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**TIPTON COMMUNITY SCHOOL CORPORATION**  
**MEMORANDUM**

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**TO:** Board of School Trustees

**FROM:** Kevin Emsweller, Superintendent

**DATE:** MAY 5, 2020

**RE:** Transfer of Funds – Rainy Day to Education Fund

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As you look over this month's financial reports, you will see that at the end of April we have a negative cash balance of -\$58,203. The projection report shows that, with all things staying the same, we will end the year with -\$1,174,273. We have discussed that this would happen and that we would need to use the Rainy Day. We have appropriated \$800,000 from the Rainy Day.

This was not unexpected. We have built up a sizeable balance in the Rainy Day Fund knowing that we would use it, especially with providing needed pay increases to our staff the past year.

Earlier this year, we approved the appropriation of \$800,000 from the Rainy Day Fund. It is recommended that we transfer \$500,000 of that appropriation to the Education Fund. That will put things in the positive until at least July.

As you look at the projection sheet which provides our best guesstimates we are at this time projected to have a negative balance of \$1,174,273, not including this transfer. The balances will need to be reviewed again later this summer for possible additional transfers. The variable in play will be salaries and benefits. We have tried to include the pay increases for 2020-2021 as well as increases in health benefits.