



SEE IT BELIEVE IT

DETROIT PUBLIC SCHOOLS

DIVISION OF FINANCE & OPERATIONS

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Marios Demetriou

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DETROIT PUBLIC SCHOOLS

Division of Finance & Operations

Office of the Deputy Superintendent

December 15, 2015

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

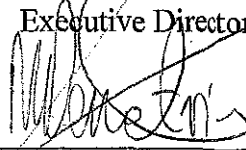
Attention: Vice President
Municipal Credit Group

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:

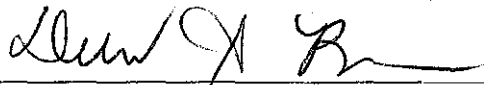
DOES NOT REQUIRE the establishment of new Set Aside Requirements

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]

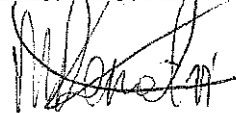
This 15th day of December, 2015

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



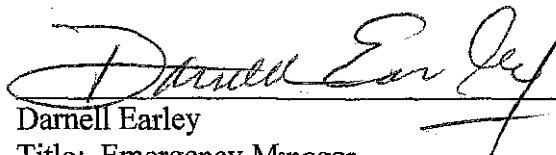
Delores A. Brown

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 | \$82,742 | \$59,965 | \$33,485 | \$35,877 | \$24,038 | \$9,599 | \$5,145 |
| Cash Receipts | | | | | | | | | | | | |
| State Aid [1] | 32,095 | 32,912 | - | 28,155 | 36,836 | 34,798 | 27,138 | 31,138 | 31,138 | 30,065 | 31,138 | 31,138 |
| Property Taxes [2] | 7,338 | 14,539 | 6,985 | 929 | 1,069 | 2,091 | 1,784 | 12,798 | 3,932 | 3,595 | 2,484 | - |
| Grants | 30,697 | 10,810 | 4,369 | 1,828 | 6,595 | 18,334 | 12,125 | 20,125 | 12,125 | 17,187 | 21,625 | 12,125 |
| State Aid Note Proceeds [3] | - | - | 62,492 | 57,784 | - | - | - | - | - | - | - | 80,000 |
| Wayne County RESA (Act 18 Funds) | - | - | 3,238 | 3,238 | 6,477 | - | 3,238 | 3,238 | 3,238 | 3,238 | 3,238 | 3,238 |
| Food Service-Reimbursement | 3,166 | 200 | 702 | 92 | 67 | 3,608 | 4,100 | 4,100 | 4,100 | 4,600 | 3,600 | 6,500 |
| Other Receipts | 3,187 | 2,164 | 1,037 | 786 | 1,985 | 2,072 | 2,163 | 2,063 | 2,063 | 2,163 | 1,600 | 3,126 |
| Total Cash Receipts | 76,483 | 60,625 | 78,824 | 92,812 | 53,029 | 60,904 | 50,547 | 73,462 | 56,596 | 60,849 | 63,685 | 136,127 |
| Total Available Funds | 123,898 | 118,796 | 135,658 | 180,775 | 157,005 | 143,645 | 110,512 | 106,946 | 92,473 | 84,887 | 73,285 | 141,272 |
| Cash Disbursements | | | | | | | | | | | | |
| Payroll / Benefits | (39,480) | (24,775) | (30,563) | (30,420) | (26,149) | (31,834) | (32,551) | (28,143) | (28,143) | (35,831) | (28,143) | (30,081) |
| MPSERS pass through & employee portion | (5,216) | (5,027) | (3,985) | (1,757) | (2,743) | (8,150) | (5,092) | (5,092) | (5,092) | (6,106) | (5,092) | (5,164) |
| MPSERS employer portion [4] | - | - | - | (750) | (750) | (750) | (750) | (750) | (750) | (750) | (750) | (750) |
| Account Payable | (16,074) | (31,519) | (12,928) | (21,893) | (16,938) | (25,558) | (17,331) | (12,031) | (9,396) | (9,031) | (9,396) | (10,196) |
| Food Service Transfer | (2,582) | (530) | - | (263) | (5,411) | - | (3,485) | (3,485) | (3,485) | (3,485) | (3,485) | (2,550) |
| Other Disbursements | (2,376) | (110) | (220) | (290) | (847) | (130) | (560) | (560) | (560) | (560) | (560) | (1,260) |
| Personnel & benefits savings [5] | - | - | - | - | - | - | - | 940 | 940 | 1,553 | 1,240 | 1,271 |
| Deferrals, revenue enhancements and savings | - | - | - | - | - | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | - |
| 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) | (74,263) | (83,681) | (77,028) | (71,070) | (68,435) | (75,288) | (68,139) | (74,850) |
| Ending Balance | \$58,171 | \$56,835 | \$87,963 | \$103,976 | \$82,742 | \$59,965 | \$33,485 | \$35,877 | \$24,038 | \$9,599 | \$5,145 | \$66,422 |
| <i>Total Debt Service Coverage</i> | <i>n/a</i> | <i>n/a</i> | <i>n/a</i> | <i>1.31</i> | <i>1.72</i> | <i>1.62</i> | <i>1.27</i> | <i>1.19</i> | <i>1.19</i> | <i>1.19</i> | <i>1.19</i> | <i>1.19</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 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.