

**Burbank Unified School District
Administrative Services**

REPORT TO THE BOARD

TO: Members of the Board of Education

FROM: Andrew Cantwell, Assistant Superintendent, Administrative Services

PREPARED BY: Ruthie DiFonzo, Senior Administrative Assistant

SUBMITTED BY: Ruthie DiFonzo, Senior Administrative Assistant

DATE: April 20, 2023

SUBJECT: Acceptance of the 2021-2022 Annual Financial Report and the Financial and Performance Audits of the Proposition 39 General Obligation Bonds Building Fund Measure S Program

Background:

Annually the District must employ an independent auditing firm to perform an audit of the District's finances in accordance with the audit guide published by the state Department of Finance. The District employs the auditing firm on behalf of the State, and their work product is submitted directly to the Los Angeles County Office of Education to be forwarded to the State at the same time that District staff receive the final copy. Once the State indicates to the District in writing that it has accepted the audit as compliant with its guidelines, the District may release final payment to the audit firm. The annual District audit is to be completed and published by mid-December.

Discussion/Issues:

The firm of CliftonLarsonAllen (CLA) have performed the District's annual audit for the past several years. A principal of that firm will be present at the Board meeting to give the Board and public an overview of the audit and to answer any questions the Board may have.

Additionally, CLA conducted a financial and performance audit of the Proposition 39 General Obligation Bonds Building Fund Measure S program and will present an overview of this audit to the Board.

Financial Impact:

None.

Recommendations:

Andrew Cantwell, Assistant Superintendent, Administrative Services, recommends that the Board of Education accept the 2021-2022 Annual Financial Report and the Financial and Performance Audits of the Proposition 39 General Obligation Bonds Building Fund Measure S program, as presented.



Board of Education
Burbank Unified School District
Burbank, California

We have audited 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, 2022, and have issued our report thereon dated March 27, 2023. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated June 12, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements.

As described in Note 1, the District changed accounting policies related to reporting of leases by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No.87, *Leases*, in FY 2022. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide statement of activities.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The liabilities and related deferrals associated with other post-employment benefits and pension benefits are based on actuarial analysis of benefits earned.
- The depreciation rate on capital assets is based on management's estimate of the useful lives of those assets.
- Lease receivable and payable include an estimated interest component when agreements do not have a stated interest rate.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of post-employment healthcare benefits, as described in Note 13, and the disclosure of employee retirement plans, as described in Note 14, are considered significant because they utilize actuarially-determined data.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule (Attachment A) summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures except as reported in the uncorrected misstatements section above.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Circumstances that affect the form and content of the auditors' report

As previously communicated to you, the report was modified to include an emphasis of matter paragraph to highlight the change in accounting principle related to the adoption of the new accounting guidance for leases as follows:

As discussed in Note 1 to the financial statements, effective July 1, 2021 the District adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Management representations

We have requested certain representations from management that are included in the management representation letter dated March 27, 2023.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have communicated state compliance/internal control related matters identified during the audit on page 110 of the District's audit report.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relate to the financial statements as a whole


With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated March 27, 2023.

With respect to the supplementary information required by the California Department of Education and the combining non-major fund financial statements (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated March 27, 2023.

The History and Organization, Schedule of Financial Trends and Analysis, and the Schedule of Charter Schools, accompanying the financial statements which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we did not express an opinion or provide any assurance on it.

* * *

This communication is intended solely for the information and use of the Board of Education and management of the Burbank Unified School District and is not intended to be, and should not be, used by anyone other than these specified parties.

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

CliftonLarsonAllen LLP

Glendora, California
March 27, 2023

Attachment A

		<u>Debit</u>	<u>Credit</u>	<u>Effect on Fund Balance/Net Position Increase (Decrease)</u>
General Fund:				
Proposed Journal Entries JE # 1				
To defer grant amounts not received within the period of availability.				
0108181	Special Education Entitlement	\$ 771,936	\$	\$
0109650	Deferred Revenue		771,936	
Total		<u>\$ 771,936</u>	<u>\$ 771,936</u>	<u>\$ (771,936)</u>
Aggregate Remaining Funds:				
Proposed Journal Entries JE # 2				
To recognize food service fees collected and earned.				
139650	Unearned Revenue	\$ 212,517	\$	\$
138634	Food Service Sales		212,517	
Total		<u>\$ 212,517</u>	<u>\$ 212,517</u>	<u>\$ 212,517</u>
Net Position				<u>\$ (559,419)</u>

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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LOS ANGELES COUNTY
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LOS ANGELES COUNTY
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LOS ANGELES COUNTY
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INDEPENDENT AUDITORS' REPORT

Board of Education
Burbank Unified School District
Burbank, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Burbank Unified School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, 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

As discussed in Note 1 to the financial statements, effective July 1, 2021, the District adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resource for all leases with lease terms greater than twelve months. 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, Costs 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 history and organization, schedule of financial trends and analysis, and schedule of charter schools, which is the responsibility of management, is presented for the purpose of additional analysis and is 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.

Board of Education
Burbank Unified School District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023 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.

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

CliftonLarsonAllen LLP

Glendora, California
March 27, 2023

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

INTRODUCTION

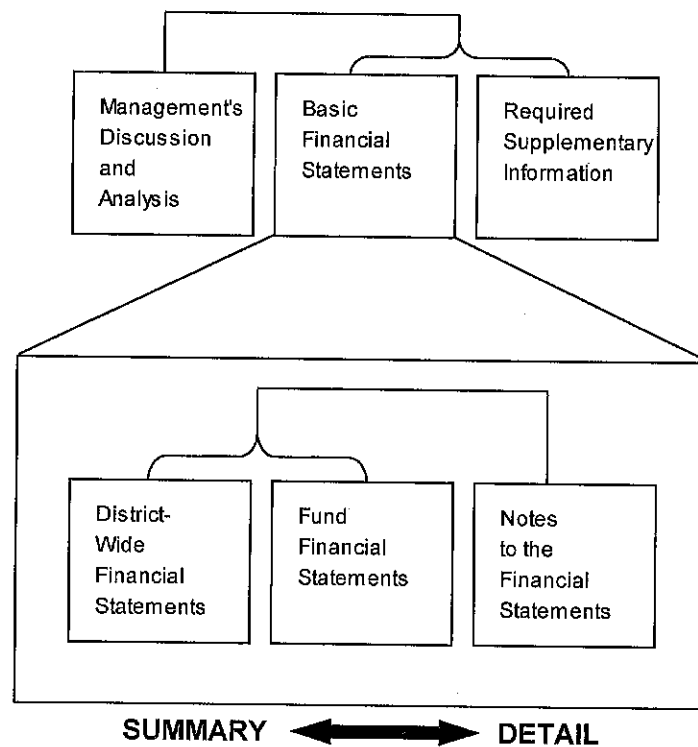
The purpose of this section of the audit report is to allow management to include for the sake of users' additional insights into the operations and trends of the school district in order to make these reports more meaningful. Users should also review the notes to the basic financial statements and the fund financial statements to enhance their understanding of the District's financial performance during the 2021-2022 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
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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
	2021	2022	
Assets			
Noncapital Assets	\$ 121.7	\$ 130.8	\$ 9.1
Capital Assets	266.7	258.7	(8.0)
Total Assets	388.4	389.5	1.1
Deferred Outflows of Resources			
Deferred Loss on Refunding	6.7	5.7	(1.0)
Deferred Outflows of Resources - OPEB	21.7	20.2	(1.5)
Deferred Outflows of Resources - Pensions	42.4	32.8	(9.6)
Total Deferred Outflows of Resources	70.8	58.7	(12.1)
Liabilities			
Current Liabilities	63.8	46.6	(17.2)
Long-Term Liabilities	464.6	352.3	(112.3)
Total Liabilities	528.4	398.9	(129.5)
Deferred Inflows of Resources			
Deferred Inflows of Resources - Leases	-	16.1	16.1
Deferred Inflows of Resources - OPEB	3.9	15.6	11.7
Deferred Inflows of Resources - Pensions	7.5	76.8	69.3
Total Deferred Inflows of Resources	11.4	108.5	97.1
Net Position			
Net Investment in Capital Assets	122.8	117.0	(5.8)
Net Position Legally Restricted	39.1	39.4	0.3
Net Position Unrestricted	(242.5)	(215.6)	26.9
Total Net Position	\$ (80.6)	\$ (59.2)	\$ 21.4

The net position for the governmental activities increased by approximately \$21.4 million over the prior year.

- Long-term liabilities and associated deferred outflows and inflows increased primarily due to actuarially determined pension, retiree healthcare benefit liabilities, and new GASB 87 requirements to recognize leases as liabilities and right-of-use assets on the financial statements. See details of lease receivable in Note 7.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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
	2021	2022	
General Revenue:			
Property Taxes - General Purposes	\$ 58.4	\$ 58.9	\$ 0.5
Property Taxes - Debt Service	14.2	13.1	(1.1)
Property Taxes - Other Specific Purposes	1.7	1.7	-
Federal/State Aid	82.9	89.1	6.2
Interest/Investment Earnings	1.1	0.7	(0.4)
Miscellaneous	0.1	2.3	2.2
Total General Revenues	158.4	165.8	7.4
Net Expenditures after Program Revenues for:			
Instruction and Instruction-Related Services	111.0	86.9	(24.1)
Pupil Services	9.6	10.7	1.1
General Administration	12.0	13.1	1.1
Plant Services	13.4	12.1	(1.3)
Ancillary, Community, and Enterprise	0.9	0.3	(0.6)
Other Outgo	1.4	1.0	(0.4)
Debt Service	9.7	7.7	(2.0)
Depreciation and Amortization (Unallocated)	13.5	12.1	(1.4)
Total Expenditures	171.5	143.9	(27.6)
Change in Net Position	(13.1)	21.9	35.0
Net Position, Beginning of Year, Restated	(67.5)	(81.1)	(13.6)
Net Position, End of Year	\$ (80.6)	\$ (59.2)	\$ 21.4

Of the \$143.9 million in 2022 net expenditures, direct services to students represent 67.8% of the total. Plant services represent 8.4% of total expenditures. Depreciation expense represents 8.4% and general administration and interest on debt service represent about 9.1% and 5.4%, respectively.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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

- Total revenues were approximately \$238.1 million, up approximately \$22.5 million from the prior year. General Fund revenues were approximately \$212.0 million, up \$22.1 million from the prior year. The General Fund represents 86% of total revenues. Student enrollment at Burbank Unified decreased in 2021-22. EC § 43502(b) allows all districts for the 2020-21 school year to be held harmless from the effects of enrollment loss due to COVID-19. The assumption for 2021-22 takes the greater of the current year or prior year P2 ADA for its LCFF calculation, which would be the 2019-2020 P2 submission since 2020-21 Fiscal Year was held harmless and able to use its 2019-20 P2 data for its apportionment calculation. Inter-district transfers continue to help stabilize enrollment fluctuation. Burbank Unified 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, and in 2021-22, approximately 1,384 transfers were accepted for students who would otherwise be educated in other school districts.
- Total expenditures were approximately \$216.3 million, down \$14.2 million from the prior year. General Fund expenditures were approximately \$204.5 million, an increase over the prior year of approximately \$30.1 million. The General Fund represented 87% of total expenditures. The Board of Education will continue to monitor expenditures due to declining enrollment.
- General Fund revenue for the year was \$212.0 million with expenses of \$204.5 million. Along with an interfund transfer out of approximately \$545 thousand, this resulted in an increase to the General Fund ending fund balance of \$6.9 million.

FINANCIAL HIGHLIGHTS – GENERAL FUND BUDGET AND ACTUAL EXPENDITURES

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 lower than the Original Budget by \$722 thousand.
- Federal Revenue Sources:
 - Actual Revenues were higher than the Original Budget by \$20.22 million. This was due to COVID-19 relief funding.
- Other State Revenue Sources:
 - Actual Revenues exceeded the Original Budget by \$19.24 million. This is due to the recording of the STRS on-behalf payments as well as state COVID-19 relief funding.
- Other Local Revenue Sources:
 - Actual Revenues were higher than the Original Budget by \$3.39 million. The balance represents higher than anticipated receipt of local gifts, grants, and donations.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

**FINANCIAL HIGHLIGHTS – GENERAL FUND BUDGET AND ACTUAL EXPENDITURES
(CONTINUED)**

- **Certificated Salaries:**
 - Actual Expenditures were higher than the Original Budget by \$4.06 million primarily due to a 5% salary increase in 2021-22.
- **Classified Salaries:**
 - Actual Expenditures were higher than Original Budget by \$419 thousand due to extra hourly and sub costs to help cover for vacancies due to COVID-19.
- **Books and Supplies:**
 - Actual Expenditures exceeded the Original Budget by \$3.93 million. This is primarily due to purchasing technology, personal protective equipment, COVID-19 tests and cleaning supplies due to COVID-19.
- **Contracted Services:**
 - Actual Expenditures were higher than Original Budget by approximately \$12.9 million. This is a result of one-time COVID-19 funding and grant money being spent on Professional Development and Special Education. Contracting with Non-Public Agencies (NPA) was necessary to fill vacant positions that are unfilled yet required for students with Individual Educational Plans.
- **Capital Outlay:**
 - Actual Expenditures were lower than Original Budget by approximately \$810 thousand due to reducing HVAC assessments and upgrades.

FINANCIAL HIGHLIGHTS – INDIVIDUAL MAJOR FUNDS

Special Reserve for Capital Outlay

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

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

FINANCIAL HIGHLIGHTS – INDIVIDUAL MAJOR FUNDS (CONTINUED)

Special Reserve for Capital Outlay (Continued)

- The Special Reserve for Capital Outlay began 2021-22 with a fund balance of \$12.6 million, and ended the year with a fund balance of \$13.6 million.
- \$2.25 million of this fund balance is held in reserve for future maintenance of the high school athletic fields as per an agreement with the City of Burbank. This reserve is increased by \$150,000 annually.

Bond Interest and Redemption Fund

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

FINANCIAL HIGHLIGHTS – INDIVIDUAL NONMAJOR FUNDS

Student Activity Fund

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

- The Student Activity Fund began 2021-22 with a fund balance of \$1.7 million, and ended the year with a fund balance of \$1.8 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 2012-13 expenditures, under the direction of LARAEC, Los Angeles Regional Adult Education Consortium.

- The Adult Education Fund began 2021-22 with a fund balance of \$3.2 million, and ended the year with a fund balance of \$4.6 million.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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 7 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, closed its Horace Mann Child Care Center, which is now operated by YMCA. However, costs are outpacing the rate increase and there will be a study session to determine the next steps needed to continue to yield a positive fund balance.

- The Child Development Fund began 2021-22 with a negative fund balance of \$490 thousand and ended the year with a positive ending fund balance of \$157 thousand.

Cafeteria Fund

The Cafeteria Fund in the prior two years had experienced a deficit due to the COVID-19 pandemic. In 2021-22, the fund saw revenues return and ended the year with a positive ending fund balance of \$1.4 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 2021-22 with a fund balance of \$789 thousand, and ended the year with a fund balance of \$616 thousand.

Building Fund

As a result of a General Obligation bond passing in March 2013 the Building Fund was reopened. Bonding authorization was given to levy a total of \$110 million. Expenditure of bond funds occurred in 2021-22 in the amount of \$2.7 million. The bond issuance was rated Aa2 by Moody's.

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 \$3.5 million for 2021-22. This fund is used to pay for growth-related facilities projects, as needs arise.

- The Capital Facilities Fund began 2021-22 with \$2.2 million in fund balance, and ended the year with \$5.6 million.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

FINANCIAL HIGHLIGHTS – INDIVIDUAL NONMAJOR FUNDS (CONTINUED)

County School Facilities Fund

County School Facilities Fund: used to account for the construction projects funded by School Facility Program grants award for modernization and new construction of various school sites.

- The County School Facilities Fund began 2021-22 with a fund balance of \$214 dollars and ended the year with zero dollars.

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. The District historically contributed .86% of all salaries into this fund in order to fund the current year expense. In 2021-22, the District resumed its contribution for half of the year. That, with what already was in the fund, covered the cost of Retiree Benefits. The total net position in this fund at year-end was \$342 thousand.

Retiree Benefits Fund – Trust Fund

The Governing Board maintains its own irrevocable trust with Wells Fargo Bank as its Trustee, and has established these funds in a separate Retiree Benefits Fund. As of February 2022, Wells Fargo transferred the trust to Principal Custody Solutions. 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 2021-22 with net position of \$4.1 million, and ended the year with net position of \$2.9 million. The fund experienced a loss of \$377 thousand net interest and dividends.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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.

- 2014-15 the District spent \$6.9 million for various building programs including modernization, infrastructure improvements, and technology.
- 2015-16 the District spent \$29.3 million for lighting, solar, infrastructure improvements, and technology.
- 2016-17 the District spent \$33.6 million for lighting, solar, infrastructure improvements, and technology.
- 2017-18 the District spent \$21.1 million for infrastructure improvements and modular buildings.
- 2018-19 the District spent \$6.6 million for infrastructure improvements and building programs.
- 2019-20 the District spent \$1.1 million for various campus-wide improvements including playground equipment and technology.
- 2020-21 the District spent \$2.2 million for modernization project at Disney Elementary School.
- 2021-22 the District spent \$2.7 million for modernization project at Disney Elementary School.

Additional information on capital assets can be found at Note 8 and additional information on long-term liabilities can be found at Notes 10 to 14.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

OTHER INFORMATION (CONTINUED)

Average Daily Attendance

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

FACTORS BEARING ON THE DISTRICT'S FINANCIAL FUTURE

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

- The District's enrollment pattern has shown a decrease over the last two fiscal years, even though inter-district attendance remains strong. The District experienced a decline in enrollment due to the COVID-19 pandemic in 2021-22. 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 2021-22 was 5.07%.
- 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
LOS ANGELES COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

CONTACTING THE DISTRICT'S FINANCIAL TEAM

This financial report provides the most current information regarding the District's financial status. The level of detail is complex. Some users may wish for additional information. Any questions about this report may be directed to Andrew Cantwell, Assistant Superintendent, Administrative Services (818) 729-4473 or Alyssa Low, Director, Fiscal Services at (818) 729-4450.

BASIC FINANCIAL STATEMENTS

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities
ASSETS	
Cash in County Treasury	\$ 87,488,676
Cash on Hand and in Banks	1,813,064
Cash in Revolving Fund	25,060
Cash with Fiscal Agent	25
Accounts Receivable	25,216,837
Lease Receivable	16,236,032
Stores	37,251
Land	7,621,124
Construction in Progress	2,576,037
Capital Assets, Net of Depreciation and Amortization	248,507,596
Total Assets	<u>389,521,702</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow s - Refunding	5,712,490
Deferred Outflow s - OPEB	20,202,279
Deferred Outflow s - Pensions	32,749,617
Total Deferred Outflow s of Resources	<u>58,664,386</u>
LIABILITIES	
Accounts Payable and Other Current Liabilities	26,078,930
Accrued Interest Payable	1,121,521
Unearned Revenue	3,851,780
Long-Term Liabilities Due Within One Year:	
General Obligation Bonds	11,787,824
Finance Purchase	1,136,840
Lease Liability	476,514
Net Other Postemployment Benefits (OPEB)	2,149,555
Long-Term Liabilities Due in More Than One Year:	
General Obligation Bonds	167,429,872
Finance Purchase	12,966,032
Lease Liability	636,228
Compensated Absences	1,997,367
Net Other Postemployment Benefits (OPEB)	66,169,679
Net Pension Liability	103,070,161
Total Liabilities	<u>398,872,303</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow s - Leases	16,053,812
Deferred Inflow s - OPEB	15,623,415
Deferred Inflow s - Pensions	76,881,997
Total Deferred Inflow s of Resources	<u>108,559,224</u>
NET POSITION	
Net Investment in Capital Assets	116,995,578
Restricted for:	
Debt Service	11,683,119
Construction Projects	4,999,201
Routine Restricted Maintenance	1,860,719
Educational Programs	11,943,433
Child Nutrition Programs	1,374,877
Student Activities	1,813,064
Retiree Benefits/Classified Employee Summer Assistance Program	458,093
Medi-Cal Activities	1,496,697
District and Site Operations	3,757,800
Unrestricted	<u>(215,628,020)</u>
Total Net Position	<u>\$ (59,245,439)</u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					Governmental Activities
Instruction	\$ 117,917,069	\$ 4,325,504	\$ 41,591,805	\$ -	\$ (71,999,760)
Instruction - Related Services	20,868,261	889,363	5,120,759	-	(14,858,139)
Pupil Services	24,385,785	348,330	13,321,945	-	(10,715,510)
Ancillary Services	1,184,832	480,467	279,188	-	(425,177)
Community Services	107,327	118,800	69,032	-	80,505
General Administration	15,612,399	262,002	2,286,512	-	(13,063,885)
Plant Services	15,158,553	1,043,392	1,978,302	-	(12,136,859)
Other Outgo	1,290,115	14,126	243,985	-	(1,032,004)
Debt Service - Interest	7,722,736	-	-	-	(7,722,736)
Depreciation and Amortization (Unallocated)	12,100,913	-	-	-	(12,100,913)
Total Governmental Activities	\$ 216,347,990	\$ 7,481,984	\$ 64,891,528	\$ -	(143,974,478)
GENERAL REVENUES AND SUBVENTIONS					
Property Taxes Levied for:					
General Purposes					58,971,986
Debt Service					13,078,856
Other Specific Purposes					1,653,497
Federal and State Aid not Restricted to Specific Purposes					89,051,529
Interest and Investment Earnings					715,443
Miscellaneous					2,327,660
Total General Revenues					<u>165,798,971</u>
CHANGE IN NET POSITION					21,824,493
Net Position - Beginning of Year, Restated					<u>(81,069,932)</u>
NET POSITION - END OF YEAR					<u>\$ (59,245,439)</u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Special Reserve Fund for Capital Outlay	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash in County Treasury	\$ 40,974,396	\$ 13,689,147	\$ 12,804,640	\$ 19,678,736	\$ 87,146,919
Cash on Hand and in Banks	-	-	-	1,813,064	1,813,064
Cash in Revolving Fund	25,060	-	-	-	25,060
Cash with Fiscal Agent	25	-	-	-	25
Accounts Receivable	23,958,862	33,126	-	1,224,462	25,216,450
Lease Receivable	16,236,032	-	-	-	16,236,032
Stores	26,242	-	-	11,009	37,251
Total Assets	<u>\$ 81,220,617</u>	<u>\$ 13,722,273</u>	<u>\$ 12,804,640</u>	<u>\$ 22,727,271</u>	<u>\$ 130,474,801</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Current Liabilities	\$ 23,996,380	\$ 108,485	\$ -	\$ 1,974,065	\$ 26,078,930
Unearned Revenue	3,468,639	-	-	383,141	3,851,780
Total Liabilities	<u>27,465,019</u>	<u>108,485</u>	<u>-</u>	<u>2,357,206</u>	<u>29,930,710</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows - Leases	16,053,812	-	-	-	16,053,812
Total Deferred Inflows of Resources	<u>16,053,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,053,812</u>
FUND BALANCES					
Nonspendable	51,302	-	-	11,009	62,311
Restricted	17,062,012	-	12,804,640	17,152,881	47,019,533
Committed	-	13,613,788	-	3,206,175	16,819,963
Assigned	8,284,698	-	-	-	8,284,698
Unassigned	12,303,774	-	-	-	12,303,774
Total Fund Balances	<u>37,701,786</u>	<u>13,613,788</u>	<u>12,804,640</u>	<u>20,370,065</u>	<u>84,490,279</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 81,220,617</u>	<u>\$ 13,722,273</u>	<u>\$ 12,804,640</u>	<u>\$ 22,727,271</u>	<u>\$ 130,474,801</u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Fund Balances - Governmental Funds \$ 84,490,279

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	
Construction in Progress	2,576,037	
Capital Assets, Net of Depreciation and Amortization	248,507,596	258,704,757

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	(179,217,696)	
Finance Purchase	(14,102,872)	
Lease Liability	(1,112,742)	
Net Other Postemployment Benefits Other than Pensions (OPEB)	(68,319,234)	
Net Pension Liability	(103,070,161)	
Compensated Absences	(1,997,367)	(367,820,072)

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

Deferred Outflows - Refunding	5,712,490	
Deferred Outflows - OPEB	20,202,279	
Deferred Outflows - Pensions	32,749,617	
Deferred Inflows - OPEB	(15,623,415)	
Deferred Inflows - Pensions	(76,881,997)	(33,841,026)

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:

342,144

Interest expense related to general obligation bonds payable was incurred but not accrued through June 30, 2022.

(1,121,521)

Total Net Position - Governmental Activities

\$ (59,245,439)

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

	General Fund	Special Reserve Fund for Capital Outlay	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Local Control Funding Formula Sources:					
State Apportionments	\$ 85,750,511	\$ -	\$ -	\$ -	\$ 85,750,511
Local Sources	58,971,987	-	-	-	58,971,987
Total Local Control Funding Formula Sources	144,722,498	-	-	-	144,722,498
Federal Sources	26,080,568	-	-	6,001,028	32,081,596
Other State Sources	35,303,689	-	43,976	5,316,499	40,664,164
Other Local Sources	5,871,096	1,703,164	13,095,282	7,456,373	28,125,915
Total Revenues	211,977,851	1,703,164	13,139,258	18,773,900	245,594,173
EXPENDITURES					
Instruction	127,080,634	-	-	4,313,309	131,393,943
Instruction - Related Services	21,374,262	-	-	1,519,402	22,893,664
Pupil Services	19,839,240	-	-	5,546,423	25,385,663
Ancillary Services	1,213,311	-	-	-	1,213,311
Community Services	105,107	-	-	-	105,107
General Administration	15,927,867	-	-	505,524	16,433,391
Plant Services	16,006,582	652,105	-	3,508,537	20,167,224
Other Outgo	1,290,115	-	-	-	1,290,115
Debt Service	1,680,350	-	13,834,409	-	15,514,759
Total Expenditures	204,517,468	652,105	13,834,409	15,393,195	234,397,177
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,460,383	1,051,059	(695,151)	3,380,705	11,196,996
OTHER FINANCING SOURCES (USES)					
Interfund Transfer In	-	-	-	545,425	545,425
Interfund Transfer Out	(545,425)	-	-	-	(545,425)
Total Other Financing Sources (Uses)	(545,425)	-	-	545,425	-
NET CHANGE IN FUND BALANCE	6,914,958	1,051,059	(695,151)	3,926,130	11,196,996
Fund Balances - Beginning of Year	30,786,828	12,562,729	13,499,791	16,443,935	73,293,283
FUND BALANCES - END OF YEAR	<u>\$ 37,701,786</u>	<u>\$ 13,613,788</u>	<u>\$ 12,804,640</u>	<u>\$ 20,370,065</u>	<u>\$ 84,490,279</u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 11,196,996

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	\$ 3,856,665	
Depreciation and Amortization Expense	(12,165,602)	
Excess (Deficiency) of Capital Outlay Over Depreciation and Amortization Expense		(8,308,937)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Finance Purchase	993,976	
Lease Principal Payments	475,166	
General Obligation Bond Principal and Accreted Interest Payments	11,405,000	
		12,874,142

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: 15,489,515

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: (6,454,426)

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

Decrease in Deferred Outflows - Refunding	(1,038,033)	
Increase in Accrued Interest Payable	(107,658)	
Accreted Interest Accrual	(4,260,461)	
Premium on General Obligation Bonds - Amortization	324,033	
Net Decrease in Compensated Absences	1,948,229	(3,133,890)

An internal service fund is used by the District to charge the costs of postemployment benefits to the individual funds. The net income of the internal service fund is reported with governmental activities. 161,093

Change in Net Position of Governmental Activities	\$ 21,824,493	
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See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2022**

		Governmental Activities Internal Service Fund
		<hr/> Retiree Benefits Self-Insurance Fund
ASSETS		
Cash in County Treasury	\$	341,757
Accounts Receivable		387
Total Assets		<hr/> 342,144
NET POSITION		
Restricted		342,144
Total Net Position	\$	<hr/> <hr/> 342,144

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	Governmental Activities Internal Service Fund
	<u>Retiree Benefits</u>
	<u>Self-Insurance</u>
	<u>Fund</u>
OPERATING REVENUES	
In-District Premiums/Contributions	\$ 1,756,281
Total Operating Revenues	<u>1,756,281</u>
OPERATING EXPENDITURES	
Benefits and Other Operating Expenses	<u>1,595,188</u>
Total Operating Expenditures	<u>1,595,188</u>
NET OPERATING INCOME	161,093
Net Position - Beginning of Year	<u>181,051</u>
NET POSITION - END OF YEAR	<u><u>\$ 342,144</u></u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	Governmental Activities Internal Service Fund Retiree Benefits Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received for Premiums and Other Revenues	\$ 2,456,281
Cash Paid for Benefits and Other Operating Expenditures	<u>(1,595,188)</u>
Net Cash Provided by Operating Activities	861,093
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Paid to Governmental Funds	<u>(519,336)</u>
Net Cash Used By Noncapital Financing Activities	<u>(519,336)</u>
NET INCREASE IN CASH	341,757
Cash - Beginning of Year	<u>-</u>
CASH - END OF YEAR	<u><u>\$ 341,757</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ 161,093
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Decrease in Due From Fiduciary Funds	700,000
Net Cash Provided by Operating Activities	<u><u>\$ 861,093</u></u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	<u>Retiree Benefits Trust Fund</u>
ASSETS	
Investments with Fiscal Agent	<u>\$ 2,864,209</u>
Total Assets	2,864,209
NET POSITION	
Held in Trust for Other Postemployment Benefits	<u>2,864,209</u>
Total Net Position	<u><u>\$ 2,864,209</u></u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022**

	Retiree Benefits Trust Fund
ADDITIONS	
Employer Contributions	\$ 1,222,201
Investment Loss:	
Interest Income and Dividends	88,379
Realized Gain on Investments	134,325
Unrealized Loss on Investments	(560,468)
Net Investment Loss	<u>(337,764)</u>
Total Additions	884,437
DEDUCTIONS	
Benefit Payments	2,149,555
Other Expenses	6,166
Total Deductions	<u>2,155,721</u>
CHANGE IN NET POSITION	(1,271,284)
Net Position - Beginning of Year	<u>4,135,493</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,864,209</u></u>

See accompanying Notes to Basic Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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. The entity-wide perspective enhances the fund-group perspective previously required. 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 and interest expense have not been allocated to specific functions.

BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements

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

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

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

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

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

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

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

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

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

Other Outgo: includes transfers to other agencies.

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

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

Fund Accounting

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

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

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

Governmental Funds – Major

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

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

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

Governmental Funds – Nonmajor

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

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

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

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

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

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

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds – Nonmajor (Continued)

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

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

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

County School Facilities Fund: used to account for the construction projects funded by School Facility Program grants award for modernization and new construction of various school sites.

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.

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 collectible within one year.

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

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Receivables

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

Stores

Stores are presented at the lower of cost or market on an average basis and are expensed when used. Stores inventory consists of expendable supplies held for consumption. At June 30, 2022, the inventory for supplies is \$26,242. The inventory for food is \$11,009.

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 fixed assets are recorded at their acquisition value as of the date of donation. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined by GASB. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Right-to-Use assets are amortized. Depreciation and amortization are 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 Assets	Equal to the Term of the Lease

Depreciation/amortization expense reported on the government-wide statement of activities excludes direct depreciation/amortization expense recorded to functions where applicable.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lessor

The District is a lessor for noncancellable ground leases and facility leases. The District recognizes a lease receivable and a deferred inflow of resources in the applicable governmental activities in the government-wide and in the governmental financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lessee

The District is a lessee for noncancellable leases of office equipment and vehicles. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the governmental activities in the government-wide statements. The District recognizes lease liabilities with an initial individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the term of the lease or its useful life.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Lessee (Continued)

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that is applicable to future reporting periods and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net assets that is applicable to future reporting periods and will not be recognized as an inflow of resources (revenue) until then. These amounts are reported in the government-wide statement of net position.

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

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

Deferred Outflows/Inflows – Pensions: The deferred outflows/inflows of resources related to pensions results 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 14 to the financial statements.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Long-Term Obligations

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

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

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

Postemployment Benefits Other than Pension (OPEB)

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

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Pension Liability

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

Member contributions are recognized in the period in which they are earned. Investments are reported at fair value.

Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, 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.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classification (Continued)

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

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

Spending Order Policy

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

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

Minimum Fund Balance Policy

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

State Apportionments

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

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.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

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

On-Behalf Payments

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

Contributed Services

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

Classification of Revenues – Proprietary Funds

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

Estimates

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

Reporting Entity

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

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

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

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

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

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

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

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standard

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset.

The District adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard resulting in the District reporting a lease receivable, right-to-use asset, lease liability and a deferred inflow of resource.

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, 2022, \$1,969,534 of the District's bank balance of \$2,268,723 was exposed to credit risk, as they are not covered by depository insurance and the deposits are uncollateralized.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2022 is measured at 95.86% 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.

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.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments with Fiscal Agent

Investments held by the District's Grantor Trust (the Trust) are limited to those within the terms of the trust agreement, any applicable plan documents and in accordance with California Government Code Sections 16430, 53601 and 53602. The Trust did not violate any provisions of the investment policy during the fiscal year ended June 30, 2022.

Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District did not have any investments in the Level 2 or 3 category. Investments' fair value measurements at June 30, 2022 are presented below:

Investment	Cost	Fair Value Measurements
		Level 1
Cash and Cash Equivalents	\$ 192,769	\$ 192,769
Mutual Fund - Equity	174,101	153,376
Mutual Fund - Corporate Bonds	2,603,389	2,329,426
Closed End Funds - Equity	156,331	188,638
Total	<u>\$ 3,126,590</u>	<u>\$ 2,864,209</u>

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

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The District follows Government Code to reduce exposure to investment credit risk. As of June 30, 2022, the Trust's investments in mutual funds are unrated.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments with Fiscal Agent (Continued)

Concentration of Credit Risk

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

NOTE 4 ACCOUNTS RECEIVABLE

Accounts Receivable	General Fund	Special Reserve Fund for Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
Federal and State	\$ 21,134,635	\$ -	\$ 721,444	\$ 21,856,079
Miscellaneous	2,824,227	33,126	503,018	3,360,371
Total Accounts Receivable	<u>\$ 23,958,862</u>	<u>\$ 33,126</u>	<u>\$ 1,224,462</u>	<u>\$ 25,216,450</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 2021-22 fiscal year are as follows:

Transfer from the General Fund to the Child Development Fund for the Monterey Child Development program and for the Around the Bell program	\$ 539,611
Transfer from the General Fund of EBT Funds to the Cafeteria Fund	<u>5,814</u>
Total Interfund Transfers	<u>\$ 545,425</u>

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Cash in Revolving Fund	\$ 25,060	\$ -	\$ -	\$ -	\$ 25,060
Stores	26,242	-	-	11,009	37,251
Total Nonspendable	51,302	-	-	11,009	62,311
Restricted:					
General Fund	17,062,012	-	-	-	17,062,012
Student Activity Fund	-	-	-	1,813,064	1,813,064
Legally Restricted Programs	-	-	-	3,549,110	3,549,110
Capital Projects/ Facilities	-	-	-	11,790,707	11,790,707
Bond Interest Redemption Fund	-	-	12,804,640	-	12,804,640
Total Restricted	17,062,012	-	12,804,640	17,152,881	47,019,533
Committed:					
Capital Projects/ Facilities	-	13,613,788	-	10,101	13,623,889
Adult Education Program	-	-	-	2,565,949	2,565,949
Food Service Program	-	-	-	14,167	14,167
Deferred Maintenance Program	-	-	-	615,958	615,958
Total Committed	-	13,613,788	-	3,206,175	16,819,963
Assigned:					
Site Carryover	534,139	-	-	-	534,139
LCAP Supplemental	2,970,152	-	-	-	2,970,152
Accrued Vacation	272,000	-	-	-	272,000
Fiscal Stability	4,508,407	-	-	-	4,508,407
Total Assigned	8,284,698	-	-	-	8,284,698
Unassigned:					
Economic Uncertainties	12,303,774	-	-	-	12,303,774
Total Unassigned	12,303,774	-	-	-	12,303,774
Total Fund Balance	\$ 37,701,786	\$ 13,613,788	\$ 12,804,640	\$ 20,370,065	\$ 84,490,279

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022 the District recognized \$593,235 and \$327,603 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>
2023	\$ 457,542	\$ 320,088	\$ 777,630
2024	461,999	312,431	774,430
2025	434,491	304,740	739,231
2026	442,261	296,969	739,230
2027	338,767	289,584	628,351
2028-2032	1,803,030	1,338,722	3,141,752
2033-2037	1,999,465	1,142,288	3,141,753
2038-2042	2,217,300	924,452	3,141,752
2043-2047	2,458,868	682,884	3,141,752
2048-2052	2,439,288	423,467	2,862,755
2053-2057	2,466,129	176,423	2,642,552
2058-2059	716,892	3,937	720,829
Total	<u>\$ 16,236,032</u>	<u>\$ 6,215,985</u>	<u>\$ 22,452,017</u>

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 CAPITAL ASSETS AND DEPRECIATION – SCHEDULE OF CHANGES

Capital asset activity for the year ended June 30, 2022 is shown below:

	Balance July 1, 2021	Adjustments*	Additions	Retirements	Balance June 30, 2022
Capital Assets Not Being Depreciated:					
Land	\$ 7,621,124	\$ -	\$ -	\$ -	\$ 7,621,124
Construction in Progress	3,103,355	-	2,560,837	(3,088,155)	2,576,037
Total Capital Assets Not Being Depreciated	10,724,479	-	2,560,837	(3,088,155)	10,197,161
Capital Assets Being Depreciated and Amortized:					
Site Improvements	39,311,170	-	287,390	-	39,598,560
Building and Improvements	387,013,132	-	3,699,133	-	390,712,265
Equipment	7,461,356	(1,775,292)	397,460	(64,689)	6,018,835
Right-to-Use Lease Equipment	-	1,587,908	-	-	1,587,908
Total Capital Assets Being Depreciated	433,785,658	(187,384)	4,383,983	(64,689)	437,917,568
Less Accumulated Depreciation and Amortization for:					
Site Improvements	12,534,500	-	1,067,893	-	13,602,393
Building and Improvements	159,549,658	-	10,427,278	-	169,976,936
Equipment	5,685,159	(460,258)	16,521	(64,689)	5,176,733
Right-to-Use Lease Equipment	-	-	653,910	-	653,910
Total Accumulated Depreciation and Amortization	177,769,317	(460,258)	12,165,602	(64,689)	189,409,972
Depreciable Assets, Net	256,016,341	272,874	(7,781,819)	-	248,507,596
Governmental Activities Capital Assets, Net	\$ 266,740,820	\$ 272,874	\$ (5,220,782)	\$ (3,088,155)	\$ 258,704,757

*Adjustments for implementation of GASB 87, Leases.

NOTE 9 TAX REVENUE ANTICIPATION NOTES (TRANS)

2021 TRANS

The District issued \$30,000,000 of Tax Revenue Anticipation Notes dated February 17, 2021 through the Los Angeles County Schools Pooled Financing Program (Series B-3). The notes matured on December 30, 2021 and yielded 0.12% interest. The notes were sold to supplement the District's cash flow.

The funds were held with the trustee, The Bank of New York Mellon Trust Company, N.A., unless and until the District needed to draw funds. \$30,000,000 of principal and \$521,667 of interest were repaid from the funds held with the administrator on December 31, 2021.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 LONG-TERM LIABILITIES – SCHEDULE OF CHANGES

A schedule of changes in long-term liabilities for the year ended June 30, 2022 is shown below:

	Balance July 1, 2021	Adjustments*	Additions	Reductions	Balance June 30, 2022	Amount Due in One Year
General Obligations Bonds:						
Bond A	\$ 399,953	\$ -	\$ -	\$ 203,065	\$ 196,888	\$ 196,888
Bond B	3,453,239	-	-	1,183,244	2,269,995	1,150,063
Bond C	13,461,626	-	-	2,131,786	11,329,840	2,055,362
Series 2013 Bond	21,307,990	-	-	-	21,307,990	-
Series 2015A Bond	3,670,000	-	-	-	3,670,000	-
Series 2017 Bond	34,001,109	-	-	145,000	33,856,109	340,000
Series 2020 Bond	62,880,000	-	-	520,000	62,360,000	100,000
Accreted Interest:						
Bond A	1,093,746	-	64,126	576,935	580,937	603,112
Bond B	7,720,225	-	495,920	2,746,756	5,469,389	2,874,937
Bond C	24,304,918	-	1,840,532	3,898,214	22,247,236	4,144,638
Bond 2013	7,700,076	-	1,207,922	-	8,907,998	-
Bond 2017	2,300,965	-	651,961	-	2,952,926	-
Bond Premium:						
Series 2013 Bond Premium	1,272,670	-	-	4,316	1,268,354	4,316
Series 2015A Bond Premium	1,078,821	-	-	211,789	867,032	211,789
Series 2017 Bond Premium	2,040,930	-	-	107,928	1,933,002	106,719
Total Bonds	186,686,268	-	4,260,461	11,729,033	179,217,696	11,787,824
Finance Purchase	15,924,808	(827,960)	-	993,976	14,102,872	1,136,840
Lease Liability	-	1,587,908	-	475,166	1,112,742	476,514
Compensated Absences	3,945,596	-	-	1,948,229	1,997,367	-
Net OPEB Liability	75,044,077	-	-	6,724,843	68,319,234	2,149,555
Net Pension Liability	197,550,072	-	-	94,479,911	103,070,161	-
Total	<u>\$ 479,150,821</u>	<u>\$ 759,948</u>	<u>\$ 4,260,461</u>	<u>\$ 116,351,158</u>	<u>\$ 367,820,072</u>	<u>\$ 15,550,733</u>

Liabilities are liquidated by the General Fund for governmental activities, including finance purchases and leases, compensated absences, net OPEB obligations, and net pension liability. 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.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 LEASE PAYABLE

The District leases various office equipment and vehicles under long-term, noncancellable lease agreements. The latest expiration date of June, 2025 and the leases were calculated at an interest rates ranging from .25% to .47% based on the length of the lease and the District's incremental cost of borrowing.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 476,514	\$ 2,505	\$ 479,019
2024	456,664	1,156	457,819
2025	179,564	129	179,693
Total	<u>\$ 1,112,742</u>	<u>\$ 3,790</u>	<u>\$ 1,116,532</u>

NOTE 12 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
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 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 convert 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 matured beginning on August 1, 2021 with final maturity on August 1, 2034. The refunding resulted in economic gain in the amount of \$3,474,856 and debt savings of \$4,226,363.

The outstanding general obligation bonded debt of the District at June 30, 2022 is:

General Obligation Bonds	Date of Issue	Date of Maturity	Interest Rate	Amount of Original Issue	Outstanding June 30, 2022
Election 1997:					
Series A	8/1/1997	8/1/2022	3.9% - 5.7%	\$ 7,497,787	\$ 196,888
Accreted Interest					580,937
Series B	8/1/1998	8/1/2023	4.1% - 5.3%	39,996,370	2,269,995
Accreted Interest					5,469,389
Series C	7/1/2002	8/1/2027	3.0% - 5.7%	65,000,839	11,329,840
Accreted Interest					22,247,236
Measure S:					
Series 2013	5/16/2013	2/1/2038	2.5% - 5.0%	40,997,990	21,307,990
Accreted Interest					8,907,998
Series 2015A	8/1/2015	8/1/2034	3.0% - 5.0%	34,998,497	3,670,000
Series 2017	3/15/2017	8/1/2032	3.125% - 5.0%	34,001,109	33,856,109
Accreted Interest					2,952,926
Refunding Bonds					
Series 2020	10/29/2020	8/1/2034	0.369% - 2.484%	62,880,000	62,360,000
Total				\$ 285,372,592	175,149,308
Unamortized Bond Premium					4,068,388
Total Bonds Payable					\$ 179,217,696

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 GENERAL OBLIGATION BONDS (CONTINUED)

Refunding Bonds – Series 2020 (Continued)

1997 Election

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Total</u>
2023	\$ 3,402,313	\$ 7,622,687	\$ 11,025,000
2024	3,099,752	7,405,248	10,505,000
2025	1,911,945	4,638,055	6,550,000
2026	1,846,804	4,888,196	6,735,000
2027	1,791,082	5,133,918	6,925,000
2028	1,744,827	5,375,173	7,120,000
Total	<u>\$ 13,796,723</u>	<u>\$ 35,063,277</u>	<u>\$ 48,860,000</u>

Measure S

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Current</u>	<u>Accreted Interest</u>	<u>Total</u>
2023	\$ 340,000	\$ 1,122,575	\$ -	\$ 1,462,575
2024	1,365,000	1,088,475	-	2,453,475
2025	2,605,000	2,328,800	814,725	5,748,525
2026	3,075,000	2,186,800	814,725	6,076,525
2027	2,430,000	2,049,175	814,725	5,293,900
2028-2032	23,574,700	7,892,613	6,082,674	37,549,987
2033-2037	19,563,444	5,397,750	9,393,506	34,354,700
2038	5,880,955	479,588	3,374,045	9,734,588
Total	<u>\$ 58,834,099</u>	<u>\$ 22,545,776</u>	<u>\$ 21,294,400</u>	<u>\$ 102,674,275</u>

2020 Refunding

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Current</u>	<u>Total</u>
2023	\$ 100,000	\$ 1,295,940	\$ 1,395,940
2024	100,000	1,295,402	1,395,402
2025	1,235,000	1,289,899	2,524,899
2026	1,230,000	1,278,599	2,508,599
2027	2,385,000	1,256,197	3,641,197
2028-2032	36,385,000	4,724,233	41,109,233
2033-2035	20,925,000	687,996	21,612,996
Total	<u>\$ 62,360,000</u>	<u>\$ 11,828,266</u>	<u>\$ 74,188,266</u>

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 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.

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, 2022, the date of the latest actuarial valuation.

	Balance
Net OPEB Liability	June 30, 2022
Total OPEB Liability	\$ 71,183,443
Plan Fiduciary Net Position	2,864,209
District's Net OPEB Liability (Asset)	<u>\$ 68,319,234</u>

Plan Fiduciary Net Position as a Percentage of the	
Total OPEB Liability (Asset)	4.02%

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, 2022, the District did not contribute to the plan.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Funding Policy (Continued)

The components of the net OPEB liability of the District at June 30, 2022 was as follows:

	Balance June 30, 2022
Net OPEB Liability	
Total OPEB Liability	\$ 71,183,443
Plan Fiduciary Net Position	2,864,348
District's Net OPEB Liability (Asset)	<u>\$ 68,319,095</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	4.02%
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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, 2022, 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	\$ 4,350,919	\$ 2,872,785
Changes in Assumptions or Other Inputs	15,565,934	12,750,630
Differences Between Expected and Actual Return on Investments	285,426	-
Total	<u>\$ 20,202,279</u>	<u>\$ 15,623,415</u>

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:

<u>Year Ending June 30,</u>	<u>Amortization</u>
2023	\$ 1,816,767
2024	1,826,271
2025	1,842,343
2026	1,138,945
2027	545,798
Thereafter	(2,591,260)
Total	<u>\$ 4,578,864</u>

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Investments

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

	<u>Trust Policy</u>	<u>Trust Holdings</u>
Equity	10% (+/- .5%)	12.30%
Fixed Income	90% (+/- .5%)	87.70%
Yield	0%	2.71%
Credit Quality	Min BBB-	A+
Duration Shall not Exceed	7 Years	5.6 Years

At June 30, 2022, all plan investments were in mutual funds. The plan held no investments in any one organization that represented 5% or more of fiduciary net position.

Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The plan's investments' fair value measurements at June 30, 2022 are presented below:

<u>Investment</u>	<u>Cost</u>	<u>Fair Value Measurements Level 1</u>
Cash and Cash Equivalents	\$ 192,769	\$ 192,769
Mutual Fund - Equity	174,101	153,376
Mutual Fund - Corporate Bonds	2,603,389	2,329,426
Closed End Funds - Equity	156,331	188,638
Total	<u>\$ 3,126,590</u>	<u>\$ 2,864,209</u>

Actuarial Methods and Assumptions

The District's net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, 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, 2022
Measurement Date	June 30, 2022
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	3.54%
Health Care Trend Rate	4%

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

The long-term expected rate of return on the plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate of return of 5.0%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are as follows:

<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%

The discount rate used to measure the total OPEB liability was 3.54%. 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 2.16% to 3.54%.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 79,179,570	\$ 4,135,493	\$ 75,044,077
Changes for the Year:			
Service Cost	4,237,319	-	4,237,319
Interest	1,732,827	88,379	1,644,448
Difference Between Expected and Actual Experience	2,382,848	-	2,382,848
Changes in Assumptions	(14,199,566)	-	(14,199,566)
Investment Gains/(Losses)	-	(426,143)	426,143
Employer Contributions*	-	1,222,201	(1,222,201)
Benefit Payments*	(2,149,555)	(2,149,555)	-
Administrative Expenses	-	(6,166)	6,166
Net Changes	<u>(7,996,127)</u>	<u>(1,271,284)</u>	<u>(6,724,843)</u>
Balances at June 30, 2022	<u>\$ 71,183,443</u>	<u>\$ 2,864,209</u>	<u>\$ 68,319,234</u>

* Amount includes implicit subsidy associated with benefits paid.

The following presents the District's net OPEB liability calculated using the discount rate of 3.54% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

Sensitivity Discount Rate	Net OPEB Liability (Asset)
1% Decrease (2.54%)	\$ 78,211,897
Current Discount Rate (3.54%)	68,319,234
1% Increase (4.54%)	60,144,282

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:

Healthcare Trend Rate	Net OPEB Liability (Asset)
1% Decrease (3.00%)	\$ 58,010,911
Current Healthcare Trend Rate (4.00%)	68,319,234
1% Increase (5.00%)	81,409,831

OPEB Expense

For the year ended June 30, 2022, the District recognized OPEB expense of \$7,676,488.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 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, 2022, 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)	\$ 59,615,480	\$ 23,819,702	\$ 59,296,706	\$ 2,434,427
CalPERS (Schools Pool Plan)	43,454,681	8,929,915	17,585,291	4,263,481
Total	<u>\$103,070,161</u>	<u>\$ 32,749,617</u>	<u>\$ 76,881,997</u>	<u>\$ 6,697,908</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.

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

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

Benefits Provided (Continued)

The STRP provisions and benefits in effect at June 30, 2022 are summarized as follows:

Provisions and Benefits	STRP Defined Benefit Program and Supplement Program	
	On or Before December 31, 2012	On or After January 1, 2013
Hire Date		
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0% - 2.4%	2.0% - 2.4%
Required Employee Contribution Rate	10.250%	10.205%
Required Employer Contribution Rate	16.920%	16.920%
Required State Contribution Rate	10.828%	10.828%

Contributions

Required member, District, and state of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. The contribution rates for each plan for the year ended June 30, 2022 are presented above and the total District contributions were \$13,391,533.

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

At June 30, 2022, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for state pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

	Balance
	June 30, 2022
District Proportionate Share of the Net Pension Liability	\$ 59,615,480
State's Proportionate Share of the Net Pension Liability Associated with the District	29,996,822
Total	<u>\$ 89,612,302</u>

The net pension liability was measured as of June 30, 2021. 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, 2021, the District's proportion was 0.1310% which is a decrease of 0.0050% from its proportion measured as of June 30, 2020.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 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)

For the year ended June 30, 2022, the District recognized pension expense of \$1,408,123. In addition, the District recognized revenue and corresponding expense of \$1,026,304 for contributions provided by the state. At June 30, 2022, 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	\$ 13,391,533	\$ -
Differences Between Expected and Actual Experience	149,340	6,344,330
Changes of Assumptions	8,446,880	-
Changes in Proportion	1,831,949	5,794,996
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	47,157,380
Total	<u>\$ 23,819,702</u>	<u>\$ 59,296,706</u>

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, 2023. 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, 2021 measurement date is seven years.

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

Year Ending June 30,	Amortization
2023	\$ (9,995,842)
2024	(9,172,528)
2025	(12,715,152)
2026	(14,362,383)
2027	(1,365,521)
2028	(1,257,111)
Total	<u>\$ (48,868,537)</u>

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 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, 2020, and rolling forward the total pension liability to June 30, 2021. 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, 2020 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.10%
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	42 %	4.80 %
Real Estate	15	3.60
Private Equity	13	6.30
Fixed Income	12	1.30
Risk Mitigating Strategies	10	1.80
Inflation Sensitive	6	3.30
Cash/Liquidity	2	(0.40)

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from 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:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% Decrease (6.10%)	\$ 121,355,780
Current Discount Rate (7.10%)	59,615,480
1% Increase (8.10%)	8,372,210

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.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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 nonduty 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.

The CalPERS provisions and benefits in effect at June 30, 2022 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		
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55	62
Monthly Benefits as a Percentage of Eligible Compensation	1.1% - 2.5%	1.0% - 2.5%
Required Employee Contribution Rate	7.00%	7.00%
Required Employer Contribution Rate	22.91%	22.91%

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

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, 2022 are as presented above and the total District contributions were \$7,632,681.

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$43,454,681. The net pension liability was measured as of June 30, 2021. 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, 2021, the District's proportion was 0.2137% which is a decrease of 0.0006% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$4,263,481. At June 30, 2022, 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	\$ 7,632,681	\$ -
Differences Between Expected and Actual Experience	1,297,234	102,441
Changes of Assumptions	-	-
Changes in Proportion	-	806,237
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	16,676,613
Total	<u>\$ 8,929,915</u>	<u>\$ 17,585,291</u>

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 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)

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, 2023. 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 (EARS�) of the plan participants. The EARS� for the CalPERS Schools Pool Plan for the June 30, 2021 measurement date is four years.

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

Year Ending June 30,	Amortization
2023	\$ (3,635,290)
2024	(3,921,286)
2025	(4,093,391)
2026	(4,638,090)
Total	<u>\$ (16,288,057)</u>

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, 2020, and rolling forward the total pension liability to June 30, 2021. 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, 2020 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Experience Study	July 1, 1997 through June 30, 2015
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.15%
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
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 15 years of projected ongoing mortality improvements using 90% of scale MP 2016 published by the Society of Actuaries.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Actuarial Methods and Assumptions (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity	50 %	5.98 %
Fixed Income	28	2.62
Real Assets	13	4.93
Private Equity	8	7.23
Liquidity	1	(0.92)

Discount Rate

The discount rate used to measure the total pension liability was 7.15% and reflects the long-term expected rate of return for the Schools Pool Plan net of investment expenses and without reduction for administrative expenses. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the Schools Pool Plan fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine total pension liability.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Discount Rate (Continued)

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

Discount Rate	Net Pension Liability
1% Decrease (6.15%)	\$ 73,270,694
Current Discount Rate (7.15%)	43,454,681
1% Increase (8.15%)	18,700,993

Plan Fiduciary Net Position

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

NOTE 15 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	\$ 69,273
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, 2022.

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 16 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.

WSGLPJPA arranges for and provides property and liability insurance for its ten member school districts.

ASCIP provides the District with vision and dental programs.

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

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

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

Condensed financial information is as follows:

	WSGWCJPA June 30, 2022 (Audited)	WSGLPJPA June 30, 2022 (Audited)	ASCIP June 30, 2022 (Audited)
<u>JPA Condensed Financial Information</u>			
Total Assets and Deferred Outflows of Resources	\$ 23,515,782	\$ 13,747,113	\$ 525,465,531
Total Liabilities and Deferred Inflows of Resources	524,000	2,298,924	307,023,691
Net Position	<u>\$ 22,991,782</u>	<u>\$ 11,448,189</u>	<u>\$ 218,441,840</u>
 Total Revenues	 \$ 8,349,244	 \$ 10,128,791	 \$ 287,453,568
Total Expenditures	(8,061,115)	(9,427,805)	(270,681,932)
Total Nonoperating Revenue (Expense)	(617,394)	(408,798)	(25,050,241)
Change in Net Position	<u>\$ (329,265)</u>	<u>\$ 292,188</u>	<u>\$ (8,278,605)</u>

**BURBANK UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 17 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 will not have a material adverse effect on 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, 2022, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$1 million. Projects will be funded through Bond Proceeds and Special Reserve for Capital Outlay Funds.

NOTE 18 RESTATEMENT OF BEGINNING NET POSITION

Beginning net position was decreased \$487,074 for the implementation of GASB Statement No. 87, *Leases* to record the impact of recording right-to-use assets and related lease liabilities. The District adopted the requirements of the guidance effective July 1, 2021, and has applied the provision of this standard to the beginning of the period of adoption.

REQUIRED SUPPLEMENTARY INFORMATION

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budgetary Amounts		Actual
	Original	Final	Amounts
REVENUES			
Local Control Funding Formula Sources:			
State Apportionments	\$ 89,512,023	\$ 82,216,449	\$ 85,750,511
Local Sources	55,932,274	62,800,187	58,971,987
Total Local Control Funding Formula Sources	145,444,297	145,016,636	144,722,498
Federal Sources	5,857,589	27,280,704	26,080,568
Other State Sources	16,066,681	32,560,658	35,303,689
Other Local Sources	2,478,545	8,949,053	5,871,096
Total Revenues	169,847,112	213,807,051	211,977,851
EXPENDITURES			
Certificated Salaries	75,655,537	76,160,181	79,719,122
Classified Salaries	30,690,953	28,461,864	31,109,530
Employee Benefits	41,540,729	38,574,615	47,685,150
Books and Supplies	5,777,398	25,121,031	9,708,608
Services and Other Operating Expenditures	21,034,092	29,719,469	33,934,765
Capital Outlay	1,227,315	864,969	416,999
Other Outgo	940,658	912,573	768,449
Direct Support - Indirect Cost	(571,734)	(477,006)	(505,505)
Debt Service	2,055,538	1,692,852	1,680,350
Total Expenditures	178,350,486	201,030,548	204,517,468
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,503,374)	12,776,503	7,460,383
OTHER FINANCING SOURCES (USES)			
Interfund Transfers Out	(376,513)	(336,676)	(545,425)
Total Other Financing Uses	(376,513)	(336,676)	(545,425)
NET CHANGE IN FUND BALANCE	<u>\$ (8,879,887)</u>	<u>\$ 12,439,827</u>	6,914,958
Fund Balances - Beginning of Year			<u>30,786,828</u>
FUND BALANCES - END OF YEAR			<u>\$ 37,701,786</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,

CalSTRS - STRP	2022	2021	2020	2019
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
District's Proportion of the Net Pension Liability	0.1310%	0.1360%	0.1370%	0.1340%
District's Proportionate Share of the Net Pension Liability	\$ 59,615,480	\$131,796,240	\$123,732,920	\$123,155,380
State's Proportionate Share of the Net Pension Liability Associated with the District	29,996,822	67,505,113	70,512,560	73,859,624
Total	<u>\$ 89,612,302</u>	<u>\$199,301,353</u>	<u>\$194,245,480</u>	<u>\$197,015,004</u>
District's Covered Payroll	\$ 73,047,000	\$ 77,210,000	\$ 75,200,000	\$ 73,600,000
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	82%	171%	165%	167%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87%	72%	73%	71%
	2018	2017	2016	2015
Measurement Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's Proportion of the Net Pension Liability	0.1350%	0.1400%	0.1360%	0.1310%
District's Proportionate Share of the Net Pension Liability	\$124,848,000	\$113,233,400	\$ 91,560,640	\$ 76,552,470
State's Proportionate Share of the Net Pension Liability Associated with the District	73,859,624	64,471,245	48,425,355	46,226,151
Total	<u>\$198,707,624</u>	<u>\$177,704,645</u>	<u>\$139,985,995</u>	<u>\$122,778,621</u>
District's Covered Payroll	\$ 73,600,000	\$ 67,800,000	\$ 64,300,000	\$ 56,000,000
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170%	167%	142%	137%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69%	70%	74%	77%

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.

The amounts are reported as of the previous fiscal year to align with the measurement date of the net pension liability.

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,

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

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.

The amounts are reported as of the previous fiscal year to align with the measurement date of the net pension liability.

See accompanying Notes to Required Supplementary Information.

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

CalSTRS - STRP	2022	2021	2020	2019
Contractually Required Contribution	\$ 13,391,533	\$ 11,797,073	\$ 13,202,547	\$ 12,240,467
Contributions in Relation to the Contractually Required Contribution	13,391,533	11,797,073	13,202,547	12,240,467
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 79,146,000	\$ 73,047,000	\$ 77,210,000	\$ 75,200,000
Contributions as a Percentage of Covered Payroll	16.92%	16.15%	17.10%	16.28%
	2018	2017	2016	2015
Contractually Required Contribution	\$ 10,619,489	\$ 9,259,795	\$ 7,279,029	\$ 5,708,080
Contributions in Relation to the Contractually Required Contribution	10,619,489	9,259,795	7,279,029	5,708,080
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 73,600,000	\$ 73,600,000	\$ 67,800,000	\$ 64,300,000
Contributions as a Percentage of Covered Payroll	14.43%	12.58%	10.73%	8.88%
CalPERS - Schools Pool Plan	2022	2021	2020	2019
Contractually Required Contribution	\$ 7,632,681	\$ 6,328,053	\$ 6,169,553	\$ 5,553,146
Contributions in Relation to the Contractually Required Contribution	7,632,681	6,328,053	6,169,553	5,553,146
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 33,316,000	\$ 30,570,000	\$ 31,285,000	\$ 30,700,000
Contributions as a Percentage of Covered Payroll	22.91%	20.70%	19.72%	18.06%
	2018	2017	2016	2015
Contractually Required Contribution	\$ 4,487,272	\$ 3,969,039	\$ 3,089,291	\$ 2,874,389
Contributions in Relation to the Contractually Required Contribution	4,487,272	3,969,039	3,089,291	2,874,389
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 28,900,000	\$ 28,600,000	\$ 26,100,000	\$ 24,200,000
Contributions as a Percentage of Covered Payroll	15.53%	13.89%	11.85%	11.77%

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.

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,

Total OPEB Liability	2022	2021	2020	2019	2018	2017
Service Cost	\$ 4,237,319	\$ 4,086,126	\$ 2,512,624	\$ 2,439,441	\$ 1,355,260	\$ 1,315,788
Interest	1,732,827	1,671,505	1,923,092	1,928,343	2,508,707	2,360,547
Difference Between Expected and Actual Experience	2,382,848	158,586	3,116,336	(6,252,533)	-	-
Changes in Assumptions	(14,199,566)	425,765	12,240,624	15,297,309	-	-
Benefit Payments*	(2,149,555)	(2,033,251)	(1,687,738)	(1,578,458)	(1,462,800)	(958,527)
Net Change in Total OPEB Liability	(7,996,127)	4,306,831	18,104,938	11,834,102	2,401,167	2,717,806
Total OPEB Liability - Beginning	79,179,570	74,872,739	56,767,801	44,933,699	42,532,532	39,814,726
Total OPEB Liability - Ending (a)	\$ 71,183,443	\$ 79,179,570	\$ 74,872,739	\$ 56,767,801	\$ 44,933,699	\$ 42,532,532
Plan Fiduciary Net Position	2022	2021	2020	2019	2018	2017
Contributions - Employer*	\$ 1,222,201	\$ 503,251	\$ 297,738	\$ 220,489	\$ 1,363,850	\$ 1,913,143
Net Investment Income	(337,764)	376,164	415,076	446,181	93,836	188,955
Benefit Payments*	(2,149,555)	(2,033,251)	(1,687,738)	(1,578,458)	(1,462,800)	(958,527)
Administrative Expense	(6,166)	(5,000)	(9,017)	(5,371)	(8,086)	(7,802)
Net Change in Plan Fiduciary Net Position	(1,271,284)	(1,158,836)	(983,941)	(917,159)	(13,200)	1,135,769
Plan Fiduciary Net Position - Beginning	4,135,493	5,294,329	6,278,270	7,195,429	7,208,629	6,072,860
Plan Fiduciary Net Position - Ending (b)	\$ 2,864,209	\$ 4,135,493	\$ 5,294,329	\$ 6,278,270	\$ 7,195,429	\$ 7,208,629
Net OPEB Liability (Asset) - Ending (a) - (b)	\$ 68,319,234	\$ 75,044,077	\$ 69,578,410	\$ 50,489,531	\$ 37,738,270	\$ 35,323,903
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.02%	5.22%	7.07%	11.06%	16.01%	16.95%
Covered Payroll	\$117,815,149	\$114,941,608	\$ 111,865,312	\$ 108,871,350	\$ 105,700,340	\$ 108,080,227
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	57.99%	65.29%	62.20%	46.38%	35.70%	32.68%

* Amount includes implicit subsidy associated with benefits paid.

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

See accompanying Notes to Required Supplementary Information.

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

OPEB Contributions	2022 *	2021 *	2020 *	2019	2018	2017
Actuarially Determined Contribution (ADC)	\$ -	\$ -	\$ -	\$ 3,280,900	\$ 3,295,674	\$ 3,082,097
Contributions in Relation to the ADC	-	-	-	220,489	1,363,850	1,913,143
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,060,411</u>	<u>\$ 1,931,824</u>	<u>\$ 1,168,954</u>
District's Covered Payroll	\$ -	\$ -	\$ -	\$108,871,350	\$105,700,340	\$105,700,340
Contributions as a Percentage of Covered Payroll	n/a	n/a	n/a	0.20%	1.29%	1.81%

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

See accompanying Notes to Required Supplementary Information.

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

	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	-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.

See accompanying Notes to Required Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022**

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. In the future, as data becomes available, 10 years of information will be presented.

Benefit Changes – None

Changes of Assumptions:

2019-20

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

2018-19

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%.

2017-18

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%.

2015-16

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

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. In the future, as data becomes available, 10 years of information will be presented.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

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:

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%

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.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022**

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
Certificated Salaries	\$ (3,558,941)
Classified Salaries	(2,647,666)
Employee Benefits	(9,110,535)
Services and Other Operating Expenditures	(4,215,296)
Interfund Transfers Out	(208,749)

SUPPLEMENTARY INFORMATION

**BURBANK UNIFIED SCHOOL DISTRICT
HISTORY AND ORGANIZATION
YEAR ENDED JUNE 30, 2022**

The District was established on July 1, 1936, and is comprised of an area of approximately 17.1 square miles located in Los Angeles County. There were no changes in the boundaries of the District during the year. The District operates eleven elementary schools, three middle schools, two comprehensive high schools, one adult school, one continuation high school, a special education school, and 11 children's centers.

The Board of Education and the District Administrators for the fiscal year ended June 30, 2022 were as follows:

BOARD OF EDUCATION

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Ms. Charlene Tabet	President	December 2026
Mr. Steve Ferguson	Vice President	December 2024
Ms. Emily Welsberg	Clerk	December 2024
Dr. Armond Aghakhanian	Member	December 2024
Mr. Steve Frintner	Member	December 2022

DISTRICT ADMINISTRATORS

Dr. Matt Hill, Ed.D	Superintendent
Ms. Debbie Kukta	Assistant Superintendent of Administrative Services

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2022**

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

ADA statistics reported to the state for the fiscal year ended June 30, 2022 are as follows:

	Second Period Certificate # 4DEEF4CF	Annual Certificate # 2A18790B
Grades Transitional Kindergarten Through Third:		
Regular ADA	3,640.91	3,652.71
Extended Year Special Education	9.01	9.01
Total Grades Transitional Kindergarten Through Third ADA	3,649.92	3,661.72
Grades Four Through Six:		
Regular ADA	2,811.76	2,817.81
Extended Year Special Education	4.95	4.95
Special Education - Nonpublic, Nonsectarian Schools	2.45	2.40
Extended Year Special Education - Nonpublic, Nonsectarian schools	0.51	0.51
Total Grades Four Through Six ADA	2,819.67	2,825.67
Grades Seven and Eight:		
Regular ADA	2,090.59	2,100.08
Extended Year Special Education	1.43	1.43
Special Education - Nonpublic, Nonsectarian Schools	3.60	3.89
Extended Year Special Education - Nonpublic, Nonsectarian schools	0.44	0.44
Total Grades Seven and Eight ADA	2,096.06	2,105.84
Grades Nine Through Twelve:		
Regular ADA	4,652.26	4,631.68
Extended Year Special Education	10.63	10.63
Special Education - Nonpublic, Nonsectarian Schools	23.93	24.52
Extended Year Special Education - Nonpublic, Nonsectarian schools	2.44	2.44
Community Day School	10.97	11.84
Total Grades Nine Through Twelve ADA	4,700.23	4,681.11
Total ADA	13,265.88	13,274.34

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2022**

Grade Level	Minutes Requirement	Minutes Offered	Days Offered Traditional	Status
Kindergarten	36,000	36,368	180	In Compliance
Grade 1	50,400	50,952	180	In Compliance
Grade 2	50,400	50,952	180	In Compliance
Grade 3	50,400	50,952	180	In Compliance
Grade 4	54,000	54,417	180	In Compliance
Grade 5	54,000	54,417	180	In Compliance
Grade 6	54,000	63,825	180	In Compliance
Grade 7	54,000	63,825	180	In Compliance
Grade 8	54,000	63,825	180	In Compliance
Grade 9	64,800	65,546	180	In Compliance
Grade 10	64,800	65,546	180	In Compliance
Grade 11	64,800	65,546	180	In Compliance
Grade 12	64,800	65,546	180	In Compliance

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

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	\$ 205,094	\$ -
Child Nutrition Program - Especially Needy Breakfast	10.553	13526	1,230,561	-
Child Nutrition Program - Lunch	10.555	13396	3,691,683	-
Child Nutrition Program - Commodities	10.555	13396	178,911	-
Total Child Nutrition Cluster			5,306,249	-
Child Nutrition: CCFP Claims - Centers and Family Day Care	10.558	13393	28,112	-
Total United States Department of Agriculture			5,334,361	-
Federal Communications Commission				
Emergency Connectivity Fund Program	32.009	(1)	1,157,816	-
Total Federal Communications Commission			1,157,816	-
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	2,897,964	-
IDEA: Local Private Schools	84.027	1015	32,423	-
IDEA: Mental Health Services, Part B, Sec 611	84.027	15197	172,241	-
IDEA: We Can Work	84.027	0110	144,388	-
Subtotal: Assistance Listing #84.027			3,247,016	-
IDEA: Preschool Grants	84.173	13430	69,303	-
IDEA: Preschool Staff Development	84.173	13431	830	-
Total Special Education Cluster			3,317,149	-
Subtotal Passed through from Foothill-SELPA			3,317,149	-
Pass-Through Programs From the California Department of Education				
Education Stabilization Fund (ESF):				
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER I)	84.425D	15536	1,009,260	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	15517	2,467,443	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER III)	84.425D	15559	8,245,358	-
COVID-19 - Governor's Emergency Education Relief Fund Learning Loss Mitigation (GEER)	84.425C	15517	909,442	-
COVID-19 - Expanded Learning Opportunities (GEER II)	84.425C	15619	235,269	-
COVID-19 - Expanded Learning Opportunities (ESSER III)				
State Reserve, Emergency Needs	84.425U	15620	930,440	-
COVID-19 - Expanded Learning Opportunities (ESSER III)				
State Reserve, Learning Loss	84.425U	15621	627,080	-
COVID-19 - American Rescue Plan - Homeless Children and Youth II (ARP HCY II)	84.425U	15566	4,664	-
Subtotal: Education Stabilization Fund (ESF)			14,428,956	-
Title III, Language Acquisition Grants:				
Title III, Limited English Proficiency	84.365	15146	162,598	-
Title III, Immigrant Education	84.365	14346	12,644	-
Total Title III, Language Acquisition Grants			175,242	-
Adult Education Basic Grants to States:				
Adult Basic Education & ELA	84.002	14508	154,951	-
Adult Education: Adult Secondary Education, Section 231	84.002	13978	76,088	-
English Literacy and Civics Education	84.002	14109	37,100	-
Total Adult Education Basic Grants to States			268,139	-

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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
Pass-Through Programs From the California Department of Education				
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14239	\$ 1,558,665	\$ -
Title I, School Improvement Funding	84.010	15438	109,521	-
Subtotal: Assistance Listing #84.010			1,668,186	-
Title II, Supporting Effective Instruction	84.367	14341	315,492	-
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	91,575	-
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894	78,244	-
Subtotal Passed through from the California Department of Education			17,025,834	-
Total United States Department of Education			20,342,983	-
United States Department of Health and Human Services				
Pass-Through Program From Los Angeles County Office of Education: COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	(1)	2,395,557	-
Pass-Through Program From California Department of Education: Child Development - Federal Child Care Cluster:				
Child Development - Federal Child Care	93.596	13609	143,423	-
COVID-19 - Child Development - CRRSA One-Time Stipend	93.575	15555	42,998	-
COVID-19 - Child Development - ARP One-Time Stipend	93.575	15640	37,548	-
Total Child Development - Federal Child Care Cluster			224,069	-
Total United States Department of Health and Human Services			2,619,626	-
United States Department of Homeland Security				
Pass-Through Program From California Department of Education: FEMA Public Assistance Grant	97.036	10014	2,452,351	-
Total United States Department of Homeland Security			2,452,351	-
Total Federal Programs Expenditures			\$ 31,907,137	\$ -
Reconciliation to Federal Revenue				
Total Federal Program Expenditures			\$ 31,907,137	\$ -
Revenues in Excess of Expenditures Related to Federal Entitlements:				
Child Care and Development from CA Department of Social Services	93.575	10163	52,807	-
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act - One-time Stipend	93.575	15555	(42,998)	-
Child Development - ARP One-Time Stipend	93.575	15640	16,252	-
CACFP Covid Emergency Operational Costs Reimbursement	10.558	15577	6,323	-
SNP Covid Emergency Operational Costs Reimbursement	10.558	15637	142,075	-
Total Federal Program Revenue			\$ 32,081,596	\$ -

(1) Pass-Through Entity Identifying Number not readily available or not applicable

The District is the recipient of a federal program that does not result in cash receipts or disbursements. The District was granted \$178,911 of commodities under the National School Lunch Program (Assistance Listing #10.555).

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

	2023 (Budgeted)	2022	2021	2020
Total Revenues	\$ 183,276,968	\$ 211,977,851	\$ 189,896,240	\$ 179,181,244
Total Expenditures	195,266,547	204,517,468	174,378,151	174,177,402
Other Financing Sources (Uses)	-	(545,425)	(1,077,674)	(575,132)
Change in Fund Balance	(11,989,579)	6,914,958	14,440,415	4,428,710
Ending Fund Balance	<u>\$ 25,712,207</u>	<u>\$ 37,701,786</u>	<u>\$ 30,786,828</u>	<u>\$ 16,346,413</u>
Available Reserve	<u>\$ 5,937,210</u>	<u>\$ 12,303,774</u>	<u>\$ 13,013,723</u>	<u>\$ 7,335,207</u>
Available Reserve %	3%	6%	7%	4%
ADA - P2	<u>13,571</u>	<u>13,266</u>	<u>14,733</u>	<u>14,720</u>
Total Long-Term Liabilities	<u>\$ 352,269,339</u>	<u>\$ 367,820,072</u>	<u>\$ 479,150,821</u>	<u>\$ 459,263,002</u>

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

The 2023 budget is the original budget adopted by the Board of Education on June 21, 2022.

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, 2022, the District has met this requirement.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2022**

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

See accompanying Notes to Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE ANNUAL FINANCIAL AND BUDGET REPORT
WITH THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

There were no differences between the fund balances reported on the June 30, 2022 Annual Financial and Budget Report for the governmental funds and the audited financial statements.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022**

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, 2022. 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

2021-22 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, 2022**

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of Charter Schools

2021-22 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.

OPTIONAL SUPPLEMENTARY INFORMATION

**BURBANK UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Total Nonmajor Governmental Funds
ASSETS									
Cash in County Treasury	\$ -	\$ 4,622,395	\$ 406,252	1,570,965	\$ 671,858	\$ 6,853,155	\$ 5,554,311	\$ -	\$ 19,678,736
Cash on Hand and in Banks	1,813,064	-	-	-	-	-	-	-	1,813,064
Accounts Receivable	-	168,802	316,243	605,955	1,879	19,629	111,954	-	1,224,462
Stores	-	-	-	11,009	-	-	-	-	11,009
Total Assets	<u>\$ 1,813,064</u>	<u>\$ 4,791,197</u>	<u>\$ 722,495</u>	<u>\$ 2,187,929</u>	<u>\$ 673,537</u>	<u>\$ 6,872,784</u>	<u>\$ 5,666,265</u>	<u>\$ -</u>	<u>\$ 22,727,271</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ -	\$ 207,930	\$ 393,958	\$ 576,357	\$ 57,579	\$ 720,497	\$ 17,744	\$ -	\$ 1,974,065
Unearned Revenue	-	-	171,624	211,517	-	-	-	-	383,141
Total Liabilities	-	207,930	565,582	787,874	57,579	720,497	17,744	-	2,357,206
FUND BALANCES									
Nonspendable	-	-	-	11,009	-	-	-	-	11,009
Restricted	1,813,064	2,017,318	156,913	1,374,879	-	6,152,287	5,638,420	-	17,162,881
Committed	-	2,565,949	-	14,167	615,958	-	10,101	-	3,206,175
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>1,813,064</u>	<u>4,583,267</u>	<u>156,913</u>	<u>1,400,055</u>	<u>615,958</u>	<u>6,152,287</u>	<u>5,648,521</u>	<u>-</u>	<u>20,370,065</u>
Total Liabilities and Fund Balances	<u>\$ 1,813,064</u>	<u>\$ 4,791,197</u>	<u>\$ 722,495</u>	<u>\$ 2,187,929</u>	<u>\$ 673,537</u>	<u>\$ 6,872,784</u>	<u>\$ 5,666,265</u>	<u>\$ -</u>	<u>\$ 22,727,271</u>

See accompanying Notes to Optional Supplementary Information.

BURBANK UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Total Nonmajor Governmental Funds
REVENUES									
LCFF Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	268,139	278,242	5,454,647	-	-	-	-	6,001,028
Other State Sources	-	4,075,650	894,611	346,238	-	-	-	-	5,316,499
Other Local Sources	800,431	130,711	2,678,684	264,453	4,459	48,238	3,529,611	(214)	7,456,373
Total Revenues	800,431	4,474,500	3,851,537	6,065,338	4,459	48,238	3,529,611	(214)	18,773,900
EXPENDITURES									
Instruction	-	1,503,973	2,809,336	-	-	-	-	-	4,313,309
Instruction-Related Services	-	1,067,473	451,929	-	-	-	-	-	1,519,402
Pupil Services	684,881	176,660	101,234	4,583,648	-	-	-	-	5,546,423
General Administration	-	131,201	205,220	169,103	-	-	-	-	505,524
Plant Services	-	231,457	176,809	86,266	177,452	2,739,205	97,348	-	3,508,537
Total Expenditures	684,881	3,110,764	3,744,528	4,839,017	177,452	2,739,205	97,348	-	15,393,195
Excess (Deficiency) of Revenues Over Expenditures	115,550	1,363,736	107,009	1,226,321	(172,993)	(2,690,967)	3,432,263	(214)	3,380,705
OTHER FINANCING SOURCES									
Interfund Transfers In	-	-	539,611	5,814	-	-	-	-	545,425
Total Other Financing Sources	-	-	539,611	5,814	-	-	-	-	545,425
NET CHANGES IN FUND BALANCE	115,550	1,363,736	646,620	1,232,135	(172,993)	(2,690,967)	3,432,263	(214)	3,925,130
Fund Balance - Beginning of Year	1,697,514	3,219,531	(489,707)	167,920	788,951	8,843,254	2,216,258	214	16,443,935
FUND BALANCE - END OF YEAR	<u>\$ 1,813,064</u>	<u>\$ 4,583,267</u>	<u>\$ 156,913</u>	<u>\$ 1,400,055</u>	<u>\$ 615,958</u>	<u>\$ 6,152,287</u>	<u>\$ 5,648,521</u>	<u>\$ -</u>	<u>\$ 20,370,065</u>

See accompanying Notes to Optional Supplementary Information.

**BURBANK UNIFIED SCHOOL DISTRICT
NOTES TO OPTIONAL SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022**

NOTE 1 PURPOSE OF SCHEDULES

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 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 27, 2023.

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.

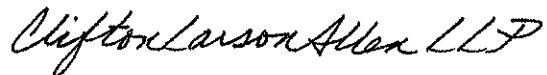
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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.

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

CliftonLarsonAllen LLP

Glendora, California
March 27, 2023



**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, 2022. 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, 2022.

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

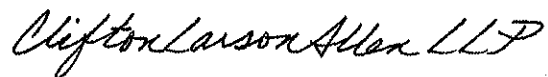
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

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

CliftonLarsonAllen LLP

Glendora, California
March 27, 2023



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Education
Burbank Unified School District
Burbank, California

Report on State Compliance

Opinion on State Compliance

We have audited the Burbank Unified School District's (the District) compliance with the requirements specified in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, applicable to the District's state program requirements identified below for the year ended June 30, 2022.

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, 2022.

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 *2021-22 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 *2021-22 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 a 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 *2021-22 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 consider 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 *2021-22 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 controls 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

<u>Description</u>	<u>Procedures Performed</u>
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Yes
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not Applicable ²
K. -GANN Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not Applicable ²
N. Middle or Early College High Schools	Not Applicable ²
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes
Q. Apprenticeship: Related and Supplemental Instruction	Not Applicable ²
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not Applicable ²
T. California Clean Energy Jobs Act	Yes
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Yes
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
DZ. In Person Instruction Grant	Yes
Charter Schools:	
AA. Attendance	No ¹
BB. Mode of Instruction	No ¹
CC. Nonclassroom-Based Instruction/Independent Study	No ¹
DD. Determination of Funding for Nonclassroom-Based Instruction	No ¹
EE. Annual Instructional Minutes - Classroom Based	No ¹
FF. Charter School Facility Grant Program	No ¹

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each state program is not modified with respect to this matter.

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.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001, to be a significant deficiency.

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 *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Glendora, California
March 27, 2023

FINDINGS AND QUESTIONED COSTS

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

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)

84.027, 84.173
84.425C, 84.425D, 84.425U
93.323

97.036
32.009

Name of Federal Program or Cluster

Special Education Cluster
COVID-19 Education Stabilization Fund (ESF)
COVID-19 CDC Epidemiology and Laboratory
Capacity for Infectious Diseases (ELC)
FEMA Public Assistance Grants
Emergency Connectivity Fund

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

\$ 957,214

Auditee qualified as low-risk auditee?

 x yes _____ no

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

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

<u>Five Digit Code</u>	<u>Finding Types</u>
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*.

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, 2022.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

Section IV – Findings and Questioned Costs – State Awards

2022-001 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. During our testing, it was noted the District did not have early release documentation for 43 out of the 99 early release student days that were sampled. In addition, at one site, 4 out of 125 attendance days tested had differences in reported absences between the manual sign-in/sign-out sheets and the attendance register.

Effect: The District was not able to support that early release was consistent with the established early release policy. In addition, the differences in reported absences between manual sign-in/sign-out sheets result in errors in reporting the number of students served to the California Department of Education.

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

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

Recommendation: The District should adopt and design procedures and controls to ensure the appropriate early release documentation is retained. In addition design a procedure to review attendance data transferred from manual records to the attendance software for accuracy.

Corrective Action Plan:

- 1) Site staff will be retrained on the absence and accountability procedures so that each absence is appropriately documented by the school staff, including the parent component of reporting absences.
- 2) ASES Parent Handbook will be reviewed so that the absence steps are clear for parents.
- 3) The District will implement a review process over reporting.

**BURBANK UNIFIED SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

Section I – Financial Statement Findings

2021-001 Closing Procedures – 3000

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

Condition: The Child Development Fund was not appropriately reconciled to supporting documentation in a timely manner. Errors were noted in the cash balance as of 6/30/2021 and the revenue recognized during the year.

Effect: The ending fund balance was overstated by \$626,915.

Cause: Lack of timely review and reconciliation in the fund.

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 task are followed even in the absence of key personnel. Review by individuals not immediately involved in the closing should be done to identify errors or omissions.

Status: Implemented.

Section II – Findings and Questioned Costs – Major Federal Programs

There were no findings and questioned costs related to federal awards for the year ended June 30, 2021.

Section III – Findings and Questioned Costs – State Awards

There were no findings and questioned costs related to state awards for the year ended June 30, 2021.



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BURBANK UNIFIED SCHOOL DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
BOND BUILDING FUND
MEASURE S
FINANCIAL AND PERFORMANCE AUDITS
YEAR ENDED JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**BURBANK UNIFIED SCHOOL DISTRICT
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YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Education
Measure S Citizens' Oversight Committee
Burbank Unified School District
Burbank, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Measure S Bond Building Fund of the Burbank Unified School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure S Bond Building Fund of the District as of June 30, 2022, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure S Bond Building Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2022 or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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 these 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.

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 opinion. 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.

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.

Board of Education
Measure S Citizens' Oversight Committee
Burbank Unified School District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2023 on our consideration of the District's internal control over the Measure S Bond Building Fund 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 the Measure S Bond Building Fund financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over the Measure S Bond Building Fund financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Glendora, California
March 22, 2023

**BURBANK UNIFIED SCHOOL DISTRICT
MEASURE S BOND BUILDING FUND
BALANCE SHEET
JUNE 30, 2022**

ASSETS

Cash in County Treasury	\$ 6,853,155
Accounts Receivable	<u>19,629</u>
Total Assets	<u><u>\$ 6,872,784</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 720,497
Total Liabilities	<u>720,497</u>

FUND BALANCE

Restricted	<u>6,152,287</u>
Total Fund Balance	<u>6,152,287</u>
Total Liabilities and Fund Balance	<u><u>\$ 6,872,784</u></u>

See accompanying Notes to Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
MEASURE S BOND BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2022**

REVENUES

Interest and Investment Income	\$ 48,238
Total Revenues	<u>48,238</u>

EXPENDITURES

Salaries	14,462
Benefits	6,588
Supplies	98,826
Other Services	43,676
Capital Outlay	<u>2,575,653</u>
Total Expenditures	<u>2,739,205</u>

Deficiency of Revenues over Expenditures	(2,690,967)
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Fund Balance - Beginning of Year	<u>8,843,254</u>
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FUND BALANCE - END OF YEAR	<u><u>\$ 6,152,287</u></u>
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See accompanying Notes to Financial Statements.

**BURBANK UNIFIED SCHOOL DISTRICT
MEASURE S BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

Financial Reporting Entity

The financial statements include only the Measure S Bond Building Fund of the District used to account for Measure S projects. This fund was established to account for the expenditures of the general obligation bonds issued under the General Obligation Bonds Election of 2012. These financial statements are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

Fund Structure

The statement of revenues, expenditures, and change in fund balance is a statement of financial activities of the Measure S Bond Building Fund related to the current reporting period. Fund expenditures 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.

Basis of Accounting

The Measure S Bond Building Fund is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received, or services rendered).

Cash in the county treasury is recorded at cost, which approximates fair value.

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. 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 are considered restricted. The fund balance of the Measure S Bond Building Fund is therefore classified as restricted.

**BURBANK UNIFIED SCHOOL DISTRICT
MEASURE S BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Long-Term Debt

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Measure S Bond Building Fund are determined by its measurement focus. The Measure S Bond Building Fund is accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of "available spendable resources". Thus, the capital assets and long-term liabilities associated with the Measure S Bond Building Fund are accounted for in the basic financial statements of the District.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

NOTE 2 DEPOSITS – CASH IN COUNTY TREASURY

In accordance with Education Code Section 41001, the District maintains substantially all 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 recorded at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2022 is measured at 95.8608% of amortized cost. The District's deposits in the fund are highly liquid.

The county is authorized to deposit cash and invest excess funds by California Government Code Sections 53601, 53635, 53534 and 53648. The county is restricted to invest 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.

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.

**BURBANK UNIFIED SCHOOL DISTRICT
MEASURE S BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 DEPOSITS – CASH IN COUNTY TREASURY (CONTINUED)

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 St, Room 358, Los Angeles, California 90012.

NOTE 3 PURCHASE COMMITMENTS

As of June 30, 2022, the District was committed under various capital expenditure purchase agreements for Measure S bond projects totaling approximately \$1 million.



**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
Measure S Citizens' Oversight Committee
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 Measure S Bond Building Fund of the Burbank Unified School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Measure S bond Building Fund of the District's basic financial statements, and have issued our report thereon dated March 22, 2023.

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 opinion 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.

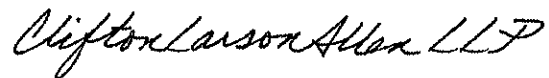
Board of Education
Measure S Citizens' Oversight Committee
Burbank Unified School District

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements of the Measure S Bond Building Fund 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

Glendora, California
March 22, 2023

**BURBANK UNIFIED SCHOOL DISTRICT
MEASURE S BOND BUILDING FUND
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2022**

There were no findings related to the financial audit of the Measure S Bond Building Fund for the year ended June 30, 2022. In addition, there were no findings related to the financial audit of the Measure S Bond Building Fund for the year ended June 30, 2021.



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON PROPOSITION 39 COMPLIANCE REQUIREMENTS

Board of Education
Measure S Citizens' Oversight Committee
Burbank Unified School District
Burbank, California

We have conducted a performance audit of the Burbank Unified School District (the District) Measure S bond funds for the fiscal year ended June 30, 2022.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 13 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure S bond funds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution. Management is responsible for the District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal control of the District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution. Accordingly, we do not express any assurance on internal controls.

The results of our tests indicated that, in all significant respects, the District expended Measure S bond funds for the fiscal year ended June 30, 2022, only for the specific projects developed by the District's Board of Education, and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

CliftonLarsonAllen LLP

Glendora, California
March 22, 2023

**BURBANK UNIFIED SCHOOL DISTRICT
PERFORMANCE AUDIT OF MEASURE S
YEAR ENDED JUNE 30, 2022**

BACKGROUND INFORMATION

In November 2000, the voters of the state of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges under certain circumstances and subject to certain conditions.

On March 5, 2013, a general obligation bond proposition (Measure S) of the District was approved by the voters of that District. Measure S authorized the District to issue up to \$110,000,000 of general obligation bonds to finance various capital projects and related costs, as specified in the bond measure provisions.

Pursuant to the requirements of Proposition 39, and related state legislation, the Board of Education of the District established a Citizens' Oversight Committee and appointed its members. The principal purpose of the Citizens' Oversight Committee, as set out in state law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure S bond authorization. The Citizens' Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Measure S Bond Building Fund have been expended only for the authorized bond projects.

OBJECTIVES

The objectives of our performance audit were to:

- Determine the expenditures charged to the District Measure S Bond Building Fund.
- Determine whether expenditures charged to the Measure S Bond Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure S in March 2013.

SCOPE OF THE AUDIT

The scope of our performance audit covered the fiscal period from July 1, 2021 to June 30, 2022. The propriety of expenditures for capital projects and maintenance projects funded through other state or local funding sources, other than the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2022, were not reviewed or included within the scope of our audit or in this report.

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PROCEDURES PERFORMED

- We identified the expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
- We selected a judgmental sample of expenditures considering all object codes and projects for the year ended June 30, 2022. Our sample included 37 transactions totaling \$2,068,840. This represents 76% of total expenditures of 2,739,205, excluding salaries and benefits, of \$21,050.
- We reviewed the actual invoices and supporting documentation to determine that expenditures charged to projects were:
 - Supported by invoices with evidence of proper approval and documentation of receipt of goods or services;
 - Supported by proper bid documentation, as applicable;
 - Properly expended on the authorized bond projects as listed on the voter-approved bond project list.
- We tested salaries and benefits of \$21,050.
 - We obtained the Allocation of Personnel Costs and reconciled salaries and benefits to the expenditures recorded to the general ledger. For those personnel allocated at less than 100%, we obtained monthly time studies to verify the percentage charged to bond funds was supported. We obtained the Personnel Transaction request forms to determine that the individuals were approved and assigned to perform work associated with the authorized bond projects as allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

CONCLUSION

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures of the funds held in the Measure S Bond Building Fund and that such expenditures were made on authorized bond projects.



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