



# SEE IT BELIEVE IT

## DETROIT PUBLIC SCHOOLS

**DIVISION OF FINANCE & OPERATIONS**

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**Marios Demetriou**  
Deputy Superintendent of Finance & Operations  
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## DETROIT PUBLIC SCHOOLS

### Division of Finance & Operations

### Office of the Deputy Superintendent

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March 15, 2016

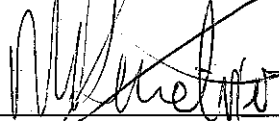
Via Facsimile: (614) 775-5631  
The Bank of New York  
6525 West Campus Oval, Suite 200  
New Albany, OH 43054

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:   
\_\_\_\_\_  
Deloras 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:

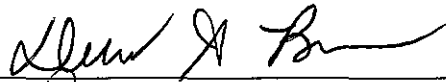
DOES NOT REQUIRE the establishment of new Set Aside Requirements

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 March, 2016

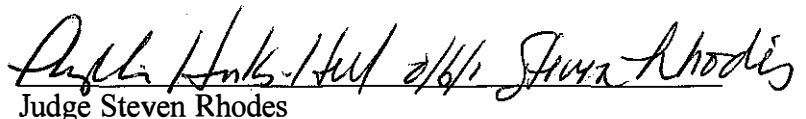
[To be filed monthly 5 days before Funds Transfer Date]



Delores A. Brown  
Title: Executive Director of Finance



Marios Demetriou  
Title: Deputy Superintendent of Finance & Operations



Judge Steven Rhodes  
Title: Transition 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	\$85,772	\$101,289	\$79,131	\$70,920	\$34,478	\$16,296	\$7,546
<b>Cash Receipts</b>												
State Aid [1]	32,095	32,912	-	28,155	36,836	34,751	29,556	35,000	27,186	31,114	32,186	32,186
Property Taxes [2]	7,338	14,539	6,985	929	1,069	417	1,862	13,082	4,494	2,755	2,400	-
Grants	30,697	10,810	4,369	1,828	190	36,684	13,636	14,270	12,143	15,792	13,695	14,647
State Aid Note Proceeds [3]	-	-	62,492	57,784	-	-	-	-	-	-	-	30,000
Wayne County RESA (Act 18 Funds)	-	-	3,238	3,238	6,477	-	3,180	3,415	3,300	3,300	3,300	3,300
Food Service-Reimbursement	3,166	200	702	92	8,857	114	7,800	3,782	3,518	2,800	1,968	1,968
Other Receipts	3,187	2,164	1,037	786	1,985	1,545	279	1,246	6,358	1,475	1,290	2,206
<b>Total Cash Receipts</b>	<b>76,483</b>	<b>60,625</b>	<b>78,824</b>	<b>92,812</b>	<b>55,414</b>	<b>73,511</b>	<b>56,313</b>	<b>70,797</b>	<b>56,999</b>	<b>57,237</b>	<b>54,839</b>	<b>84,307</b>
Total Available Funds	123,898	118,796	135,658	180,775	159,390	159,283	157,602	149,928	127,918	91,715	71,134	91,853
<b>Cash Disbursements</b>												
Payroll / Benefits	(39,480)	(24,775)	(30,563)	(30,420)	(26,149)	(22,499)	(35,277)	(26,058)	(24,996)	(35,991)	(28,263)	(36,600)
MPSERS pass through & employee portion	(5,216)	(5,027)	(3,985)	(1,757)	(2,743)	(7,063)	(5,894)	(5,056)	(4,991)	(5,092)	(5,092)	(6,590)
MPSERS employer portion [4]	-	-	-	(750)	(750)	(750)	(750)	(750)	(1,400)	(1,400)	(1,400)	(1,400)
Account Payable	(16,074)	(31,519)	(12,928)	(21,893)	(16,938)	(4,124)	(13,145)	(16,305)	(31,598)	(15,016)	(10,265)	(8,165)
Food Service Transfer	(2,582)	(530)	-	(263)	(5,411)	(2,030)	(1,744)	(4,555)	(4,250)	(1,884)	(1,343)	(2,748)
Other Disbursements	(2,376)	(110)	(220)	(290)	(202)	(104)	(236)	(188)	(1,156)	(1,150)	(1,150)	(2,141)
Personnel & benefits savings [5]	-	-	-	-	-	-	-	-	1,066	1,693	1,378	1,667
Deferrals, revenue enhancements and savings	-	-	-	-	-	-	-	-	-	8,667	8,667	-
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	-	-	-	-	-	-	-	(12,570)	(12,590)	(11,720)	(12,530)	(26,120)
Total Set-Aside Payments	-	-	-	(21,425)	(21,425)	(21,425)	(21,425)	(26,095)	(26,115)	(25,245)	(26,119)	(26,120)
<b>Total Cash Disbursements</b>	<b>(65,727)</b>	<b>(61,961)</b>	<b>(47,695)</b>	<b>(76,799)</b>	<b>(73,618)</b>	<b>(57,994)</b>	<b>(78,471)</b>	<b>(79,008)</b>	<b>(93,440)</b>	<b>(75,419)</b>	<b>(63,588)</b>	<b>(82,098)</b>
Ending Balance	\$58,171	\$56,835	\$87,963	\$103,976	\$85,772	\$101,289	\$79,131	\$70,920	\$34,478	\$16,296	\$7,546	\$9,755
Total Debt Service Coverage	n/a	n/a	n/a	1.31	1.72	1.62	1.38	1.34	1.04	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.