



# Muskegon Heights Public Schools

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Date: January 4, 2019

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

From: John Lewis, Assistant Superintendent

Re: Board Meeting Packet for January 16, 2019

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Attached, please find the Muskegon Heights Public Schools 2018/19 Budget to Actual Revenue and Expenditure Report, Cash Flow Statement, and Liabilities Report for your review.

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

Attached you will find the budget to actual report for 2018/19 as of January 4, 2019.

We have not received any new tax disbursements from the last report, but this was expected. I am hopeful that we will see further disbursements in January and that these disbursements will become more predictable moving forward.

As stated in the December 2018 letter, we have transferred funds to the QZAB account and also paid our emergency loan interest obligation. Other than that, there are no expense items to highlight for the month.

## **Cash Flow Statement**

Cash flow continues remain positive for the next year. We have made our adjustment to the "Authorizer Fees" line to reflect the lower enrollment at the academy. We will also update the budget when we do our amendment in the spring/early summer.

## **Liabilities Report**

In December 2018, the district paid \$203K towards interest on the emergency loans. Our next large payment in June 2019 will further reduce our outstanding principal and interest obligations.

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	12/31/2018
GF	2.45%	Restructured Emergency Loan #1 - 2018	5/23/2018	\$ 6,990,000	Long	\$ 6,990,000	\$ 2,339,648	\$ 9,329,648	6/15/2042	12/31/2018
GF	2.35%	Restructured Emergency Loan #2 - 2018	5/23/2018	\$ 3,165,000	Long	\$ 3,165,000	\$ 1,122,155	\$ 4,287,155	6/15/2042	12/31/2018
GF	3.45%	Restructured Emergency Loan #3 - 2018	5/23/2018	\$ 1,400,000	Long	\$ 1,400,000	\$ 608,565	\$ 2,008,565	6/15/2043	12/31/2018
GF	2.70%	2017/18 Emergency Loan #4 - 2018	5/23/2018	\$ 2,449,000	Long	\$ 2,449,000	\$ 1,748,299	\$ 4,197,299	6/15/2047	12/31/2018
GF	NA	2007 Energy Conservation Improvement Bonds	12/19/2007		Long	\$ 3,149,000	\$ -	\$ 3,149,000	12/19/2022	12/31/2018
DF	5.00%	2016 Refunding Bonds, Series A	3/29/2016		Long	\$ 12,845,000	\$ 3,632,047	\$ 16,477,047	5/1/2029	12/31/2018
DF	1.74%-2.61%	2016 Refunding Bonds, Series B	3/26/2016		Long	\$ 4,225,000	\$ 46,044	\$ 4,271,044	5/1/2021	12/31/2018
DF	3.41%	School Bond Loan Fund	Annual		Long	\$ 2,212	\$ 163	\$ 2,375	5/1/2035*	12/31/2018
DF	3.41%	School Loan Revolving Fund	Annual		Long	\$ 2,048,249	\$ 42,681	\$ 2,090,930	5/1/2035*	12/31/2018
				\$ 14,004,000		\$ 36,273,461	\$ 9,539,600	\$ 46,184,497		

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 1/4/2019
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School District Muskegon Heights Public Schools
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	January 18	February 18	March 18	April 18	May 18	June 18	July 18	August 18	September 18	October 18	November 18	December 18
<b>Beginning Balance</b>	\$ 338,922	\$ 513,604	\$ 594,317	\$ 769,331	\$ 764,853	\$ 929,678	\$ 557,866	\$ 500,087	\$ 734,500	\$ 749,850	\$ 740,772	\$ 785,085
<b>Estimated Receipts</b>												
<b>Taxes</b>	\$ 180,000	\$ 87,000	\$ 180,000		\$ 173,892			\$ 240,000	\$ 40,000		\$ 50,000	\$ 50,000
<b>Taxes - Tech Millage</b>	\$ 27,000	\$ 25,000				\$ 21,187			\$ 15,000	\$ 15,000	\$ 15,000	
<b>Authorizer Fees</b>	\$ 13,572	\$ 13,572	\$ 13,572	\$ 13,572	\$ 13,572	\$ 13,572	\$ 13,572	\$ 13,572		\$ 13,572	\$ 13,572	\$ 13,572
<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	\$ 1,000	\$ 1,000
<b>Total Available Funds</b>	\$ 533,494	\$ 642,176	\$ 813,889	\$ 783,903	\$ 953,317	\$ 965,437	\$ 572,438	\$ 754,659	\$ 790,500	\$ 779,422	\$ 820,344	\$ 849,657
<b>Less Estimated Expenditures:</b>												
<b>Payrolls</b>	\$ 14,070	\$ 15,579	\$ 14,070	\$ 14,070	\$ 18,658	\$ 14,070	\$ 14,070	\$ 15,579	\$ 14,070	\$ 14,070	\$ 15,579	\$ 14,070
<b>Other Expenditures</b>	\$ 5,820	\$ 5,280	\$ 5,488	\$ 4,980	\$ 4,980	\$ 4,780	\$ 58,280	\$ 4,580	\$ 11,580	\$ 9,580	\$ 4,680	\$ 10,337
<b>Emergency Loan Payment</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,989
<b>Tech Millage to PSA</b>	\$ -	\$ 27,000	\$ 25,000	\$ -	\$ -	\$ 21,187	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
<b>Other Liens/Loans (Totals)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,092
<b>Estimated Ending Balance</b>	\$ 513,604	\$ 594,317	\$ 769,331	\$ 764,853	\$ 929,678	\$ 557,866	\$ 500,087	\$ 734,500	\$ 749,850	\$ 740,772	\$ 785,085	\$ 465,169

Expenses by Month

	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Totals
Payrolls (including contracted staff)	\$ 14,070	\$ 15,579	\$ 14,070	\$ 14,070	\$ 18,658	\$ 14,070	\$ 14,070	\$ 15,579	\$ 14,070	\$ 14,070	\$ 15,579	\$ 14,070	\$ 177,957
Consumers - electric	\$ 500	\$ 500	\$ 510	\$ 500	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 700	\$ 500	\$ 8,010
DTE - natural gas	\$ 1,000	\$ 1,800	\$ 1,998	\$ 1,500	\$ 1,200	\$ 1,000	\$ 500	\$ 800	\$ 800	\$ 800	\$ 1,000	\$ 1,000	\$ 13,398
Waste & Water utility	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 2,640
Audit Fees									\$ 7,000	\$ 5,000			\$ 12,000
Legal Fees	\$ 2,500	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 1,160	\$ 3,267	\$ 17,367
Property Insurance							\$ 54,000						\$ 54,000
MAISD Tech Fee												\$ 3,750	\$ 3,750
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						\$367,535						\$177,989	\$ 367,535
Tech Millage Flowthrough	\$ -	\$ 27,000	\$ 25,000	\$ -	\$ -	\$ 21,187	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	\$ 118,187
QZAB Energy Bonds												\$182,092	\$ 182,092
<b>Totals</b>	<b>\$ 19,890</b>	<b>\$ 47,859</b>	<b>\$ 44,558</b>	<b>\$ 19,050</b>	<b>\$ 23,638</b>	<b>\$407,572</b>	<b>\$ 72,350</b>	<b>\$ 20,159</b>	<b>\$ 40,650</b>	<b>\$ 38,650</b>	<b>\$ 35,259</b>	<b>\$384,488</b>	<b>\$ 976,135</b>

**Muskegon Heights Public Schools**  
 Revenues, Expenditures, and Fund Balance  
 GENERAL FUND  
 2018-19  
 1/4/2019

	Budget 2018-19	Actuals to Date	Under/(Over) to Date
<b>Beginning Fund Balance</b>	\$ 29,385	\$ 29,385	
<b>Revenue</b>			
Property taxes	\$ 1,181,020	\$ 433,409	\$ 747,611
Oversight fees	\$ 176,310	\$ 45,521	\$ 130,790
Transfers and Other	\$ 9,500	\$ 3,535	\$ 5,965
<b>Total Revenue</b>	<b>\$ 1,366,830</b>	<b>\$ 482,465</b>	
<b>Expenditures</b>			
Data Technology	\$ 4,520	\$ 165	\$ 4,355
Board of Education	\$ 30,170	\$ 24,112	\$ 6,059
Executive Administration	\$ 68,770	\$ 28,802	\$ 39,968
Business Services	\$ 101,960	\$ 49,394	\$ 52,566
Interest and Fees Expense	\$ 6,400	\$ 2,675	\$ 3,725
Unpaid Auction and Delinquent Tax Fees	\$ 50,670	\$ -	\$ 50,670
Building Services	\$ 98,170	\$ 69,124	\$ 29,046
District Technology	\$ 920	\$ 374	\$ 546
Emergency Loan Payments	\$ 570,750	\$ 203,209	\$ 367,541
Transfers and Other	\$ 305,730	\$ 229,550	\$ 76,180
<b>Total Expenditures</b>	<b>\$ 1,238,060</b>	<b>\$ 607,405</b>	
<b>Revenues Less Expenditures</b>	<b>\$ 128,770</b>	<b>\$ (124,941)</b>	
<b>Projected Ending Fund Balance</b>	<b>\$ 158,155</b>	<b>\$ (95,556)</b>	

REVENUES	DESCRIPTION	AMOUNT
11-0111-0000-000-0000-000000-000000-	PROPERTY TAXES CURRENT	-379,026.44
11-0111-0000-100-0000-000000-000000-	OTHER TAXES	0.00
11-0121-0000-000-0000-000000-000000-	TECH MILLAGE FLOWTHROUGH	-47,457.99
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	-3,400.00
11-0199-0000-000-0000-000000-000000-	MISCELLANEOUS	-135.00
11-0321-0000-000-0000-000000-000000-	PPT REIMBURSEMENT	-6,924.60
11-0519-0000-001-0000-000000-000000-	3% AUTHORIZER FEE - MHPSA	-45,520.50
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
		-482,464.53

EXPENDITURES	DESCRIPTION	AMOUNT	SUMS
11-1-225-7410-840-0000-00000-000000-	LICENSING FEES & RENEWALS		
11-1-226-4220-899-0000-00000-000000-	COPY MACHINE	164.80	\$ 164.80
11-1-231-3170-000-0000-00000-000000-	LEGAL SERVICES	11,246.50	
11-1-231-3180-000-0000-00000-000000-	AUDIT SERVICES	12,740.00	
11-1-231-3220-007-0000-00000-000000-	TRAVEL - TRINELL SCOTT	115.00	
11-1-231-7410-000-0000-00000-000000-	DUES & FEES	10.00	\$ 24,111.50
11-1-232-3150-000-0000-00000-000000-	CONTRACTED SERVICES	28,802.40	
11-1-232-3210-000-0000-00000-000000-	COST OF TRAVEL (MILEAGE)		
11-1-232-3430-000-0000-00000-000000-	MAILING		
11-1-232-7910-000-0000-00000-000000-	MISCELLANEOUS		\$ 28,802.40
11-1-252-1620-033-0000-00000-000000-	ACCOUNTING SPECIALIST	29,999.97	
11-1-252-2130-000-0000-00000-000000-	HOSPITALIZATION	9,052.35	
11-1-252-2820-033-0000-00000-000000-	CONTRIB TO ST&LOC RETIRE FUNDS	7,407.91	
11-1-252-2830-033-0000-00000-000000-	EMPLOYER SOCIAL SECURITY	2,295.02	
11-1-252-2840-033-0000-00000-000000-	WORKMAN'S COMPENSATION	-55.09	
11-1-252-3150-030-0000-00000-000000-	CONTRACTED SERVICES		
11-1-252-3220-030-0000-00000-000000-	TRAVEL & CONFERENCE		
11-1-252-5910-030-0000-00000-000000-	OFFICE SUPPLIES	694.31	\$ 49,394.47
11-1-252-7410-000-0000-00000-000000-	INTEREST & FEES EXPENSE	2,674.79	\$ 2,674.79
11-1-259-7610-000-0000-00000-000000-	TAXES ABATED & WRITTEN OFF		\$ -
11-1-261-3190-100-0000-00000-000000-	CONTRACTED SERVICES	3,408.78	
11-1-261-3410-000-0000-00000-000000-	TELEPHONE CHARGES	173.65	
11-1-261-3830-000-0000-00000-000000-	WATER & SEWAGE	796.44	
11-1-261-3840-000-0000-00000-000000-	WASTE & TRASH DISPOSAL	320.00	
11-1-261-3910-000-0000-00000-000000-	INSURANCE	54,814.00	
11-1-261-4110-000-0000-00000-000000-	LAND AND BLDGS-REPAIRS & MAINT		
11-1-261-5510-000-0000-00000-000000-	HEATING FUEL	5,698.97	
11-1-261-5520-000-0000-00000-000000-	ELECTRICITY	3,911.84	\$ 69,123.68
11-1-284-3410-000-0000-00000-000000-	CELL PHONE CHARGES	373.95	\$ 373.95
11-1-411-8910-000-0000-00000-000000-	TRANSFERS TO MHPSA	47,457.99	
11-1-511-7110-994-0000-00000-000000-	PRINCIPAL PMT - EMERGENCY LOAN		
11-1-511-7230-994-0000-00000-000000-	INTEREST PMT - EMERGENCY LOANS	203,209.41	\$ 203,209.41
11-1-634-8110-000-0000-00000-000000-	QZAB TRANSFER - DEBT RETIREMEN	182,092.42	\$ 229,550.41
		\$ 607,405.41	\$ 607,405.41

**Muskegon Heights Public Schools**  
Revenues, Expenditures, and Fund Balance  
DEBT SERVICE - 2016 REFUNDING BONDS  
2018-19  
1/4/2019

	Actuals to Date
<b>Beginning Fund Balance</b>	<b>\$ 148,927</b>
<b>Revenue</b>	
Tax Revenues	\$ 458,145
SBLF/SLRF (State Bond Loan Programs)	\$ -
<b>Total Revenue</b>	<b>\$ 458,145</b>
<b>Expenditures</b>	
Tax Chargebacks & Auction Property	\$ -
Principal Payments	\$ -
Interest Payments	\$ 369,790
<b>Total Expenditures</b>	<b>\$ 369,790</b>
<b>Revenues Less Expenditures</b>	<b>\$ 88,355</b>
<b>Projected Ending Fund Balance</b>	<b>\$ 237,282</b>



<b>Account</b>	<b>Description</b>	<b>Amount</b>
32-0111-0000-000-0000-000000-000000-	PROPERTY TAX LEVY	-366,546.45
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	-139.36
32-0321-0000-000-0000-000000-000000-	PPT REIMBURSEMENT	-91,459.55
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
		-458,145.36

<b>Account</b>	<b>Description</b>	<b>Amount</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	369,790.00
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  
2018-19  
1/4/2019

	Actuals to Date
<b>Beginning Fund Balance</b>	<b>\$ 2,016,299</b>
<b>Revenue</b>	
Earnings on Investment	\$ 10,089
Transfers In	\$ 182,092
<b>Total Revenue</b>	<b>\$ 192,182</b>
<b>Expenditures</b>	
	\$ -
<b>Total Expenditures</b>	<b>\$ -</b>
<b>Revenues Less Expenditures</b>	<b>\$ 192,182</b>
<b>Projected Ending Fund Balance</b>	<b>\$ 2,208,481</b>

<b>Account</b>	<b>Description</b>	<b>Amount</b>
34-0151-0000-000-0000-000000-	EARNINGS ON INVESTMENTS	-10,089.20
34-0611-0000-000-0000-000000-	QZAB TRANSFER	-182,092.42