertainties	6,851,338	-	-	-	6,851,338
Unassigned/Unappropriated	27,120,247	-	-	-	27,120,247
Total Unassigned	<u>33,971,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,971,585</u>
Total Fund Balance	<u>\$ 48,704,673</u>	<u>\$ 20,908,970</u>	<u>\$ 55,079,047</u>	<u>\$ 43,251,016</u>	<u>\$ 167,943,706</u>

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, the District recognized \$500,845 and \$304,147 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>
2026	\$ 331,832	\$ 296,518	\$ 628,350
2027	338,767	289,584	628,351
2028	345,846	282,504	628,350
2029	353,073	275,277	628,350
2030	360,452	267,899	628,351
2031 - 2035	1,918,445	1,223,307	3,141,752
2036 - 2040	2,127,454	1,014,298	3,141,752
2041 - 2045	2,359,234	782,519	3,141,753
2046 - 2050	2,536,222	463,103	2,999,325
2051 - 2055	2,366,200	276,352	2,642,552
2056 - 2060	1,734,048	43,804	1,777,852
Total	<u>\$ 14,771,573</u>	<u>\$ 5,215,165</u>	<u>\$ 19,986,738</u>

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 is shown below:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025
Capital Assets Not Being Depreciated:				
Land	\$ 7,621,124	\$ -	\$ -	\$ 7,621,124
Capital Assets Being Depreciated:				
Site Improvements	40,716,529	184,866	-	40,901,395
Building and Improvements	396,479,061	32,095,098	-	428,574,159
Equipment	7,296,484	1,600,214	(144,703)	8,751,995
Total Capital Assets Being Depreciated	<u>444,492,074</u>	<u>33,880,178</u>	<u>(144,703)</u>	<u>478,227,549</u>
Less Accumulated Depreciation for:				
Site Improvements	15,777,088	1,112,084	-	16,889,172
Building and Improvements	190,802,134	10,696,099	-	201,498,233
Equipment	5,297,525	-	-	5,297,525
Total Accumulated Depreciation	<u>211,876,747</u>	<u>11,808,183</u>	<u>-</u>	<u>223,684,930</u>
Total Capital Assets Being Depreciated, Net	232,615,327	22,071,995	(144,703)	254,542,619
Right-to-Use Lease Assets:				
Equipment	1,234,970	433,288	(74,883)	1,593,375
Total Right-to-Use Lease Assets	<u>1,234,970</u>	<u>433,288</u>	<u>(74,883)</u>	<u>1,593,375</u>
Less Accumulated Amortization:				
Equipment	975,706	282,921	(74,883)	1,183,744
Total Accumulated Amortization	<u>975,706</u>	<u>282,921</u>	<u>(74,883)</u>	<u>1,183,744</u>
Total Right-to-Use Lease Assets, Net	259,264	150,367	-	409,631
Subscription Based Information Technology Arrangement Assets (SBITA):				
SBITA	603,961	659,111	-	1,263,072
Total SBITA	<u>603,961</u>	<u>659,111</u>	<u>-</u>	<u>1,263,072</u>
Less Accumulated Amortization:				
SBITA	331,897	268,895	-	600,792
Total SBITA, Net	<u>272,064</u>	<u>390,216</u>	<u>-</u>	<u>662,280</u>
Capital Assets, Net	<u>\$ 240,767,779</u>	<u>\$ 22,612,578</u>	<u>\$ (144,703)</u>	<u>\$ 263,235,654</u>

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2025 is shown below:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amount Due in One Year
General Obligations Bonds:					
Bond C	\$ 7,294,658	\$ -	\$ 1,911,945	\$ 5,382,713	\$ 1,846,804
Series 2013 Bond	20,832,990	-	600,000	20,232,990	900,000
Series 2015A Bond	3,670,000	-	2,840,000	830,000	830,000
Series 2017 Bond	32,626,109	-	1,265,000	31,361,109	1,345,000
Series 2020 Bond	62,160,000	-	62,160,000	-	-
Series 2025 Bond	-	80,000,000	-	80,000,000	-
Series 2025 Refunding Bond	-	53,135,000	-	53,135,000	1,450,000
Accreted Interest:					
Bond C	17,018,031	978,919	4,638,055	13,358,895	4,888,196
Series 2013 Bond	10,822,010	-	-	10,822,010	-
Series 2017 Bond	3,753,891	-	-	3,753,891	-
Bond Premium:					
Series 2013 Bond	1,260,158	-	63,952	1,196,206	-
Series 2015A Bond	443,454	-	443,454	-	-
Series 2017 Bond	1,722,629	-	199,013	1,523,616	-
Series 2025 Bond	-	4,194,232	-	4,194,232	-
Series 2025 Refunding Bond	-	5,666,976	-	5,666,976	-
Total Bonds	<u>161,603,930</u>	<u>143,975,127</u>	<u>74,121,419</u>	<u>231,457,638</u>	<u>11,260,000</u>
Finance Purchase - Direct Borrowing	12,606,814	-	866,054	11,740,760	951,235
Lease Liability	293,112	457,022	336,506	413,628	275,549
SBITA Liability	225,799	710,423	144,167	792,055	137,833
Compensated Absences	5,344,315	3,103,665	3,537,085	4,910,895	771,368
Total	<u>\$ 180,073,970</u>	<u>\$ 148,246,237</u>	<u>\$ 79,005,231</u>	<u>\$ 249,314,976</u>	<u>\$ 13,395,985</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, 2025**

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>	Principal	Interest	Total
2026	\$ 951,236	\$ 354,635	\$ 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	1,168,169	226,579	1,394,748
2031-2035	4,353,682	660,398	5,014,080
2036-2038	1,935,107	145,361	2,080,468
Total	<u>\$ 11,740,760</u>	<u>\$ 2,266,063</u>	<u>\$ 14,006,823</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.

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

<u>Year Ending June 30,</u>	Principal	Interest	Total
2026	\$ 275,549	\$ 8,234	\$ 283,783
2027	86,403	2,884	89,287
2028	51,676	409	52,085
Total	<u>\$ 413,628</u>	<u>\$ 11,527</u>	<u>\$ 425,155</u>

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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>	Principal	Interest	Total
2026	\$ 137,833	\$ 19,583	\$ 157,416
2027	103,745	16,900	120,645
2028	137,482	13,324	150,806
2029	179,881	8,627	188,508
2030	233,114	2,521	235,635
Total	<u>\$ 792,055</u>	<u>\$ 60,955</u>	<u>\$ 853,010</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, 2025**

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 accreting 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. After Refunding Bonds Series 2025, the Refunding Bonds Series 2020 final maturity was August 1, 2024.

Refunding Bonds – Series 2025

On May 28, 2025, the District issued \$53,135,000, in General Obligation Refunding Bonds Series 2025 (Federally Taxable). The bonds were issued to advance refund portions of the outstanding Series 2020 Refunding Bonds and a portion of the outstanding 2015A Bonds. The bonds were issued as serial and term bonds with interest rates ranging from 2.76% to 3.13%. The bonds mature beginning on August 1, 2025 with final maturity on August 1, 2034. The proceeds associated with this refunding were deposited in an escrow account to be redeemed XXX date and as such the applicable bonds are considered in-substance defeased. The outstanding balance of the defeased debt was roughly \$53.1 million as of June 30, 2025.

Measure ABC – 2025 General Obligation Bonds

On May 28, 2025 the District issued \$80,000,000 in General Obligation Bonds, Series 2025. The bonds were issued as serial and term bonds with interest rates ranging from 2.76% to 4.50%. The bonds mature beginning on August 1, 2025 with final maturity on August 1, 2054.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 GENERAL OBLIGATION BONDS (CONTINUED)

The outstanding general obligation bonded debt of the District at June 30, 2025 is:

General Obligation Bonds	Date of Issue	Date of Maturity	Interest Rate	Amount of Original Issue	Outstanding June 30, 2025
Election 1997:					
Series C	7/1/2002	8/1/2027	3.0% - 5.7%	\$ 65,000,839	\$ 5,382,713
Accreted Interest					13,358,895
Measure S:					
Series 2013	5/16/2013	2/1/2038	2.5% - 5.0%	40,997,990	20,232,990
Accreted Interest					10,822,010
Series 2015A	8/1/2015	8/1/2034	3.0% - 5.0%	34,998,497	830,000
Series 2017	3/15/2017	8/1/2032	3.125% - 5.0%	34,001,109	31,361,109
Accreted Interest					3,753,891
Measure ABC:					
Series 2025	5/28/2025	8/1/2054	2.76% - 4.50%	80,000,000	80,000,000
Refunding Bonds					
Series 2020	10/29/2020	8/1/2034	0.369% - 2.484%	62,880,000	-
Series 2025 Refunding	5/28/2025	8/1/2034	2.76% - 3.13%	53,135,000	53,135,000
Total					218,876,608
Unamortized Bond Premium					12,581,030
Total Bonds Payable					<u>\$ 231,457,638</u>

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

1997 Election

<u>Year Ending June 30,</u>	Principal	Accreted Interest	Total
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>\$ 5,382,713</u>	<u>\$ 15,397,287</u>	<u>\$ 20,780,000</u>

Measure S

<u>Year Ending June 30,</u>	Principal	Current Interest	Accreted Interest	Total
2026	\$ 3,075,000	\$ 2,907,925	\$ -	\$ 5,982,925
2027	1,470,000	2,794,300	-	4,264,300
2028	1,640,000	2,716,550	-	4,356,550
2029	4,665,000	2,558,925	-	7,223,925
2030	5,390,000	1,926,588	-	7,316,588
2031-2035	23,063,298	6,297,363	8,971,852	38,332,513
2036-2039	13,120,801	1,618,162	7,434,198	22,173,161
Total	<u>\$ 52,424,099</u>	<u>\$ 20,819,812</u>	<u>\$ 16,406,050</u>	<u>\$ 89,649,961</u>

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 GENERAL OBLIGATION BONDS (CONTINUED)

2025 Refunding

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Current Interest</u>	<u>Total</u>
2026	\$ 1,450,000	\$ 1,757,056	\$ 3,207,056
2027	2,045,000	2,533,125	4,578,125
2028	1,695,000	2,439,625	4,134,625
2029	6,300,000	2,239,750	8,539,750
2030	6,000,000	1,932,250	7,932,250
2031-2035	35,645,000	4,548,875	40,193,875
Total	<u>\$ 53,135,000</u>	<u>\$ 15,450,681</u>	<u>\$ 68,585,681</u>

Measure ABC (2025)

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Current Interest</u>	<u>Total</u>
2026	\$ -	\$ 2,676,991	\$ 2,676,991
2027	1,700,000	3,923,413	5,623,413
2028	-	3,880,913	3,880,913
2029	-	3,880,913	3,880,913
2030	-	3,880,913	3,880,913
2031-2035	545,000	19,380,938	19,925,938
2036-2040	4,995,000	18,759,438	23,754,438
2041-2045	12,080,000	16,679,563	28,759,563
2046-2050	22,845,000	12,488,906	35,333,906
2051-2055	37,835,000	5,079,125	42,914,125
Total	<u>\$ 80,000,000</u>	<u>\$ 90,631,110</u>	<u>\$ 170,631,110</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, 2025**

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, 2025, 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

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 14 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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, 2025, the District did not contribute to the plan.

The components of the net OPEB liability of the District at June 30, 2025 were as follows:

	Balance June 30, 2025
Total OPEB Liability	\$ 66,906,980
Plan Fiduciary Net Position	22,229
Net OPEB Liability (Asset)	\$ 66,884,751

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, 2025, 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	\$ 2,542,453	\$ 3,639,352
Changes in Assumptions or Other Inputs	5,188,586	20,069,623
Differences Between Expected and Actual Return on Investments	74,322	-
Total	\$ 7,805,361	\$ 23,708,975

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
2026	\$ (719,558)
2027	(1,312,708)
2028	(1,324,391)
2029	(2,838,408)
2030	(3,055,064)
Thereafter	(6,653,485)
Total	\$ (15,903,614)

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	10%	7.25%
Fixed Income	90%	4.25%

At June 30, 2025, 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.

Actuarial Methods and Assumptions

The District’s net OPEB liability (asset) was measured as of June 30, 2025, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

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:

<u>Actuarial Methods and Assumptions</u>	
Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	5.20%
Health Care Trend Rate	4.00%

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

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 14 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

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, 2025 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 5.20%. 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 3.94% to 5.20%.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2024	\$ 72,839,245	\$ 1,414,008	\$ 71,425,237
Changes for the Year:			
Service Cost	3,759,184	-	3,759,184
Interest	2,902,860	-	2,902,860
Changes in Assumptions	(10,509,932)	-	(10,509,932)
Experience (Gains)/Losses	(186,229)	-	(186,229)
Investment Gains/(Losses)	-	48,576	(48,576)
Employer Contributions*	-	431,308	(431,308)
Benefit Payments*	(1,898,148)	(1,898,148)	-
Administrative Expenses	-	(5,707)	5,707
Expected Investment Income	-	32,192	(32,192)
Net Changes	<u>(5,932,265)</u>	<u>(1,391,779)</u>	<u>(4,540,486)</u>
Balances at June 30, 2025	<u>\$ 66,906,980</u>	<u>\$ 22,229</u>	<u>\$ 66,884,751</u>

* Amount includes implicit subsidy associated with benefits paid.

The following presents the District's net OPEB liability calculated using the discount rate of 5.20% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	Net OPEB Liability (Asset)	\$ 75,120,397	\$ 66,884,751

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:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
	Net OPEB Liability (Asset)	\$ 57,799,092	\$ 66,884,751

OPEB Expense

For the year ended June 30, 2025, the District recognized OPEB expense of \$6,619,399.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, 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)	\$ 91,341,680	\$ 32,144,937	\$ 14,090,642	\$ 12,121,366
CalPERS (Schools Pool Plan)	68,654,234	21,704,739	2,374,275	10,485,287
Total	<u>\$ 159,995,914</u>	<u>\$ 53,849,676</u>	<u>\$ 16,464,917</u>	<u>\$ 22,606,653</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.

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.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

Benefits Provided (Continued)

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, 2025 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	2% at 60	2% at 62
Benefit Formula	5 Years of Service	5 Years of Service
Benefit Vesting Schedule	Monthly for Life	Monthly for Life
Benefit Payments	60	62
Retirement Age		
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 actuarial cost method. The contribution rates for each plan for the year ended June 30, 2025 are presented above and the total District contributions were \$16,118,983.

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

At June 30, 2025, 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:

	<u>Balance June 30, 2025</u>
District Proportionate Share of the Net Pension Liability	\$ 91,341,680
State's Proportionate Share of the Net Pension Liability Associated with the District	41,908,521
Total	<u>\$ 133,250,201</u>

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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 net pension liability was measured as of June 30, 2024. 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, 2024, the District's proportion was 0.136% which is an increase of 0.007% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$8,306,338 and revenue and corresponding expense of \$3,815,028 for contributions provided by the state representing total pension expense of \$12,121,366. At June 30, 2025, 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	\$ 16,118,983	\$ -
Differences Between Expected and Actual Experience	10,331,920	3,994,320
Changes of Assumptions	399,840	6,238,320
Changes in Proportion	5,294,194	3,489,442
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	368,560
Total	\$ 32,144,937	\$ 14,090,642

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, 2026. 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, 2024 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>
2026	\$ (6,434,181)
2027	7,069,135
2028	(800,559)
2029	64,457
2030	1,749,740
2031	286,720
Total	\$ 1,935,312

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

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, 2023, and rolling forward the total pension liability to June 30, 2024. 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, 2023 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Experience Study	July 1, 2007 through June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method
Discount Rate	7.10%
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%

CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023 and projected improvement is based on the MP-2021 Ultimate Projection Scale.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of the 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

Actuarial Methods and Assumptions (Continued)

The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, 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.

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:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	\$ 162,466,960	\$ 91,341,680	\$ 31,949,120

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

Changes of Assumptions

During the fiscal year of the measure date of June 30, 2024, CalSTRS completed an experience study for the period starting July 1, 2007 and ending June 30, 2022. The experience study was adopted by the board in January 2024. As a result of the study, certain assumptions used in determining the net pension liability of the STRP changed, including postretirement mortality, probabilities of retirement, disability or withdrawal from the system, pay increases due to promotions and other various assumptions needed to value the program benefits.

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, 2025**

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, 2025 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	27.05%	27.05%
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, 2025 are as presented above and the total District contributions were \$10,986,618.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$68,654,234. The net pension liability was measured as of June 30, 2024. 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, 2024, the District's proportion was 0.1921% which is an increase of 0.0035% from its proportion measured as of June 30, 2023.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, the District recognized pension expense of \$10,485,287. At June 30, 2025, 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	\$ 10,986,618	\$ -
Differences Between Expected and Actual Experience	5,755,654	491,356
Changes of Assumptions	1,517,490	-
Changes in Proportion	778,156	1,882,919
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,666,821	-
Total	\$ 21,704,739	\$ 2,374,275

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, 2026. 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, 2024 measurement date is 3.9 years.

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

Year Ending June 30,	Amortization
2026	\$ 1,954,175
2027	6,320,475
2028	913,018
2029	(843,822)
Total	\$ 8,343,846

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2023, and rolling forward the total pension liability to June 30, 2024. 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, 2023 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Experience Study	2000 through 2019
Actuarial Cost Method	Individual 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 expected real rates of return by asset class are as follows:

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, 2025**

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. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's 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:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	\$ 101,986,438	\$ 68,654,234	\$ 41,119,181

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.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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.

Contribution by Employee for the Year	\$	144,328
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, 2025.

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, 2025, 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, 2025, 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, 2025, the District made payments of \$1,665,652 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.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 17 JOINT POWERS AGREEMENTS (CONTINUED)

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.

NOTE 18 COMMITMENTS AND CONTINGENCIES

Litigation

The District is involved in claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters are not estimable or probable to require disclosure in the District's 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, 2025, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$14.4 million. Projects will be funded through the Building Fund.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 19 ADJUSTMENTS TO BEGINNING FUNDS BALANCES

Changes within Financial Reporting Entity

The Building Fund was previously reported as a nonmajor governmental fund. For the fiscal year ended June 30, 2025, the fund met the criteria to be reported as a major fund and is reported as a major governmental fund. The effect of that change within the financial reporting entity is shown in the table below.

	June 30, 2024 as Previously Reported	Changes within Financial Reporting Entity	June 30, 2024 as Adjusted
Governmental Funds			
Major Funds			
Building Fund	\$ -	\$ 4,195,725	\$ 4,195,725
Nonmajor Funds	42,678,495	(4,195,725)	38,482,770
	<u>\$ 42,678,495</u>	<u>\$ -</u>	<u>\$ 42,678,495</u>

REQUIRED SUPPLEMENTARY INFORMATION

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Budgetary Amounts		Actual Amounts
	Original	Final	
REVENUES			
Local Control Funding Formula (LCFF) Sources:			
State Apportionments	\$ 96,709,894	\$ 95,232,215	\$ 91,302,409
Local Sources	70,493,041	70,427,588	76,176,829
Total LCFF Sources	<u>167,202,935</u>	<u>165,659,803</u>	<u>167,479,238</u>
Federal Sources	6,569,291	7,010,681	6,423,882
Other State Sources	29,952,934	29,614,880	34,110,748
Other Local Sources	996,309	1,353,373	7,079,747
Total Revenues	<u>204,721,469</u>	<u>203,638,737</u>	<u>215,093,615</u>
EXPENDITURES			
Certificated Salaries	85,526,890	85,915,731	85,569,056
Classified Salaries	40,070,490	38,989,965	38,017,298
Employee Benefits	50,350,208	50,403,421	57,519,947
Books and Supplies	10,137,924	12,890,752	6,400,864
Services and Other Operating Expenditures	34,924,301	45,292,844	43,690,345
Capital Outlay	980,923	1,073,796	3,682,433
Other Outgo	1,450,579	80,231	1,483,889
Direct Support - Indirect Cost	(773,412)	(745,779)	(657,938)
Debt Service	-	1,370,348	1,305,453
Total Expenditures	<u>222,667,903</u>	<u>235,271,309</u>	<u>237,011,347</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,946,434)	(31,632,572)	(21,917,732)
OTHER FINANCING USES			
Issuance of Leases	-	-	457,022
Issuance of SBITA	-	-	710,423
Interfund Transfers Out	(65,000)	(65,000)	(1,003,730)
Total Other Financing Uses	<u>(65,000)</u>	<u>(65,000)</u>	<u>163,715</u>
NET CHANGE IN FUND BALANCE	<u>\$ (18,011,434)</u>	<u>\$ (31,697,572)</u>	(21,754,017)
Fund Balances - Beginning of Year			<u>70,458,690</u>
FUND BALANCES - END OF YEAR			<u>\$ 48,704,673</u>

See accompanying Notes to Required Supplementary Information.

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

CalSTRS - STRP	2025	2024	2023	2022	2021
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
District's Proportion of the Net Pension Liability (NPL)	0.136%	0.129%	0.128%	0.131%	0.136%
District's Proportionate Share of the NPL	\$ 91,341,680	\$ 98,247,690	\$ 88,942,080	\$ 59,615,480	\$131,796,240
State's Proportionate Share of the NPL Associated with the District	41,908,521	47,074,081	44,542,454	29,996,822	67,505,113
Total	<u>\$133,250,201</u>	<u>\$145,321,771</u>	<u>\$133,484,534</u>	<u>\$ 89,612,302</u>	<u>\$199,301,353</u>
District's Covered Payroll	\$ 86,975,000	\$ 80,835,000	\$ 79,146,000	\$ 73,047,000	\$ 77,210,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	105%	122%	112%	82%	171%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84%	81%	81%	87%	72%
	2020	2019	2018	2017	2016
Measurement Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's Proportion of the NPL	0.137%	0.134%	0.135%	0.140%	0.136%
District's Proportionate Share of the NPL	\$123,732,920	\$123,155,380	\$124,848,000	\$113,233,400	\$ 91,560,640
State's Proportionate Share of the NPL Associated with the District	70,512,560	73,859,624	73,859,624	64,471,245	48,425,355
Total	<u>\$194,245,480</u>	<u>\$197,015,004</u>	<u>\$198,707,624</u>	<u>\$177,704,645</u>	<u>\$139,985,995</u>
District's Covered Payroll	\$ 75,200,000	\$ 73,600,000	\$ 73,600,000	\$ 67,800,000	\$ 64,300,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	165%	167%	170%	167%	142%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73%	71%	69%	70%	74%

See accompanying Notes to Required Supplementary Information.

**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	2025	2024	2023	2022	2021
Measurement Period	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
District's Proportion of the Net Pension Liability (NPL)	0.1921%	0.1886%	0.1926%	0.2137%	0.2143%
District's Proportionate Share of the NPL	\$ 68,654,234	\$ 68,271,102	\$ 66,271,898	\$ 43,454,681	\$ 65,753,832
District's Covered Payroll	\$ 39,402,000	\$ 32,513,000	\$ 33,316,000	\$ 30,570,000	\$ 31,285,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	174%	210%	199%	142%	210%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72%	70%	70%	81%	70%
	2020	2019	2018	2017	2016
Measurement Period	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's Proportion of the NPL	0.2191%	0.2198%	0.2183%	0.2159%	0.2166%
District's Proportionate Share of the NPL	\$ 63,855,055	\$ 58,605,600	\$ 52,113,972	\$ 42,640,384	\$ 31,927,054
District's Covered Payroll	\$ 30,700,000	\$ 28,900,000	\$ 28,600,000	\$ 26,100,000	\$ 24,200,000
District's Proportionate Share of the NPL as a Percentage of its Covered Payroll	208%	203%	182%	163%	132%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70%	71%	72%	74%	79%

See accompanying Notes to Required Supplementary Information.

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

CalSTRS - STRP	2025	2024	2023	2022	2021
Contractually Required Contribution	\$ 16,118,983	\$ 16,612,212	\$ 15,439,598	\$ 13,391,533	\$ 11,797,073
Contributions in Relation to the Contractually Required Contribution	16,118,983	16,612,212	15,439,598	13,391,533	11,797,073
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 84,400,000	\$ 86,975,000	\$ 80,835,000	\$ 79,146,000	\$ 73,047,000
Contributions as a Percentage of Covered Payroll	19.10%	19.10%	19.10%	16.92%	16.15%
	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 13,202,547	\$ 12,240,467	\$ 10,619,489	\$ 9,259,795	\$ 7,279,029
Contributions in Relation to the Contractually Required Contribution	13,202,547	12,240,467	10,619,489	9,259,795	7,279,029
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 77,210,000	\$ 75,200,000	\$ 73,600,000	\$ 73,600,000	\$ 67,800,000
Contributions as a Percentage of Covered Payroll	17.10%	16.28%	14.43%	12.58%	10.73%

See accompanying Notes to Required Supplementary Information.

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

CalPERS - Schools Pool Plan	2025	2024	2023	2022	2021
Contractually Required Contribution	\$ 10,986,618	\$ 10,512,426	\$ 8,248,365	\$ 7,632,681	\$ 6,328,053
Contributions in Relation to the Contractually Required Contribution	10,986,618	10,512,426	8,248,365	7,632,681	6,328,053
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 40,616,000	\$ 39,402,000	\$ 32,513,000	\$ 33,316,000	\$ 30,570,000
Contributions as a Percentage of Covered Payroll	27.05%	26.68%	25.37%	22.91%	20.70%
	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 6,169,553	\$ 5,553,146	\$ 4,487,272	\$ 3,969,039	\$ 3,089,291
Contributions in Relation to the Contractually Required Contribution	6,169,553	5,553,146	4,487,272	3,969,039	3,089,291
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 31,285,000	\$ 30,700,000	\$ 28,900,000	\$ 28,600,000	\$ 26,100,000
Contributions as a Percentage of Covered Payroll	19.72%	18.06%	15.53%	13.89%	11.85%

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, 2025**

2025	2024	2023	2022	2021	2020	2019	2018	2017
\$ 3,759,184	\$ 3,667,275	\$ 3,659,840	\$ 4,237,319	\$ 4,086,126	\$ 2,512,624	\$ 2,439,441	\$ 1,355,260	\$ 1,315,786
2,902,860	2,746,366	2,552,197	1,732,827	167,1505	1,923,092	1,928,343	2,508,707	2,360,547
(186,229)	(3,970,689)	-	2,382,848	156,686	3,116,336	(6,252,533)	-	-
(10,509,932)	(1,928,075)	(1,066,496)	(14,199,566)	425,765	12,240,624	15,297,309	-	-
(1,898,148)	(2,169,794)	(1,834,822)	(2,149,555)	(2,033,251)	(1,687,738)	(1,578,458)	(1,462,800)	(958,527)
(5,932,265)	(1,654,917)	3,310,719	(7,996,127)	4,306,831	18,104,938	11,834,102	2,401,167	2,717,806
72,839,245	74,494,162	71,183,443	79,179,570	74,872,739	56,767,801	44,933,699	42,532,532	39,814,726
\$ 66,906,980	\$ 72,839,245	\$ 74,494,162	\$ 71,183,443	\$ 79,179,570	\$ 74,872,739	\$ 56,767,801	\$ 44,933,699	\$ 42,532,532
2025	2024	2023	2022	2021	2020	2019	2018	2017
\$ 431,308	\$ 2,169,794	\$ 268,316	\$ 1,222,201	\$ 503,251	\$ 297,738	\$ 220,489	\$ 1,363,850	\$ 1,913,143
80,768	87,203	40,256	(337,764)	376,164	415,076	446,181	93,836	188,955
(1,898,148)	(2,169,794)	(1,834,822)	(2,149,555)	(2,033,251)	(1,687,738)	(1,578,458)	(1,462,800)	(958,527)
(5,707)	(5,000)	(6,154)	(6,166)	(5,000)	(9,017)	(5,371)	(8,086)	(7,802)
(1,391,779)	82,203	(1,532,404)	(1,271,284)	(1,158,836)	(983,941)	(917,159)	(13,200)	1,135,769
14,144,008	1,331,805	2,864,209	4,135,493	5,294,329	6,278,270	7,195,429	7,208,629	6,072,860
\$ 22,229	\$ 1,414,008	\$ 1,331,805	\$ 2,864,209	\$ 4,135,493	\$ 5,294,329	\$ 6,278,270	\$ 7,195,429	\$ 7,208,629
\$ 66,884,751	\$ 71,425,237	\$ 73,162,357	\$ 68,319,234	\$ 75,044,077	\$ 69,578,410	\$ 50,489,531	\$ 37,738,270	\$ 35,323,903
0.03%	1.94%	1.79%	4.02%	5.22%	7.07%	11.06%	16.01%	16.95%
\$ 126,874,029	\$ 123,779,540	\$ 120,760,527	\$ 117,815,148	\$ 114,941,608	\$ 111,865,312	\$ 108,871,350	\$ 105,700,340	\$ 108,080,227
52.72%	57.70%	60.58%	57.99%	65.29%	62.20%	46.38%	35.70%	32.68%

with benefits paid.

ion of 10 years of information. However, the information in the schedule is not required to be presented retroactively.
ata becomes available.

ed Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS
EMPLOYER CONTRIBUTIONS
YEARS ENDED JUNE 30, 2025**

2025 *	2024 *	2023 *	2022 *	2021 *	2020 *	2019	2018	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,280,900	\$ 3,295,674	\$ 3,082,097
-	-	-	-	-	-	220,489	1,363,850	1,363,850
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,060,411	\$ 1,931,824	\$ 1,718,247
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,871,350	\$ 105,700,340	\$ 105,700,340
		n/a	n/a	n/a	n/a	0.20%	1.29%	1.29%

ADC) was not calculated for years subsequent to 2019.

ed Supplementary Information.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.20%	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, 2025**

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, 2024 Measurement Period:

CalSTRS Board adopted a new experience study which updated assumptions for postretirement mortality, probabilities of retirement, disability or withdrawal from the system, pay increases due to promotions and other various assumptions needed to value the program benefits.

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, 2025**

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:

2024-25

The discount rate was changed from 3.94% to 5.20%

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, 2025**

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	\$ (7,116,526)
Capital Outlay	(2,608,637)
Other Outgo	(1,403,658)
Direct Support - Indirect Cost	(87,841)

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, 2025**

	Second Period Certificate # DACOBAFE	Annual Certificate # 742138B7
Grades Transitional Kindergarten Through Third:		
Regular ADA	3,693.39	3,696.36
Extended Year Special Education	16.73	16.73
Special Education - Nonpublic, Nonsectarian Schools	2.51	2.61
	0.09	0.09
Total Grades Transitional Kindergarten Through Third ADA	3,712.72	3,715.79
Grades Four Through Six:		
Regular ADA	2,843.80	2,843.42
Extended Year Special Education	5.80	5.80
Special Education - Nonpublic, Nonsectarian Schools	3.24	3.17
Extended Year Special Education - Nonpublic, Nonsectarian schools	0.15	0.15
Total Grades Four Through Six ADA	2,852.99	2,852.54
Grades Seven and Eight:		
Regular ADA	2,144.14	2,140.90
Extended Year Special Education	2.21	2.21
Special Education - Nonpublic, Nonsectarian Schools	3.16	3.48
Extended Year Special Education - Nonpublic, Nonsectarian schools	0.29	0.29
Total Grades Seven and Eight ADA	2,149.80	2,146.88
Grades Nine Through Twelve:		
Regular ADA	4,670.58	4,648.30
Extended Year Special Education	8.34	8.34
Special Education - Nonpublic, Nonsectarian Schools	12.93	13.43
Extended Year Special Education - Nonpublic, Nonsectarian schools	0.91	0.91
Total Grades Nine Through Twelve ADA	4,692.76	4,670.98
Total ADA	13,408.27	13,386.19

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2025**

Grade Level	Minutes				Status
	Requirement	Actual	Credited*	Total	
Kindergarten	36,000	45,369	771	46,140	In Compliance
Grade 1	50,400	50,260	876	51,136	In Compliance
Grade 2	50,400	50,260	876	51,136	In Compliance
Grade 3	50,400	50,260	876	51,136	In Compliance
Grade 4	54,000	53,065	936	54,001	In Compliance
Grade 5	54,000	53,065	936	54,001	In Compliance
Grade 6	54,000	52,972	1,029	54,001	In Compliance
Grade 7	54,000	52,972	1,029	54,001	In Compliance
Grade 8	54,000	52,972	1,029	54,001	In Compliance
Grade 9	64,800	63,687	1,113	64,800	In Compliance
Grade 10	64,800	63,687	1,113	64,800	In Compliance
Grade 11	64,800	63,687	1,113	64,800	In Compliance
Grade 12	64,800	63,687	1,113	64,800	In Compliance

Grade Level	Traditional Days				Status
	Requirement	Actual	Credited*	Total	
Kindergarten	180	177	3	180	In Compliance
Grade 1	180	177	3	180	In Compliance
Grade 2	180	177	3	180	In Compliance
Grade 3	180	177	3	180	In Compliance
Grade 4	180	177	3	180	In Compliance
Grade 5	180	177	3	180	In Compliance
Grade 6	180	177	3	180	In Compliance
Grade 7	180	177	3	180	In Compliance
Grade 8	180	177	3	180	In Compliance
Grade 9	180	177	3	180	In Compliance
Grade 10	180	177	3	180	In Compliance
Grade 11	180	177	3	180	In Compliance
Grade 12	180	177	3	180	In Compliance

* The California Department of Education approved the request for three emergency days in response to the District's Request for Allowance of Attendance Due to Emergency Conditions Form J-13A.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

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	\$ 711,239	\$ -
Child Nutrition Program - Especially Needy Breakfast	10.553	13526	185,235	-
Subtotal: Assistance Listing #10.553			<u>896,474</u>	<u>-</u>
Child Nutrition Program - Lunch	10.555	13396	1,852,202	-
Child Nutrition Program: Meal Supplements in National School Lunch Program	10.555	13755	59	-
Child Nutrition Program - Local Food for Schools	10.555	15708	20,313	-
Child Nutrition Program - Commodities	10.555	13396	404,821	-
Subtotal: Assistance Listing #84.027			<u>2,277,395</u>	<u>-</u>
Total Child Nutrition Cluster			<u>3,173,869</u>	<u>-</u>
Child Nutrition: Child and Adult Care Food Program	10.558	13393	26,317	-
Total United States Department of Agriculture			<u>3,200,186</u>	<u>-</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	3,236,221	-
IDEA: Mental Health Services, Part B, Sec 611	84.027	15197	170,150	-
IDEA: We Can Work	84.027	01110	456,466	-
Subtotal: Assistance Listing #84.027			<u>3,862,837</u>	<u>-</u>
IDEA: Preschool Grants	84.173	13430	39,388	-
IDEA: Preschool Staff Development	84.173	13431	414	-
Total Special Education Cluster			<u>3,902,639</u>	<u>-</u>
Pass-Through Programs From the California Department of Education				
Education Stabilization Fund (ESF):				
COVID-19 - American Rescue Plan - Homeless Children and Youth II (ARP HCY II)	84.425U	15566	14,605	-
Total Education Stabilization Fund (ESF)			<u>14,605</u>	<u>-</u>
Title III, Language Acquisition Grants:				
Title III, Immigrant Student Program	84.365	15146	86,849	-
Title III, English Learner Student Program	84.365	14346	205,481	-
Total Title III, Language Acquisition Grants			<u>292,330</u>	<u>-</u>
Adult Education Basic Grants to States:				
Adult Basic Education & ELA	84.002	14508	330,035	-
Adult Education: Adult Secondary Education, Section 231	84.002	13978	131,958	-
English Literacy and Civics Education	84.002	14109	94,924	-
Total Adult Education Basic Grants to States			<u>556,917</u>	<u>-</u>

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

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	\$ 1,721,720	\$ -
Title I, School Improvement Funding	84.010	15438	69	-
Subtotal: Assistance Listing #84.010			<u>1,721,789</u>	-
Title II, Supporting Effective Instruction	84.367	14341	320,874	-
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	83,984	-
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894	87,961	-
Total United States Department of Education			<u>6,981,099</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	104,775	-
Total United States Department of Health and Human Services			<u>104,775</u>	-
Total Federal Programs Expenditures			<u>\$ 10,286,060</u>	<u>\$ -</u>
Reconciliation to Federal Revenue				
Total Federal Program Expenditures			\$ 10,286,060	\$ -
Revenues in Excess (Deficiency) of Expenditures Related to Federal Entitlements:				
Title III, English Learner Student Program	84.365	14346	(300)	-
Child Development - Federal Child Care	93.596	13609	(92,306)	-
Child Care and Development Block Grant	93.575		503,505	-
Total Federal Program Revenue			<u>\$ 10,696,959</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 \$404,821 of commodities under the National School Lunch Program (Assistance Listing # 10.555).

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

	2026 (Budgeted)	2025	2024	2023
Total Revenues	\$ 213,382,921	\$ 215,093,615	\$ 229,401,881	\$ 240,664,757
Total Expenditures	226,967,806	237,011,347	230,409,340	207,123,765
Other Financing Sources (Uses)	(2,000,000)	163,715	(160,996)	384,367
Change in Fund Balance	(15,584,885)	(21,754,017)	(1,168,455)	33,925,359
Ending Fund Balance	<u>\$ 33,119,788</u>	<u>\$ 48,704,673</u>	<u>\$ 70,458,690</u>	<u>\$ 71,627,145</u>
Available Reserve	<u>\$ 24,678,123</u>	<u>\$ 33,971,585</u>	<u>\$ 37,654,990</u>	<u>\$ 12,404,364</u>
Available Reserve %	11%	14%	16%	6%
ADA - P2	<u>13,408</u>	<u>13,408</u>	<u>13,456</u>	<u>13,434</u>
Total Long-Term Liabilities	<u>\$ 235,856,761</u>	<u>\$ 249,314,976</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 2026 budget is the original budget adopted by the Board of Education on June 18, 2025.

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, 2025, the District has met this requirement.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2025**

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, 2025**

Differences between the fund balances reported on the June 30, 2025 Annual Financial and Budget Report for the governmental funds and the audited financial statements are as follows:.

	General Fund	Student Activity Fund
June 30, 2025 Annual Financial and Budget Report Fund Balance	\$ 48,586,013	\$ -
Adjustments and Reclassifications:		
Post-Closing Adjustment to Cash	-	1,954,190
Post-Closing Adjustment to Lessor Receivable	(544,920)	-
Post-Closing Adjustment to Deferred Inflow of Resources	663,580	-
 June 30, 2025 Audited Financial Statement Fund Balance	 \$ 48,704,673	 \$ 1,954,190

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
\$ -	\$ 3,399,020	\$ 1,587,178	\$ 6,463,005	\$ 90,142	\$ 11,228,966	\$ 18,160,092	\$ 40,928,403
1,954,190	-	-	577,802	-	-	-	2,531,992
-	441,853	12,708	113,038	1,038	100,965	-	669,602
-	-	-	17,638	-	-	-	17,638
<u>\$ 1,954,190</u>	<u>\$ 3,840,873</u>	<u>\$ 1,599,886</u>	<u>\$ 7,171,483</u>	<u>\$ 91,180</u>	<u>\$ 11,329,931</u>	<u>\$ 18,160,092</u>	<u>\$ 44,147,635</u>
\$ -	\$ 315,343	\$ 279,241	\$ 200,091	\$ -	\$ -	\$ -	\$ 794,675
-	-	52,767	49,177	-	-	-	101,944
-	315,343	332,008	249,268	-	-	-	896,619
-	-	-	17,638	-	-	-	17,638
1,954,190	1,425,806	1,267,878	6,904,577	91,180	11,329,931	18,160,092	41,133,654
-	2,099,724	-	-	-	-	-	2,099,724
<u>1,954,190</u>	<u>3,525,530</u>	<u>1,267,878</u>	<u>6,922,215</u>	<u>91,180</u>	<u>11,329,931</u>	<u>18,160,092</u>	<u>43,251,016</u>
<u>\$ 1,954,190</u>	<u>\$ 3,840,873</u>	<u>\$ 1,599,886</u>	<u>\$ 7,171,483</u>	<u>\$ 91,180</u>	<u>\$ 11,329,931</u>	<u>\$ 18,160,092</u>	<u>\$ 44,147,635</u>

mentary Information.

BURBANK UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

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
\$ -	\$ 556,917	\$ 542,291	\$ 3,173,869	\$ -	\$ -	\$ -	\$ -	\$ 4,273,077
-	4,822,240	460,414	4,641,654	-	-	-	33,015	9,957,323
362,229	378,442	3,336,735	597,872	7,142	-	1,910,502	13,858,893	20,451,815
<u>362,229</u>	<u>5,757,599</u>	<u>4,339,440</u>	<u>8,413,395</u>	<u>7,142</u>	<u>-</u>	<u>1,910,502</u>	<u>13,891,908</u>	<u>34,682,215</u>
-	3,748,231	2,727,253	-	-	-	-	-	6,475,484
-	1,852,636	389,761	-	-	-	-	-	2,242,397
863,656	296,280	81,022	7,895,834	-	-	-	-	9,136,792
-	276,081	163,722	218,136	-	-	-	-	657,939
-	470,009	154,644	26,957	95,706	-	24,849	-	772,165
-	-	-	-	-	-	-	15,117,049	15,117,049
<u>863,656</u>	<u>6,643,237</u>	<u>3,516,402</u>	<u>8,140,927</u>	<u>95,706</u>	<u>-</u>	<u>24,849</u>	<u>15,117,049</u>	<u>34,401,826</u>
(501,427)	(885,638)	823,038	272,468	(88,564)	-	1,885,653	(1,225,141)	280,389
-	-	-	-	-	-	-	53,135,000	53,135,000
-	-	-	-	-	-	-	9,861,208	9,861,208
-	-	-	-	-	-	-	(58,508,351)	(58,508,351)
-	-	-	-	-	-	-	<u>4,487,857</u>	<u>4,487,857</u>
(501,427)	(885,638)	823,038	272,468	(88,564)	-	1,885,653	3,262,716	4,768,246
2,455,617	4,411,168	444,840	6,649,747	179,744	4,195,725	9,444,278	14,897,376	42,678,495
-	-	-	-	-	(4,195,725)	-	-	(4,195,725)
<u>2,455,617</u>	<u>4,411,168</u>	<u>444,840</u>	<u>6,649,747</u>	<u>179,744</u>	<u>-</u>	<u>9,444,278</u>	<u>14,897,376</u>	<u>38,482,770</u>
<u>\$ 1,954,190</u>	<u>\$ 3,525,530</u>	<u>\$ 1,267,878</u>	<u>\$ 6,922,215</u>	<u>\$ 91,180</u>	<u>\$ -</u>	<u>\$ 11,329,931</u>	<u>\$ 18,160,092</u>	<u>\$ 43,251,016</u>

mentary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025**

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, 2025. 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

2024-25 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, 2025**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of Charter Schools

2024-25 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

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 26, 2026.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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

Ontario, California
January 26, 2026



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, 2025. 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, 2025.

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

Ontario, California
January 26, 2026



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER 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 *2024-25 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, 2025.

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, 2025.

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 *2024-25 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 *2024-25 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 *2024-25 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 *2024-25 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:

Board of Education
Burbank Unified School District

- 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
D. Independent Study	Yes
E. Continuation Education	Not Applicable
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
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	No ¹
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
FZ. Kindergarten Continuance	Yes
Charter Schools:	
AA. Attendance	Not Applicable
BB. Mode of Instruction	Not Applicable
CC. Nonclassroom Based Instruction/Independent Study	Not Applicable
DD. Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
EE. Annual Instructional Minutes - Classroom Based	Not Applicable
FF. Charter School Facility Grant Program	Not Applicable

¹ Program was not tested as it was below materiality level and was tested in each of the past two consecutive years.

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 *2024-25 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 2025-001. 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

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 a 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.

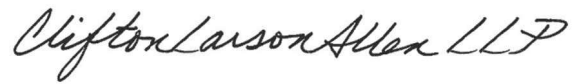
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.

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 *2024-25 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

Ontario, California
January 26, 2026

FINDINGS AND QUESTIONED COSTS

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

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? _____ yes x 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)	Name of Federal Program or Cluster
84.IDEA	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u> 750,000 </u>
Auditee qualified as low-risk auditee?	<u> x </u> yes _____ no

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

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

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards* for the year ended June 30, 2025.

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, 2025.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

Section IV – Findings and Questioned Costs – State Awards

2025-001 Home to School Transportation

40000

Criteria: Per the California School Accounting Manual guidelines, Function 3600 is reserved exclusively for activities related to transporting students between home and school, including associated vehicle operation, maintenance, and administrative costs. Expenditures unrelated to these activities must be recorded under the appropriate function code.

Condition: During testing of a sample of 13 of the District's home to school expenditures, we identified non-transportation related expenditures classified under Function 3600 – Home-to-School Transportation that do not qualify under this function as defined by the California School Accounting Manual.

Effect: This misclassification resulted in inaccurate financial reporting and noncompliance with state accounting requirements, potentially resulting in disallowed funding received.

Cause: The lack of understanding resulted in the district misclassifying expenditures and costs being allocated to Function 3600 for nonqualifying purposes.

Questioned Costs and Units: \$102,171

Repeat Finding: No

Recommendation: The District should review and reclassify these expenditures to the correct function codes in accordance with CSAM. Additionally, staff responsible for coding transactions should receive training on proper function code usage to prevent future errors.

Corrective Action Plan: The District will review and reclassify all misclassified expenditures to the appropriate function codes in accordance with CSAM guidelines. To prevent recurrence, internal controls will be strengthened by implementing a review and approval process for transportation-related expense coding. Additionally, accounting and transportation staff will receive targeted training on proper function code usage.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

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.

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.

Current Status: Implemented

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

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.

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: Implemented

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

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.

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

Current Status: Implemented

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

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

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

Current Status: Implemented

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2025**

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

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).

Current Status: Implemented



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