

Tax and Revenue Anticipation Note for MUSD

Presented by:
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November 10, 2020

What is a Tax and Revenue Anticipation Note, aka TRAN?

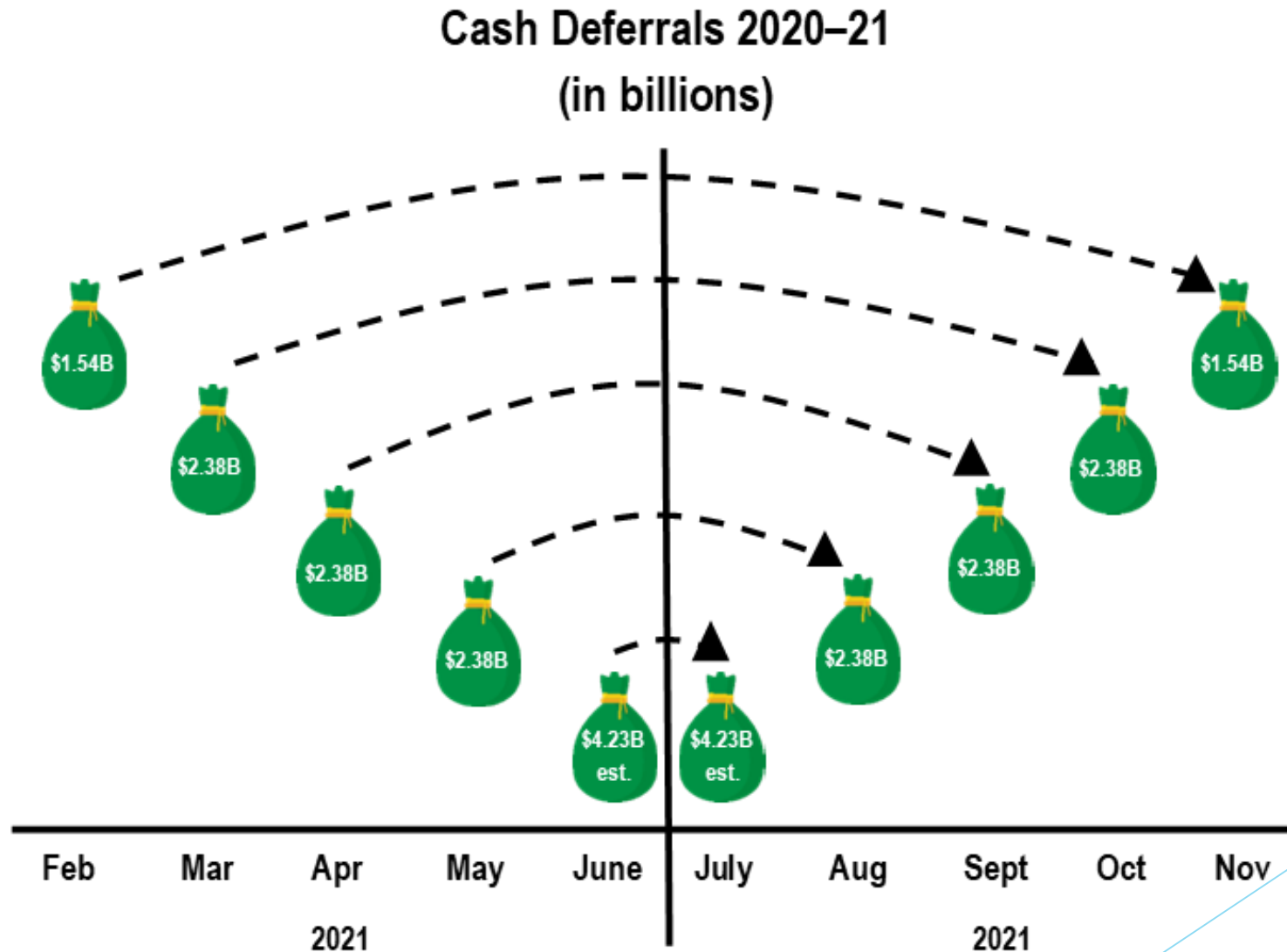
- ▶ A short-term borrowing instrument issued by a school district to cover short-term cash needs
- ▶ Must be repaid from revenues owed from the state to the district

Where do we get a TRAN?

- ▶ Riverside County Office of Education has developed a TRAN pool to assist school districts
- ▶ Fieldman, Rolapp & Associates, Inc.
 - ▶ A municipal advisor established in 1966
 - ▶ Significant presence in Riverside County
 - ▶ Three senior level employees
 - ▶ Adam Bauer - CEO & President
 - ▶ Rachel Chang-Kwei - Vice President
 - ▶ Jason Chung - Vice President

Why does MUSD need a TRAN?

Source: School Services of California



Why does MUSD need a TRAN?, cont.

- ▶ The state used deferrals to balance their budget in 2009/10 - the district didn't need a TRAN then, why now?
- ▶ In 2009/10 we had matching funds from the state that were designated for facility improvements that the district could borrow
- ▶ FYI - Every year the district uses inter-fund borrowings of approximately \$5 million to meet our cash flow needs

How much do we need?

We need \$13,755,000

2020-2021	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Beginning Balance	\$15,485,264	\$12,392,378	\$8,703,599	\$12,726,246	\$14,150,011	\$7,550,876	\$5,269,794	(\$799,201)	(\$8,169,695)
Revenue + Assets	\$8,078,266	\$7,099,030	\$15,493,887	\$10,691,488	\$2,720,582	\$7,329,560	\$2,969,134	\$2,016,773	\$18,684,062
Expense + Liabilities	\$11,171,152	\$10,787,809	\$11,471,240	\$9,267,723	\$9,319,717	\$9,610,643	\$9,038,128	\$9,387,267	\$18,677,198
Ending Balance	\$12,392,378	\$8,703,599	\$12,726,246	\$14,150,011	\$7,550,876	\$5,269,794	(\$799,201)	(\$8,169,695)	(\$8,162,831)

The cash shortfall: **\$ 8,169,695**
Plus 5% in working capital **\$ 5,585,305**

The not-to-exceed amount of our TRAN = \$13,755,000

What will it cost our district?

Item	Amount
RCOE Fee	\$0.00
Rating Agency Fee % Fee	\$1,520.24
Rating Agency Per District	\$500.00
Bond/Disclosure Counsel	\$8,500.00
Financial Advisor	\$6,750.00
Underwriter's Discount	\$4,484.13
Printer	\$45.61
Trustee Fee	\$258.44
Contingency	\$941.58
Estimated Interest	\$16,000.00
Total	\$39,000.00

The all-in True Interest Cost is estimated at .535%

Questions?