

**School District of the City of Muskegon Heights  
Receivership Transition Advisory Board Agenda  
Wednesday, April 15, 2020, 4:00 PM  
Virtual Meeting via Microsoft Teams**

**I. CALL TO ORDER**

A. Roll Call

B. Approval of RTAB Minutes

1. Regular Meeting of February 19, 2020 (attachment #1)

**II. OLD BUSINESS**

None.

**III. NEW BUSINESS**

A. District Updates

B. Monthly Reports

1. March 18, 2020 (attachment #2)
  - a. Liabilities Report (attachment #2a)
  - b. Cash Flow Projections (attachment #2b)
  - c. Comparison of Budgeted Revenue and Expenditure to Actual  
(attachment #2c)
2. April 15, 2020 (attachment #3)
  - a. Liabilities Report (attachment #3a)
  - b. Cash Flow Projections (attachment #3b)
  - c. Comparison of Budgeted Revenue and Expenditure to Actual  
(attachment #3c)

**IV. PUBLIC COMMENT**

**V. BOARD COMMENT**

**VI. ADJOURNMENT**

**School District of the City of Muskegon Heights**  
**Receivership Transition Advisory Board Meeting**

Wednesday, February 19, 2020  
Conference Room  
2603 Leahy St.  
Muskegon Heights, MI 49444

**MINUTES**

**I. Call to Order**

Chair Jessica Thomas called the meeting to order at 4:08 p.m.

**A. Roll Call**

Members Present – 3

Jessica Thomas  
Clinton Todd  
Patrice Johnson (via phone)

Members Absent – 2

Dale Nesbary  
John Schrier (arrived 4:11 p.m.)

One RTAB member participated via phone as provided in Article IV, Section 5 of Board Resolution 2016-2. A quorum was present.

**B. Approval of RTAB Minutes**

Motion by Mr. Todd to approve the draft minutes as presented. Motion moved and seconded by Ms. Johnson. The RTAB approved the January 15, 2020 meeting minutes.

**II. Old Business**

None.

**III. New Business**

**A. District Updates**

Mr. Lewis reported that he is available to speak about the financial reports, submitted February 2020. Mr. Lewis provided the RTAB Board with a brief overview, stating that things are going in a positive direction.

## **B. February 19, 2020 Monthly Reports**

### **i. Liabilities Report**

Mr. Lewis reported no changes to liabilities from the previous month.

### **ii. Cash Flow Projections**

Mr. Lewis reported cash is stable for the district. The district is on track with meeting all the obligations.

### **iii. Comparison of Budgeted Revenue and Expenditure to Actual**

Mr. Lewis reported that revenues are higher than originally projected due to the payout received from Muskegon Area Intermediate School District (MAISD). Both MAISD technology fees and contracted services will be higher for the year. Mr. Lewis anticipates a budget amendment in May/June to recognize the additional amounts. Chair Thomas asked for more details regarding three line items: Transfers on Revenue, Transfers on Expenditure and Building Services. Mr. Lewis reported that Transfers on Revenue refers to the small one-time revenue boost from MAISD. Transfers on Expenditures include the technology millage from MAISD. Building Services include water, boiler services, and telephone.

Chair Thomas asked for more information about the financials received from the public school academy. Mr. Lewis stated that he receives a budget to actual and balance sheet quarterly, in addition to the year end audit. Mr. Todd asked about receiving board minutes. Chair Thomas stated that board minutes should be available on their website. Chair Thomas asked Mr. Lewis to have the PSA's financials sent to the RTAB for review.

## **IV. Public Comment**

None.

## **V. Board Comment**

Ms. Johnson asked about the option of returning to local control. Chair Thomas stated that the contract between the system and district needs to be executed. Chair Thomas

would like to work with the RTAB Board and district officials to find a path moving forward.

## **VI. Adjournment**

Motion made to adjourn by Mr. Todd. Motion moved and seconded by Mr. Schrier. The Board approved the motion to adjourn.

There being no further business, the meeting adjourned at 4:23 p.m.

DRAFT



# Muskegon Heights Public Schools

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2603 Leahy Street • Muskegon Heights, MI 49444 • Phone 231-830-3221 Fax  
231-830-3560

Date: March 11, 2020

To: Receivership Transition Advisory Board (RTAB)  
Muskegon Heights Public Schools Board of Education

From: John Lewis, Assistant Superintendent

Re: Board Meeting Packet for March 18, 2020

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Attached, please find the Muskegon Heights Public Schools 2019/20 Budget to Actual Revenue and Expenditure Report, Cash Flow Statement, and Liabilities Report for your review.

## **Budget to Actual Revenue and Expenditure Report**

Included you will find the budget to actual report for 2019/20 as of March 11, 2019.

Revenues and expenditures seem to be on track. There are no material changes to note at this time.

## **Cash Flow Statement**

Cash flow continues to remain stable for the coming year. As stated in prior reports, the district will be able to meet all of its obligations as planned.

## **Liabilities Report**

No changes to report.

# Attachment #2a

Fund	Rate	Description	Issuance Date	Original Amount	Term Length	Principal	Interest	Total Amount	Projected Maturity Date	As of Date
GF		Payable to MDE - At-Risk Payback			Short			\$ 371,436	N/A	3/1/2020
GF	2.45%	Restructured Emergency Loan #1 - 2018	5/23/2018	\$ 6,990,000	Long	\$ 6,852,000	\$ 2,170,088	\$ 9,022,088	6/15/2042	3/1/2020
GF	2.35%	Restructured Emergency Loan #2 - 2018	5/23/2018	\$ 3,165,000	Long	\$ 3,160,000	\$ 1,047,836	\$ 4,207,836	6/15/2042	3/1/2020
GF	3.45%	Restructured Emergency Loan #3 - 2018	5/23/2018	\$ 1,400,000	Long	\$ 1,355,000	\$ 561,043	\$ 1,916,043	6/15/2043	3/1/2020
GF	2.70%	2017/18 Emergency Loan #4 - 2018	5/23/2018	\$ 2,449,000	Long	\$ 2,449,000	\$ 1,682,176	\$ 4,131,176	6/15/2047	3/1/2020
GF	NA	2007 Energy Conservation Improvement Bonds	12/19/2007		Long	\$ 3,149,000	\$ -	\$ 3,149,000	12/19/2022	3/1/2020
DF	5.00%	2016 Refunding Bonds, Series A	3/29/2016		Long	\$ 11,940,000	\$ 3,229,500	\$ 15,169,500	5/1/2029	3/1/2020
DF	1.74%-2.61%	2016 Refunding Bonds, Series B	3/26/2016		Long	\$ 3,205,000	\$ 121,563	\$ 3,326,563	5/1/2021	3/1/2020
DF	3.41%	School Bond Loan Fund	Annual		Long	\$ 2,212	\$ 241	\$ 2,453	5/1/2035*	3/1/2020
DF	3.41%	School Loan Revolving Fund	Annual		Long	\$ 3,527,631	\$ 121,792	\$ 3,649,423	5/1/2035*	3/1/2020
				\$ 14,004,000		\$ 35,639,843	\$ 8,934,239	\$ 44,945,518		

Note: GF - General Fund (18 mill levy); DF - Debt Service Fund (13 mill levy)

\*Indicates Mandatory Repayment Date

Liability	Usage Explanation:
EL #1	Majority of proceeds used to retire SAN received in August 2011. Remainder used for final payrolls and other prior year expenses
EL #2	Legacy costs
EL #3	Legacy costs
EL #4	Proceeds used to retire ORS and UIA debt
	Total Emergency Loans issued: \$14,004,000

Projected Monthly Cash Flow - One Year Projection

Date  
3/11/2020

Attachment #2b

School District  
Muskegon Heights Public Schools

	March 20	April 20	May 20	June 20	July 20	August 20	September 20	October 20	November 20	December 20	January 21	February 21
<b>Beginning Balance</b>	\$ 1,120,037	\$ 1,118,286	\$ 1,112,365	\$ 1,276,427	\$ 860,684	\$ 818,142	\$ 932,601	\$ 1,157,951	\$ 1,163,881	\$ 1,162,570	\$ 865,402	\$ 998,135
<b>Estimated Receipts</b>												
<b>Taxes</b>	\$ 5,000		\$ 173,892	\$ -	\$ -	\$ 119,000	\$ 250,000	\$ 17,281	\$ 5,565	\$ 72,322	\$ 81,333	\$ 227,481
<b>Taxes - Tech Millage</b>	\$ -	\$ -		\$ 21,187			\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,507	\$ -	\$ 27,000
<b>Authorizer Fees</b>	\$ 12,809	\$ 12,809	\$ 12,809	\$ 12,809	\$ 12,809	\$ 12,809		\$ 12,809	\$ 12,809	\$ 12,809	\$ 12,809	\$ 12,809
<b>ELN Proceeds</b>												
<b>Other Revenue</b>	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 57,829	\$ 1,000
<b>Total Available Funds</b>	\$ 1,138,846	\$ 1,132,095	\$ 1,300,066	\$ 1,311,423	\$ 874,492	\$ 950,951	\$ 1,198,601	\$ 1,204,040	\$ 1,198,255	\$ 1,264,208	\$ 1,017,373	\$ 1,266,424
<b>Less Estimated Expenditures:</b>												
<b>Payrolls</b>	\$ 15,579	\$ 14,070	\$ 18,658	\$ 14,070	\$ 14,070	\$ 14,070	\$ 14,070	\$ 15,579	\$ 17,149	\$ 14,070	\$ 14,070	\$ 15,579
<b>Other Expenditures</b>	\$ 4,980	\$ 5,660	\$ 4,980	\$ 4,980	\$ 42,280	\$ 4,280	\$ 11,580	\$ 9,580	\$ 3,535	\$ 12,761	\$ 5,167	\$ 4,980
<b>Emergency Loan Payment</b>	\$ -	\$ -	\$ -	\$ 410,502	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,376	\$ -	\$ -
<b>Tech Millage to PSA</b>	\$ -	\$ -	\$ -	\$ 21,187	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,507	\$ -	\$ 27,000
<b>Other Liens/Loans (Totals)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,092	\$ -	\$ -
<b>Estimated Ending Balance</b>	\$ 1,118,286	\$ 1,112,365	\$ 1,276,427	\$ 860,684	\$ 818,142	\$ 932,601	\$ 1,157,951	\$ 1,163,881	\$ 1,162,570	\$ 865,402	\$ 998,135	\$ 1,218,865

# Attachment #2b

Expenses by Month

	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Totals
Payrolls (including contracted staff)	\$ 15,579	\$ 14,070	\$ 18,658	\$ 14,070	\$ 14,070	\$ 14,070	\$ 14,070	\$ 15,579	\$ 17,149	\$ 14,070	\$ 14,070	\$ 15,579	\$ 181,036
Consumers - electric	\$ 500	\$ 500	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 372	\$ 356	\$ 233	\$ 500	\$ 7,261
DTE - natural gas	\$ 1,500	\$ 2,000	\$ 1,200	\$ 1,200	\$ 500	\$ 500	\$ 800	\$ 800	\$ 264	\$ 1,478	\$ 1,997	\$ 1,500	\$ 13,739
Waste & Water utility	\$ 220	\$ 400	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 139	\$ 168	\$ 177	\$ 220	\$ 2,644
Audit Fees							\$ 7,000	\$ 5,000					\$ 12,000
Legal Fees	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 13,920
Property Insurance					\$ 38,000								\$ 38,000
MAISD Tech Fee										\$ 8,000			\$ 8,000
Epicenter													\$ -
Bank Fees	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 7,200
Misc.	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
EL Loan Payments				\$ 410,502									\$ 584,878
Tech Millage Flowthrough	\$ -	\$ -	\$ -	\$ 21,187	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,507	\$ -	\$ 27,000	\$ 108,694
QZAB Energy Bonds										\$ 182,092			\$ 182,092
<b>Totals</b>	<b>\$ 20,559</b>	<b>\$ 19,730</b>	<b>\$ 23,638</b>	<b>\$ 450,739</b>	<b>\$ 56,350</b>	<b>\$ 18,350</b>	<b>\$ 40,650</b>	<b>\$ 40,159</b>	<b>\$ 35,684</b>	<b>\$ 398,806</b>	<b>\$ 19,238</b>	<b>\$ 47,559</b>	<b>\$ 1,171,464</b>



**Muskegon Heights Public Schools**  
 Revenues, Expenditures, and Fund Balance  
 GENERAL FUND  
 2019-20  
 3/11/2020

	Budget 2019-20	Actuals to Date	Under/(Over) to Date	% of Budget Used
<b>Estimated Beginning Fund Balance</b>	<b>\$ 280,114</b>	<b>\$ 280,114</b>		
<b>Revenue</b>				
Property taxes	\$ 1,190,320	\$ 848,431	\$ 341,889	71.3%
State Sources	\$ 6,920	\$ 6,748	\$ 172	97.5%
Oversight fees	\$ 158,490	\$ 66,808	\$ 91,682	42.2%
Transfers and Other	\$ 10,410	\$ 57,509	\$ (47,099)	552.4%
<b>Total Revenue</b>	<b>\$ 1,366,140</b>	<b>\$ 979,496</b>		
<b>Expenditures</b>				
Data Technology	\$ 5,070	\$ 8,393	\$ (3,323)	165.5%
Board of Education	\$ 26,750	\$ 12,849	\$ 13,902	48.0%
Executive Administration	\$ 68,410	\$ 34,382	\$ 34,028	50.3%
Business Services	\$ 102,120	\$ 71,606	\$ 30,514	70.1%
Interest and Fees Expense	\$ 5,910	\$ 4,367	\$ 1,543	73.9%
Unpaid Auction and Delinquent Tax Fees	\$ 50,000	\$ -	\$ 50,000	0.0%
Building Services	\$ 103,190	\$ 60,428	\$ 42,762	58.6%
District Technology	\$ 920	\$ 555	\$ 365	60.3%
Emergency Loan Payments	\$ 588,500	\$ 177,989	\$ 410,511	30.2%
Transfers and Other	\$ 302,420	\$ 257,540	\$ 44,880	85.2%
<b>Total Expenditures</b>	<b>\$ 1,253,290</b>	<b>\$ 628,110</b>		
<b>Revenues Less Expenditures</b>	<b>\$ 112,850</b>	<b>\$ 351,386</b>		
<b>Projected Ending Fund Balance</b>	<b>\$ 392,964</b>	<b>\$ 631,500</b>		

# Attachment #2c

REVENUES	DESCRIPTION	TOTAL
11-0111-0000-000-0000-000000-000000-	PROPERTY TAXES CURRENT	-772,982.93
11-0111-0000-100-0000-000000-000000-	OTHER TAXES	0.00
11-0121-0000-000-0000-000000-000000-	TECH MILLAGE FLOWTHROUGH	-75,447.78
11-0124-0000-000-0000-000000-000000-	PENALTY & INT ON DEL TAXES	0.00
11-0151-0000-000-0000-000000-000000-	EARNINGS ON INVEST & DEPOSITS	0.00
11-0191-0000-000-0000-000000-000000-	RENTALS	0.00
11-0199-0000-000-0000-000000-000000-	MISCELLANEOUS	-57,508.93
11-0321-0000-000-0000-000000-000000-	PPT REIMBURSEMENT	-6,747.60
11-0519-0000-001-0000-000000-000000-	3% AUTHORIZER FEE - MHPSA	-66,808.45
11-0519-0000-100-0000-000000-000000-	SHARED BUSINESS SVCS	0.00
11-0591-0000-000-0000-000000-000000-	PROCEEDS FROM ISSUANCE OF BOND	0.00
		-979,495.69

## Attachment #2c

EXPENDITURES	Description	Total	
11-1-225-7410-840-0000-00000-000000-	LICENSING FEES & RENEWALS	8,146.00	
11-1-226-4220-899-0000-00000-000000-	COPY MACHINE	247.20	\$ 8,393.20
11-1-231-3170-000-0000-00000-000000-	LEGAL SERVICES	1,298.50	
11-1-231-3180-000-0000-00000-000000-	AUDIT SERVICES	11,550.00	
11-1-231-3220-007-0000-00000-000000-	TRAVEL - TRINELL SCOTT	0.00	
11-1-231-7410-000-0000-00000-000000-	DUES & FEES	0.00	\$ 12,848.50
11-1-232-3150-000-0000-00000-000000-	CONTRACTED SERVICES	34,382.40	
11-1-232-3210-000-0000-00000-000000-	COST OF TRAVEL (MILEAGE)	0.00	
11-1-232-3430-000-0000-00000-000000-	MAILING	0.00	
11-1-232-7910-000-0000-00000-000000-	MISCELLANEOUS	0.00	\$ 34,382.40
11-1-252-1620-033-0000-00000-000000-	ACCOUNTING SPECIALIST	41,538.42	
11-1-252-2130-000-0000-00000-000000-	HOSPITALIZATION	14,036.92	
11-1-252-2820-033-0000-00000-000000-	CONTRIB TO ST&LOC RETIRE FUNDS	11,240.22	
11-1-252-2830-033-0000-00000-000000-	EMPLOYER SOCIAL SECURITY	3,177.72	
11-1-252-2840-033-0000-00000-000000-	WORKMAN'S COMPENSATION	1.26	
11-1-252-3150-030-0000-00000-000000-	CONTRACTED SERVICES	0.00	
11-1-252-3220-030-0000-00000-000000-	TRAVEL & CONFERENCE	0.00	
11-1-252-5910-030-0000-00000-000000-	OFFICE SUPPLIES	1,611.89	\$ 71,606.43
11-1-252-7410-000-0000-00000-000000-	INTEREST & FEES EXPENSE	4,367.07	\$ 4,367.07
11-1-259-7610-000-0000-00000-000000-	TAXES ABATED & WRITTEN OFF	0.00	\$ -
11-1-261-3190-100-0000-00000-000000-	CONTRACTED SERVICES	12,958.33	
11-1-261-3410-000-0000-00000-000000-	TELEPHONE CHARGES	173.65	
11-1-261-3830-000-0000-00000-000000-	WATER & SEWAGE	1,039.26	
11-1-261-3840-000-0000-00000-000000-	WASTE & TRASH DISPOSAL	416.00	
11-1-261-3910-000-0000-00000-000000-	INSURANCE	36,885.00	
11-1-261-4110-000-0000-00000-000000-	LAND AND BLDGS-REPAIRS & MAINT	0.00	
11-1-261-5510-000-0000-00000-000000-	HEATING FUEL	5,959.34	
11-1-261-5520-000-0000-00000-000000-	ELECTRICITY	2,996.82	\$ 60,428.40
11-1-284-3410-000-0000-00000-000000-	CELL PHONE CHARGES	555.04	\$ 555.04
11-1-411-8910-000-0000-00000-000000-	TRANSFERS TO MHPSA	75,447.78	
11-1-511-7110-994-0000-00000-000000-	PRINCIPAL PMT - EMERGENCY LOAN	0.00	
11-1-511-7230-994-0000-00000-000000-	INTEREST PMT - EMERGENCY LOANS	177,988.56	\$ 177,988.56
11-1-634-8110-000-0000-00000-000000-	QZAB TRANSFER - DEBT RETIREMEN	182,092.42	\$ 257,540.20
		\$ 628,109.80	\$ 628,109.80

**Muskegon Heights Public Schools**  
 Revenues, Expenditures, and Fund Balance  
 DEBT SERVICE - 2016 REFUNDING BONDS  
 2019-20  
 3/11/2020

		Actuals to Date
<b>Estimated Beginning Fund Balance</b>	<b>\$</b>	<b>225,460</b>
<b>Revenue</b>		
Tax Revenues	\$	792,855
SBLF/SLRF (State Bond Loan Programs)	\$	-
<b>Total Revenue</b>	<b>\$</b>	<b>792,855</b>
<b>Expenditures</b>		
Tax Chargebacks & Auction Property	\$	-
Principal Payments	\$	-
Interest Payments	\$	337,271
<b>Total Expenditures</b>	<b>\$</b>	<b>337,271</b>
<b>Revenues Less Expenditures</b>	<b>\$</b>	<b>455,584</b>
<b>Projected Ending Fund Balance</b>	<b>\$</b>	<b>681,044</b>

## Attachment #2c

Account	Description	
32-0111-0000-000-0000-000000-000000-	PROPERTY TAX LEVY	-668,610.97
32-0111-0000-100-0000-000000-000000-	OTHER TAXES-HSBF	0.00
32-0124-0000-000-0000-000000-000000-	PENALTY & INT ON DEL TAXES	0.00
32-0151-0000-000-0000-000000-000000-	EARNINGS ON INVESTMENTS-HSBF	-173.50
32-0321-0000-000-0000-000000-000000-	PPT REIMBURSEMENT	-124,070.05
32-0591-0000-000-0000-000000-000000-	BOND PROCEEDS	0.00
32-0595-0000-000-0000-000000-000000-	STATE LOAN PROGRAM-HSBF	0.00
32-0596-0000-000-0000-000000-000000-	PROCEEDS FROM REFINANCING DEBT	0.00
32-0596-0000-001-0000-000000-000000-	PREMIUM ON REFUNDING BONDS	0.00
32-0599-9000-000-0000-000000-000000-	DUE TO/FROM	0.00
32-0631-0000-000-0000-000000-000000-	TRANSFER IN	0.00
		-792,854.52

## Attachment #2c

<b>Account</b>	<b>Description</b>	
32-1-252-3180-000-0000-000000-000000-	AUDIT SERVICES	0.00
32-1-252-7410-000-0000-000000-000000-	PAYING AGENT FEES	0.00
32-1-259-3610-000-0000-000000-000000-	PRINTING	0.00
32-1-259-7610-000-0000-000000-000000-	TAXES ABATED & WRITTEN OFF	0.00
32-1-511-7110-000-0000-000000-000000-	PRINCIPAL - 2006 REF BDS	0.00
32-1-511-7230-000-0000-000000-000000-	INTEREST-HSBF	337,271.00
32-1-511-7310-000-0000-000000-000000-	OTHER BOND ISSUANCE COSTS	0.00
32-1-511-7330-000-0000-000000-000000-	BOND DISCOUNT	0.00
32-1-511-7410-000-0000-000000-000000-	PAYING AGENT FEES-HSBF	0.00
32-1-512-7320-000-0000-000000-000000-	PAYMENTS TO BOND ESCROW AGENT	0.00

**Muskegon Heights Public Schools**  
 Revenues, Expenditures, and Fund Balance  
 QZAB Fund  
 2019-20  
 3/11/2020

	Actuals to Date
<b>Estimated Beginning Fund Balance</b>	<b>\$ 2,240,644</b>
<b>Revenue</b>	
Earnings on Investment	\$ 15,821
Transfers In	\$ 182,092
<b>Total Revenue</b>	<b>\$ 197,913</b>
<b>Expenditures</b>	\$ -
<b>Total Expenditures</b>	<b>\$ -</b>
<b>Revenues Less Expenditures</b>	<b>\$ 197,913</b>
<b>Projected Ending Fund Balance</b>	<b>\$ 2,438,558</b>

## Attachment #2c

<b>Account</b>	<b>Description</b>	
34-0151-0000-000-0000-000000-	EARNINGS ON INVESTMENTS	-15,821.05
34-0611-0000-000-0000-000000-	QZAB TRANSFER	-182,092.42





# Muskegon Heights Public Schools

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2603 Leahy Street • Muskegon Heights, MI 49444 • Phone 231-830-3221 Fax 231-830-3560

Date: April 9, 2020

To: Receivership Transition Advisory Board (RTAB)  
Muskegon Heights Public Schools Board of Education

From: John Lewis, Assistant Superintendent

Re: Board Meeting Packet for April 15, 2020

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Attached, please find the Muskegon Heights Public Schools 2019/20 Budget to Actual Revenue and Expenditure Report, Cash Flow Statement, and Liabilities Report for your review.

## **Budget to Actual Revenue and Expenditure Report**

Included you will find the budget to actual report for 2019/20 as of April 9, 2019.

There are no material changes to note at this time. Looking forward, we will most likely have savings in utility and building costs considering stay at home orders due to COVID-19.

## **Cash Flow Statement**

Cash flow continues to remain stable for the coming year. We are also assuming that tax collections may be delayed in the short term from the stay at home order, but we do not expect it to have a long-lasting impact at this time.

## **Liabilities Report**

No changes to report.

# Attachment #3a

Fund	Rate	Description	Issuance Date	Original Amount	Term Length	Principal	Interest	Total Amount	Projected Maturity Date	As of Date
GF		Payable to MDE - At-Risk Payback			Short			\$ 371,436	N/A	4/1/2020
GF	2.45%	Restructured Emergency Loan #1 - 2018	5/23/2018	\$ 6,990,000	Long	\$ 6,852,000	\$ 2,170,088	\$ 9,022,088	6/15/2042	4/1/2020
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GF	2.70%	2017/18 Emergency Loan #4 - 2018	5/23/2018	\$ 2,449,000	Long	\$ 2,449,000	\$ 1,682,176	\$ 4,131,176	6/15/2047	4/1/2020
GF	NA	2007 Energy Conservation Improvement Bonds	12/19/2007		Long	\$ 3,149,000	\$ -	\$ 3,149,000	12/19/2022	4/1/2020
DF	5.00%	2016 Refunding Bonds, Series A	3/29/2016		Long	\$ 11,940,000	\$ 3,229,500	\$ 15,169,500	5/1/2029	4/1/2020
DF	1.74%-2.61%	2016 Refunding Bonds, Series B	3/26/2016		Long	\$ 3,205,000	\$ 121,563	\$ 3,326,563	5/1/2021	4/1/2020
DF	3.41%	School Bond Loan Fund	Annual		Long	\$ 2,212	\$ 241	\$ 2,453	5/1/2035*	4/1/2020
DF	3.41%	School Loan Revolving Fund	Annual		Long	\$ 3,527,631	\$ 121,792	\$ 3,649,423	5/1/2035*	4/1/2020
				\$ 14,004,000		\$ 35,639,843	\$ 8,934,239	\$ 44,945,518		

Note: GF - General Fund (18 mill levy); DF - Debt Service Fund (13 mill levy)

\*Indicates Mandatory Repayment Date

**Liability**

**Usage Explanation:**

- EL #1 Majority of proceeds used to retire SAN received in August 2011. Remainder used for final payrolls and other prior year expenses
  - EL #2 Legacy costs
  - EL #3 Legacy costs
  - EL #4 Proceeds used to retire ORS and UIA debt
- Total Emergency Loans issued: \$14,004,000

Projected Monthly Cash Flow - One Year Projection

Date  
4/9/2020

Attachment #3b

School District  
Muskegon Heights Public Schools

	April 20	May 20	June 20	July 20	August 20	September 20	October 20	November 20	December 20	January 21	February 21	March 21
<b>Beginning Balance</b>	\$ 1,111,431	\$ 1,105,509	\$ 1,269,571	\$ 853,828	\$ 811,287	\$ 925,745	\$ 1,151,095	\$ 1,157,025	\$ 1,155,714	\$ 858,546	\$ 991,279	\$ 1,212,009
<b>Estimated Receipts</b>												
<b>Taxes</b>		\$ 173,892	\$ -	\$ -	\$ 119,000	\$ 250,000	\$ 17,281	\$ 5,565	\$ 72,322	\$ 81,333	\$ 227,481	\$ 5,000
<b>Taxes - Tech Millage</b>	\$ -		\$ 21,187			\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,507		\$ 27,000	\$ -
<b>Authorizer Fees</b>	\$ 12,809	\$ 12,809	\$ 12,809	\$ 12,809	\$ 12,809		\$ 12,809	\$ 12,809	\$ 12,809	\$ 12,809	\$ 12,809	\$ 12,809
<b>ELN Proceeds</b>												
<b>Other Revenue</b>	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 57,829	\$ 1,000	\$ 1,000
<b>Total Available Funds</b>	\$ 1,125,239	\$ 1,293,210	\$ 1,304,567	\$ 867,637	\$ 944,095	\$ 1,191,745	\$ 1,197,185	\$ 1,191,399	\$ 1,257,352	\$ 1,010,517	\$ 1,259,569	\$ 1,230,818
<b>Less Estimated Expenditures:</b>												
<b>Payrolls</b>	\$ 14,070	\$ 18,658	\$ 14,070	\$ 14,070	\$ 14,070	\$ 14,070	\$ 15,579	\$ 17,149	\$ 14,070	\$ 14,070	\$ 15,579	\$ 14,070
<b>Other Expenditures</b>	\$ 5,660	\$ 4,980	\$ 4,980	\$ 42,280	\$ 4,280	\$ 11,580	\$ 9,580	\$ 3,535	\$ 12,761	\$ 5,167	\$ 4,980	\$ 4,980
<b>Emergency Loan Payment</b>	\$ -	\$ -	\$ 410,502	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,376	\$ -	\$ -	\$ -
<b>Tech Millage to PSA</b>	\$ -	\$ -	\$ 21,187	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,507	\$ -	\$ 27,000	\$ -
<b>Other Liens/Loans (Totals)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,092	\$ -	\$ -	\$ -
<b>Estimated Ending Balance</b>	\$ 1,105,509	\$ 1,269,571	\$ 853,828	\$ 811,287	\$ 925,745	\$ 1,151,095	\$ 1,157,025	\$ 1,155,714	\$ 858,546	\$ 991,279	\$ 1,212,009	\$ 1,211,768

# Attachment #3b

## Expenses by Month

	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Totals
Payrolls (including contracted staff)	\$ 14,070	\$ 18,658	\$ 14,070	\$ 14,070	\$ 14,070	\$ 14,070	\$ 15,579	\$ 17,149	\$ 14,070	\$ 14,070	\$ 15,579	\$ 14,070	\$ 179,527
Consumers - electric	\$ 500	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 372	\$ 356	\$ 233	\$ 500	\$ 500	\$ 7,261
DTE - natural gas	\$ 2,000	\$ 1,200	\$ 1,200	\$ 500	\$ 500	\$ 800	\$ 800	\$ 264	\$ 1,478	\$ 1,997	\$ 1,500	\$ 1,500	\$ 13,739
Waste & Water utility	\$ 400	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 139	\$ 168	\$ 177	\$ 220	\$ 220	\$ 2,644
Audit Fees						\$ 7,000	\$ 5,000						\$ 12,000
Legal Fees	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 13,920
Property Insurance				\$ 38,000									\$ 38,000
MAISD Tech Fee									\$ 8,000				\$ 8,000
Epicenter													\$ -
Bank Fees	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 7,200
Misc.	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
EL Loan Payments			\$410,502						\$174,376				\$ 584,878
Tech Millage Flowthrough	\$ -	\$ -	\$ 21,187	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,507	\$ -	\$ 27,000	\$ -	\$ 108,694
QZAB Energy Bonds									\$182,092				\$ 182,092
<b>Totals</b>	<b>\$ 19,730</b>	<b>\$ 23,638</b>	<b>\$450,739</b>	<b>\$ 56,350</b>	<b>\$ 18,350</b>	<b>\$ 40,650</b>	<b>\$ 40,159</b>	<b>\$ 35,684</b>	<b>\$398,806</b>	<b>\$ 19,238</b>	<b>\$ 47,559</b>	<b>\$ 19,050</b>	<b>\$ 1,169,955</b>

**Muskegon Heights Public Schools**  
 Revenues, Expenditures, and Fund Balance  
 GENERAL FUND  
 2019-20  
 4/9/2020

	Budget 2019-20	Actuals to Date	Under/(Over) to Date	% of Budget Used
<b>Estimated Beginning Fund Balance</b>	<b>\$ 280,114</b>	<b>\$ 280,114</b>		
<b>Revenue</b>				
Property taxes	\$ 1,190,320	\$ 870,977	\$ 319,343	73.2%
State Sources	\$ 6,920	\$ 6,748	\$ 172	97.5%
Oversight fees	\$ 158,490	\$ 80,161	\$ 78,329	50.6%
Transfers and Other	\$ 10,410	\$ 57,554	\$ (47,144)	552.9%
<b>Total Revenue</b>	<b>\$ 1,366,140</b>	<b>\$ 1,015,440</b>		
<b>Expenditures</b>				
Data Technology	\$ 5,070	\$ 8,434	\$ (3,364)	166.4%
Board of Education	\$ 26,750	\$ 12,849	\$ 13,902	48.0%
Executive Administration	\$ 68,410	\$ 41,047	\$ 27,363	60.0%
Business Services	\$ 102,120	\$ 79,831	\$ 22,289	78.2%
Interest and Fees Expense	\$ 5,910	\$ 5,311	\$ 599	89.9%
Unpaid Auction and Delinquent Tax Fees	\$ 50,000	\$ -	\$ 50,000	0.0%
Building Services	\$ 103,190	\$ 64,312	\$ 38,878	62.3%
District Technology	\$ 920	\$ 635	\$ 285	69.0%
Emergency Loan Payments	\$ 588,500	\$ 177,989	\$ 410,511	30.2%
Transfers and Other	\$ 302,420	\$ 280,087	\$ 22,333	92.6%
<b>Total Expenditures</b>	<b>\$ 1,253,290</b>	<b>\$ 670,494</b>		
<b>Revenues Less Expenditures</b>	<b>\$ 112,850</b>	<b>\$ 344,946</b>		
<b>Projected Ending Fund Balance</b>	<b>\$ 392,964</b>	<b>\$ 625,060</b>		

# Attachment #3c

REVENUES	Description	Total
11-0111-0000-000-0000-000000-000000-	PROPERTY TAXES CURRENT	-772,982.93
11-0111-0000-100-0000-000000-000000-	OTHER TAXES	0.00
11-0121-0000-000-0000-000000-000000-	TECH MILLAGE FLOWTHROUGH	-97,994.30
11-0124-0000-000-0000-000000-000000-	PENALTY & INT ON DEL TAXES	0.00
11-0151-0000-000-0000-000000-000000-	EARNINGS ON INVEST & DEPOSITS	0.00
11-0191-0000-000-0000-000000-000000-	RENTALS	0.00
11-0199-0000-000-0000-000000-000000-	MISCELLANEOUS	-57,553.93
11-0321-0000-000-0000-000000-000000-	PPT REIMBURSEMENT	-6,747.60
11-0519-0000-001-0000-000000-000000-	3% AUTHORIZER FEE - MHPSA	-80,161.22
11-0519-0000-100-0000-000000-000000-	SHARED BUSINESS SVCS	0.00
11-0591-0000-000-0000-000000-000000-	PROCEEDS FROM ISSUANCE OF BOND	0.00
		-1,015,439.98

# Attachment #3c

EXPENDITURES	Description	Total	
11-1-225-7410-840-0000-00000-000000-	LICENSING FEES & RENEWALS	8,146.00	
11-1-226-4220-899-0000-00000-000000-	COPY MACHINE	288.40	\$ 8,434.40
11-1-231-3170-000-0000-00000-000000-	LEGAL SERVICES	1,298.50	
11-1-231-3180-000-0000-00000-000000-	AUDIT SERVICES	11,550.00	
11-1-231-3220-007-0000-00000-000000-	TRAVEL - TRINELL SCOTT	0.00	
11-1-231-7410-000-0000-00000-000000-	DUES & FEES	0.00	\$ 12,848.50
11-1-232-3150-000-0000-00000-000000-	CONTRACTED SERVICES	41,047.20	
11-1-232-3210-000-0000-00000-000000-	COST OF TRAVEL (MILEAGE)	0.00	
11-1-232-3430-000-0000-00000-000000-	MAILING	0.00	
11-1-232-7910-000-0000-00000-000000-	MISCELLANEOUS	0.00	\$ 41,047.20
11-1-252-1620-033-0000-00000-000000-	ACCOUNTING SPECIALIST	46,153.80	
11-1-252-2130-000-0000-00000-000000-	HOSPITALIZATION	15,801.71	
11-1-252-2820-033-0000-00000-000000-	CONTRIB TO ST&LOC RETIRE FUNDS	12,509.44	
11-1-252-2830-033-0000-00000-000000-	EMPLOYER SOCIAL SECURITY	3,530.80	
11-1-252-2840-033-0000-00000-000000-	WORKMAN'S COMPENSATION	1.40	
11-1-252-3150-030-0000-00000-000000-	CONTRACTED SERVICES	0.00	
11-1-252-3220-030-0000-00000-000000-	TRAVEL & CONFERENCE	0.00	
11-1-252-5910-030-0000-00000-000000-	OFFICE SUPPLIES	1,833.70	\$ 79,830.85
11-1-252-7410-000-0000-00000-000000-	INTEREST & FEES EXPENSE	5,310.60	\$ 5,310.60
11-1-259-7610-000-0000-00000-000000-	TAXES ABATED & WRITTEN OFF	0.00	\$ -
11-1-261-3190-100-0000-00000-000000-	CONTRACTED SERVICES	14,371.41	
11-1-261-3410-000-0000-00000-000000-	TELEPHONE CHARGES	173.65	
11-1-261-3830-000-0000-00000-000000-	WATER & SEWAGE	1,244.68	
11-1-261-3840-000-0000-00000-000000-	WASTE & TRASH DISPOSAL	416.00	
11-1-261-3910-000-0000-00000-000000-	INSURANCE	36,885.00	
11-1-261-4110-000-0000-00000-000000-	LAND AND BLDGS-REPAIRS & MAINT	0.00	
11-1-261-5510-000-0000-00000-000000-	HEATING FUEL	7,816.68	
11-1-261-5520-000-0000-00000-000000-	ELECTRICITY	3,404.84	\$ 64,312.26
11-1-284-3410-000-0000-00000-000000-	CELL PHONE CHARGES	634.54	\$ 634.54
11-1-411-8910-000-0000-00000-000000-	TRANSFERS TO MHPSA	97,994.30	
11-1-511-7110-994-0000-00000-000000-	PRINCIPAL PMT - EMERGENCY LOAN	0.00	
11-1-511-7230-994-0000-00000-000000-	INTEREST PMT - EMERGENCY LOANS	177,988.56	\$ 177,988.56
11-1-634-8110-000-0000-00000-000000-	QZAB TRANSFER - DEBT RETIREMEN	182,092.42	\$ 280,086.72
		\$ 670,493.63	\$ 670,493.63

**Muskegon Heights Public Schools**  
 Revenues, Expenditures, and Fund Balance  
 DEBT SERVICE - 2016 REFUNDING BONDS  
 2019-20  
 4/9/2020

		Actuals to Date
<b>Estimated Beginning Fund Balance</b>	<b>\$</b>	<b>225,460</b>
<b>Revenue</b>		
Tax Revenues	\$	943,344
SBLF/SLRF (State Bond Loan Programs)	\$	-
<b>Total Revenue</b>	<b>\$</b>	<b>943,344</b>
<b>Expenditures</b>		
Tax Chargebacks & Auction Property	\$	-
Principal Payments	\$	-
Interest Payments	\$	337,271
<b>Total Expenditures</b>	<b>\$</b>	<b>337,271</b>
<b>Revenues Less Expenditures</b>	<b>\$</b>	<b>606,073</b>
<b>Projected Ending Fund Balance</b>	<b>\$</b>	<b>831,533</b>



# Attachment #3c

<b>Account</b>	<b>Description</b>	<b>Total</b>
32-0111-0000-000-0000-000000-000000-	PROPERTY TAX LEVY	-819,038.92
32-0111-0000-100-0000-000000-000000-	OTHER TAXES-HSBF	0.00
32-0124-0000-000-0000-000000-000000-	PENALTY & INT ON DEL TAXES	0.00
32-0151-0000-000-0000-000000-000000-	EARNINGS ON INVESTMENTS-HSBF	-235.06
32-0321-0000-000-0000-000000-000000-	PPT REIMBURSEMENT	-124,070.05
32-0591-0000-000-0000-000000-000000-	BOND PROCEEDS	0.00
32-0595-0000-000-0000-000000-000000-	STATE LOAN PROGRAM-HSBF	0.00
32-0596-0000-000-0000-000000-000000-	PROCEEDS FROM REFINANCING DEBT	0.00
32-0596-0000-001-0000-000000-000000-	PREMIUM ON REFUNDING BONDS	0.00
32-0599-9000-000-0000-000000-000000-	DUE TO/FROM	0.00
32-0631-0000-000-0000-000000-000000-	TRANSFER IN	0.00
		-943,344.03

## Attachment #3c

<b>Account</b>	<b>Description</b>	<b>Total</b>
32-1-252-3180-000-0000-000000-000000-	AUDIT SERVICES	0.00
32-1-252-7410-000-0000-000000-000000-	PAYING AGENT FEES	0.00
32-1-259-3610-000-0000-000000-000000-	PRINTING	0.00
32-1-259-7610-000-0000-000000-000000-	TAXES ABATED & WRITTEN OFF	0.00
32-1-511-7110-000-0000-000000-000000-	PRINCIPAL - 2006 REF BDS	0.00
32-1-511-7230-000-0000-000000-000000-	INTEREST-HSBF	337,271.00
32-1-511-7310-000-0000-000000-000000-	OTHER BOND ISSUANCE COSTS	0.00
32-1-511-7330-000-0000-000000-000000-	BOND DISCOUNT	0.00
32-1-511-7410-000-0000-000000-000000-	PAYING AGENT FEES-HSBF	0.00
32-1-512-7320-000-0000-000000-000000-	PAYMENTS TO BOND ESCROW AGENT	0.00

**Muskegon Heights Public Schools**  
 Revenues, Expenditures, and Fund Balance  
 QZAB Fund  
 2019-20  
 4/9/2020

	Actuals to Date
<b>Estimated Beginning Fund Balance</b>	<b>\$ 2,240,644</b>
<b>Revenue</b>	
Earnings on Investment	\$ 15,821
Transfers In	\$ 182,092
<b>Total Revenue</b>	<b>\$ 197,913</b>
<b>Expenditures</b>	
	\$ -
<b>Total Expenditures</b>	<b>\$ -</b>
<b>Revenues Less Expenditures</b>	<b>\$ 197,913</b>
<b>Projected Ending Fund Balance</b>	<b>\$ 2,438,558</b>

# Attachment #3c

<b>Account</b>	<b>Description</b>	<b>Total</b>
34-0151-0000-000-0000-000000-000000-	EARNINGS ON INVESTMENTS	-15,821.05
34-0611-0000-000-0000-000000-000000-	QZAB TRANSFER	-182,092.42