



# SEE IT BELIEVE IT DETROIT PUBLIC SCHOOLS

**DIVISION OF FINANCE & OPERATIONS**

3011 W. Grand Blvd.  
11<sup>th</sup> Floor, Fisher Bldg.  
Detroit, MI 48202  
[www.detroitk12.org](http://www.detroitk12.org)

**Marios Demetriou**

Deputy Superintendent of Finance & Operations  
(313) 873-4147 (P)  
(313) 873-4478 (F)  
[marios.demetriou@detroitk12.org](mailto:marios.demetriou@detroitk12.org)

## DETROIT PUBLIC SCHOOLS Division of Finance & Operations Office of the Deputy Superintendent

---


November 15, 2015

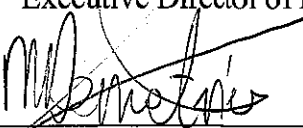
Via Facsimile: (614) 775-5631  
The Bank of New York  
6525 West Campus Oval, Suite 200  
New Albany, OH 43054

Attention: Vice President  
Municipal Credit Group

Ladies and Gentlemen:

P rsuant to Section 6.2(a)(v) of that certain Reimbursement Agreement among the Michigan Municipal Bond Authority, the School District of the City of Detroit (the "District") and The Bank of New York Trust Company, N.A. (the "Bank"), dated as of March 1, 2005, the District, through its undersigned official, hereby certifies that except as otherwise known and provided by law, the District has not taken any action or failed to take any action as of the date hereof that will result in the state withholding State Aid payments.

By:   
\_\_\_\_\_  
Delores A. Brown  
Executive Director of Finance

By:   
\_\_\_\_\_  
Marios Demetriou  
Deputy Superintendent of Finance & Operations

**CERTIFICATE AS TO SET ASIDE REQUIREMENTS**

(Pursuant to Section 3.3 of the Financing Agreement dated as of March 1, 2005 (the "Agreement") between the Michigan Municipal Bond Authority and the School District of the City of Detroit (the "District"))

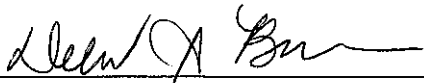
The undersigned, the Emergency Manager and Authorized District Officer of the District, hereby certifies that he/she has projected the District's monthly receipt of State School Aid for each month in the Projection Period (as defined in the Agreement) and compared such receipts to the corresponding monthly Set Aside Requirements (as defined in the Agreement) and has determined that at this time Section 3.3 of the Agreement:

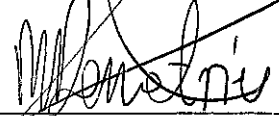
DOES NOT REQUIRE the establishment of new Set Aside Requirements

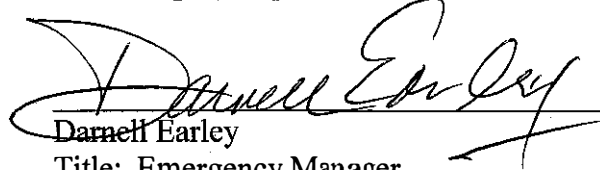
DOES REQUIRE the establishment of new Set Aside Requirements which, for each Series of Obligations currently Outstanding, are as follows:

[For each series of Obligations identify new Set Aside Requirements]

This 15th day of November, 2015  
[To be filed monthly 5 days before Funds Transfer Date]

  
\_\_\_\_\_  
Delores A. Brown  
Title: Executive Director of Finance

  
\_\_\_\_\_  
Marios Demetriou  
Title: Deputy Superintendent of Finance & Operations

  
\_\_\_\_\_  
Darnell Earley  
Title: Emergency Manager

**DETROIT PUBLIC SCHOOLS**  
**PROJECTED GENERAL FUND CASH FLOWS (In Thousands)**  
**July 2015 - June 2016**

	July	August	September	October	November	December	January	February	March	April	May	June
Beginning Balance	\$47,415	\$58,171	\$56,835	\$87,963	\$103,976	\$76,182	\$55,070	\$34,358	\$37,298	\$24,507	\$8,945	\$4,101
<b>Cash Receipts</b>												
State Aid [1]	32,095	32,912	-	28,155	34,457	30,766	32,207	32,207	32,207	31,134	32,207	32,207
Property Taxes [2]	7,338	14,539	6,985	929	2,184	748	1,784	12,798	3,932	3,595	2,484	-
Grants	30,697	10,810	4,369	1,828	11,122	17,529	11,529	19,529	11,529	16,294	21,029	11,529
State Aid Note Proceeds [3]	-	-	62,492	57,784	-	-	-	-	-	-	-	80,000
Wayne County RFSA (Act 18 Funds)	-	-	3,238	3,238	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Food Service-Reimbursement	3,166	200	702	92	2,200	3,700	3,700	3,700	3,700	4,100	3,300	6,500
Other Receipts	3,187	2,164	1,037	786	1,963	1,963	2,288	1,963	1,963	2,288	1,963	3,363
Total Cash Receipts	76,483	60,625	78,824	92,812	54,825	57,606	54,407	73,097	56,231	60,312	63,883	136,499
Total Available Funds	123,898	118,796	135,658	180,775	158,801	133,789	109,477	107,455	93,529	84,819	72,828	140,600
<b>Cash Disbursements</b>												
Payroll / Benefits	(39,480)	(24,775)	(30,563)	(30,420)	(32,393)	(28,143)	(32,551)	(28,143)	(28,143)	(35,831)	(28,143)	(28,613)
MPSERS pass through & employee portion	(5,216)	(5,027)	(3,985)	(1,757)	(2,985)	(9,526)	(5,776)	(5,776)	(5,776)	(6,790)	(5,776)	(5,776)
MPSERS employer portion [4]	-	-	-	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)
Account Payable	(16,074)	(31,519)	(12,928)	(21,893)	(23,980)	(19,089)	(14,831)	(10,531)	(9,396)	(9,031)	(9,396)	(10,196)
Food Service Transfer	(2,582)	(530)	-	(263)	(4,300)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Other Disbursements	(2,376)	(110)	(220)	(290)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(900)
Personnel & benefits savings [5]	-	-	-	-	-	-	-	944	944	1,559	1,244	1,244
Deferrals, revenue enhancements and savings	-	-	-	-	3,714	3,714	3,714	3,714	3,714	3,714	3,714	-
Set Aside Payments on State Aid Debt	-	-	-	-	-	-	-	-	-	-	-	-
2011 Bonds	-	-	-	(4,032)	(4,032)	(4,032)	(4,032)	(4,032)	(4,032)	(4,032)	(4,032)	-
2012 Bonds	-	-	-	(2,593)	(2,593)	(2,593)	(2,593)	(2,593)	(2,593)	(2,593)	(2,593)	-
SAN 2014 (Restated)	-	-	-	(14,800)	(14,800)	(14,800)	(14,800)	(6,900)	(6,900)	(6,900)	(6,964)	-
SAN 2015	-	-	-	-	-	-	-	(12,590)	(12,590)	(11,720)	(12,530)	(26,120)
Total Set-Aside Payments	-	-	-	(21,425)	(21,425)	(21,425)	(21,425)	(26,115)	(26,115)	(25,245)	(26,119)	(26,120)
Total Cash Disbursements	(65,727)	(61,961)	(47,695)	(76,799)	(82,619)	(78,719)	(75,119)	(70,157)	(69,022)	(75,874)	(68,726)	(74,111)
Ending Balance	\$58,171	\$56,835	\$87,963	\$103,976	\$76,182	\$55,070	\$34,358	\$37,298	\$24,507	\$8,945	\$4,101	\$66,489
Total Debt Service Coverage	n/a	n/a	n/a	1.31	1.61	1.44	1.50	1.23	1.23	1.23	1.23	1.23

[1] Public school districts in the State of Michigan do not receive state aid payments in the month of September.

[2] Reflects collections net of transfers made to other funds; i.e. funds permitted to be used for operational expenses.

[3] SAN issuance in June 2016 is preliminary estimate; actual amount and timing is subject to change.

[4] Represents monthly amount of the employer portion of MPSERS contribution that the district has committed to pay to ORS.

[5] Based on preliminary estimates of personnel and benefits savings; subject to change.

**FORWARD LOOKING STATEMENTS:**

This information contains statements relating to future results that are "forward looking statements." Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Any forecast is subject to such uncertainties. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.