



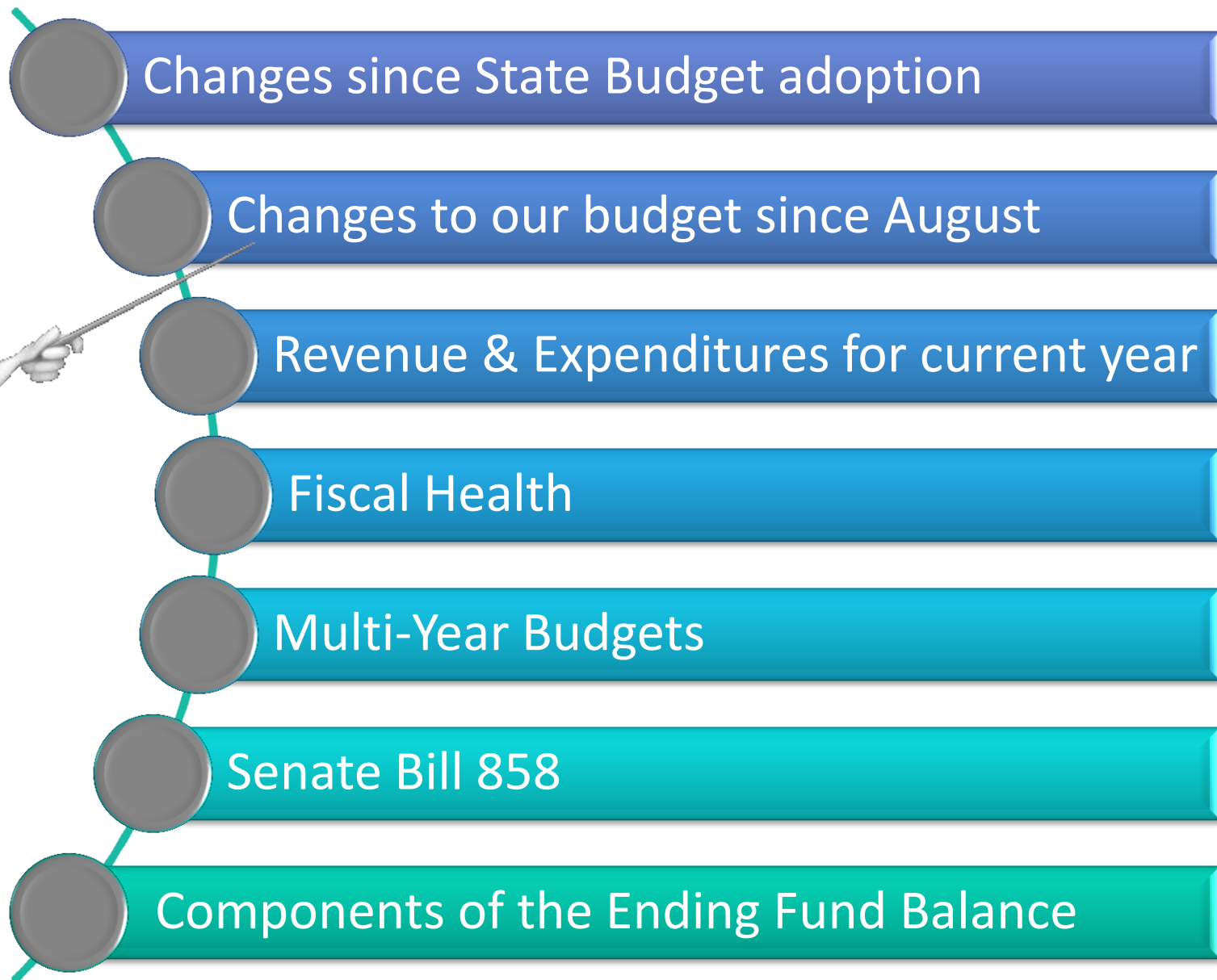
Tustin Unified School District

First Interim Report

December 8, 2014

FOCUSING ON FISCAL HEALTH





Changes Since State Budget Adoption



The State Economy

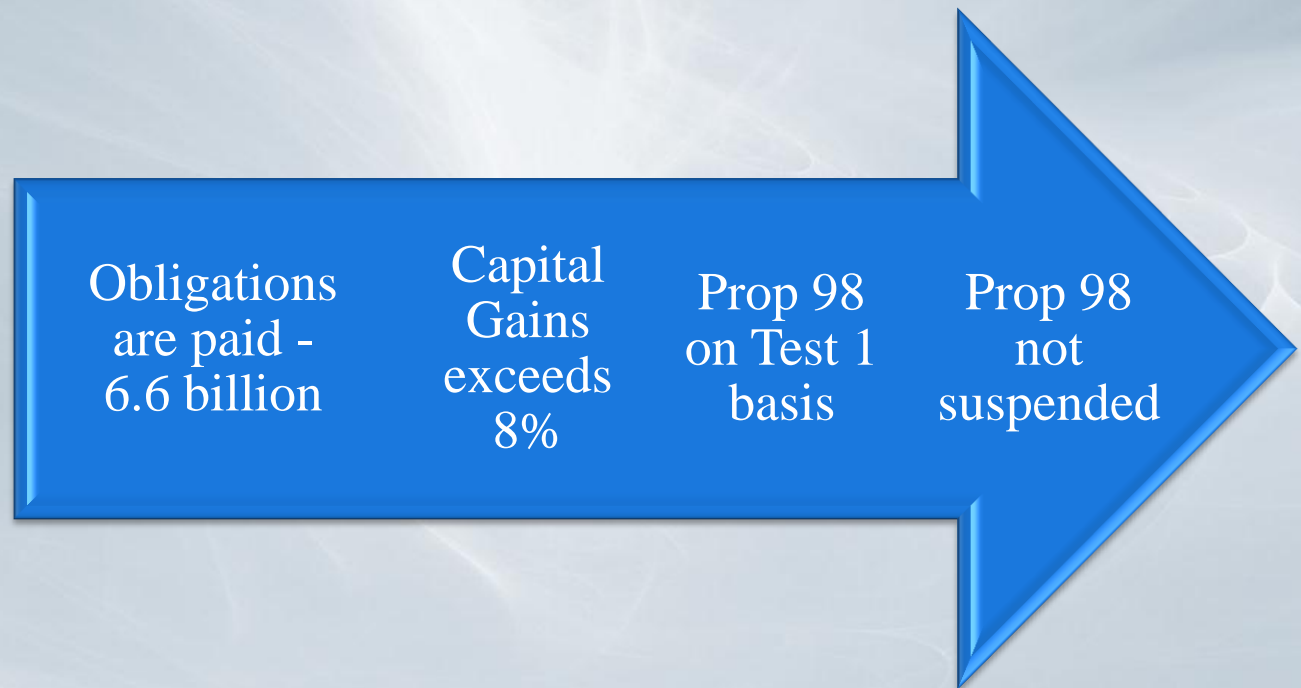


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Rainy Day Fund Proposition 2

Proposition 2 Passes



Triggers a Reduction

Proposition 2 Passes

- Proposition approved by voters November 2014

- Triggers a reduction in school district reserve levels

- After State makes a deposit into the Rainy Day Fund

- Cap on school reserves NOT triggered this year

Assembly Bill 1522

- Provides up to 24 hours or three days of paid sick leave for previously ineligible employees who work 30 or more hours in a calendar year

Becomes effective
July 1, 2015



Federal Sequestration for 2015-16



-.0554%

-.0224%

Local Control Accountability Plan



New regulations are now adopted



Requires description of “principally” directed services



Provide the basis for this determination



Continuing concerns in regard to proportionality



TUSD Changes Since August Budget



- Negotiated salary changes
- Adjustments to statutory benefits based on negotiated salary changes
- Adjustments to revenue & expenditures based on award letters
- Changes to communications for e-rate

Projected Revenues 2014-15

LCFF
\$162,771,605

Federal
\$8,828,389

State
\$23,901,595

Local
\$7,582,525

Total Revenue \$203,084,114



Projected Expenditures 2014-15



Salaries & Benefits \$171,373,983

Books & Supplies \$12,201,987

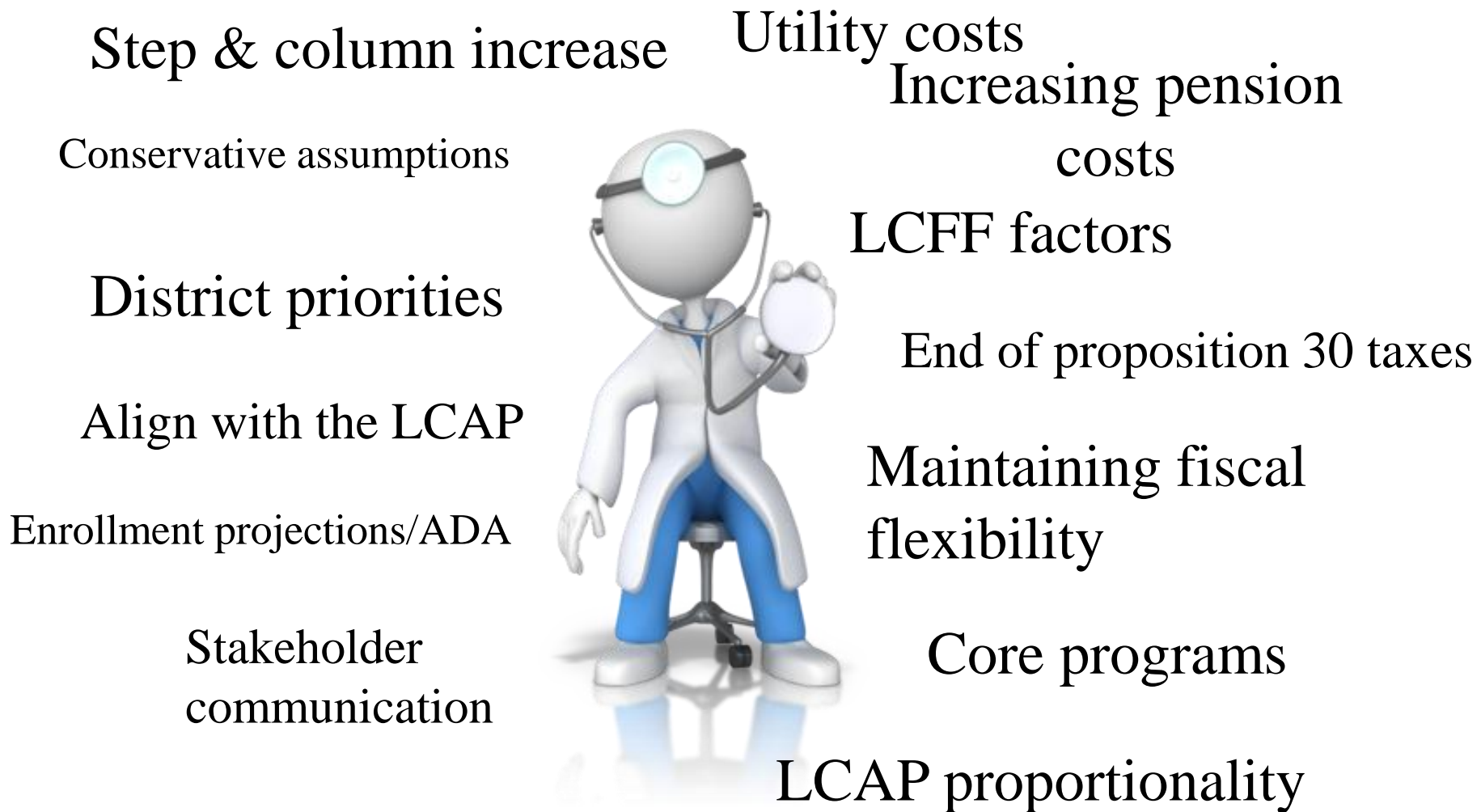
Services & Other \$23,169,366

Capital Outlay \$761,257

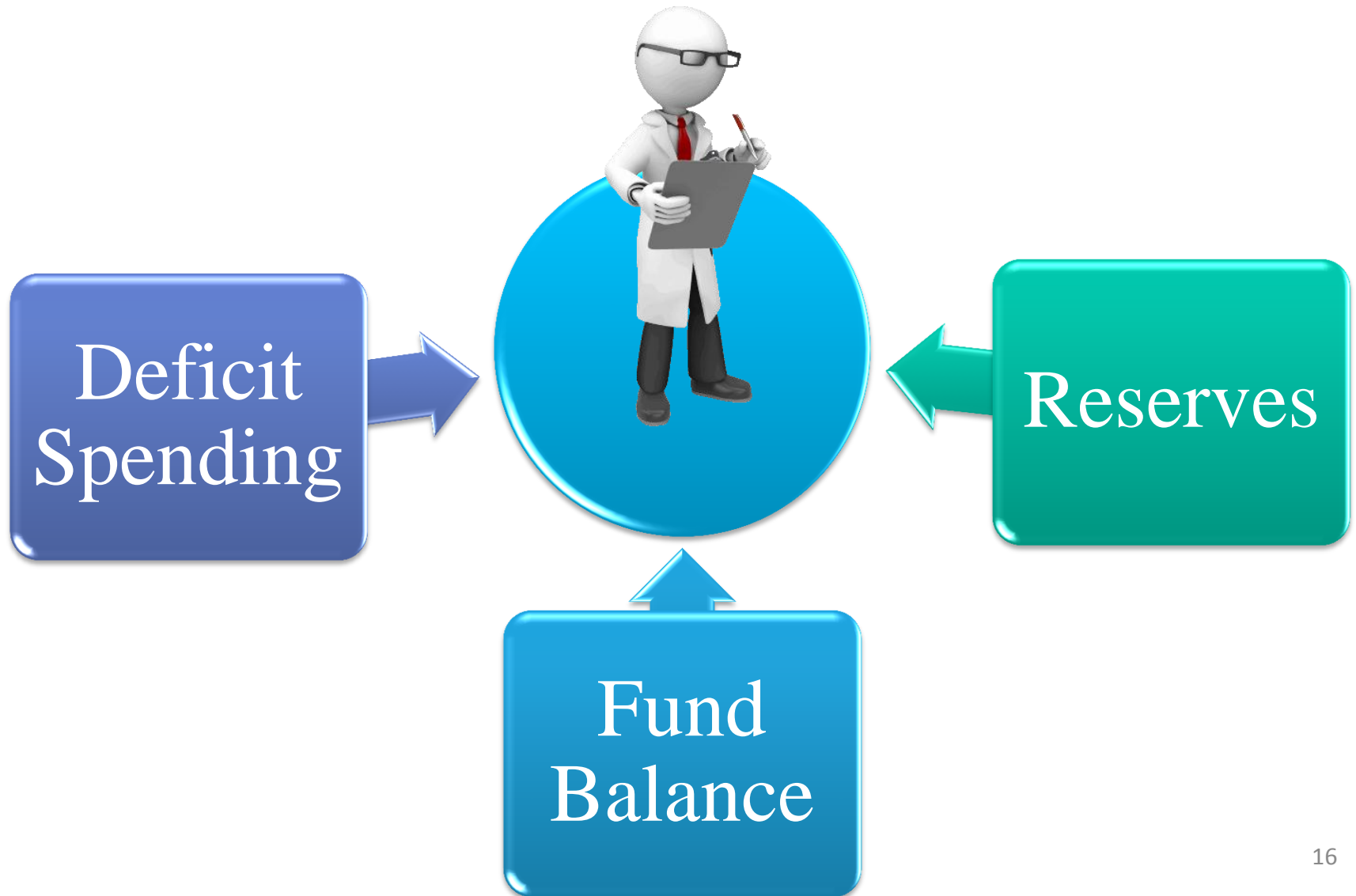
Other Outgo \$2,623,611

Total Projected Expenditures \$210,130,204

Fiscal Health Planning Factors



Fiscal Health Key Indicators



Structural Imbalance: Deficit Spending



Multi-Year Budgets

	2014-15	2015-16	2016-17
•Revenue	\$203,084,114	\$201,694,249	\$207,229,569
•Expenditures	\$210,130,204	\$208,840,546	\$214,533,141
•Transfers Out	\$2,450,257	\$2,450,257	\$2,450,257
•Net Change	\$(9,496,347)	\$(9,596,554)	\$(9,753,829)
•Beginning Balance	\$58,052,243	\$48,555,896	\$38,959,342
•Ending Balance	\$48,555,896	\$38,959,342	\$29,205,513
•Economic Uncertainty	\$20,588,888	\$12,363,592	\$6,157,767

Components of Ending Fund Balance

Non-spendable Reserves

	2014-15	2015-16	2016-17
• Revolving Cash	• \$150,000	• \$150,000	• \$150,000
• Stores	• \$182,152	• \$182,152	• \$182,152
• Benefit Accounts	• \$140,000	• \$140,000	• \$140,000
• Accrued Vacation	• \$1,164,894	• \$1,164,894	• \$1,164,894

Begins with 2015-16
fiscal year

Identify minimum
Reserve for Economic
Uncertainties for each
fiscal year

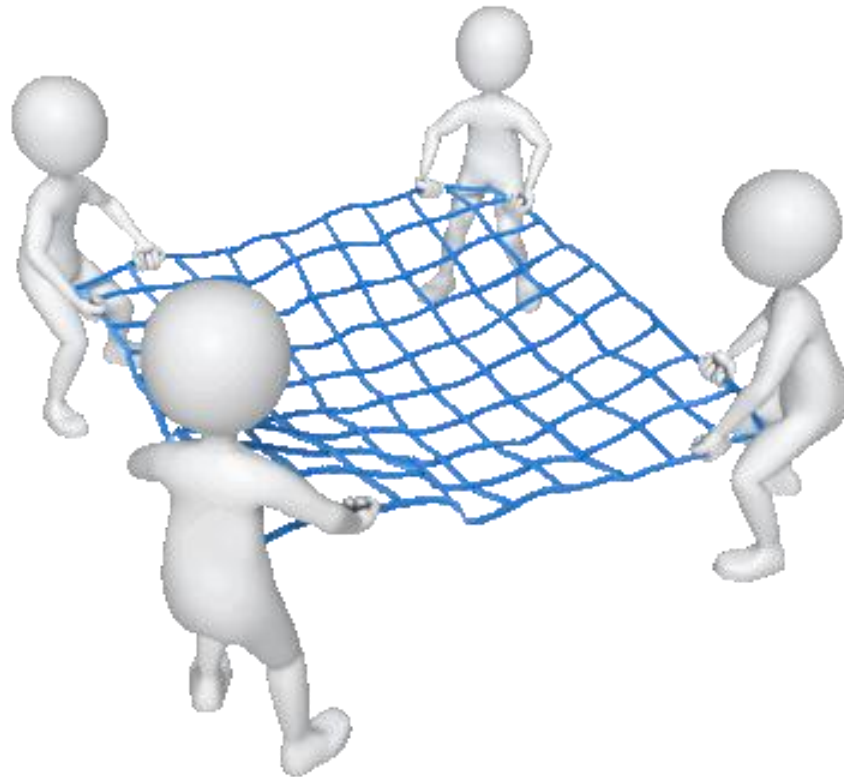
**Senate Bill
858**

Balances in excess are
identified: General
Fund and Special
Reserve

Statement of reasons
that substantiates the
need for excess fund
balances

Benefits of Higher Reserves

Protection to cover
increased costs
enrollment
Disasters & lawsuits
Financial flexibility
Enhances financial rating
Volatility of State revenues



Bond Rating Good News



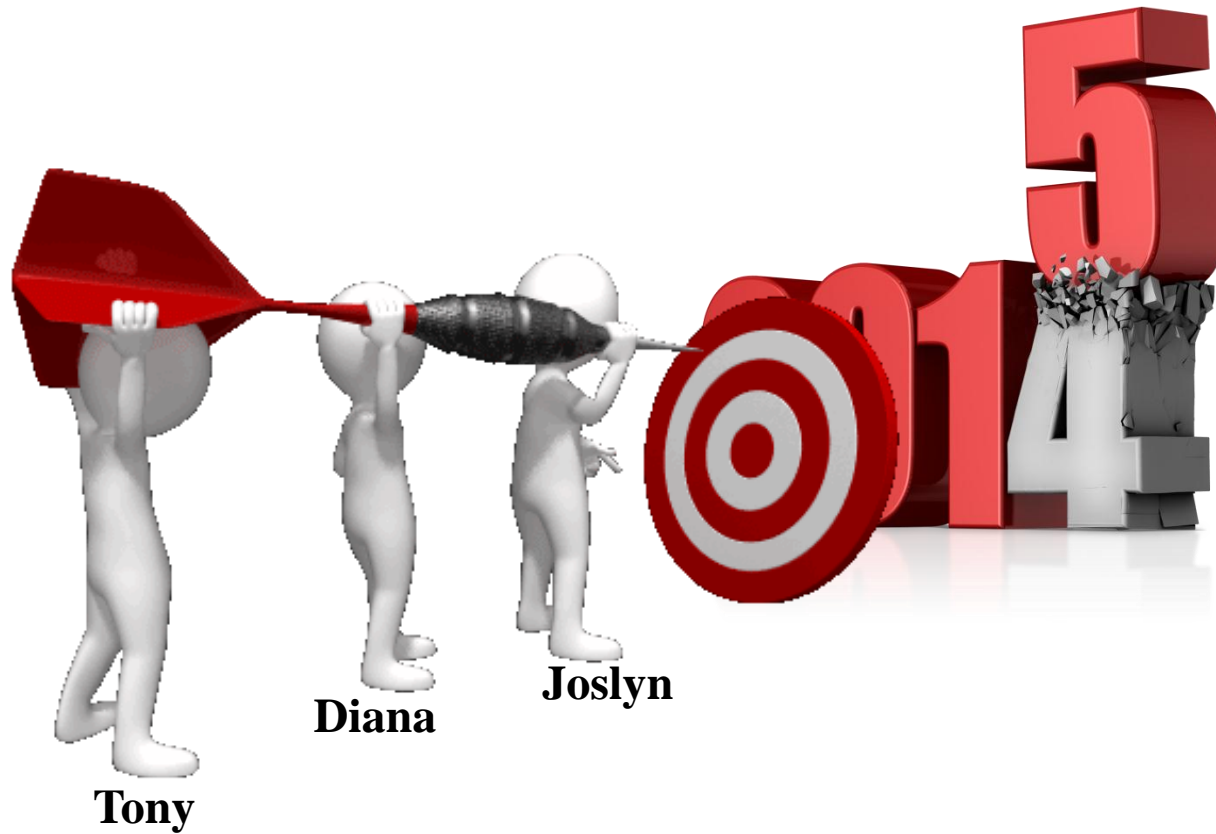
Upgraded
2008-1 SFID
2012-1 SFID

Measure L & S
Moody's - Aa1
S & P - AA

Components of Ending Fund Balance

	2014-15	2015-16	2016-17
<u>Other Assignments</u>			
•Uncertain LCFF	\$11,782,008	\$10,782,008	\$7,682,008
•ERRP Reserves	\$214,968	0	0
•Pension Liability	0	\$2,045,413	\$2,547,409
•Facilities Maint. Reserve	\$2,008,298	\$2,508,298	\$3,008,298
•Technology	\$1,750,000	\$2,250,000	\$2,750,000
•Restricted Balance	\$10,574,688	\$7,372,984	\$5,422,984
•Economic Uncertainty	\$20,588,888 9.69%	\$12,363,592 5.85%	\$6,157,767 2.84%

Staying on Budget



Certification

In certifying the 2014-15 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 adjustments to maintain a positive certification.

