

**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: Alyssa Low, Director Fiscal Services

SUBMITTED BY: Teri Smith, Senior Administrative Assistant

DATE: June 22, 2023

SUBJECT: Report on Excess Reserves

Background:

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

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

District's required REU level:

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

District's Assigned and Unassigned Ending Fund Balances:

	2022-23	2023-24	2024-25
Beginning Balance	28,771,325	24,866,676	19,203,379
Revenue	183,276,968	184,520,959	186,136,959
Expense	195,266,547	188,425,608	191,800,256
Non-Spendable	100,060	100,060	100,060
Vacation Liability	272,000	272,000	272,000
Committed – Facilities Repair	1,000,000	1,000,000	-0-

Committed – STRS/PERS	2,900,000	2,900,000	2,900,000
Committed – Textbooks	1,000,000	1,000,000	-0-
Committed – Technology	3,000,000	3,000,000	3,000,000
Assigned LCAP Supplemental	1,256,268	1,139,039	664,637
Restricted Ending Fund Balance	3,241,105	1,271,298	758,666
Fiscal Stability Assignment	4,285,900	2,878,742	-0-
Reserve (REU) 3%	5,857,996	5,652,768	5,754,008
Board REU up to 3%	5,857,996	5,652,768	5,754,008
Unassigned Fund Balance	\$-0-	\$-0-	\$-0-

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

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

Financial Impact:

None

Recommendations:

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