

Muncie Community Schools

2500 N. ELGIN STREET • MUNCIE, IN 47303- 2241

Prepare Now - Anticipate the Future

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November 7, 2018

Courtney Schaafsma
Executive Director
Distressed Unit Appeal Board
100 North Senate, N-1058 B
Indianapolis, IN 46204

Dear Ms. Schaafsma:

The Muncie Community Schools (MCS) respectfully requests the Distressed Unit Appeal Board to approve and recommend to the Indiana State Board of Finance an interest free loan of \$12 million to MCS under IC 6-1.1-20.3-7. The MCS School Board will approve a resolution at its November 13, 2018, meeting to authorize and approve the loan request. A copy of the Board Resolution will be forwarded to your attention on November 14, 2018. Cash flow analysis for both the 2018 and 2019 calendar years, with and without the \$12 million dollar loan, are included with this request.

MCS will use the loan to pay the expenses of operating its schools, to provide for the education of its students, to continue the positive momentum for MCS in the community and to carry out the legislative directions to engage with Ball State University to provide academically innovative strategies.

Included with this loan request is a proposed repayment schedule, which permits MCS to repay the loan over a ten-year period, consistent with the statute that authorizes the loan. This loan repayment schedule would not overburden the school district.

Thank you for your consideration of this request.

Sincerely,



Stephen L. Edwards
Emergency Manager
Muncie Community Schools

MUNCIE COMMUNITY SCHOOLS
Outstanding Debt and Proposed Loan Repayment Schedule

Budgeted Date	2014 Bond	2015A Lease (Unrefunded)	2015B Lease (Unrefunded)	2017A Lease	2017B Lease	Debt Restructuring Increment	Debt Service Period Total	Proposed Loan Repayment (1)	Period Total with Loan Repayment	Debt Service Calendar Year Total	Monthly Tuition Support Withholding	School Year
12/30/2018	326,868.75	1,522,500.00	145,000.00	79,000.00	282,500.00	1,317,847.50	3,673,716.25	300,000.00	3,673,716.25	3,673,716.25	50,000.00	2020-2021
6/30/2019	329,868.75	1,530,000.00	142,500.00	79,000.00	282,500.00	1,317,135.00	3,681,003.75	300,000.00	3,681,003.75	3,681,003.75	50,000.00	2020-2021
12/30/2019	327,818.75		1,672,500.00	79,000.00	282,500.00	1,316,283.75	3,678,102.50		3,678,102.50	7,359,106.25	50,000.00	2021-2022
6/30/2020	330,768.75		1,675,000.00	79,000.00	282,500.00	1,311,393.75	3,678,662.50		3,678,662.50		50,000.00	2021-2022
12/30/2020	328,668.75		1,675,000.00	79,000.00	282,500.00	1,316,308.75	3,681,477.50	300,000.00	3,981,477.50	7,660,140.00	50,000.00	2022-2023
6/30/2021	331,568.75		1,674,000.00	79,000.00	282,500.00	1,315,898.75	3,682,967.50	300,000.00	3,982,967.50		50,000.00	2022-2023
12/30/2021	334,150.00		1,674,000.00	79,000.00	282,500.00	1,310,228.75	3,679,878.75	300,000.00	3,979,878.75	7,962,846.25	50,000.00	2022-2023
6/30/2022	336,675.00		1,675,000.00	79,000.00	282,500.00	1,314,363.75	3,687,973.75	300,000.00	3,987,973.75		50,000.00	2022-2023
12/30/2022	338,300.00		1,675,000.00	79,000.00	282,500.00	1,313,173.75	3,687,973.75	300,000.00	3,987,973.75	7,975,512.50	50,000.00	2022-2023
6/30/2023	356,850.00			79,000.00	282,500.00		3,926,350.00	300,000.00	4,226,350.00	8,470,800.00	50,000.00	2022-2023
12/30/2023	3582,950.00			79,000.00	282,500.00		3,944,450.00	300,000.00	4,244,450.00		50,000.00	2023-2024
6/30/2024				217,500.00	1,011,000.00		1,228,500.00	900,000.00	2,128,500.00	4,437,000.00	150,000.00	2023-2024
12/30/2024				217,500.00	1,011,000.00		1,228,500.00	1,080,000.00	2,308,500.00		150,000.00	2024-2025
6/30/2025				218,000.00	1,011,500.00		1,229,500.00	1,080,000.00	2,309,500.00	4,649,000.00	180,000.00	2024-2025
12/30/2025				218,000.00	1,011,500.00		1,229,500.00	1,110,000.00	2,339,500.00		185,000.00	2025-2026
6/30/2026				218,000.00	1,013,000.00		1,231,000.00	1,110,000.00	2,341,000.00	4,712,000.00	185,000.00	2025-2026
12/30/2026				218,000.00	1,013,000.00		1,231,000.00	1,140,000.00	2,371,000.00		190,000.00	2025-2026
6/30/2027				217,500.00	1,014,000.00		1,231,500.00	1,140,000.00	2,371,500.00	4,743,000.00	190,000.00	2026-2027
12/30/2027				217,500.00	1,014,000.00		1,231,500.00	1,140,000.00	2,371,500.00		190,000.00	2026-2027
6/30/2028				219,500.00	1,013,500.00		1,233,000.00	1,200,000.00	2,433,000.00	3,666,000.00	200,000.00	2027-2028
12/30/2028				219,500.00	1,013,500.00		1,233,000.00	1,200,000.00	2,433,000.00			2027-2028
6/30/2029				218,000.00	1,012,500.00		1,230,500.00		1,230,500.00	2,461,000.00		2027-2028
12/30/2029				218,000.00	1,012,500.00		1,230,500.00		1,230,500.00			2027-2028
6/30/2030				216,500.00	1,012,500.00		1,229,000.00		1,229,000.00	2,458,000.00		2027-2028
12/30/2030				216,500.00	1,012,500.00		1,229,000.00		1,229,000.00			2027-2028
6/30/2031				217,000.00	1,011,000.00		1,228,000.00		1,228,000.00	2,456,000.00		2027-2028
12/30/2031				217,000.00	1,011,000.00		1,228,000.00		1,228,000.00			2027-2028
6/30/2032				217,000.00	1,011,000.00		1,228,000.00		1,228,000.00	2,456,000.00		2027-2028
12/30/2032				217,000.00	1,011,000.00		1,228,000.00		1,228,000.00			2027-2028
Totals	10,132,487.50	3,052,500.00	12,008,000.00	4,787,000.00	21,327,500.00	11,832,633.75	63,140,121.25	12,000,000.00	75,140,121.25	75,140,121.25		

(1) Loan repayment would start to be withheld from tuition support in July 2020, with the debt service replenishment starting in December 2020.

2018 CASH FLOW PROJECTIONS (with \$12m)
MUNCIE COMMUNITY SCHOOLS - ALL FUNDS
 FIGURES REPRESENT \$1,000

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Rev EST	Net TAW
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Receipts		
BEG BALANC	2,049	11,531	12,338	11,422	12,742	15,145	15,349	17,558	18,068	16,999	16,696	16,425			
REVENUE:															
General Fund*	10,353	3,489	3,352	3,574	3,253	3,682	3,918	3,227	3,225	3,056	3,996	6,580	51,705	41,823	44,996
Debt Service	0	0	0	0	2684	2626	0	0	0	0	0	0	0	5,310	5203
CPF*	1,401	1	0	2	355	605	16	39	0	15	0	2,670	5,104	3,704	3860
Transportation*	891	0	0	5	274	314	0	36	0	0	0	2,224	3,744	2800	2,853
Bus Replacemc	0	0	0	0	4	4	0	0	0	0	0	17	25	36	
Cafeteria	193	252	316	280	318	352	55	1	2	52	783	175	2,779		
GO Constructio	0	0	0	0	0	0	0	0	0	0	0	0	0		
OTHER	2,706	1,502	1,046	2,081	880	1,332	2,545	1,701	734	1,478	550	913	17,468		
NET RECEIPT	15,544	5,244	4,714	5,942	7,768	8,915	6,534	5,004	3,961	4,601	5,329	12,579	86,135		
BALANCE + F	17,593	16,775	17,052	17,364	20,510	24,060	21,883	22,562	22,029	21,600	22,025	29,004			
PROJECTED	14,042	5,312	5,318	4,842	5,309	12,042	6,295	5,157	5,684	5,234	5,059	11,788	86,082		
EXPENDITURES:															
General Fund	3,204	2,884	3,350	2,937	2,752	3,985	2,769	2,721	2,991	3,051	3,300	10,237	44,181	32,580	37,472
Debt Service	0	0	0	0	0	2,029	329	0	1	0	0	2,356	4,715	5,196	
CPF	274	380	293	306	199	290	315	374	257	395	350	1,675	5,108	6,772	3,708
Transportation	136	281	292	240	165	373	42	73	208	477	270	1,190	3,747	4,913	2,856
Bus Replacemc	0	0	0	0	0	0	0	0	0	0	0	0	0	132	
Cafeteria	218	200	263	236	286	221	45	66	364	267	250	225	2,641		
GO Constructio	0	0	0	0	0	0	0	0	0	0	0	0	0		
OTHER	2230	692	1432	903	1963	1813	825	1260	1209	714	1,430	1150	15,621		
NET EXPEND	6,062	4,437	5,630	4,622	5,365	8,711	4,325	4,494	5,030	4,904	5,600	16,833	76,013		
PROJECTED	6,638	5,864	6,226	6,734	6,199	9,314	5,042	4,960	6,047	6,119	5,855	16,860	85,858		
CASH BALAN	11,591	12,338	11,422	12,742	15,145	15,349	17,558	18,068	16,999	16,696	16,425	12,171			
PROJECTED	9,453	8,901	7,993	6,101	5,211	7,939	9,192	9,389	9,026	8,141	7,345	2,273			

*GF TAW 6,709
 *TRANS TAW 891
 *CPF TAW 1,400
 9,000

**2018 CASH FLOW PROJECTIONS (without \$12m)
MUNCIE COMMUNITY SCHOOLS - ALL FUNDS**

FIGURES REPRESENT \$1,000

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Rev EST	Net TAW
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Receipts		
BEG BALANC	2,049	11,531	12,338	11,422	12,742	15,145	15,349	17,558	18,068	16,999	16,696	16,425			
REVENUE:															
General Fund*	10,353	3,489	3,352	3,574	3,253	3,682	3,918	3,227	3,225	3,056	3,996	3,280	48,405	41,696	
Debt Service	0	0	0	0	2684	2626	0	0	0	0	0	0	5,310	5203	
CPF*	1,401	1	0	2	355	605	16	39	0	15	0	2,670	5,104	3860	
Transportation*	891	0	0	5	274	314	0	36	0	0	0	2,224	3,744	2800	
Bus Replacem	0	0	0	0	4	4	0	0	0	0	0	17	25	36	
Cafeteria	193	252	316	280	318	352	55	1	2	52	783	175	2,779		
GO Constructi	0	0	0	0	0	0	0	0	0	0	0	0	0		
OTHER	2,706	1,502	1,046	2,081	880	1,332	2,545	1,701	734	1,478	550	913	17,468		
NET RECEIPT	15,544	5,244	4,714	5,942	7,768	8,915	6,534	5,004	3,961	4,601	5,329	9,279	82,835		
BALANCE + F	17,593	16,775	17,052	17,364	20,510	24,060	21,883	22,562	22,029	21,600	22,025	25,704			
PROJECTED E	14,042	5,312	5,318	4,842	5,309	12,042	6,295	5,157	5,684	5,234	5,059	11,788	86,082		
EXPENDITURES:													Expend	Auth 1782	
General Fund	3,204	2,884	3,350	2,937	2,752	3,985	2,769	2,721	2,991	3,051	3,300	10,237	44,181	32,580	37,472
Debt Service	0	0	0	0	0	2,029	329	0	1	0	0	2,356	4,715	5,196	
CPF	274	380	293	306	199	290	315	374	257	395	350	1,675	5,108	6,772	3,708
Transportation*	136	281	292	240	165	373	42	73	208	477	270	1,190	3,747	4,913	2,856
Bus Replacem	0	0	0	0	0	0	0	0	0	0	0	0	0	132	
Cafeteria	218	200	263	236	286	221	45	66	364	267	250	225	2,641		
GO Constructi	0	0	0	0	0	0	0	0	0	0	0	0	0		
OTHER	2230	692	1432	903	1963	1813	825	1260	1209	714	1,430	1150	15,621		
NET EXPEND	6,062	4,437	5,630	4,622	5,365	8,711	4,325	4,494	5,030	4,904	5,600	16,833	76,013		
PROJECTED E	6,638	5,864	6,226	6,734	6,199	9,314	5,042	4,960	6,047	6,119	5,855	16,860	85,858		
CASH BALAN	11,531	12,338	11,422	12,742	15,145	15,349	17,558	18,068	16,999	16,696	16,425	8,871			
PROJECTED E	9,453	8,901	7,993	6,101	5,211	7,939	9,192	9,389	9,026	8,141	7,345	2,273			

*GF TAW 6,709
*TRANS TAW 891
*CPF TAW 1,400
9,000

2019 CASH FLOW PROJECTIONS (with \$12m)
MUNCIE COMMUNITY SCHOOLS - ALL FUNDS

FIGURES REPRESENT \$1,000

11/6/2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Receipts
BEG BALANCE	12,171	14,142	16,782	17,327	17,410	16,893	18,961	16,312	13,497	9,772	10,218	9,871	
REVENUE:													
Educational	6,678	6,300	5,022	3,150	3,253	3,682	3,150	3,150	3,150	4,000	3,305	2,990	47,830
Operations	565	565	565	565	565	4314	565	565	565	565	565	3678	13,642
Debt	0	0	0	0	0	3,408	0	0	0	0	0	2,834	6,242
Title 1&2	0	145	291	291	291	291	291	291	291	291	291	291	3,055
Cafeteria	193	250	316	280	318	352	55	1	14	470	320	320	2,889
Go Construction	0	0	0	0	0	0	0	0	0	0	0	0	0
Field House	0	0	0	0	350	0	0	0	0	0	0	0	350
Other	2,200	1,100	800	1,700	980	900	2,250	1,301	352	790	760	760	13,893
NET RECEIPTS	9,636	8,360	6,994	5,986	5,757	12,947	6,311	5,308	4,372	6,116	5,241	10,873	87,901
BALANCE + RECEIPTS	21,807	22,502	23,776	23,313	23,167	29,840	25,272	21,620	17,869	15,888	15,459	20,744	
PROJECTED REVENUE	14,042	5,312	5,318	4,842	5,309	12,042	6,295	5,157	5,684	5,234	5,059	11,788	86,082
EXPENDITURES:													Expend.
Educational	3,204	2,984	3,350	3,031	2,752	3,985	2,869	2,821	3,400	3,280	3,218	3,600	38,494
Operations	1,152	1,145	1,145	1,145	1,145	1,150	1,145	1,145	1,145	1,099	1,099	1,099	13,614
Debt	0	0	0	0	0	2,532	0	0	0	0	0	2,532	5,064
Title 1&2	291	291	291	291	291	291	291	291	291	291	291	291	3,492
Cafeteria	218	200	263	236	286	221	45	66	286	340	320	320	2,801
Go Construction	200	200	0	0	0	2,000	3,000	2,000	1,775	0	0	0	9,175
Field House	400	0	0	0	0	0	350	0	0	0	0	0	750
Other	2,200	900	1,400	1,200	1,800	700	1,260	1,800	1,200	660	660	660	14,440
NET EXPENDITURES	7,665	5,720	6,449	5,903	6,274	10,879	8,960	8,123	8,097	5,670	5,588	8,502	87,830
PROJECTED EXPENDITURE	6,638	5,864	6,226	6,734	6,199	9,314	5,042	4,960	6,047	6,119	5,855	16,860	85,858
CASH BALANCE	14,142	16,782	17,327	17,410	16,893	18,961	16,312	13,497	9,772	10,218	9,871	12,242	

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2019 CASH FLOW PROJECTIONS (no \$12m)
MUNCIE COMMUNITY SCHOOLS - ALL FUNDS
 FIGURES REPRESENT \$1,000

9/24/2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Receipts
BEG BALANCE	8,871	7,314	6,804	5,477	5,560	5,043	7,111	4,462	1,647	-2,078	-1,632	-1,979	
REVENUE:													
Educational	3,150	3,150	3,150	3,150	3,253	3,682	3,150	3,150	3,150	4,000	3,305	2,990	39,280
Operations	565	565	565	565	565	4314	565	565	565	565	565	3678	13,642
Debt	0	0	0	0	0	3,408	0	0	0	0	0	2,834	6,242
Title 1&2	0	145	291	291	291	291	291	291	291	291	291	291	3,055
Cafeteria	193	250	316	280	318	352	55	1	14	470	320	320	2,889
Go Construction	0	0	0	0	0	0	0	0	0	0	0	0	0
Field House	0	0	0	0	350	0	0	0	0	0	0	0	350
Other	2,200	1,100	800	1,700	980	900	2,250	1,301	352	790	760	760	13,893
NET RECEIPTS	6,108	5,210	5,122	5,986	5,757	12,947	6,311	5,308	4,372	6,116	5,241	10,873	79,351
BALANCE + RECEIPTS	14,979	12,524	11,926	11,463	11,317	17,990	13,422	9,770	6,019	4,038	3,609	8,894	
PROJECTED REVENUE	14,042	5,312	5,318	4,842	5,309	12,042	6,295	5,157	5,684	5,234	5,059	11,788	86,082
EXPENDITURES:													Expend.
Educational	3,204	2,984	3,350	3,031	2,752	3,985	2,869	2,821	3,400	3,280	3,218	3,600	38,494
Operations	1,152	1,145	1,145	1,145	1,145	1,150	1,145	1,145	1,145	1,099	1,099	1,099	13,614
Debt	0	0	0	0	0	2,532	0	0	0	0	0	2,532	5,064
Title 1&2	291	291	291	291	291	291	291	291	291	291	291	291	3,492
Cafeteria	218	200	263	236	286	221	45	66	286	340	320	320	2,801
Go Construction	200	200	0	0	0	2,000	3,000	2,000	1,775	0	0	0	9,175
Field House	400	0	0	0	0	0	350	0	0	0	0	0	750
Other	2,200	900	1,400	1,200	1,800	700	1,260	1,800	1,200	660	660	660	14,440
NET EXPENDITURES	7,665	5,720	6,449	5,903	6,274	10,879	8,960	8,123	8,097	5,670	5,588	8,502	87,830
PROJECTED EXPENDITURE	6,638	5,864	6,226	6,734	6,199	9,314	5,042	4,960	6,047	6,119	5,855	16,860	85,858
CASH BALANCE	7,314	6,804	5,477	5,560	5,043	7,111	4,462	1,647	-2,078	-1,632	-1,979	392	

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