



Tustin Unified School District

General Fund First Interim Report 2011-12

December 12, 2011

State Budget Issues

- State Budget expected to end 2011-12 with \$3 billion deficit
- Expecting shortfall of \$10 billion for 2012-13, resulting in total deficit of \$13 billion
- LAO predicts revenues fall short of forecast; ensuing Trigger Cuts
- Governors Tax Proposal increases sales tax & personal income tax
- Failure of Governor's Pension Reform proposal may shift financial risk to employer
- National Unemployment at low of 8.6%

Summary of Budget Changes

	Adopted Budget	First Interim	Change
Revenue Limit	118,876,963	118,876,963	-
Federal Revenue	9,624,165	9,642,654	18,489
Other State	32,736,044	34,052,884	1,316,840
Other Local	4,716,470	5,408,800	692,330
Total Revenue	165,953,642	167,981,301	2,027,659
Salary/Benefits	139,572,292	139,937,865	365,573
Books and Supplies	10,979,558	10,213,020	(766,538)
Other Services/Operations	17,255,537	18,753,845	1,498,308
Capital Outlay	451,384	451,384	-
Other Outgo	2,093,526	2,099,255	5,729
Total Expenditures	170,352,297	171,455,369	1,103,072
Transfers Out	1,771,125	2,352,972	581,847

General Fund Multi-Year Projection

	11-12 Projected	12-13 Projected	13-14 Projected
Revenue	167,981,301	165,613,202	164,559,574
Expenditures	171,455,369	170,777,896	175,442,802
Transfers Out	2,352,972	1,131,939	1,144,093
Beginning Balance	44,659,505	38,832,465	32,535,832
Ending Balance	38,832,465	32,535,832	20,508,511

Multi-Year Projections

Components of Ending Fund Balance

	11-12 Projected	12-13 Projected	13-14 Projected
Ending Balance	38,832,465	32,535,832	20,508,511
Revolving Cash	150,000	150,000	150,000
Stores	345,642	180,000	180,000
Benefit Account	50,000	50,000	50,000
Accrued Vacation	1,268,965	1,000,000	1,000,000
Tier III/Categorical Reserves	11,140,315	0	0
Restricted Fund Balance	5,674,833	3,095,015	1,000,000
Uncertain Deficit/COLA	10,617,300	21,383,590	32,294,640
Designated for Economic Uncertainties	9,585,410	6,677,225	-14,166,130
Percent of Economic Uncertainties	5.51%	3.88%	-8.02%
Excess/(Shortfall) of 3%	4,371,160	1,519,930	-19,463,737

Looking Forward

- Trigger Cuts begin January 1, 2012
- Tentative Bargaining Unit Agreements
- 2013/14 Budget Shortfall creates “funding cliff”
- Enrollment growth slowdown
- Orange County reallocation of Property Taxes

Certification

In certifying the 2011-12 First Interim Report as positive, the Board understands its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years. The District will implement the necessary budget reductions to maintain a positive certification.