



SEE IT BELIEVE IT

DETROIT PUBLIC SCHOOLS

DIVISION OF FINANCE & OPERATIONS

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DETROIT PUBLIC SCHOOLS

Division of Finance & Operations

Office of the Deputy Superintendent

October 15, 2015

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

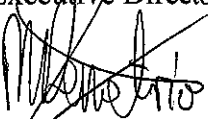
Attention: Vice President
Municipal Credit Group

Ladies and Gentlemen:

Pursuant 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]

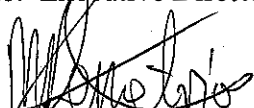
This 15th day of October, 2015

[To be filed monthly 5 days before Funds Transfer Date]



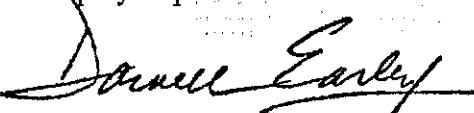
Delores A. Brown

Title: Executive Director of Finance



Marios Demetriou

Title: Deputy Superintendent of Finance & Operations



Darnell Earley

Title: Emergency Manager

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	\$91,963	\$87,136	\$83,704	\$70,922	\$49,822	\$51,574	\$37,595	\$20,581	\$10,049
Cash Receipts												
State Aid [1]	32,095	32,912	-	28,965	32,207	32,207	32,207	32,207	32,207	31,134	32,207	32,207
Property Taxes [2]	7,338	14,539	10,985	3,441	3,234	748	1,784	12,798	3,932	3,595	2,484	-
Grants	30,697	10,810	4,369	11,410	10,000	17,000	11,000	19,000	11,000	15,500	16,000	11,000
State Aid Note Proceeds [3]	-	-	62,492	40,000	18,034	-	-	-	-	-	-	80,000
Wayne County RESA (Act 18 Funds)	-	-	3,238	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Food Service-Reimbursement	3,166	200	702	1,127	1,000	3,700	3,700	3,700	3,700	4,100	3,300	6,500
Other Receipts	3,187	2,164	1,037	2,102	1,963	1,963	2,288	1,963	1,963	2,288	1,963	2,288
Total Cash Receipts	76,483	60,625	82,824	89,944	69,337	58,518	53,878	72,567	55,702	59,518	58,853	134,894
Total Available Funds	123,898	118,796	139,658	181,907	156,473	142,222	124,800	122,389	107,276	97,113	79,434	144,944
Cash Disbursements												
Payroll / Benefits	(39,480)	(24,775)	(30,563)	(34,555)	(28,143)	(28,143)	(32,551)	(28,143)	(28,143)	(35,831)	(28,143)	(28,613)
MPERS pass through & employee portion	(5,216)	(5,027)	(3,985)	(2,805)	(5,776)	(5,776)	(5,776)	(5,776)	(5,776)	(6,790)	(5,776)	(5,776)
MPERS employer portion [4]	-	-	-	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)
Account Payable	(16,074)	(31,519)	(12,928)	(34,777)	(16,731)	(14,762)	(14,031)	(10,531)	(9,396)	(9,031)	(9,396)	(9,396)
Food Service Transfer	(2,582)	(530)	-	(2,900)	(2,400)	(2,900)	(2,900)	(2,900)	(2,900)	(2,900)	(2,900)	(2,900)
Other Disbursements	(2,376)	(110)	(220)	(515)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Personnel & benefits savings [5]	-	-	-	-	-	-	-	944	944	1,559	1,244	1,244
Deferrals, revenue enhancements and savings	-	-	-	2,956	2,956	2,956	2,956	2,956	2,956	2,956	2,956	-
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)	(94,771)	(72,769)	(71,300)	(74,977)	(70,815)	(69,681)	(76,532)	(69,385)	(72,811)
Ending Balance	\$58,171	\$56,835	\$91,963	\$87,136	\$83,704	\$70,922	\$49,822	\$51,574	\$37,595	\$20,581	\$10,049	\$72,132
<i>Total Debt Service Coverage</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>1.35</i>	<i>1.50</i>	<i>1.50</i>	<i>1.50</i>	<i>1.23</i>	<i>1.23</i>	<i>1.23</i>	<i>1.23</i>	<i>1.23</i>

- [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 MPERS 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.