

Q&A from Trustee Prado
June 17, 2020 Board Meeting

Good Evening Dr. Puig,
I am submitting the following questions pertaining to some agenda items for our Board Meeting, June 17, 2020:

Presentations/Reports Item #4 Monthly Financial Statements for May 2020

The Estimated Fund Balance in the General Fund for August 31, 2020 is approx. \$23M. Do we anticipate any other expenditures for June, July, or August that would increase the deficit (\$7.3M) for this budget year? If we do, the administration may want to consider "transferring" funds from other accounts and not Fund 199. This will insure that we maintain the historical 3-month operating expense. Do the expenditures in the May Monthly Food Service Fund reflect the COVID related expenses incurred by the school district?

The deficit that you speak of is the result of planned expenditures being greater than anticipated revenues. District staff provided an estimate based on our understanding of all remaining expenditures for the current fiscal year. Although an estimate of unexpended budget at year end totaling \$2.8MM was provided, certainly any expenses that were not anticipated at that time will decrease that amount. There are several items inherent in the current proposed amendment that will cause that \$2.8MM surplus to decrease, namely the amounts for maintenance in Function 51, and consultant consultant costs and legal expenses found in Function 41. Although the amendment is "budget neutral", it will impact the surplus that was anticipated.

The expenditures in the May Monthly Food Service fund reflect the COVID related expenditures borne by the Food Service operation up to that point.

Thank you,
Connie Prado