

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT REGULAR MEETING

Monday, March 27, 2017
Following the City Regular Meeting
(Begins no earlier than 2:00 p.m.)
Cadillac Place, Suite L-150
3062 West Grand Boulevard
Detroit, MI 48202

AGENDA

- I. Call to Order**
- II. Roll Call**
- III. Approval of Proposed Minutes from the February 27, 2017 School District Meeting**
- IV. Executive Director's Report**
- V. Old Business - None**
- VI. New Business**
 - a. Presentation of the Community District's Monthly Financial Report
 - b. FY 18 Budget Projection Update
 - c. Community District's Bond Refinancing
 - d. Consideration of the Community District's March 2017 contract approval requests per MCL 141.1636(6) (FRC School District Resolution 2017-5)
 - e. Consideration of the Community District's March 2017 out-of-state travel reimbursement requests per MCL 141.1637(q) (FRC School District Resolution 2017-6)
- VII. Public Comment**
- VIII. Next Meeting Date**
- IX. School District Regular Meeting: Monday, April 17, 2017 following the City Meeting, beginning no earlier than 2:00 p.m. at Cadillac Place, 3062 West Grand Boulevard, Suite L-150, Detroit MI 48202.**
- X. Adjournment**

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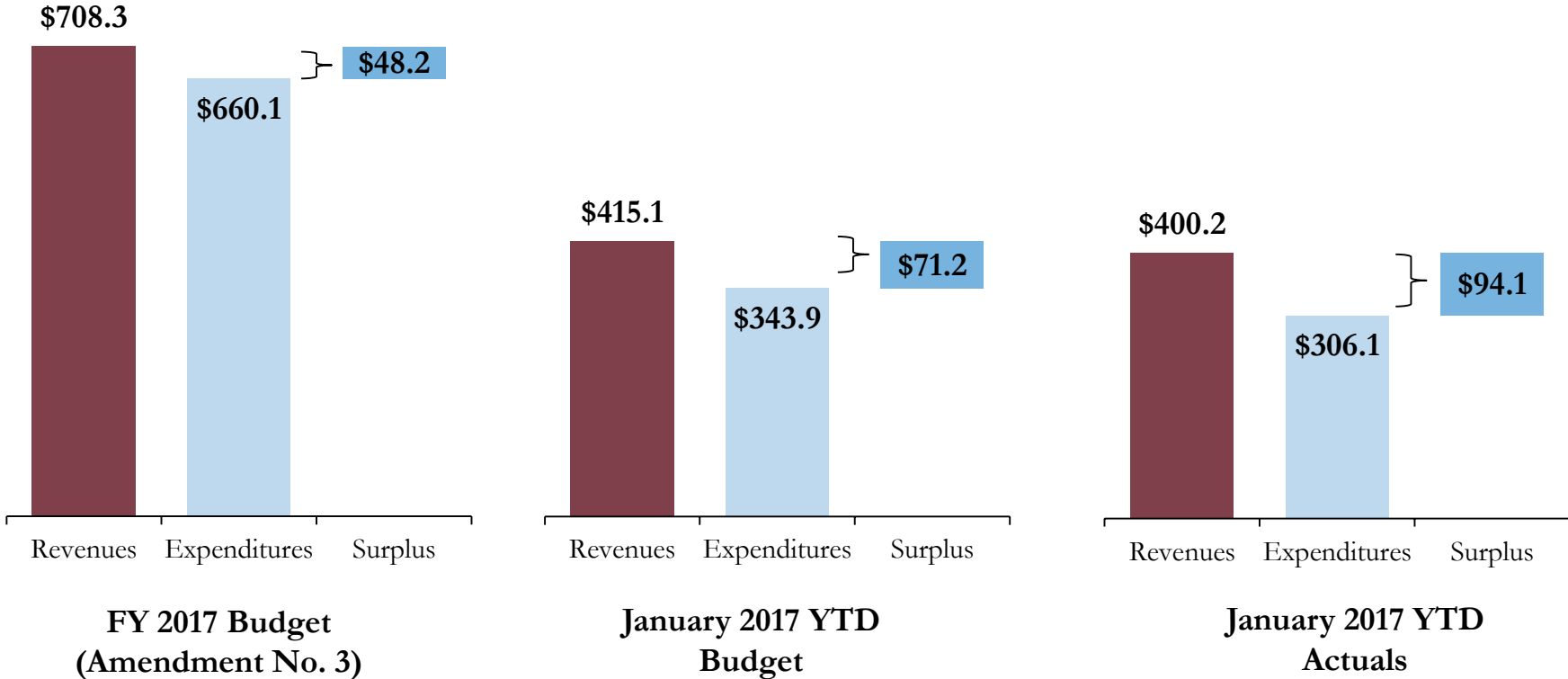
DPSCD Financial Update – January 2017

- DPSCD has recorded a deficit of revenues over expenditures of \$1M in the month of January 2017 (see p. 5). This was primarily as a result of timing differences between budget and actual in the expenditure and associated receipt of Federal and Act 18 grant monies.
- DPSCD has recorded a surplus of revenues over expenditures of \$94M through January 2017(see p. 5). The surplus is primarily due to higher revenue resulting from one-time transfers in related to the new District legislation along with one-time asset sales, and lower expenditures due to unfilled vacancies.
- January 2017 revenues totaling \$49M were lower than budgeted revenues of \$64M (see p. 5). This difference primarily relates to timing differences in Federal and Wayne RESA Act 18 expenditures and associated receipt of grant monies. YTD revenues totaling \$400M were lower than budgeted revenues of \$415M (see p. 5) due to \$6M relating to the sale of the WRCJ-FM radio station being held in escrow until the transfer of the license is cleared by the FCC (which occurred in March 2017), along with grant fund timing differences.
- January 2017 expenditures totaling \$50M were lower than budget by \$7M (see p. 5 and p. 6) primarily due to unfilled vacancies and the contingency built into the budget. YTD expenditures totaling \$306M were lower than budget (by \$38M – see p. 5 and p. 6) for similar reasons.
- DPSCD’s FY 2017 Adopted Budget has a \$48M surplus, however the annualized budget projection has a surplus of \$68M (see p. 7). This \$20M increase is primarily due to additional Act 18 revenue and an ad-hoc reimbursement for Special Education transportation expenditures; along with the removal of General Fund vacancies and the contingency.
- YTD net cash flow through January 2017 was \$52M (see p. 10 and p. 11), primarily due to one-time transfers in, asset sales, unfilled vacancies and timing differences in expected expenditures for the month that will be disbursed in February 2017.
- Net cash flow (\$52M – see p. 12) was lower than the revenue surplus (\$94M – see p. 5) due to timing differences between cash and accruals. These timing differences are expected to reverse.

January 2017 YTD Financial Summary

- As of January 31, 2017, DPSCD is slightly below its YTD revenue budget, primarily due to timing differences in asset sales and grant receipts
- As of January 31, 2017, DPSCD's expenditures were below budget, primarily due to unfilled vacancies

(\$ in million)



DPSCD summary statement of revenues and expenditures – budget to actual comparison

	Budget to Actual Comparison Current Month				Budget to Actual Comparison YTD				
	Budget	Actual	Variance		Budget	Actual	Variance		
	Month of	Month of	\$	%	YTD	YTD	\$	%	
	Jan-17	Jan-17			Jan-17	Jan-17			
Revenues									
Local sources ¹	\$ 3,508,360	\$ 2,320,434	\$ (1,187,926)	(34%)	\$ 7,036,285	\$ 7,797,132	\$ 760,847	11%	
State sources ¹	36,250,714	34,378,984	(1,871,730)	(5%)	250,124,811	250,926,814	802,002	0%	
Federal sources	21,775,352	10,924,043 [*]	(10,851,309)	(50%)	78,983,826	72,110,476	(6,873,350)	(9%)	
Interdistrict sources ²	2,900,425	1,105,901 [*]	(1,794,524)	(62%)	28,602,914	25,656,695	(2,946,219)	(10%)	
Other sources ³	-	-	-	-	50,397,337	43,722,905 ^{**}	(6,674,432)	(13%)	
Total revenues	64,434,851	48,729,363	(15,705,488)	(24%)	415,145,174	400,214,022	(14,931,151)	(4%)	
Expenditures									
Instruction	29,830,252	24,496,656	(5,333,596)	(18%)	167,286,768	145,783,624	(21,503,144)	(13%)	
Support services	25,917,262	25,228,471	(688,791)	(3%)	174,507,591	159,076,051	(15,431,540)	(9%)	
Community service	632,557	72,075	(560,482)	(89%)	1,919,610	1,144,736	(774,874)	(40%)	
Facilities acquisitions and improvement	75,830	85,833	10,003	13%	227,419	95,093	(132,327)	(58%)	
Debt service ⁴	-	-	-	-	-	-	-	-	
Other uses	-	-	-	-	-	-	-	-	
Total expenditures	56,455,901	49,883,034	(6,572,867)	(12%)	343,941,389	306,099,503	(37,841,884)	(11%)	
Surplus (Deficit)	\$ 7,978,950	\$ (1,153,671)	\$ (9,132,621)	(114%)	\$ 71,203,784	\$ 94,114,519	\$ 22,910,735	32%	

Notes regarding January 2017 actuals

* Timing differences in Budget to Actual for Federal source and Wayne RESA Act 18 expenditures and associated receipt of grant monies.

**An amount of \$6M relating to the sale of the WRCJ-FM radio station is being held in escrow until the transfer of the license is cleared by the FCC and cannot be recognized as revenue until the funds are released. The license was cleared by the FCC in March 2017 so will be recognized as revenue at that time.

Notes regarding the impact of the legislation that created DPSCD

- Reflects \$15M advance of Act 18 funds from WRESA to provide start-up liquidity. Includes revenue for Charter School services and EAA agreement.
- Includes estimated ending cash balance of DPS as well as \$25M of dedicated transition funds
- DPSCD no longer has debt service.

DPSCD detail statement of expenditures by object level – budget to actual comparison

	Budget to Actual Comparison Current Month					Budget to Actual Comparison YTD				
	Budget	Actual		Variance		Budget	Actual		Variance	
	Month of	Month of		Variance		YTD	YTD		Variance	
	Jan-17	Jan-17		\$	%	Jan-17	Jan-17		\$	%
Salaries	\$ 25,506,472	\$ 22,533,092 *	\$ (2,973,380)	(12%)	\$ 152,122,384	\$ 137,151,026	\$ (14,971,358)	(10%)		
Benefits	14,749,142	12,355,031	(2,394,111)	(16%)	87,535,041	74,714,282	(12,820,759)	(15%)		
Purchased Services	12,754,944	12,795,851	40,907	0%	78,793,240	72,331,230	(6,462,009)	(8%)		
Supplies & Textbooks	1,965,909	452,834	(1,513,075)	(77%)	8,855,318	6,376,684	(2,478,633)	(28%)		
Equipment & Capital	487,304	-	(487,304)	(100%)	6,409,604	4,277,149**	(2,132,455)	(33%)		
Utilities	992,130	1,746,224	754,094	76%	10,225,803	11,249,133	1,023,330	10%		
Debt Service ¹	-	-	-		-	-	-			
Other	-	-	-		-	-	-			
Total Expenditures	\$ 56,455,901	\$ 49,883,034	\$ (6,572,868)	(12%)	\$ 343,941,389	\$ 306,099,503	\$ (37,841,886)	(11%)		

Note regarding the impact of the legislation that created DPSCD

1. DPSCD no longer has debt service.

Notes regarding January 2017 actuals

* An efficiency bonus to Office of School Nutrition employees was paid in January 2017 totaling \$546k.

** Funds to be spent on Capital Works when weather improves in Spring 2017.

DPSCD FY 2017 annualized projection

Annualized Projection Analysis			
Budget	Projection	Variance (Budget vs Projection)	
Annual	Annual	Annual	
Adjusted (1)	Estimated (2)	Estimated	
A	B	(\$) C = B-A	% D = (C/A)
Revenues			
Local sources	\$ 25,769,947	\$ 31,153,286	\$ 5,383,339 21%
State sources	441,694,928	441,694,928	- -
Federal sources	146,159,505	146,159,505	- -
Interdistrict sources	43,164,076	43,164,076	- -
Other sources	51,525,366	52,405,963	880,597 2%
Total Revenues	708,313,822	714,577,758	6,263,936 1%
Expenditures			
Instruction	334,685,823	326,545,998	(8,139,825) (2%)
Support services	319,469,321	313,656,285	(5,813,036) (2%)
Community service	5,350,764	5,309,780	(40,984) (1%)
Facilities acquisitions and improvement	606,809	600,654	(6,155) (1%)
Debt service	-	-	- -
Other uses	-	-	- -
Total Expenditures	660,112,719	646,112,717	(14,000,000) (2%)
Surplus (Deficit)	\$ 48,201,103	\$ 68,465,041	\$ 20,263,938 42%

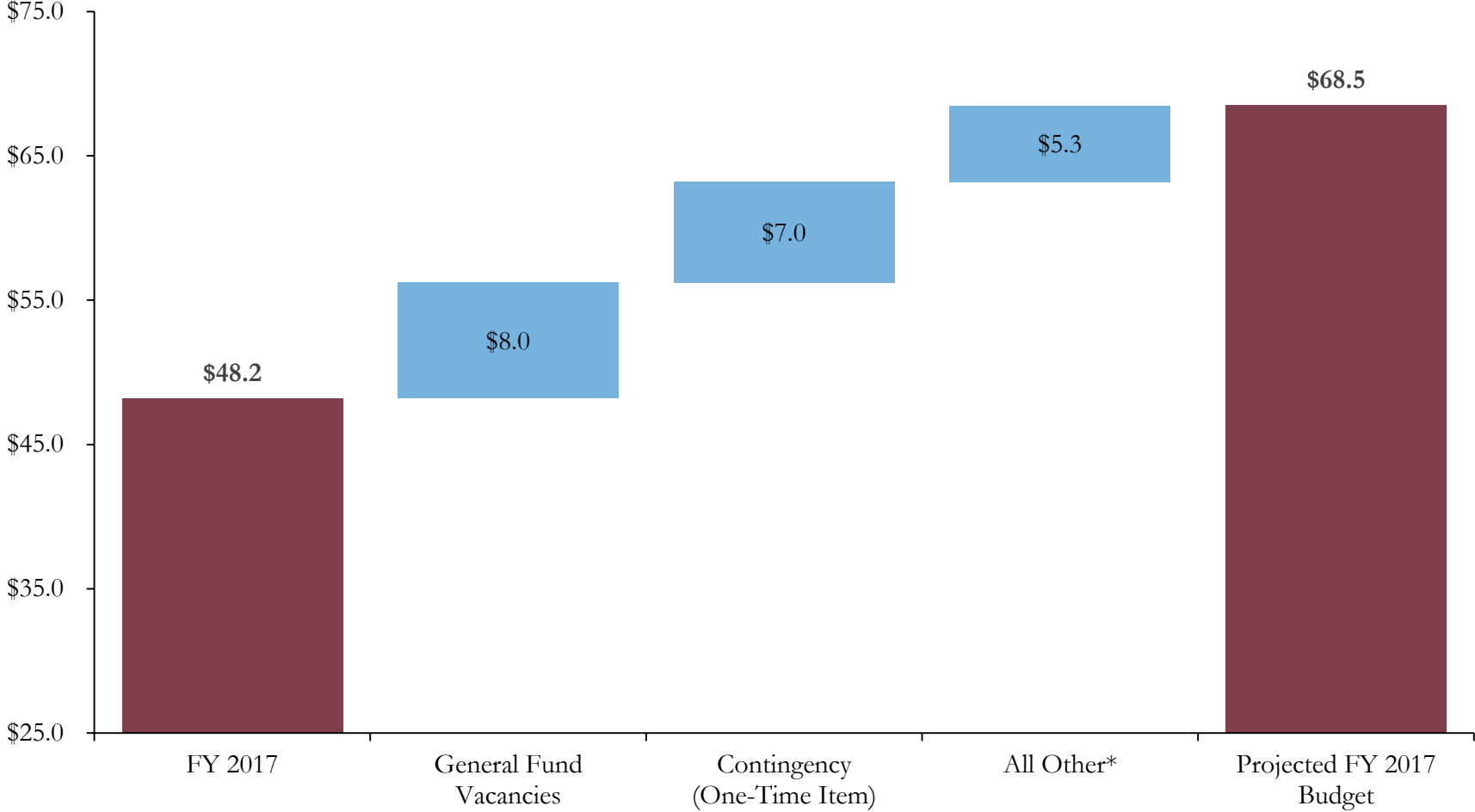
Notes:

- (1) Based on approved Budget Amendment No. 3
- (2) Best estimates based on the information available to DPSCD at the time. Revenues includes act 18 revenue for DPS overpayments in FY14 of \$2.1M, reimbursement of Special Education Transportation of \$3.2M, additional \$500K in asset sales and additional DPS ending cash balance of \$500k . Expenditures reflect removal of General Fund vacancies of \$8M and contingency of \$7M.

Financial walk from DPSCD FY 2017 budget surplus of \$48M to the estimated projected FY 2017 surplus of \$68M

DPSCD FY 2017 Bridge

(\$ in million)

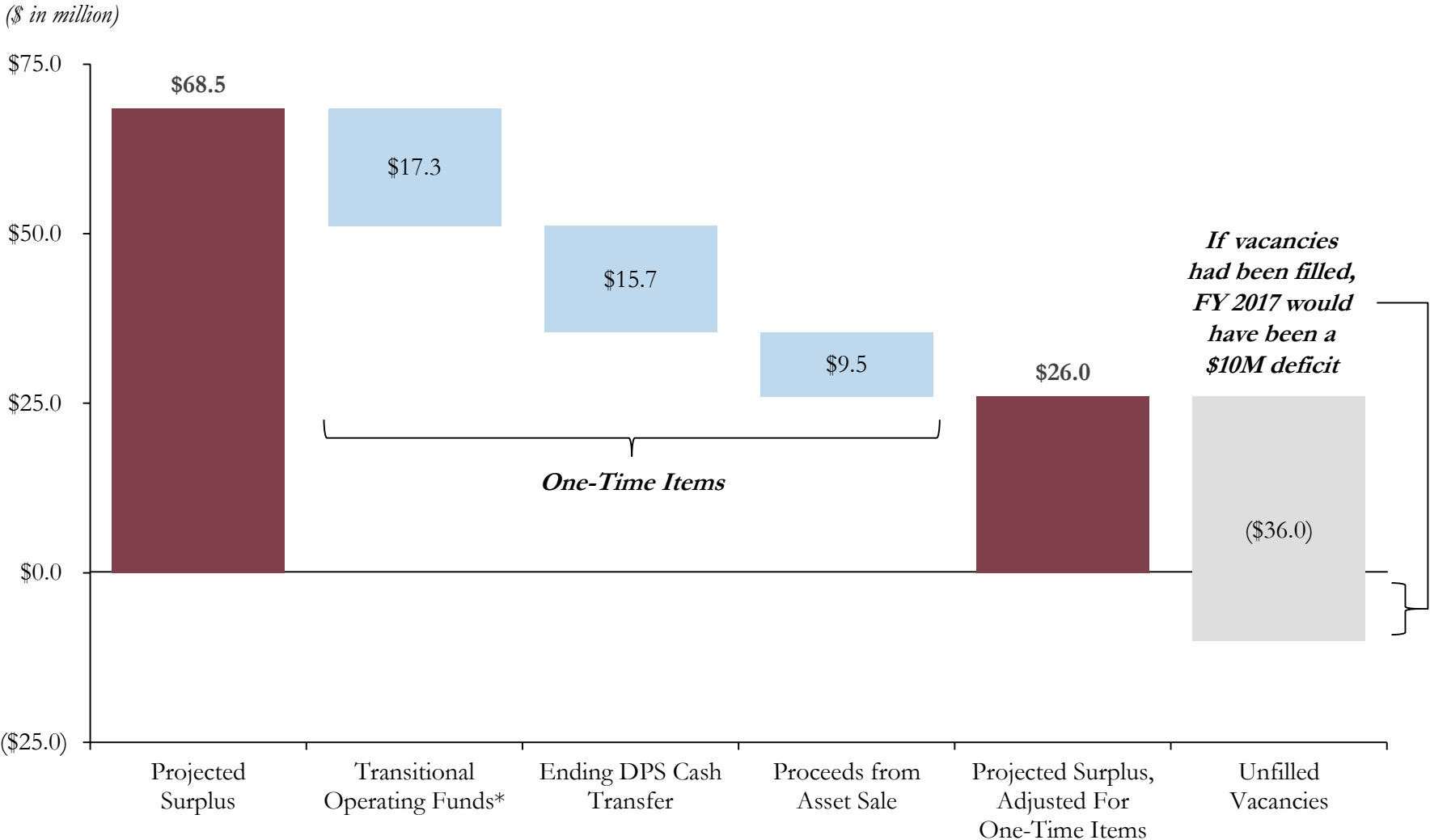


Notes:

*Includes amounts related to asset sales and cash to be received from DPS, incremental Act 18 revenue, special education transport reimbursement, and a reduction to indirect costs. Best estimates based on the information available to DPSCD at the time. Numbers are preliminary and subject to change.

DPSCD FY 2017 projected surplus of \$68M is entirely due to one time items and unfilled vacancies

Projected Surplus, Net Of One-Time Items Bridge



Notes:
 *Total transitional operating funds of \$25M are shown net of FY 2017 spending of \$7.7M

DPSCD Cash Forecast to Actuals Variance – January 2017

<i>\$ in thousands</i>	January		Variance	Comment
	Forecast	Actuals		
Cash Receipts				
State Aid	\$ 34,893	\$ 34,830	\$ (63)	
MPSERS (State Funded)	3,182	3,182	-	
Enhancement Millage	3,506	177	(3,329)	
Grants	12,173	18,156	5,983	Catch-up from previous months
Transfer from DPS	4,885	5,358	473	
WCRESA	2,254	2,341	87	
Food Service Reimbursement	3,231	-	(3,231)	Timing - Receipts expected at later date / in line with disbursements
Capital Asset Sales	5,909	-	(5,909)	Funds held in escrow pending FCC clearance
Miscellaneous	978	477	(501)	
Total Cash Receipts	71,011	64,521	(6,490)	
Cash Disbursements				
MPSERS (Pass through)	\$ (3,182)	\$ (3,182)	\$ -	
Payroll Direct Deposit	(14,145)	(13,087)	1,058	
Taxes	(5,585)	(5,118)	467	
FICA	(1,673)	(1,497)	176	
Accounts Payable	(14,035)	(7,340)	6,695	Timing - disbursements expected during February
Pension (employee portion)	(1,910)	(1,784)	127	
Pension (employer portion)	(5,914)	(5,263)	651	
Health	(4,153)	(3,152)	1,001	
Fringe Benefits	(586)	(82)	504	
Food Service	(2,764)	(167)	2,597	Timing - disbursements expected during February
Transfer to DPS	(15,739)	(15,739)	-	
Other	(150)	(22)	128	
Total Cash Disbursements	(69,837)	(56,434)	13,404	
Beginning Cash Balance	44,142	44,142	-	
Net Cash Flow	1,174	8,087	6,913	
Ending Cash Balance	\$ 45,315	\$ 52,229	\$ 6,913	

Note: The sum of individual month's variances does not equal the cumulative variance for multiple months as the forecast is updated weekly and changes in current month can affect future months (e.g. a receivable that is initially expected in August, subsequently expected in September and finally received in October will show up twice in the monthly variance but only once in the cumulative variance).

DPSCD FY 2017 January YTD cash flows

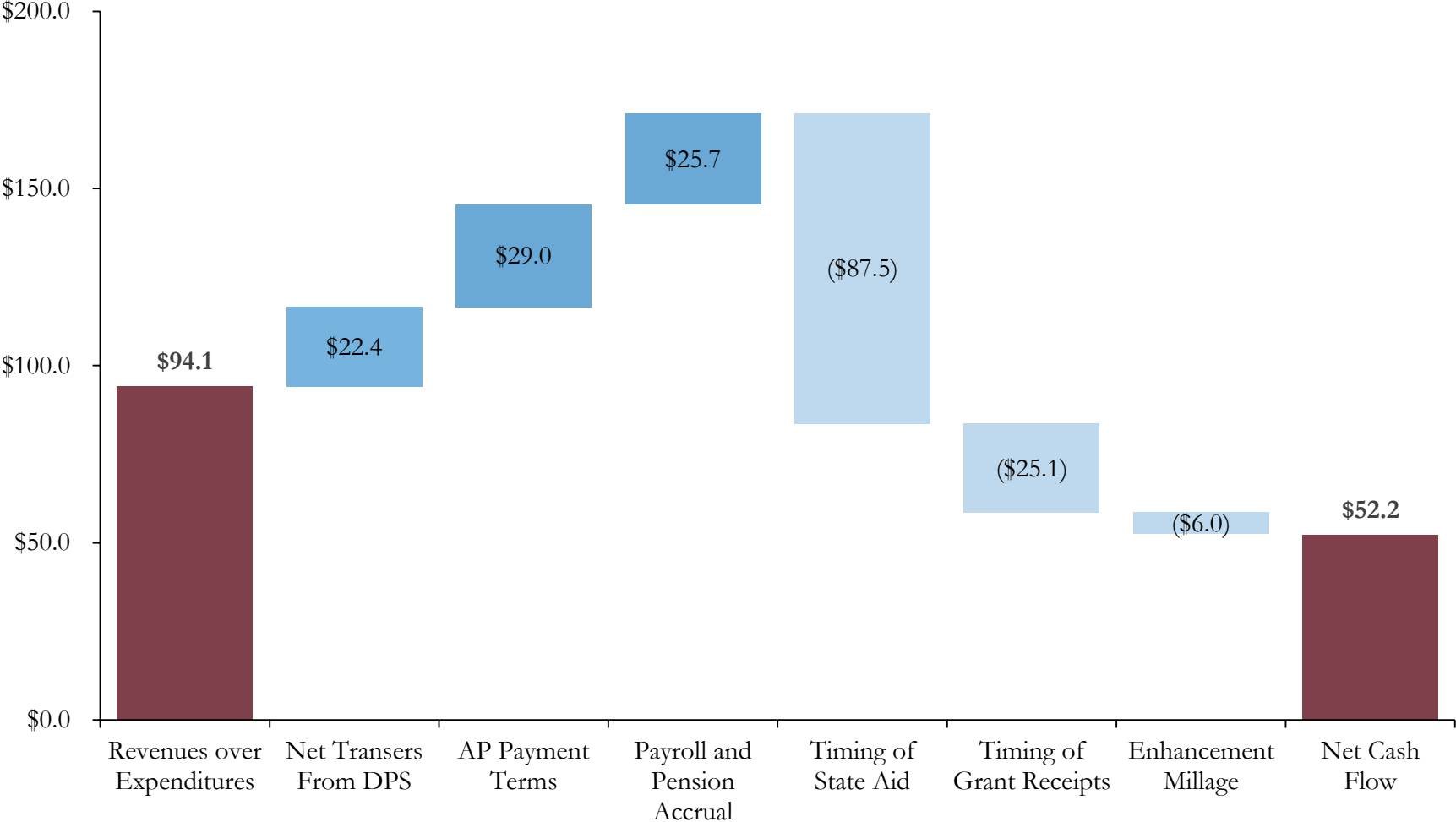
\$ in thousands

	July	August	September	October	November	December	January	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	
Cash Receipts								
State Aid	\$ -	\$ -	\$ -	\$ 35,052	\$ 35,841	\$ 33,765	\$ 34,830	\$ 139,488
MPSERS (State Funded)	-	-	-	-	6,364	3,182	3,182	12,729
Enhancement Millage	-	-	-	-	-	-	177	177
Grants	-	-	2,407	1,257	13,052	13,009	18,156	47,881
Transfer from DPS	25,000	15,269	-	15,739	17,000	-	5,358	78,367
WCRESA	15,000	-	2,498	2,254	1,944	2,254	2,341	26,291
Food Service Reimbursement	-	-	-	-	3,666	4,685	-	8,352
Capital Asset Sales	-	-	-	-	-	3,091	-	3,091
Miscellaneous	25	110	198	976	628	537	477	2,950
Total Cash Receipts	40,025	15,380	5,103	55,277	78,496	60,523	64,521	319,325
Cash Disbursements								
MPSERS (Pass through)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,364)	\$ (3,182)	\$ (9,546)
Payroll Direct Deposit	(2,396)	(3,424)	(14,038)	(13,598)	(6,767)	(25,744)	(13,087)	(79,055)
Taxes	(27)	(1,397)	(2,966)	(5,085)	(5,296)	(9,216)	(5,118)	(29,105)
FICA	-	(629)	(882)	(1,543)	(1,566)	(2,885)	(1,497)	(9,002)
Accounts Payable	(1)	(505)	(8,223)	(6,045)	(12,668)	(22,410)	(7,340)	(57,193)
Pension (employee portion)	(36)	(428)	(692)	(1,589)	(1,716)	(2,597)	(1,784)	(8,843)
Pension (employer portion)	-	(1,700)	(429)	(5,187)	(5,468)	(8,073)	(5,263)	(26,119)
Health	(28)	(6,965)	(5,818)	(124)	(4,404)	(3,731)	(3,152)	(24,223)
Fringe Benefits	-	(6)	(13)	(22)	(40)	(65)	(82)	(230)
Food Service	-	-	(321)	(2,189)	(1,424)	(3,598)	(167)	(7,700)
Transfer to DPS	-	-	-	-	-	-	(15,739)	(15,739)
Other	-	(75)	-	(2)	(199)	(41)	(22)	(340)
Total Cash Disbursements	(2,488)	(15,131)	(33,383)	(35,387)	(39,550)	(84,725)	(56,434)	(267,096)
Beginning Cash Balance	-	37,537	37,786	9,506	29,397	68,343	44,142	-
Net Cash Flow	37,537	249	(28,280)	19,891	38,946	(24,201)	8,087	52,229
Ending Cash Balance	\$ 37,537	\$ 37,786	\$ 9,506	\$ 29,397	\$ 68,343	\$ 44,142	\$ 52,229	\$ 52,229

Reconciliation of FY 2017 January YTD general ledger surplus to actual net cash flow

Revenues over Expenditures to Net Cash Flow Bridge

(\$ in million)



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DPSCD FY 2018 Preliminary Draft Budget: High Level Assumption Changes

Revenue

- i. Expected student enrollment increase of ~3,000 due to the following two items:
 - Total DPSCD student enrollment of 44,148 students; an enrollment loss of ~1,000 DPSCD students from FY17
 - Enrollment gain from EAA consolidation of ~4,000 EAA students (the EAA had ~5,000 students in FY17)
- ii. The charter schools authorized by EAA will also revert to DPSCD (900 students); revenue is estimated at \$910 per student and DPSCD will receive a 3% charter administration fee for these schools
- iii. Increase in the Foundation Allowance by \$99 (from \$7,552 in FY17 to \$7,651 in FY18) (per Governor Rick Snyder's FY18 spending plan presented to legislators on February 8, 2017)
- iv. Additional \$50 per High School FTE (per Governor Rick Snyder's FY18 spending plan presented to legislators on February 8, 2017)
- v. \$1.3M enhancement millage increase from FY17 due to increased enrollment from EAA

Expenditures

- i. Staffing costs are budgeted to increase, still need to be negotiated
- ii. Assumes FY17 incremental costs of DPSCD related to EAA costs
- iii. No assumption for one-time costs that could occur in relation to EAA consolidation or school / facility rationalization
- iv. 5.5% increase in health benefits cost (annualizing the 11% increase for 6 months, from January to June)
- v. \$10M of contingency for unexpected costs that may or may not arise during FY18
- vi. \$8M of general fund vacancies
 - DPSCD started with \$36M in General Fund vacancies and removed \$28M in General Fund vacancies to show a more accurate budget
- vii. ~\$9.5M of Transition Funding made up of:
 - \$5.45M for Operations & Maintenance (\$5M for Facilities Maintenance and Improvements and \$0.45M for Safety Improvements)
 - \$4M for Academic Initiatives

Other

- i. \$13.1M one-time payment from DPS to DPSCD
- ii. Increase in beginning fund balance by ~\$20.2M based on preliminary projections

DPSCD FY 2018 Preliminary Draft Budget

	FY 2017 Budget Amendment No. 3	Assumption Changes	EAA Impact	Transitional Funds	(PRELIMINARY) FY 2018 - DRAFT
Revenue:					
Local sources					
Special education millage	\$ 37,784,426	\$ 2,700,000	\$ 3,430,819	\$ -	\$ 43,915,245
Property Taxes	-	-	-	-	-
Revenue enhancement millage	16,482,670	(221,910)	1,480,000	-	17,740,760
Other	12,216,928	206,037	819,000	-	13,241,965
Debt Payments from the EAA	2,449,999	(2,449,999)	-	-	-
Total local sources	68,934,023	234,128	5,729,819	-	74,897,970
State sources	441,694,928	2,554,992	32,363,080	-	476,613,000
Federal sources	146,159,505	(8,333,138)	13,592,064	-	151,418,431
Total Revenue	656,788,456	(5,544,018)	51,684,963	-	702,929,401
Expenditures:					
Instruction					
	334,685,823	1,320,886	32,097,970	2,307,706	370,412,385
Support services					
Pupil services	59,110,094	(4,705,811)	6,582,615	443,001	61,429,899
Instructional staff support	54,084,423	(3,758,697)	2,497,575	1,006,972	53,830,273
General administration	3,868,412	(46,845)	123,311	-	3,944,878
School administration	38,867,075	661,160	1,545,748	242,321	41,316,304
Business office	9,203,315	(223,328)	244,846	-	9,224,833
Operations & maintenance	87,255,722	(6,884,277)	5,666,691	5,450,000	91,488,136
Transportation	35,834,665	(785,396)	1,189,830	-	36,239,099
Central support service	29,407,090	(762,958)	1,165,771	-	29,809,903
Other support service	1,838,525	(339,724)	38,955	-	1,537,756
Total support services	319,469,321	(16,845,876)	19,055,342	7,142,294	328,821,081
Community service					
	5,350,764	(396,935)	89,420	-	5,043,249
Facilities acquisitions and improvement					
	606,809	1,983	-	-	608,792
Debt service					
	-	-	-	-	-
Total Expenditures	660,112,717	(15,919,942)	51,242,732	9,450,000	704,885,507
Other Financial Sources (Uses)					
Proceeds from sale of capital assets	9,000,000	(9,000,000)	-	-	-
Payments from DPS	40,269,308	(27,169,308)	-	-	13,100,000
Transfers in from Food Service	2,256,058	-	-	-	2,256,058
Total Other Financial Sources (Uses)	51,525,366	(36,169,308)	-	-	15,356,058
Surplus (Deficit)	48,201,105	(25,793,384)	442,231	(9,450,000)	13,399,952
Beginning Fund Balance (projected)	-	20,263,936			68,465,041
Fund Balance (reserved)	36,224,705				28,859,581
Fund Balance (unrestricted)	11,976,400				53,005,412
Total Fund Balance	\$ 48,201,105				\$ 81,864,993

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Requests for consideration and approval

- a** **Contract Requests**
- b** **Out of State Travel Requests**
- c** **Bond Refinancing Update**



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2017-4

**APPROVING THE COMMUNITY DISTRICT'S MARCH 2017
CONTRACT REQUESTS**

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the "Act"), allows for the creation of the Detroit Financial Review Commission (the "Commission") within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the Detroit Public Schools Community District (the "Community District") beginning on June 2016; and

WHEREAS, Section 6(6) of the Act provides that during the period of oversight, the Commission review and approve the Community District's applicable contracts, as defined by Section 3(a) of the Act, and that an applicable contract does not take effect unless approved by the Commission; and

WHEREAS, at the Commission meeting on March 27, 2017, the Community District presented applicable contracts, attached as **Exhibit A** to this Resolution, for the Commission's review and approval.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the Community District's March 2017 contract requests, attached as **Exhibit A** to this Resolution but excluding any contracts a majority of Commission members present has agreed to exclude as noted in the minutes, are hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

DPSCD Contract Requests Summary

The following contracts are being provided to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act for the March 27, 2017 FRC meeting

Department & Contract No.	Contract Details	Benefits	Purpose
1. Operations 01-10-14-0-2014- Zone3 Amendment 1	<i>Contractor:</i> LakeShore Global, LLC (formerly Lakeshore Rickman, LLC) <i>Amount:</i> \$6,319,033 NTE <i>Term:</i> 1 year renewal option <i>Average sq ft cost:</i> \$2.69/sq ft	\$2.7M savings compared to prior year	To provide complete facility management including engineering, custodial and maintenance within Zone 3 schools (27 schools and 1 administrative building)
2. Operations 01-10-14-0-2014- Zone1 Amendment 1	<i>Contractor:</i> The Facility Group, Inc. <i>Amount:</i> \$15,572,455 NTE <i>Term:</i> 1 year renewal option <i>Average sq ft cost including capital improvements:</i> \$3.38/sq ft <i>Average sq ft cost excluding capital improvements:</i> \$2.93/sq ft	\$2.1M for capital improvements	To undertake capital improvement projects and provide complete facility management including engineering, custodial and maintenance within Zone 1 schools (32 schools and 8 administrative buildings)

Original Bid Process

- DPS outsourced these services to cut costs to find a supplier who could provide exceptional service, quality, innovation and best overall value through cost-effective strategies and outstanding delivery of services.
- DPS was originally split into four zones of schools divided by geographical location.
- Request for Proposal 01-10-14-0-2014 for a full service award of the four zones of schools was issued in 2014 on Demandstar (“RFP”).
- 7 bidders responded to the RFP (DTZ, Aramark, Lakeshore Global, US Metro Group, The Facility Group, RNA, Metro Cleaning). Only 3 bidders were shortlisted for full services (single award), being DTZ, Aramark and Lakeshore Global, as only these 3 suppliers were able to provide the full services. 1 bid was for janitorial cleaning only (Metro Cleaning), and the other 3 bids (US Metro, The Facility Group and RNA) were for 1 zone only (so not comparable to the DTZ and Aramark bids).
- DPS’ evaluation team recommended that the contract be awarded to DTZ, Inc., but DPS and DTZ were unable to agree on contract terms. DPS then reached out to the second bidder, Aramark, and again, the parties were unable to agree on contract terms. Lakeshore Global’s bid was significantly higher than DTZ and Aramark so negotiations for the full service award were not conducted with Lakeshore.
- Given that DPS was unable to come to an agreement for the full service award of 4 zones of schools, DPS revised the school zone portfolios by folding the 4 zones into 3 zone portfolios that were arranged by degree of engineering/mechanical expertise ranging from high to low levels of specialized service and core competency requirements of select building operations systems.
- From the suppliers’ responses to the original RFP it was determined that based on the new zoning engineering/mechanical expertise requirements, the 3 zones should be split between Lakeshore (Zone 3), US Metro (Zone 2) and The Facility Group (Zone 1)
- DPS then engaged in lengthy contract negotiations with those 3 suppliers and awarded contracts as follows:

Zone	Schools/Buildings	Square feet	Student %	Contractor
Zone 1	32 schools and 8 administrative buildings	4,606,768	45%	The Facility Group, Inc.
Zone 2	36 schools and 1 administrative building	TBA	34%	US Metro Group, Inc.
Zone 3	27 schools and 1 administrative building	2,346,672	21%	LGC Global FM, LLC (now LakeShore Global, LLC)

DPSCD Contract Requests

The following contracts are being provided to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act for the March 27, 2017 FRC meeting

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a new contract, was the original contract competitively bid?	Lowest Bid? If not a New Contract, was the original contract the lowest bid?	DPSCD Approval Date	Comments
1	Operations	01-10-14-0-2014-Zone3 (Amendment 1)	<p>Proposed Contract Renewal Amount: \$6,319,033 NTE plus reimbursement for parts not paid through labor savings. The actual amount to be expended during this period will be based upon actual hours worked and services provided.</p> <p>Proposed Control Renewal Period: July 1, 2017 to June 30, 2018 exercising the fourth year renewal option</p> <p>Original Contract</p> <ul style="list-style-type: none"> Amount: \$46,858,166 Commencement Date: July 15, 2014 to June 30, 2017 with two one year options to renew <p>Source: General Fund</p> <p>Purpose: To provide complete facility management including engineering, custodial and maintenance within Zone 3 schools (27 schools and 1 administrative building)</p> <p>Contractor: LGC Global FM, LLC (formerly Lakeshore Rickman, LLC)</p> <p>Location: 7310 Woodward Ave, Suite 500 Detroit MI 48202</p>	Contract – Exercise of Renewal Option	Yes (2014)	See p. 22	Board Approval received on 3/14/17	<ul style="list-style-type: none"> Zone 3 is comprised of 2,346,672 square feet The average square foot cost of this contract is \$2.69/ square foot (the median cost of similar services from the Council of Great City Schools is \$3.15 with a range of \$2.39 to \$3.62/ square foot) Reduction in pricing from prior year is inclusive of Durfee Credit \$512,610.00 and the elimination of grounds from this contract in the amount of \$238,339.00 Bid is inclusive of: 10 Administrators, 85 custodians (\$14.90 - \$18.81), 25 engineers (\$39.85-\$46.75) and 13 skilled trades (\$24.47 - \$35.22) DPSCD will issue a separate purchase order for parts which the contractor will bill against, this averaged out to \$47,800 per month for the last 30 months (\$.02/square foot)

DPSCD Contract Requests cont.

The following contracts are being provided to the FRC for review and approval pursuant to section 6(6) of the Michigan Financial Review Commission Act for the March 27, 2017 FRC meeting

	Department	Contract Number	Description	Contract Request Type	Competitively Bid? If not a new contract, was the original contract competitively bid?	Lowest Bid? If not a New Contract, was the original contract the lowest bid?	DPSCD Approval Date	Comments
2	Operations	01-10-14-0-2014-Zone1 (Amendment 1)	<p>Proposed Contract Renewal Amount: \$15,572,455 NTE plus reimbursement for parts not paid through labor savings. The actual amount to be expended during this period will be based upon actual hours worked and services provided.</p> <p>Proposed Contract Renewal Period: July 1, 2017 to June 30, 2018 exercising the fourth year renewal option</p> <p>Original Contract</p> <ul style="list-style-type: none"> • Amount: \$46,858,166 • Commencement Date: July 15, 2014 to June 30, 2017 with two one year options to renew <p>Source: General Fund</p> <p>Purpose: To undertake capital improvement projects and provide complete facility management including engineering, custodial and maintenance within Zone 1 schools (32 schools and 8 administrative buildings)</p> <p>Contractor: The Facility Group</p> <p>Location: 12844 Farmington Road Livonia, MI 48150</p>	Contract – Exercise of Renewal Option	Yes (2014)	See p. 22	Board Approval received on 3/14/17	<ul style="list-style-type: none"> • Zone 1 is comprised of 4,606,768 square feet • Bid is inclusive of \$2,100,000 for capital improvement projects including removal of oversized boilers, installation of new high efficiency boilers and boiler and chiller replacements. • The average square foot cost is \$3.38/ and \$2.93/ square foot, inclusive and exclusive of the \$2.1M in capital projects, respectively (median cost of similar services from the Council of Great City Schools is \$3.15 with a range of \$2.39-\$3.62/sq ft) • Bid is inclusive of: 20 Administrators, 130 custodians (\$9.75 - \$12.85), 15 engineers (\$28.50-\$36.19) and 20 skilled trades (\$23.50 - \$54.75) • DPSCD will issue a separate purchase order for parts which the contractor will bill against, this averaged out to \$143,675 per month for the last 30 months (\$.03/square foot)

Contract Renewal Process

Staggering of renewals

- DPSCD Physical Plant Operations (“PPO”) is moving towards enhanced operational efficiency by moving away from contracts with similar renewal dates and towards contracts with staggered renewals. Putting all zones out to bid would lock DPSCD into three year contracts. The staggering of contracts with one year renewals allows for flexibility as the portfolio of DPSCD changes. A staggered contract schedule will provide PPO personnel with greater oversight over the contractor during the initial start-up of the contract. DPSCD currently has 1.5 FTE’s to oversee the transition and can provide better oversight with a smaller building portfolio.

Contract Renewal Process

- Zone 1: DPSCD invited the three suppliers to provide pricing for the two renewal option periods and to make presentations to the administration. Based on pricing and the presentations, DPSCD administration is recommending that DPSCD exercise an option to renew the contract for Zone 1 for one year with The Facility Group.
- Zone 2: Option to renew existing contract with US Metro for Zone 2 will not be exercised. Services for this Zone will be bid, with the plan to have a contract in place as of July 1, 2017. Approval of any contract therefor will be sought after the issuance of an RFP and proposed award of a contract. DPSCD is in the process of developing bid documents for the Zone 2 and EAA schools. This bid package will be broken up into a custodial package with an add alternate for maintenance, a second bid package will be for engineering with an add alternate for maintenance (the final selection for maintenance will be based upon contractor qualifications and pricing). Assuming that the zone 2 and the EAA bid packages are approved by the school board on May 9th and the FRC on May 16th, the contractor will have six weeks to mobilize, hire staffing (approximately 235 FTE’s), familiarize themselves with the building, the location of equipment, electrical panels, keys, controls, staff, breakfast and lunch set up, bell times, fire drills, what is normal, event set up information, how to pull out bleachers, where is the tape for the national anthem, how to turn on the stadium lights, audit buildings, develop work guidelines and purchase equipment.
- Zone 3: DPSCD invited the three suppliers to provide pricing for the two renewal option periods and to make presentations to the administration. Based on pricing and the presentations, DPSCD administration is recommending that DPSCD exercise an option to renew the contract for Zone 3 for one year with LGC Global FM, LLC.

Consequence of Non-Approval

- The buildings must be cleaned and maintained to support school operations. Non – approval could result in a lapse of service non-compliance and unwarranted media and regulatory scrutiny. The existing facility providers that are up for renewal are familiar with DPSCD’s buildings/systems and we will need them to support any needed repairs in our building portfolio and the EAA buildings.
- PPO has several key vacancies that have not been filled and are currently supplementing these positions with existing staff. This is affecting PPO’s ability to take on new projects. In addition to adding the EAA schools PPO have several capital improvement projects this summer.

Reasons for cost differences between the two contracts

The average square foot cost of the LGC Global contract is \$2.69/ square foot; whilst the average square foot cost of The Facility Group Contract is \$3.38/ square foot. The Facilities Group bid is inclusive of \$2.1M that can be used for capital improvements. Excluding this work, the average square foot cost of The Facility Group contract is \$2.93/ square foot, a difference of \$0.24/square foot from the LGC Global contract. The reasons for this higher price differential are listed below:

- Several of The Facilities Group buildings are operated year round, being Douglas Academy, Fisher Building, Command Center and Support Complex A, Support Complex B and Support Complex.
- Out of the top ten buildings that are requested for community use, The Facilities Group manages the top nine buildings and modifies employee schedules to cover the event (this is in lieu of bringing an additional person in for an event) and eliminates additional charges.
- Zone 1 buildings include a large percentage of DPSCD's marquee buildings that were built to LEED or Green Building standards. These building have expensive/sophisticated control systems that require a work force with specific skill sets to operate them. Prior to The Facilities Group taking over this contract, most of these systems were bypassed and not controlled. Control of these system improves energy efficiency and occupant comfort levels. The Facility Group has an in house controls division that upgrades and modifies energy management systems including; Tridium, Johnson Controls, Invensys, Siebe, Trane, Automated Logic, Andover, and Siemens. A majority of the Zone 3 buildings have basic pneumatic control systems that do not require this level of expertise.
- The Facility Group employs a licensed professional engineer who provides complete mechanical engineering and stamped architectural drawings for all upgraded mechanical and electrical systems throughout our zones. They have designed and installed 39 boilers in 15 buildings, one cooling tower at Renaissance High School, and multiple LED lighting upgrades.
- The Facility Group has the following licenses issued through the State of Michigan: Professional Engineer License, Master Plumber License, Master Electrician License Unlimited Mechanical Contractor License, Unlimited Boiler Installation License and Unlimited Boiler Installation License.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: March 22, 2017
TO: Financial Review Commission Members
FROM: Romaneir Johnson, Executive Director, Financial Review Commission
Kevin Kubacki, Financial Specialist
SUBJECT: Contract Summary - March 2017 DPSCD FRC Meeting

The District has submitted two contracts for review at the March 27, 2017 FRC commission meeting. This contract has been vetted by the FRC Advisory Subcommittee on Contracts and Procurement. The contract is summarized below:

Contract 1 – Contract Amendment for Facility Management, Custodial, and Maintenance Work – Zone 1

Contractor	Nature of Contract	Approved by District?	Contract Value	Bid?	Lowest Bid?	Budgeted Funding Sources
The Facility Group, Inc.	Contract Amendment	3/14/17	\$15,572,455	No, Renewal	N/A	General Fund

This contract amendment is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides facility management including engineering, custodial and maintenance services for DPSCD's Zone 1. In 2014, this contract was originally structured to provide services to the entire district and seven vendors responded. The DPS evaluation team originally recommended that these services be awarded to the vendor with the lowest bid. DPS and the vendor could not come to terms, so DPS then reached out to the second lowest bidder. DPS and this vendor could not come to terms either. After two failed negotiations, DPS subsequently divided the district into three zones. The Facility Group, Inc., which was one of the seven original responders, was awarded Zone 1.

DPSCD invited the current three suppliers to provide pricing for the two renewal option periods and to make presentations to the administration. Based on pricing and presentations, DPSCD wishes to extend this contract for one year. Zone 1 covers 4.6 million square feet of the district. Also included in this contract, the District will use \$2.1 million of its transition funding for capital improvements that will removal and install new boilers.

Contract 2 – Contract Amendment for Facility Management, Custodial, and Maintenance Work – Zone 3

Contractor	Nature of Contract	Approved by District?	Contract Value	Bid?	Lowest Bid?	Budgeted Funding Sources
LakeShore Global, LLC	Contract Amendment	3/14/17	\$6,319,033	No, Renewal	N/A	General Fund

This contract amendment is subject to FRC review because it exceeds the statutory threshold of \$750,000. This contract provides facility management including engineering, custodial and maintenance services for DPSCD's Zone 3. LakeShore Global, LLC (formerly LGC Global FM, LLC) was also one of the seven original bidders as described under Contract #1. Zone 3 covers 2.3 million square feet of the district. Similar to Zone 1, DPSCD invited the current three suppliers to provide pricing for the two renewal option periods and to make presentations to the administration. Based on pricing and presentations, DPSCD wishes to extend this contract for one year.

Requests for consideration and approval

- a **Contract Requests**
- b Out of State Travel Requests**
- c **Bond Refinancing Update**



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DETROIT FINANCIAL REVIEW COMMISSION

SCHOOL DISTRICT RESOLUTION 2017-5

APPROVING THE COMMUNITY DISTRICT'S MARCH 2017 OUT-OF-STATE TRAVEL REIMBURSEMENT REQUESTS

WHEREAS, Public Act 181 of 2014, the Michigan Financial Review Commission Act (the "Act"), allows for the creation of the Detroit Financial Review Commission (the "Commission") within the Michigan Department of Treasury; and

WHEREAS, Section 6(1) of the Act empowers the Commission to provide oversight for the Detroit Public Schools Community District (the "Community District") beginning on June 21, 2016; and

WHEREAS, Section 7(q) of the Act provides that during the period of oversight, the Commission approve all Community District reimbursements to school board members, officials, and employees for travel outside the state; and

WHEREAS, at the Commission meeting on March 27, 2017, the Community District presented out-of-state travel reimbursement requests, attached as **Exhibit A** to this Resolution, for the Commission's review and approval.

NOW THEREFORE, be it resolved by the Detroit Financial Review Commission as follows:

1. That the Community District's March 2017 out-of-state travel reimbursement requests, attached as **Exhibit A** to this Resolution but excluding any reimbursements a majority of Commission members present has agreed to exclude as noted in the minutes, are hereby approved.
2. That the minutes of the Detroit Financial Review Commission meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

DPSCD Out-of-State Travel Reimbursement Requests

The following reimbursements to school board members, officials, and employees for travel outside the state are being provided to the FRC for review and approval pursuant to section 7(q) of the Michigan Financial Review Commission Act for the March 27, 2017 FRC meeting

Number of Participants	Central Office	School-Based	School/ Department	Conference Name	Location of Trip	Dates of Conference	Approved Request for Absence Dates	Funding Source	Total Est. Cost	Comments	Approved by
5	x		Office of Science	National Conference on Science Education	Los Angeles, CA	3/29/17-4/3/17	3/29/17 - 4/3/17	Grants	\$11,950.00	Title IA	MDE on 2/6/2017
1	x		Office of Science	National Conference on Science Education	Los Angeles, CA	3/29/17-4/3/17	3/29/17 - 4/3/17	Grants	\$2,390.00	Math and Science Grant	MDE on 7/28/16

Subtotal Grant-funded \$14,340.00

Number of Participants	Central Office	School-Based	School/ Department	Conference Name	Location of Trip	Dates of Conference	Approved Request for Absence Dates	Funding Source	Total Est. Cost	Comments	Approved by
2	x		Office of Specialized Student Services	Special Education Convention	Boston, MA	4/19/17-4/22/17	4/19/17-4/22/17	Center Based Special Ed	\$6,655.14	Wayne RESA Act 18 (Professional Development)	Interim Superintendent

Subtotal Special Education \$6,655.14

Number of Participants	Central Office	School-Based	School/ Department	Conference Name	Location of Trip	Dates of Conference	Approved Request for Absence Dates	Funding Source	Total Est. Cost	Comments	Approved by
2	x		Office of Charter Schools	Northwest Evaluation Association (NWEA) Conference	Indianapolis, Indiana	6/20/17-6/22/17	6/20/17-6/22/17	General Fund	\$3,031.20		Interim Superintendent

Subtotal General-funded \$3,031.20

Overall Total									\$24,026.34		
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Requests for consideration and approval

a	Contract Requests
b	Out of State Travel Requests
b	Bond Refinancing Update

DPS Bond Refinancing Update

Capital debt refinancing opportunities:

- DPS currently has \$2.2 billion in debt, of which \$1.65 billion relates to capital debt. Of DPS's capital debt, \$300M has been identified as being capable to refund
- Refunding the 2010 Build America Bonds ("BAB") balance of \$50M; savings are estimated to be \$3M, depending on interest rates.
- Refunding the State School Loan Revolving Fund ("SLRF") balance current balance of \$250M (expected to rise to \$280M by June); savings are estimated to range from \$4M to \$30M, depending on interest rates.
- DPS has received approval from the Board of Education to proceed with a Request for Proposal from underwriters and financial institutions on refinancing the DPS 2010 Build America Bonds ("BAB") and the DPS State School Loan Revolving Fund ("SLRF") (collectively, the "Proposals").
- The Board of Education has approved an authorizing resolution delegating authority to the DPS Chief Financial Officer to review the Proposals and if the Proposals produce savings, to make a recommendation to lock in interest rates and resulting savings.

Next steps:

1. DPS will proceed with the Request for Proposal from underwriters and financial institutions on refinancing the DPS 2010 Build America Bonds ("BAB") and the DPS State School Loan Revolving Fund ("SLRF") (collectively, the "Proposals")
2. The DPS Chief Financial Officer will review the Proposals and if the Proposals produce savings, make a recommendation to lock in interest rates and resulting savings. The CFO's recommendation is subject to approval by the Chair of the DPS/DPSCD Board of Education Finance Committee, State Treasury and the Financial Review Commission†.

Note:

† Pursuant to section 7(e) of the Michigan Financial Review Commission Act, the FRC may review and approve requests by a qualified school district to issue debt under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, or any other law governing the issuance of bonds or notes. The commission may develop rules for the issuance of debt, including limitations that are greater than those provided in sections 401 to 405 of the revised municipal finance act, 2001 PA 34, MCL 141.2401 to 141.2405. The debt described in this subdivision may not be issued unless and until approved by the commission and the commission's approval shall be in addition to any approval of the department of treasury as required by law.

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- 1 DPSCD financial update**
 - 2 DPSCD FY18 draft budget process**
 - 3 Requests for consideration and approval**
 - 4 Appendix**

a	Additional financial information
b	Monthly variances
c	Additional contracts information
d	Additional bond refunding information

DPSCD summary statement of revenues and expenditures – year-over-year comparison

	Year-over-Year Comparison Current Month				Year-over-Year Comparison YTD				
	Actual	Actual	Variance		Actual	Actual	Variance		
	Month of	Month of	\$	%	YTD	YTD	\$	%	
	Jan-16	Jan-17			Jan-16	Jan-17			
Revenues									
Local sources ¹	\$ 2,702,883	\$ 2,320,434	\$ (382,448)	(14%)	\$ 37,115,601	\$ 7,797,132	\$ (29,318,469)	(79%)	
State sources ¹	28,058,948	34,378,984	6,320,036	23%	208,135,218	250,926,814	42,791,595	21%	
Federal sources	19,165,066	10,924,043	(8,241,023)	(43%)	81,697,384	72,110,476	(9,586,908)	(12%)	
Interdistrict sources ²	-	1,105,901	1,105,901	-	13,199,508	25,656,695	12,457,187	94%	
Other sources ³	-	-	-	-	-	43,722,905	43,722,905	-	
Total Revenues	49,926,897	48,729,363	(1,197,534)	(2%)	340,147,712	400,214,022	60,066,310	18%	
Expenditures									
Instruction	28,331,351	24,496,656	(3,834,695)	(14%)	160,420,246	145,783,624	(14,636,622)	(9%)	
Support services	26,273,282	25,228,471	(1,044,811)	(4%)	164,107,558	159,076,051	(5,031,507)	(3%)	
Community service	1,608,595	72,075	(1,536,521)	(96%)	4,133,465	1,144,736	(2,988,729)	(72%)	
Facilities acquisitions and improvement	(12,274)	85,833	98,106	(799%)	-	95,093	95,093	-	
Debt service ⁴	1,118,707	-	(1,118,707)	(100%)	27,619,753	-	(27,619,753)	(100%)	
Other uses	3,226,180	-	(3,226,180)	(100%)	4,049,868	-	(4,049,868)	(100%)	
Total Expenditures	60,545,844	49,883,034	(10,662,808)	(18%)	360,330,892	306,099,503	(54,231,387)	(15%)	
Surplus (Deficit)	\$ (10,618,948)	\$ (1,153,671)	\$ 9,465,274	(89%)	\$ (20,183,180)	\$ 94,114,519	\$ 114,297,699	(566%)	

Notes regarding the impact of the legislation that created DPSCD

- Property tax receipts are diverted into DPS, in return State Aid receipts were increased to the full foundation allowance
- Reflects \$15M advance of Act 18 funds from WRESA to provide start-up liquidity. Includes revenue for Charter School services and EAA agreement.
- Includes estimated ending cash balance of DPS as well as \$25M of dedicated transition funds
- DPSCD no longer has debt service.

DPSCD detail statement of expenditures by object level – year-over-year comparison

	Year-over-Year Comparison Current Month					Year-over-Year Comparison YTD				
	Actual		Actual		Variance	Actual		Actual		Variance
	Month of	Month of	Month of	Month of		YTD	YTD	YTD	YTD	
	Jan-16	Jan-17	\$	%	Jan-16	Jan-17	\$	%		
Salaries	\$ 25,620,231	\$ 22,533,092	\$ (3,087,139)	(12%)	\$ 152,740,831	\$ 137,151,026	\$ (15,589,805)	(10%)		
Benefits	8,214,350	12,355,031	4,140,681	50%	83,059,206	74,714,282	(8,344,925)	(10%)		
Purchased Services	21,703,196	12,795,851	(8,907,345)	(41%)	71,507,286	72,331,230	823,944	1%		
Supplies & Textbooks	2,931,155	452,834	(2,478,320)	(85%)	8,491,312	6,376,684	(2,114,628)	(25%)		
Equipment & Capital	168,670	-	(168,670)	(100%)	463,352	4,277,149	3,813,797	823%		
Utilities	2,712,149	1,746,224	(965,924)	(36%)	11,269,865	11,249,133	(20,732)	(0%)		
Debt Service ¹	1,118,707	-	(1,118,707)		27,619,753	-	(27,619,753)			
Other	(1,922,617) *	(0)	1,922,617	(100%)	5,179,286 **	(0)	(5,179,286)	(100%)		
	-									
Total Expenditures	\$ 60,545,838	\$ 49,883,034	\$ (10,662,807)	(18%)	\$ 360,330,890	\$ 306,099,503	\$ (54,231,387)	(15%)		

Note regarding the impact of the legislation that created DPSCD

1. DPSCD no longer has debt service.

Note regarding January 2016 actuals

* Represents prior year State Aid adjustment for 1/2016

**Represents Accrued SANS interest.

DPSCD FY17 Budget Amendment No. 3: monthly spread by Function

	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Projected Nov-16	Projected Dec-16	Projected Jan-17	Projected Feb-17	Projected Mar-17	Projected Apr-17	Projected May-17	Projected Jun-17	FY 17 Total
Revenues													
Local sources	\$ 45	\$ 17,804	\$ 35,793	\$ 272,166	\$ 267,207	\$ 2,934,910	\$ 3,508,360	\$ 3,699,527	\$ 2,773,016	\$ 2,941,879	\$ 2,889,792	\$ 6,429,448	\$ 25,769,947
State sources	31,323,602	31,827,346	40,961,327	39,161,171	35,852,607	34,748,044	36,250,714	38,329,856	36,572,433	36,177,336	38,716,277	41,774,215	441,694,928
Federal sources	3,220,027	996,134	4,120,495	26,184,110	12,714,924	9,972,784	21,775,352	11,052,920	15,104,522	11,448,127	14,994,578	14,575,531	146,159,505
Interdistrict sources	15,000,000	-	2,497,874	2,254,061	3,050,129	2,900,425	2,900,425	2,959,457	2,900,425	2,900,425	2,900,425	2,900,430	43,164,076
Other sources	25,000,000	-	15,269,308	-	-	10,128,029	-	-	-	-	-	1,128,029	51,525,366
Total revenues	74,543,674	32,841,284	62,884,797	67,871,508	51,884,867	60,684,192	64,434,851	56,041,760	57,350,396	53,467,767	59,501,072	66,807,653	708,313,822
Expenditures													
Instruction	5,228,976	3,303,558	21,936,462	36,007,777	37,310,305	33,669,438	29,830,252	29,686,130	37,643,236	25,077,049	37,600,435	37,392,205	334,685,823
Support services	17,520,074	17,283,059	25,856,544	26,825,996	30,052,625	31,052,031	25,917,262	26,118,634	31,676,200	23,003,568	31,052,076	33,111,253	319,469,322
Community service	24,085	6,545	48,401	67,041	454,426	686,555	632,557	631,604	737,535	590,282	710,810	760,923	5,350,764
Facilities acquisitions and improvement	-	-	-	-	75,759	75,830	75,830	68,936	79,276	68,936	79,276	82,965	606,808
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-
Other uses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	22,773,135	20,593,162	47,841,407	62,900,814	67,893,115	65,483,854	56,455,901	56,505,304	70,136,247	48,739,835	69,442,597	71,347,346	660,112,717
Surplus (Deficit)	\$51,770,539	\$12,248,122	\$15,043,390	\$4,970,694	\$(16,008,248)	\$(4,799,662)	\$7,978,950	\$(463,544)	\$(12,785,851)	\$4,727,932	\$(9,941,525)	\$(4,539,693)	\$48,201,105
Fund Balance													
Beginning Balance	-	51,770,539	64,018,662	79,062,052	84,032,746	68,024,498	63,224,836	71,203,786	70,740,242	57,954,391	62,682,323	52,740,798	-
Net Change in Fund Balance	51,770,539	12,248,122	15,043,390	4,970,694	(16,008,248)	(4,799,662)	7,978,950	(463,544)	(12,785,851)	4,727,932	(9,941,525)	(4,539,693)	48,201,105
Ending Fund Balance	\$51,770,539	\$64,018,662	\$79,062,052	\$84,032,746	\$68,024,498	\$63,224,836	\$71,203,786	\$70,740,242	\$57,954,391	\$62,682,323	\$52,740,798	\$48,201,105	\$48,201,105

DPSCD FY17 Budget Amendment No. 3: monthly expenditures spread by Object code

	Actual Jul-16	Actual Aug-16	Actual Sep-16	Actual Oct-16	Projected Nov-16	Projected Dec-16	Projected Jan-17	Projected Feb-17	Projected Mar-17	Projected Apr-17	Projected May-17	Projected Jun-17	FY17 Total
Salaries	\$ 6,994,360	\$ 6,333,760	\$ 19,151,249	\$ 30,378,698	\$ 31,467,145	\$ 32,290,700	\$ 25,506,472	\$ 25,530,861	\$ 32,631,026	\$ 21,233,379	\$ 32,637,132	\$ 29,356,038	\$ 293,510,820
Benefits	4,949,033	5,863,000	10,383,749	16,435,887	19,871,250	15,282,980	14,749,142	14,749,142	18,846,126	12,290,952	18,846,126	16,585,147	168,852,534
Purchased Services	8,596,642	11,106,402	12,532,443	7,784,155	12,625,964	13,392,690	12,754,944	12,754,944	14,668,185	12,117,196	14,030,437	14,030,437	146,394,438
Supplies	-	100,386	75,444	3,290,523	1,457,147	1,965,909	1,965,909	1,787,191	2,055,269	1,787,191	2,055,269	1,965,910	18,506,147
Equipment & Capital	-	-	1,075	3,067,978	1,355,810	1,497,437	487,304	443,004	509,455	443,004	509,455	487,301	8,801,823
Utilities	2,233,100	2,166,870	720,192	1,943,574	1,115,799	1,054,138	992,130	1,240,162	1,426,186	868,113	1,364,178	1,178,152	16,302,594
Other	-	-	-	-	-	-	-	-	-	-	-	7,744,361	7,744,361
Total Expenditures	\$22,773,135	\$25,570,418	\$42,864,152	\$62,900,814	\$67,893,115	\$65,483,854	\$56,455,901	\$56,505,304	\$70,136,247	\$48,739,835	\$69,442,597	\$71,347,346	\$660,112,717

DPSCD FY 2017 revised monthly cash flow forecast

<i>\$ in thousands</i>	2016						2017						FY 17 Total
	July	August	September	October	November	December	January	February	March	April	May	June	
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast	
Cash Receipts													
State Aid	\$ -	\$ -	\$ -	\$ 35,052	\$ 35,841	\$ 33,765	\$ 34,830	\$ 34,865	\$ 34,865	\$ 34,865	\$ 34,865	\$ 34,865	\$ 313,812
MPERS (State Funded)	-	-	-	-	6,364	3,182	3,182	3,182	3,182	3,182	3,182	3,182	28,639
Enhancement Millage	-	-	-	-	-	-	177	6,646	3,694	2,103	1,402	2,475	16,497
Grants	-	-	2,407	1,257	13,052	13,009	18,156	22,244	14,058	17,235	14,575	15,543	131,535
Transfer from DPS	25,000	15,269	-	15,739	17,000	-	5,358	-	-	-	-	-	78,367
WCRESA	15,000	-	2,498	2,254	1,944	2,254	2,341	6,756	2,674	2,674	2,674	2,674	43,744
Food Service Reimbursement	-	-	-	-	3,666	4,685	-	3,172	5,040	3,455	3,455	3,455	26,928
Capital Asset Sales	-	-	-	-	-	3,091	-	362	-	-	-	6,000	9,453
Miscellaneous	25	110	198	976	628	537	477	1,113	1,623	1,178	978	645	8,488
Total Cash Receipts	40,025	15,380	5,103	55,277	78,496	60,523	64,521	78,340	65,136	64,693	61,131	68,838	657,463
Cash Disbursements													
MPERS (Pass through)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,364)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ (3,182)	\$ (25,457)
Payroll Direct Deposit	(2,396)	(3,424)	(14,038)	(13,598)	(6,767)	(25,744)	(13,087)	(14,036)	(21,218)	(14,145)	(14,145)	(15,445)	(158,044)
Taxes	(27)	(1,397)	(2,966)	(5,085)	(5,296)	(9,216)	(5,118)	(5,399)	(5,585)	(5,585)	(5,585)	(8,498)	(59,758)
FICA	-	(629)	(882)	(1,543)	(1,566)	(2,885)	(1,497)	(1,613)	(1,673)	(1,673)	(1,673)	(2,546)	(18,181)
Accounts Payable	(1)	(505)	(8,223)	(6,045)	(12,668)	(22,410)	(7,340)	(24,891)	(16,500)	(15,000)	(15,000)	(17,000)	(145,584)
Pension (employee portion)	(36)	(428)	(692)	(1,589)	(1,716)	(2,597)	(1,784)	(1,795)	(1,914)	(1,913)	(1,913)	(2,869)	(19,247)
Pension (employer portion)	-	(1,700)	(429)	(5,187)	(5,468)	(8,073)	(5,263)	(5,456)	(5,925)	(5,922)	(5,922)	(8,883)	(58,227)
Health	(28)	(6,965)	(5,818)	(124)	(4,404)	(3,731)	(3,152)	(4,198)	(4,514)	(4,379)	(4,379)	(6,879)	(48,570)
Fringe Benefits	-	(6)	(13)	(22)	(40)	(65)	(82)	(158)	(795)	(586)	(586)	(682)	(3,037)
Food Service	-	-	(321)	(2,189)	(1,424)	(3,598)	(167)	(4,118)	(2,764)	(2,764)	(2,764)	(4,146)	(24,256)
Transfer to DPS	-	-	-	-	-	-	(15,739)	(24,990)	-	-	-	-	(40,729)
Other	-	(75)	-	(2)	(199)	(41)	(22)	(469)	(150)	(150)	(150)	(150)	(1,409)
Total Cash Disbursements	(2,488)	(15,131)	(33,383)	(35,387)	(39,550)	(84,725)	(56,434)	(90,306)	(64,220)	(55,299)	(55,299)	(70,280)	(602,500)
Beginning Cash Balance	-	37,537	37,786	9,506	29,397	68,343	44,142	52,229	40,263	41,180	50,573	56,405	-
Net Cash Flow	37,537	249	(28,280)	19,891	38,946	(24,201)	8,087	(11,966)	917	9,393	5,832	(1,442)	54,963
Ending Cash Balance	\$ 37,537	\$ 37,786	\$ 9,506	\$ 29,397	\$ 68,343	\$ 44,142	\$ 52,229	\$ 40,263	\$ 41,180	\$ 50,573	\$ 56,405	\$ 54,963	\$ 54,963

DPSCD Key Grants Report 2017 Award Period: as of February 24, 2017

Grant Name(s)	2017 Grant Amount Available			2017 Cumulative Expenditures (as of 24 Feb 17)	2017 Grant Balance	2017 Grant period start date	Grant period	Carryover period
	Carryover available in 2017	2017 Approved Awards Amount	Total 2017 Available Grant Amount					
IDEA Preschool ¹	\$ 51,366	\$ 622,671	\$ 674,037	\$ 220,301	\$ 499,259	July 1, 2016	24 months	12 months
IDEA Flowthrough ¹	1,515,665	15,237,452	16,753,117	5,054,299	11,724,787	July 1, 2016	24 months (except center program offset)	12 months (except center program offset)
Title I, Part A ²	3,982,109	99,402,883	103,384,992	33,829,928	77,415,839	July 1, 2016	15 months	12 months
Title II, Part A ³	7,450,402	15,835,325	23,285,727	5,067,459	19,504,118	July 1, 2016	12 months	12 months
CTE Perkins	-	3,105,696	3,105,696	690,101	2,533,194	July 1, 2016	12 months	No carryover
GSRP ⁴	4,257,644	18,046,700	22,304,344	7,909,112	16,542,166	October 1, 2016	12 months	12 months
Section 31A At Risk	-	22,899,631	22,899,631	8,694,283	15,223,560	July 1, 2016	12 months	12 months
Total	\$ 17,257,186	\$ 175,150,358	\$ 192,407,544	\$ 61,465,484	\$ 143,442,924			

Notes

1. Carryover has been approved.
2. Carryover is not yet approved. MDE recomputed the FY17 Carryover Amount and the FY17 Award Amount based upon the Final Expenditure Report (“FER”) submitted.
3. Carryover has been approved.
4. Carryover has been approved. FY17 allocation decrease is due to decline in student enrollment.

a	Additional financial information
b	Monthly variances
c	Additional contracts information
d	Additional bond refunding information

DPSCD FY17 Budget Amendment No. 3 to Actuals Variance – December 2016

<i>\$ in thousands</i>	December Budget	December Actuals	December Variance	Comment
Revenues				
Local sources	\$ 2,934,910	\$ 4,482,261	\$ 1,547,351	Enhancement Millage accrued for accounting purposes from Nov 2016
State sources	34,748,044	33,966,948	(781,096)	
Federal sources	9,972,784	10,728,957	756,173	
Interdistrict sources	2,900,425	2,544,798	(355,627)	
Other sources	10,128,029	3,453,597	(6,674,432)	\$6M in sale proceeds held in escrow from the sale of the radio station in Dec 2016 cannot be recognized as revenue until transfer of the licence
Total revenues	60,684,192	55,176,561	(5,507,631)	
Expenditures				
Instruction	33,669,438	29,466,105	(4,203,333)	Unfilled vacancies
Support services	31,052,031	31,716,523	664,492	
Community service	686,555	119,655	(566,900)	
Facilities acquisitions and improvement	75,830	9,260	(66,570)	
Debt service	-	-	-	
Other uses	-	-	-	
Total Expenditures	65,483,854	61,311,544	(4,172,310)	
Surplus (Deficit)	\$ (4,799,662)	\$ (6,134,983)	\$ (1,335,321)	

	December Budget	December Actuals	December Variance	Comment
Salaries	\$ 32,290,700	\$ 28,912,526	\$ (3,378,174)	Budget includes unfilled vacancies impacting Salaries of ~\$42M
Benefits	15,282,980	12,620,509	(2,662,471)	Budget includes unfilled vacancies impacting Benefits of ~\$22M
Purchased Services	13,392,690	16,885,257	3,492,567	Timing difference
Supplies & Textbooks	1,965,909	1,405,520	(560,389)	
Equipment & Capital	1,497,437	50,000	(1,447,437)	
Utilities	1,054,138	1,437,733	383,595	
Debt Service	-	-	-	
Other	-	-	-	
Total Expenditures	\$ 65,483,854	\$ 61,311,544	\$ (4,172,310)	

DPSCD FY17 Budget Amendment No. 3 to Actuals Variance – November 2016

<i>\$ in thousands</i>	November Budget	November Actuals	November Variance	Comment
Revenues				
Local sources	\$ 267,207	\$ 668,629	\$ 401,422	
State sources	35,852,607	39,307,435	3,454,828	Timing difference of grant receipts
Federal sources	12,714,924	15,936,710	3,221,786	Timing difference of grant receipts
Interdistrict sources	3,050,129	2,254,061	(796,068)	
Other sources	-	-	-	
Total revenues	51,884,867	58,166,836	6,281,969	
Expenditures				
Instruction	37,310,305	25,344,090	(11,966,215)	Unfilled vacancies
Support services	30,052,625	14,645,384	(15,407,241)	Timing difference of purchased services
Community service	454,426	806,934	352,508	
Facilities acquisitions and improvement	75,759	-	(75,759)	
Debt service	-	-	-	
Other uses	-	-	-	
Total Expenditures	67,893,115	40,796,408	(27,096,707)	
Surplus (Deficit)	\$ (16,008,248)	\$ 17,370,428	\$ 33,378,676	

	November Budget	November Actuals	November Variance	Comment
Salaries	\$ 31,467,145	\$ 22,847,341	\$ (8,619,804)	Budget includes unfilled vacancies impacting Salaries of ~\$42M
Benefits	19,871,250	12,107,073	(7,764,177)	Budget includes unfilled vacancies impacting Benefits of ~\$22M
Purchased Services	12,625,964	2,630,480	(9,995,484)	Timing difference
Supplies & Textbooks	1,457,147	1,051,977	(405,170)	
Equipment & Capital	1,355,810	1,158,096	(197,714)	
Utilities	1,115,799	1,001,442	(114,357)	
Debt Service	-	-	-	
Other	-	-	-	
Total Expenditures	\$ 67,893,115	\$ 40,796,408	\$ (27,096,707)	

DPSCD FY17 Budget Amendment No. 2 to Actuals Variance – October 2016

<i>\$ in thousands</i>	October Budget	October Actuals	October Variance	Comment
Revenues				
Local sources	\$ 1,341,884	\$ 272,166	\$ (1,069,718)	
State sources	37,643,697	39,161,171	1,517,474	Timing difference of grant receipts
Federal sources	15,374,504	26,184,110	10,809,606	Timing difference of grant receipts
Interdistrict sources	2,881,037	2,254,061	(626,976)	
Other sources	65,780	-	(65,780)	
Total revenues	57,306,902	67,871,508	10,564,606	
Expenditures				
Instruction	32,971,611	36,007,777	3,036,166	Three pay periods spanned October 2016
Support services	31,746,520	26,825,996	(4,920,524)	Timing difference of purchased services
Community service	360,085	67,041	(293,044)	
Facilities acquisitions and improvement	64,615	-	(64,615)	
Debt service	-	-	-	
Other uses	-	-	-	
Total Expenditures	65,142,831	62,900,814	(2,242,017)	
Surplus (Deficit)	\$ (7,835,929)	\$ 4,970,694	\$ 12,806,623	

	October Budget	October Actuals	October Variance	Comment
Salaries	\$ 28,595,358	\$ 30,378,698	\$ 1,783,340	Three pay periods spanned October 2016
Benefits	17,730,689	16,435,887	(1,294,802)	
Purchased Services	12,609,751	7,784,155	(4,825,596)	Timing difference
Supplies & Textbooks	1,355,293	3,290,523	1,935,230	
Equipment & Capital	3,410,322	3,067,978	(342,344)	
Utilities	1,441,418	1,943,574	502,156	
Debt Service	-	-	-	
Other	-	-	-	
Total Expenditures	\$ 65,142,831	\$ 62,900,814	\$ (2,242,017)	

DPSCD FY17 Budget Amendment No. 2 to Actuals Variance – September 2016

\$ in thousands

	September Budget	September Actuals	September Variance	Comment
Revenues				
Local sources	\$ 150,359	\$ 35,793	\$ (114,566)	
State sources	36,324,692	40,961,327	4,636,635	Timing difference of grant receipts
Federal sources	9,001,660	4,120,495	(4,881,165)	Timing difference of grant receipts
Interdistrict sources	2,540,857	2,497,874	(42,983)	
Other sources	-	15,269,308	15,269,308	Preliminary ending FY16 DPS cash balance transfer
Total revenues	48,017,568	62,884,797	14,867,229	
Expenditures				
Instruction	31,395,633	20,957,162	(10,438,471)	Unfilled vacancies
Support services	27,674,800	21,862,103	(5,812,697)	Unfilled vacancies
Community service	439,733	44,886	(394,847)	
Facilities acquisitions and improvement	-	-	-	
Debt service	-	-	-	
Other uses	-	-	-	
Total Expenditures	59,510,166	42,864,152	(16,646,014)	
Surplus (Deficit)	\$ (11,492,598)	\$ 20,020,645	\$ 31,513,243	

	September Budget	September Actuals	September Variance	
Salaries	\$ 27,233,674	\$ 19,151,249	\$ (8,082,425)	Budget includes unfilled vacancies impacting Salaries of ~\$50M
Benefits	16,942,770	10,383,749	(6,559,021)	Budget includes unfilled vacancies impacting Benefits of ~\$27M
Purchased Services	12,609,751	12,532,443	(77,308)	
Supplies & Textbooks	1,419,831	75,444	(1,344,387)	
Equipment & Capital	-	1,075	1,075	
Utilities	1,304,140	720,192	(583,948)	
Debt Service	-	-	-	
Other	-	-	-	
Total Expenditures	\$ 59,510,166	\$ 42,864,152	\$ (16,646,014)	

DPSCD FY17 Budget Amendment No. 2 to Actuals Variance – August 2016

<i>\$ in thousands</i>	August Budget	August Actuals	August Variance	Comment
Revenues				
Local sources	\$ 181,364	\$ 17,804	\$ (163,560)	
State sources	34,094,809	31,827,346	(2,267,463)	Timing difference of grant receipts
Federal sources	3,576,237	996,134	(2,580,103)	Timing difference of grant receipts
Interdistrict sources	2,540,857	-	(2,540,857)	Timing difference of grant receipts
Other sources	-	-	-	
Total revenues	40,393,267	32,841,284	(7,551,983)	
Expenditures				
Instruction	8,519,787	4,102,010	(4,417,777)	Lower summer school participation
Support services	14,140,453	21,460,281	7,319,828	
Community service	333,507	8,127	(325,380)	
Facilities acquisitions and improvement	-	-	-	
Debt service	-	-	-	
Other uses	-	-	-	
Total Expenditures	22,993,747	25,570,418	2,576,671	
Surplus (Deficit)	\$ 17,399,520	\$ 7,270,866	\$ (10,128,654)	

	August Budget	August Actuals	August Variance
Salaries	\$ 6,253,479	\$ 6,333,760	\$ 80,281
Benefits	3,883,192	5,863,000	1,979,808
Purchased Services	10,610,946	11,106,402	495,456
Supplies & Textbooks	979,536	100,386	(879,150)
Equipment & Capital	-	-	-
Utilities	1,266,594	2,166,870	900,276
Debt Service	-	-	-
Other	-	-	-
Total Expenditures	\$ 22,993,747	\$ 25,570,418	\$ 2,576,671

DPSCD FY17 Budget Amendment No. 2 to Actuals Variance – July 2016

<i>\$ in thousands</i>	July Budget	July Actuals	July Variance	Comment
Revenues				
Local sources	\$ 150,459	\$ 45	\$ (150,414)	
State sources	34,313,118	31,323,602	(2,989,516)	Timing difference of grant receipts
Federal sources	7,431,528	3,220,027	(4,211,501)	Timing difference of grant receipts
Interdistrict sources	15,374,779	15,000,000	(374,779)	
Other sources	25,000,000	25,000,000	-	
Total revenues	82,269,884	74,543,674	(7,726,210)	
Expenditures				
Instruction	14,397,485	5,228,976	(9,168,509)	Lower summer school participation
Support services	17,056,184	17,520,074	463,890	
Community service	306,493	24,085	(282,408)	
Facilities acquisitions and improvement	-	-	-	
Debt service	-	-	-	
Other uses	-	-	-	
Total Expenditures	31,760,162	22,773,135	(8,987,027)	
Surplus (Deficit)	\$ 50,509,722	\$ 51,770,539	\$ 1,260,817	

	July Budget	July Actuals	July Variance	
Salaries	\$ 12,583,312	\$ 6,994,360	\$ (5,588,952)	Lower summer school participation
Benefits	7,634,824	4,949,033	(2,685,791)	Lower summer school participation
Purchased Services	9,384,749	8,596,642	(788,107)	
Supplies & Textbooks	96,843	-	(96,843)	
Equipment & Capital	-	-	-	
Utilities	2,060,434	2,233,100	172,666	
Debt Service	-	-	-	
Other	-	-	-	
Total Expenditures	\$ 31,760,162	\$ 22,773,135	\$ (8,987,027)	

DPSCD Cash Forecast to Actuals Variance – December 2016

<i>\$ in thousands</i>	December		Variance	Comment
	Forecast	Actuals		
Cash Receipts				
State Aid	\$ 34,805	\$ 33,765	\$ (1,040)	Prior month reversal due to updated student count
MPSERS (State Funded)	3,066	3,182	116	
Enhancement millage	-	-	-	
Grants	12,648	13,009	360	
Transfer from DPS	-	-	-	
WCRESA	2,254	2,254	-	
Food Service Reimbursement	3,158	4,685	1,528	Catch-up from previous months
Capital Asset Sales	9,000	3,091	(5,909)	Remaining asset sales expected beginning of 2017
Miscellaneous	1,490	537	(952)	
Total Cash Receipts	66,420	60,523	(5,897)	
Cash Disbursements				
MPSERS (Pass through)	\$ (6,364)	\$ (6,364)	\$ -	
Payroll Direct Deposit	(25,090)	(25,744)	(655)	
Taxes	(9,851)	(9,216)	635	
FICA	(2,887)	(2,885)	3	
Accounts Payable	(15,657)	(22,410)	(6,753)	Timing - catch-up of payables from November
Pension (employee portion)	(2,768)	(2,597)	171	
Pension (employer portion)	(8,613)	(8,073)	540	
Health	(4,153)	(3,731)	421	
Fringe Benefits	(1,122)	(65)	1,057	
Food Service	(4,125)	(3,598)	528	
Transfer to DPS	-	-	-	
Other	(375)	(41)	334	
Total Cash Disbursements	(81,005)	(84,725)	(3,720)	
Beginning Cash Balance	68,343	68,343	-	
Net Cash Flow	(14,585)	(24,201)	(9,617)	
Ending Cash Balance	\$ 53,758	\$ 44,142	\$ (9,617)	

Note: The sum of individual month's variances does not equal the cumulative variance for multiple months as the forecast is updated weekly and changes in current month can affect future months (e.g. a receivable that is initially expected in August, subsequently expected in September and finally received in October will show up twice in the monthly variance but only once in the cumulative variance).

DPSCD Cash Forecast to Actuals Variance – November 2016

<i>\$ in thousands</i>	November		Variance	Comment
	Forecast	Actuals		
Cash Receipts				
State Aid	\$ 35,323	\$ 35,841	\$ 519	Expected to reverse with updated FTE count
MPSERS (State Funded)	6,364	6,364	-	
Grants	12,147	13,052	905	Catch-up from previous months
Transfer from DPS	17,300	17,300	-	
WCRESA	2,254	1,944	(310)	
Food Service Reimbursement	3,086	3,666	580	Catch-up from previous months
Capital Asset Sales	-	-	-	
Miscellaneous	967	328	(639)	
Total Cash Receipts	77,441	78,496	1,055	
Cash Disbursements				
MPSERS (Pass through)	\$ -	\$ -	\$ -	
Payroll Direct Deposit	(14,144)	(6,767)	7,377	Timing - payroll funding occurred one day prior instead of two
Taxes	(5,615)	(5,296)	319	
FICA	(1,627)	(1,566)	61	
Accounts Payable	(16,401)	(12,668)	3,733	Timing - payables to be paid in early December
Pension (employee portion)	(1,813)	(1,716)	97	
Pension (employer portion)	(5,690)	(5,468)	222	
Health	(3,927)	(4,404)	(477)	
Fringe Benefits	(707)	(40)	667	
Food Service	(2,600)	(1,424)	1,176	Timing - payables to be paid in early December
Transfer to DPS	-	-	-	
Other	(474)	(199)	275	
Total Cash Disbursements	(52,998)	(39,550)	13,448	
Beginning Cash Balance	29,397	29,397	-	
Net Cash Flow	24,443	38,946	14,503	
Ending Cash Balance	\$ 53,840	\$ 68,343	\$ 14,503	

Note: The sum of individual month's variances does not equal the cumulative variance for multiple months as the forecast is updated weekly and changes in current month can affect future months (e.g. a receivable that is initially expected in August, subsequently expected in September and finally received in October will show up twice in the monthly variance but only once in the cumulative variance).

DPSCD Cash Forecast to Actuals Variance – October 2016

<i>\$ in thousands</i>	October		Variance	Comment
	Forecast	Actuals		
Cash Receipts				
State Aid	\$ 35,323	\$ 35,052	\$ (271)	
MPSERS (State Funded)	-	-	-	
Grants	9,480	1,257	(8,223)	Approval of FY17 grants delayed due to MPSERS resolution
Transfer from DPS	23,504	15,739	(7,765)	Lower draw based on cash needs
WCRESA	2,254	2,254	-	
Food Service Reimbursement	459	-	(459)	
Capital Asset Sales	-	-	-	
Miscellaneous	1,150	976	(174)	
Total Cash Receipts	72,170	55,277	(16,892)	
Cash Disbursements				
MPSERS (Pass through)	\$ -	\$ -	\$ -	
Payroll Direct Deposit	(14,121)	(13,598)	523	
Taxes	(5,346)	(5,085)	260	
FICA	(1,589)	(1,543)	45	
Accounts Payable	(18,268)	(6,045)	12,224	Timing - payables to be paid in early November
Pension (employee portion)	(1,768)	(1,589)	179	
Pension (employer portion)	(5,644)	(5,187)	457	
Health	(886)	(124)	762	
Fringe Benefits	(502)	(22)	480	
Food Service	(1,200)	(2,189)	(989)	Catch-up from previous month
Transfer to DPS	-	-	-	
Other	(320)	(2)	318	
Total Cash Disbursements	(49,644)	(35,387)	14,258	
Beginning Cash Balance	9,506	9,506	-	
Net Cash Flow	22,525	19,891	(2,635)	
Ending Cash Balance	\$ 32,032	\$ 29,397	\$ (2,635)	

Note: The sum of individual month's variances does not equal the cumulative variance for multiple months as the forecast is updated weekly and changes in current month can affect future months (e.g. a receivable that is initially expected in August, subsequently expected in September and finally received in October will show up twice in the monthly variance but only once in the cumulative variance).

DPSCD Cash Forecast to Actuals Variance – September 2016

<i>\$ in thousands</i>	September		Variance	Comment
	Forecast	Actuals		
Cash Receipts				
State Aid	\$ -	\$ -	\$ -	
MPSERS (State Funded)	-	-	-	
Grants	10,798	2,407	(8,391)	Approval of FY17 grants delayed due to MPSERS resolution
Transfer from DPS	-	-	-	
WCRESA	-	2,498	2,498	Received on 9/30 - previously forecasted for first week in Oct.
Food Service Reimbursement	1,000	-	(1,000)	
Capital Asset Sales	-	-	-	
Miscellaneous	863	198	(665)	
Total Cash Receipts	12,661	5,103	(7,558)	
Cash Disbursements				
MPSERS (Pass through)	\$ -	\$ -	\$ -	
Payroll Direct Deposit	(14,396)	(14,038)	358	
Taxes	(3,092)	(2,966)	126	
FICA	(756)	(882)	(126)	
Accounts Payable	(16,688)	(8,223)	8,465	Timing - some payables were paid in early October
Pension (employee portion)	(884)	(692)	192	
Pension (employer portion)	(936)	(429)	507	
Health	(3,297)	(5,818)	(2,521)	Prepayment of October benefits
Fringe Benefits	(459)	(13)	445	
Food Service	(1,228)	(321)	907	
Transfer to DPS	-	-	-	
Other	(72)	-	72	
Total Cash Disbursements	(41,807)	(33,383)	8,424	
Beginning Cash Balance	37,786	37,786	0	
Net Cash Flow	(29,146)	(28,280)	866	
Ending Cash Balance	\$ 8,640	\$ 9,506	\$ 866	

Note: The sum of individual month's variances does not equal the cumulative variance for multiple months as the forecast is updated weekly and changes in current month can affect future months (e.g. a receivable that is initially expected in August, subsequently expected in September and finally received in October will show up twice in the monthly variance but only once in the cumulative variance).

DPSCD Cash Forecast to Actuals Variance – August 2016

<i>\$ in thousands</i>	August		Variance	Comment
	Forecast	Actuals		
Cash Receipts				
State Aid	\$ -	\$ -	\$ -	
MPSERS (State Funded)	-	-	-	
Grants	-	-	-	
Transfer from DPS	15,269	15,269	-	
WCRESA	-	-	-	
Food Service Reimbursement	3,000	-	(3,000)	Receipt of food service related to DPS
Capital Asset Sales	-	-	-	
Miscellaneous	126	110	(16)	
Total Cash Receipts	18,395	15,380	(3,016)	
Cash Disbursements				
MPSERS (Pass through)	\$ -	\$ -	\$ -	
Payroll Direct Deposit	(3,971)	(3,424)	547	
Taxes	(2,040)	(1,397)	643	
FICA	(216)	(629)	(413)	
Accounts Payable	(7,183)	(505)	6,678	Building reinvestment work commenced later than projected
Pension (employee portion)	(428)	(428)	(0)	
Pension (employer portion)	(1,700)	(1,700)	0	
Health	(7,153)	(6,965)	188	
Fringe Benefits	(67)	(6)	61	
Food Service	(380)	-	380	
Transfer to DPS	-	-	-	
Other	-	(75)	(75)	
Total Cash Disbursements	(23,138)	(15,131)	8,007	
Beginning Cash Balance	37,537	37,537	0	
Net Cash Flow	(4,743)	249	4,992	
Ending Cash Balance	\$ 32,794	\$ 37,786	\$ 4,992	

Note: The sum of individual month's variances does not equal the cumulative variance for multiple months as the forecast is updated weekly and changes in current month can affect future months (e.g. a receivable that is initially expected in August, subsequently expected in September and finally received in October will show up twice in the monthly variance but only once in the cumulative variance).

DPSCD Cash Forecast to Actuals Variance – July 2016

<i>\$ in thousands</i>	July		Variance	Comment
	Forecast	Actuals		
Cash Receipts				
State Aid	\$ -	\$ -	\$ -	
MPSERS (State Funded)	-	-	-	
Grants	2,100	-	(2,100)	Grant draw delayed in line with disbursements
State Aid Note Proceeds	-	-	-	
Transfer from DPS	25,000	25,000	-	
WCRESA	15,000	15,000	-	
Food Service Reimbursement	840	-	(840)	
Capital Asset Sales	-	-	-	
Miscellaneous	1,063	25	(1,038)	
Total Cash Receipts	44,003	40,025	(3,978)	
Cash Disbursements				
MPSERS (Pass through)	\$ -	\$ -	\$ -	
Payroll Direct Deposit	(2,673)	(2,396)	278	
Taxes	(1,005)	(27)	979	Some payroll items funded out of DPS - to be reversed
FICA	(328)	-	328	Some payroll items funded out of DPS - to be reversed
Accounts Payable	(3,683)	(1)	3,682	Building reinvestment work commenced later than projected
Pension (employee portion)	(579)	(36)	543	
Pension (employer portion)	(1,782)	-	1,782	Some payroll items funded out of DPS - to be reversed
Health	(2,232)	(28)	2,204	Some payroll items funded out of DPS - to be reversed
Fringe Benefits	-	-	-	
Property Tax Transfer	(17,658)	-	17,658	Actually a DPS liability - to be netted with ending cash balance
Food Service	-	-	-	
Transfer to DPS	-	-	-	
Other	-	-	-	
Total Cash Disbursements	(29,941)	(2,488)	27,454	
Beginning Cash Balance	44,661	-	(44,661)	Adjusted beginning cash balance transferred in August
Net Cash Flow	14,061	37,537	23,476	
Ending Cash Balance	\$ 58,723	\$ 37,537	\$ (21,185)	

Note: The sum of individual month's variances does not equal the cumulative variance for multiple months as the forecast is updated weekly and changes in current month can affect future months (e.g. a receivable that is initially expected in August, subsequently expected in September and finally received in October will show up twice in the monthly variance but only once in the cumulative variance).

a	Additional financial information
b	Monthly variances
c	Additional contracts information
d	Additional bond refunding information

FRC Approved Contracts: spend as of February 27, 2017

Contract #	Contractor	Contract Expiry Date	Contract Period (Years)	Purpose	Contract Amount	YTD Spend (Amt Invoiced)
DPSCD Police Department						
15-0054-C	Securitas Security Services, USA, Inc.	12/30/2017	1.0	Provide professional Security Services	\$ 3,700,000	\$ 1,342,873
Subtotal					\$ 3,700,000	\$ 1,342,873
Information Technology						
16-0432	Wayne County Regional Education Service Agency (WRESA)	6/30/2017	1.0	Provide for services as well as support to transition certain services currently provided by WRESA to DPSCD	\$ 768,570	\$ 87,729
16-0345-C	Learning Consultants	6/30/2019	3.0	Provide basic Cable Plant Maintenance, Technology Installation Services and Network Change & Repair Activities	750,000	484,955
16-0345-1-C	Direct Internet	6/30/2019	3.0	Provide basic Cable Plant Maintenance, Technology Installation Services and Network Change & Repair Activities	750,000	150,850
16-0432-1	Wayne County Regional Education Service Agency (WRESA)	6/30/2017	1.0	Provide software, support and services related to the MiStar student information system	462,830	321,421
Subtotal					\$ 2,731,400	\$ 1,044,956
Operations						
13-0422-2	Constellation New Energy- Gas Div. LLC	9/30/2017	1.0	Provide natural gas supply and delivery	\$ 2,500,000	\$ 803,278
17-0032	LoPiccolo Brothers Produce Inc.	10/31/2017	1.0	Fresh fruit and vegetable program	1,639,130	-
17-0048	Payne Landscaping, Inc.	6/30/2017	0.5	To Provide snow plowing services	1,591,573	239,863
17-0015-6	Quality Roofing	12/31/2016	0.3	Provide new roof replacement and repairs for three elementary schools	1,434,024	1,306,383
17-0021	Lutz Roofing	12/31/2016	0.2	Provide new roof replacements for Emerson and Spain schools	1,150,639	433,483
Req. 58832	City of Detroit Dept. of Transportation	6/30/2017	0.4	Provide semester student swipe passes for students to use the Detroit City Bus system to attend school.	773,000	-
15-0045-2	Progressive Distribution Centers, Inc.	2/1/2018	1.0	Provide warehouse management services for the District's Warehouse located at 1425-E Warren Ave., Detroit MI.	1,700,000	-
Subtotal					\$ 10,788,366	\$ 2,783,007

FRC Approved Contracts: spend as of February 27, 2017 cont.

Contract #	Contractor	Contract Expiry Date	Contract Period (Years)	Purpose	Contract Amount	YTD Spend (Amt Invoiced)
Risk Management						
17-0019-C	Aon Risk Services Central, Inc.	12/31/2017	1.0	Provide insurance brokerage services; manage DPSCD insurance coverage, obtain quotes, bind coverage, updating DPSCD on market trends, work with insures to process claims	\$ 876,506	\$ 52,429
Subtotal					\$ 876,506	\$ 52,429
Parent and Community Engagement						
16-0447-C	Southwest Counseling Solutions	9/30/2019	2.9	Recruit, manage, provide oversight and reporting of Community School Coordinators (CSC) for each Community School. The CSC serves as the school Principal's primary manager of all Community School activities and services in support of the school's education	\$ 2,970,240	\$ 308,218
16-0448-C	Community Schools of Metro Detroit	9/30/2017	0.9	Recruit, manage, provide oversight and reporting of Community School Coordinators (CSC) for each Community School. The CSC serves as the school Principal's primary manager of all Community School activities and services in support of the school's educational plan.	2,533,440	251,097
Subtotal					\$ 5,503,680	\$ 559,315
Specialized Student Services						
16-0438-C	CareerStaff Unlimited LLC	6/30/2017	0.7	Provide skilled nursing care to students	\$ 2,532,230	\$ 168,362
17-0033-C	Therapy Staff LLC	6/30/2017	0.7	Provide skilled Speech-Language Pathologists, Occupational Therapists, Physical Therapists, Psychologist and Social Workers for DPSCD students.	1,695,141	303,330
16-0439-C	Educational Based Services (EBS)	6/30/2017	0.7	Provide skilled Speech-Language Pathologists, Occupational Therapists, Physical Therapists, Psychologist and Social Workers for DPSCD students.	1,371,222	378,602
16-0446-C	Deaf Community Advocacy Network	12/31/2017	1.0	Provide sign language interpreters for deaf and hard of hearing students and staff.	1,010,054	158,600
17-0034-C	CareerStaff Unlimited LLC	6/30/2017	0.7	Provide skilled Speech-Language Pathologists, Occupational Therapists, Physical Therapists, Psychologist and Social Workers for DPSCD students.	990,360	74,769
Subtotal					\$ 7,599,007	\$ 1,083,664
GRAND TOTAL					\$ 31,198,959	\$ 6,866,244

The Facility Group Capital Improvements

- A renewal of The Facility Group contract will support the following projects with an approximate value of \$2,100,000:
 - Removal of oversized boilers from East English Village and relocation to DSA
 - Installation of new high efficiency boilers at East English Village
 - Boiler Replacements at 12 schools (a total of 24 boilers)
 - Boiler replacement at Renaissance (annual energy savings of \$70k per year)
 - Chiller replacements at Ellington, Ron Brown, Lower Fisher, Harms, Western and Schulze
- The Facility Group recently purchased the building at 1515 Kirby Detroit, MI as their new headquarters.
- During the past three years The Facility Group has utilized hourly savings to resolve facility issues throughout zone 1. Some of the major projects are listed below:
 - Installed 39 high efficiency boilers in 18 schools
 - Reduced our reliance on District Steam which resulted in a 45% reduction in utility costs
 - Installed a new HVAC unit at Neinas to supports summer programs and reduce energy consumption
 - Repair pool at Burton International
 - Reactivated building automation systems that had been overrode by previous providers to increase occupant comfort levels and reduce energy costs
 - Reactivated the lighting system at Renaissance, prior to this the lights were on 24/7 because no one knew how to operate the system
 - Replaced a steam line at Academy of America's, it had been leaking for at least 5 years and has resulted in increased occupant comfort levels, reduced energy costs and increased the life of the boiler.
 - Donated in excess of \$410,00 in material and labor to projects at Spain Elementary and Camp Burt Shurley
 - Replace the cooling tower at Renaissance High School, it had not been maintained by the previous service provider
 - Converted 16 buildings to LED lighting

a	Additional financial information
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RESOLUTION AUTHORIZING
2017 REFUNDING BONDS, SERIES A (UNLIMITED TAX GENERAL OBLIGATION)
AND 2017 REFUNDING BONDS, SERIES B (UNLIMITED TAX GENERAL OBLIGATION)
(FEDERALLY TAXABLE)

School District of the City of Detroit
County of Wayne, Michigan

Minutes of a regular meeting of the Board of Education of the Detroit Public Schools Community District (the “Community District”) acting on behalf of the School District of the City of Detroit, County of Wayne, Michigan (the “School District”) held in the School District on the ____ day of March, 2017, at 5:30 p.m., prevailing Eastern Time.

PRESENT: Members: _____
_____.

ABSENT: Members: _____.

The following preamble and resolution were offered by Member _____ and supported by Member _____.

WHEREAS, the School District was created under the provisions of The Revised School Code, Act 451, Public Acts of Michigan, 1976, as amended (“Act 451”) by the State of Michigan (the “State”), pursuant to which the School District has the power conferred upon it by Act 451, other applicable law, and the Michigan Constitution of 1963 (the “Constitution”), subject only to the limitations on the exercise of that power contained in the Constitution, or by statute of the State; and

WHEREAS, on June 21, 2016, Act 192, Public Acts of Michigan, 2016 (“Act 192”) amending Act 451, was enacted with immediate effect; and

WHEREAS, once Act 192 became effective, the School District became a qualifying school district under Section 12b of Act 451, and a community district (the “Community District”) was created for the same geographic area as the School District, to provide public educational services for residents of that geographic area under Section 383 of Act 451; and

WHEREAS, the members of the Board of Education of the Community District assumed office on January 1, 2017 and, pursuant to Act 192, are authorized to exercise the functions and responsibilities of the School District; and

WHEREAS, Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”) and Act 192 permit the Board of Education to refund or advance refund all or part of the funded indebtedness of the School District; and

WHEREAS, the School District has also previously issued its School Building and Site Bonds (Unlimited Tax General Obligation), Series 2010B, Build America Bonds (Taxable – Direct Payment Bonds), dated October 28, 2010 (the “2010 Bonds”); and

WHEREAS, the 2010 Bonds provide that if for any reason the United States Department of Treasury at any time ceases to remit to the School District all or any part of the interest rate subsidy payable with respect to the 2010 Bonds in accordance with the Internal Revenue Code of 1986, as amended (the “Code”), for any reason other than one attributable to the action or inaction of the School District, the School District has the right to redeem and retire all or any part of the principal amount of the 2010 Bonds then outstanding; and

WHEREAS, from 2013 through 2017, the School District’s direct pay subsidy refundable credit payments from the United States Department of Treasury were reduced by between 6.8% and 8.7% pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended; and

WHEREAS, the Board of Education determines that it is in the best interest of the School District to refund or advance refund all or a portion of the outstanding 2010 Bonds; and

WHEREAS, the School District’s debt millage is capped at 13 mills, and because such debt millage would not produce sufficient revenue to pay debt service on its unlimited tax general obligation bonds, the School District has borrowed from the Michigan School Loan Revolving Fund in order to pay debt service on such bonds; and

WHEREAS, the outstanding balance of the School District’s Michigan School Loan Revolving Fund loans (the “Loans”) is projected to be approximately \$286,850,000 as of June 30, 2017; and

WHEREAS, the School District wishes to issue bonds to refund all or a portion of its outstanding Loans to provide savings for taxpayers and prevent or reduce future balance increases; and

WHEREAS, if due to market conditions or Michigan Department of Treasury (“Department”) requirements either of the refunding components becomes noneconomic or inefficient, the Board of Education wishes to authorize the administration to drop any component of the foregoing and to proceed only with the component which allows the School District to maximize the benefits to the School District and its taxpayers; and

WHEREAS, the School District desires to negotiate and award the sale of the Bonds to the Michigan Finance Authority (the “MFA”), or alternatively, solicit proposals from and negotiate and award the sale of the Bonds to an underwriter, each within the parameters established by this Resolution.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Bonds of the School District designated **2017 Refunding Bonds, Series A (Unlimited Tax General Obligation)** (the “Series A Bonds”) be issued in one or more series, with appropriate designations, in the aggregate principal amount of not to exceed Fifty-Three Million Five Hundred Thousand Dollars (\$53,500,000), or such lesser amount as shall be determined by the Superintendent or Chief Financial Officer (each an “Authorized Officer”)

upon sale thereof for the purpose of refunding or advance refunding all or a portion of the outstanding 2010 Bonds. The issue shall consist of bonds registered as to principal and interest of the denomination of \$5,000 or integral multiples thereof, be dated as of the date of delivery or such other date as shall be determined by an Authorized Officer at the time of sale of the Series A Bonds, and numbered as determined by the Transfer Agent (hereinafter defined). The Series A Bonds shall mature on May 1 or November 1, or both, in the principal amounts as determined by an Authorized Officer at the time of sale. The Series A Bonds shall bear interest at fixed rate or a variable rate to be determined upon negotiated sale thereof, but in any event not exceeding a true interest cost of four and one-half percent (4.5%) per annum, payable semi-annually on May 1 and November 1 as determined by an Authorized Officer at the time of sale. If the Series A Bonds shall bear interest at a variable rate, appropriate changes shall be made to the form of bond set forth in paragraph 6. The net present value savings to be realized by the School District shall be not less than 1.00% of the principal amount of the 2010 Bonds to be refunded (the “Refunded Bonds”).

Bonds of the School District designated **2017 Refunding Bonds, Series B (Unlimited Tax General Obligation) (Federally Taxable)** (the “Series B Bonds”, and together with the Series A Bonds, the “Bonds”), be issued in one or more series, with appropriate designations, in the aggregate principal amount of not to exceed Three Hundred Fifty Million Dollars (\$350,000,000), or such lesser amount as shall be determined by an Authorized Officer upon sale thereof for the purpose of refunding all or a portion of the Loans. The Series B Bonds will mature on May 1 or November 1, or both, in the years and in the principal amounts as determined at the time of sale of the Series B Bonds. The Series B Bonds shall bear interest at fixed rate or a variable rate to be determined upon negotiated sale thereof, but in any event not exceeding a true interest cost of four percent (4%) per annum, payable semi-annually on May 1 and November 1 as determined by an Authorized Officer at the time of sale. If the Series B Bonds shall bear interest at a variable rate, appropriate changes shall be made to the form of bond set forth in paragraph 6. The net present value savings to be realized by the School District shall be not less than 2.00% of the projected debt service payable on loans from the School Loan Revolving Fund in the absence of the refunding, based on Department guidelines, provided, however, that the School District may issue the Series B Bonds on a tax exempt basis if bond counsel determines that under the facts and circumstances the Loans may be refinanced by the School District on a tax exempt basis.

The underwriter’s discount shall not exceed 0.75% of the principal amount of the Bonds.

In the event that the School District, based on the advice of its financial advisor, determines that the net present value savings associated with the refinancing of the 2010 Bonds is not at least one percent (1.00%) of the principal amount of the Refunded Bonds, the School District may issue Series B Bonds in the principal amount of not to exceed Three Hundred Fifty Million Dollars (\$350,000,000) for the purpose of paying the cost of refunding the Loans and associated costs of issuance only. In addition, if the Series B Bonds are issued solely to pay the costs of refunding the Loans and associated costs of issuance, (i) the Series B Bonds shall be designated “2017 Refunding Bonds”; and (ii) appropriate changes shall be made to the form of bond set forth in paragraph 6, the continuing disclosure undertaking referred to in paragraph 14, the name and purpose of the Debt Retirement Fund and the application of Series B Bond proceeds.

In the event that the School District, based on the advice of its financial advisor, determines that the net present value savings associated with the refinancing of the Loans to be

refunded is not at least two percent (2.00%) of the projected debt service payable on loans from the School Loan Revolving Fund in the absence of the refunding, based on Department guidelines, the School District may issue Series A Bonds in the principal amount of not to exceed Fifty-Three Million Five Hundred Thousand Dollars (\$53,500,000) for the purpose of paying the cost of refunding the Refunded Bonds and associated costs of issuance only. In addition, if the Series A Bonds are issued solely to pay the costs of refunding the Refunded Bonds and associated costs of issuance, (i) the Series A Bonds shall be designated "2017 Refunding Bonds"; and (ii) appropriate changes shall be made to the form of bond set forth in paragraph 6, the continuing disclosure undertaking referred to in paragraph 14, the name and purpose of the Debt Retirement Fund and the application of Series B Bond proceeds.

If the delivery of the Bonds of either series is delayed beyond the year 2017 due to market or other conditions, the dated date of the Bonds, the designation of the Bonds, the names of the funds established by this Resolution and the first year of the tax levy with respect to the Bonds may be adjusted accordingly by an Authorized Officer to reflect the year of issue.

Interest on the Bonds shall be payable by check drawn on the Transfer Agent, mailed to the registered owner at the registered address, as shown on the registration books of the School District maintained by the Transfer Agent. Interest shall be payable to the registered owner of record as of the fifteenth day of the month prior to the payment date for each interest payment. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the School District to conform to market practice in the future. The principal of the Bonds shall be payable at a bank or trust company selected by an Authorized Officer, as registrar and transfer agent for the Bonds (the "Transfer Agent") upon presentation and surrender of the appropriate Bond.

The Bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York.

The Bonds of any series may be issued as serial or term bonds or both and shall be subject to optional or mandatory redemption prior to maturity at the times and prices determined at the time of sale and in the manner as set forth provided in the form of bond set forth in paragraph 6 of this resolution.

Unless waived by any registered owner of Bonds of this series to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the School District. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the redemption date; the redemption price; the place where Bonds called for redemption are to be surrendered for payment; and that interest on Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

The Bonds shall be signed by the manual or facsimile signatures of the President and Secretary of the Board of Education. No bond of either series shall be valid until authenticated

by an authorized representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by it to the purchaser in accordance with instructions from the Treasurer of the School District upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted. Executed blank Bonds for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

3. Unless the School District establishes a Common Debt Retirement Fund as provided by law for all issues of bonds of like character of the School District, the Treasurer shall open a special depository account for each series of Bonds with a bank to be designated as applicable to each series of Bonds, the 2017 Refunding Bonds Debt Retirement Fund, Series A (the "Series A Debt Retirement Fund") and the 2017 Refunding Bonds Debt Retirement Fund, Series B (the "Series B Debt Retirement Fund", or as applicable to each series of Bonds, the "Debt Retirement Fund"). All proceeds from taxes levied for the payment of the principal of, interest on and redemption price for the Bonds shall be deposited into the applicable Debt Retirement Fund or the Common Debt Retirement Fund, if one is established. Once applicable Debt Retirement Funds are established, the moneys deposited in such funds shall be used solely for the purpose of paying the principal of, interest on and redemption price, if any, for the related series of Bonds. If the School District establishes a Common Debt Retirement Fund, the moneys deposited in that fund shall be used solely for the payment of the principal of and interest on the Bonds and other bonds of like character of the School District payable from the Common Debt Retirement Fund. The accrued interest, if any, received upon delivery of any series of Bonds shall also be deposited in the appropriate debt retirement fund. Any net original issue premium received on sale and delivery of any series of Bonds shall be deposited in the appropriate fund consistent with state and federal law, and if required by federal tax law, may be used to pay capitalized interest on the Series A Bonds or reduce the principal amount of the Series A Bonds issued.

4. The proceeds of the Series A Bonds shall be used to pay the costs of issuance related to the Refunded Bonds and to secure payment of the Refunded Bonds as provided in this paragraph. Upon receipt of the proceeds of sale of the Series A Bonds the accrued interest, if any, shall be deposited in the appropriate account of the Series A Debt Retirement Fund. From the proceeds of the Series A Bonds there shall be set aside a sum sufficient to pay the costs of issuance of the Series A Bonds in a fund designated the 2017 Refunding Bonds, Series A Costs of Issuance Fund (the "Series A Costs of Issuance Fund") to be held by the Escrow Trustee (defined below). Moneys in the Series A Costs of Issuance Fund shall be used solely to pay expenses of issuance of the Series A Bonds. Any amounts remaining in the Series A Costs of Issuance Fund after payment of issuance expenses shall be transferred to the Series A Debt Retirement Fund.

After setting aside funds to pay costs of issuance as provided above, the proceeds of the Series A Bonds in an amount as determined by an Authorized Officer at the time of sale of the Series A Bonds shall be transferred to the Department to be applied to refund the Refunded Bonds, together with any moneys transferred by the School District at the time of sale of the Series A Bonds from the debt retirement fund for the 2010 Bonds and any other available funds of the School District, shall be deposited in an Escrow Fund (the "Escrow Fund") with a bank or trust company, as trustee (the "Escrow Trustee"), in trust pursuant to an Escrow Agreement (the "Escrow Agreement") which shall irrevocably direct the Escrow Trustee to take all necessary steps to call the Refunded Bonds for redemption, including publication and mailing of

redemption notices, on any date specified by the School District that the Refunded Bonds may be called for redemption. Moneys deposited in the Escrow Fund shall be held as uninvested cash or invested in direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing (the “2010 Bonds Escrow Funds”) and used to pay principal of and interest on the Refunded Bonds when due or upon call for redemption. The investment held in the 2010 Bonds Escrow Funds shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal of and interest on the Refunded Bonds as they become due pursuant to maturity or the call for redemption required by this paragraph. Either Authorized Officer is hereby individually authorized to select and retain on behalf of the School District an Escrow Trustee to serve under the Escrow Agreement. Either Authorized Officer is authorized and directed to purchase or cause to be purchased escrow securities, including United States Treasury Obligations – State and Local Government Series (SLGS), in an amount sufficient to fund the Escrow Fund.

5. The proceeds of the Series B Bonds shall be used to pay the costs of issuance related to the refunding of the Loans and to repay the Loans as provided in this paragraph. Upon receipt of the proceeds of sale of the Series B Bonds the accrued interest, if any, shall be deposited in the appropriate account of the Series B Debt Retirement Fund. From the proceeds of the Series B Bonds there shall be set aside a sum sufficient to pay the costs of issuance of the Series B Bonds in a fund designated the 2017 Refunding Bonds, Series B Costs of Issuance Fund (the “Series B Costs of Issuance Fund”). Moneys in the Series B Costs of Issuance Fund shall be used solely to pay expenses of issuance of the Series B Bonds. Any amounts remaining in the Series B Costs of Issuance Fund after payment of issuance expenses shall be transferred to the Series B Debt Retirement Fund.

After setting aside funds to pay costs of issuance as provided above, the remaining portion of the proceeds of the Series B Bonds shall be transferred to the Department to pay principal of and interest on the Loans as determined by an Authorized Officer at the time of sale of the Series B Bonds. If the proceeds allocated to refund the Loans are not transferred to the Department on the day of delivery of the Series B Bonds, such proceeds (the “School Loan Escrow Funds”) shall be held by a bank or trust company, as Trustee (the “Trustee”), in trust pursuant to an Escrow Agreement (the “Loan Escrow”) which shall irrevocably direct the Trustee to take all necessary steps to notify and transfer to the Department the School Loan Escrow Funds on the date or dates established at the time of sale of the Series B Bonds. Pending such transfer the investment held in the School Loan Escrow Funds shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the Loans on the date specified, and each Authorized Officer is hereby individually authorized to select and retain on behalf of the School District a Trustee to serve under the Loan Escrow. Either Authorized Officer is authorized and directed to purchase or cause to be purchased escrow securities, including United States Treasury Obligations – State and Local Government Series (SLGS), in an amount sufficient to fund the Loan Escrow.

6. The Series A Bonds and the Series B Bonds shall be in substantially the following forms:

FORM OF SERIES A BONDS

UNITED STATES OF AMERICA

STATE OF MICHIGAN
COUNTY OF WAYNE

SCHOOL DISTRICT OF THE CITY OF DETROIT

2017 REFUNDING BOND, SERIES A
(UNLIMITED TAX GENERAL OBLIGATION)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
	May 1, 20__		

Registered Owner: [_____]

Principal Amount: _____ Dollars

School District of the City of Detroit, County of Wayne, State of Michigan (the "School District") promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America on the Date of Maturity specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above, or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on _____, 20__ and semiannually thereafter. Principal of this bond is payable at the corporate trust office of _____, or such other transfer agent as the School District may hereafter designate by notice mailed to the registered owner hereof not less than 60 days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who or which is as of the 15th day of the month preceding each interest payment date, the registered owner, at the registered address. For the prompt payment of this bond, both principal and interest, the full faith and credit of the School District is hereby irrevocably pledged.

This bond is one of a series of bonds of even date of original issue aggregating the principal sum of \$_____, (the "Bonds"). The Bonds are issued under and in pursuance of the provisions of Act 451, Public Acts of Michigan, 1976, as amended, and Act 34, Public Acts of Michigan, 2001, as amended, and pursuant to a resolution duly adopted by the Board of Education of the Detroit Public Schools Community District (the "Community District") acting on the School District's behalf, on March __, 2017 for the purpose of refunding a portion of the School District's outstanding School Building and Site Bonds (Unlimited Tax General Obligation), Series 2010B, Build America Bonds (Taxable – Direct Payment Bonds).

This bond and the interest hereon are payable from the Debt Retirement Fund of the School District for this issue, and the School District is obligated to levy annually sufficient taxes without limitation as to rate or amount to provide for the payment of the principal of and interest on these bonds as they mature.

Bonds or \$5,000 portions of bonds maturing in the years 20__ to 20__, inclusive, shall not be subject to redemption prior to maturity.

Bonds maturing in the years 20__ to 20__, inclusive, shall be subject to redemption prior to maturity, at the option of the School District, in any order of maturity, and by lot within a single maturity, on any date on or after _____, 20__. Bonds or portions thereof called for redemption shall be redeemed at par plus accrued interest to the date fixed for redemption.

[Insert mandatory term bond redemption provisions, if needed]

Notice of redemption of any bond shall be given at least 30 days and not more than 60 days prior to the date fixed for redemption by mail to the registered holder or holders at the registered addresses shown on the registration books kept by the Transfer Agent. Bonds shall be called for redemption in multiples of \$5,000, and bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by \$5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that upon surrender of the bond to be redeemed a new bond or bonds in aggregate principal amount equal to the unredeemed portion of the bond surrendered shall be issued to the registered holder thereof. No further interest shall accrue on the bonds or portions of bonds called for redemption after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the same.

Any bond may be transferred by a registered owner, in person or by the registered owner's authorized attorney or legal representative, upon surrender of the bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond is surrendered for transfer, the Transfer Agent shall authenticate and deliver a new bond or bonds, in like aggregate principal amount, interest rate and maturity. The Transfer Agent shall require the owner requesting the transfer to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent will not be required to (i) issue, register the transfer of or exchange any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of bonds selected for redemption and ending at the close of business on the day of that mailing, or (ii) register the transfer of or exchange any bond selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part.

It is hereby certified and recited that all acts, conditions and things required to be done, exist and happen, precedent to and in the issuance of this bond and the series of bonds of which this is one, in order to make them valid and binding obligations of the School District have been done, exist and have happened in regular and due form and time as provided by law, and that the total indebtedness of the School District, including this bond and the series of bonds of which this is one, does not exceed any constitutional or statutory limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the School District of the City of Detroit, County of Wayne, State of Michigan, by the Board of Education of the Community District, acting on its behalf, has caused this bond to be signed in the name of the School District by the facsimile signature of the President and to be countersigned by the facsimile signature of the Secretary of the Board of Education of the Community District, all as of the Date of Original Issue.

SCHOOL DISTRICT OF THE CITY OF DETROIT
County of Wayne
State of Michigan

BY THE DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

By _____ [Facsimile]
President

Countersigned:

_____[Facsimile]_____
Secretary

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]

Certificate of Authentication

This bond is one of the bonds described in the within-mentioned resolution.

Transfer Agent

By _____
Authorized Signature

Date of Authentication _____

FORM OF SERIES B BONDS

UNITED STATES OF AMERICA

STATE OF MICHIGAN
COUNTY OF WAYNE

SCHOOL DISTRICT OF THE CITY OF DETROIT

2017 REFUNDING BOND, SERIES B
(UNLIMITED TAX GENERAL OBLIGATION)
(FEDERALLY TAXABLE)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
	May 1, 20__		

Registered Owner: [_____]

Principal Amount: _____ Dollars

School District of the City of Detroit, County of Wayne, State of Michigan (the "School District"), promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America on the Date of Maturity specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on _____ 1, 20__ and semiannually thereafter. Principal of this bond is payable at the _____ office of _____, _____, Michigan, or such other transfer agent as the School District may hereafter designate by notice mailed to the registered owner hereof not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable by check or draft mailed by the Transfer Agent to the person or entity who is as of the 15th day of the month preceding each interest payment date, the registered owner, at the registered address.

This bond is one of a series of Bonds aggregating the principal sum of \$ _____, issued under and in pursuance of the provisions of Act 451, Public Acts of Michigan, 1976, as amended, and Act 34, Public Acts of Michigan, 2001, as amended, and pursuant to a resolution of the Board of Education of the Detroit Public Schools Community District (the "Community District"), acting on the School District's behalf, adopted on March __, 2017 for the purpose of refunding [a portion of] the School District's outstanding Michigan School Loan Revolving Fund loans.

The full faith, credit and resources of the School District are pledged for the payment hereof, and the School District is obligated to levy annually sufficient taxes to provide for the payments of the principal of and interest on the bonds of this issue as they mature, without limitation as to rate or amount.

[Bonds of this issue are not subject to optional redemption prior to maturity.]

[Insert mandatory term bond redemption provisions, if needed]

Notice of redemption of any bond shall be given at least thirty (30) days and no more than sixty (60) days prior to the date fixed for redemption by mail to the registered owner or owners at the registered addresses shown on

the registration books kept by the Transfer Agent. Bonds shall be called for redemption in multiples of \$5,000, and Bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by \$5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that upon surrender of the bond to be redeemed a new bond or bonds in aggregate principal amount equal to the unredeemed portion of the bond surrendered shall be issued to the registered holder thereof. No further interest shall accrue on the bonds or portions of bonds called for redemption after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem the same.

Any bond may be transferred by the registered owner, in person or by the registered owner's authorized attorney or legal representative, upon surrender of the bond to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any bond is surrendered for transfer, the Transfer Agent shall authenticate and deliver a new bond or bonds, in like aggregate principal amount, interest rate and maturity. The Transfer Agent shall require the registered owner requesting the transfer to pay any tax or other governmental charge required to be paid with respect to the transfer. The Transfer Agent will not be required to (i) issue, register the transfer of or exchange any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of bonds selected for redemption and ending at the close of business on the day of that mailing, or (ii) register the transfer of or exchange any bond selected for redemption in whole or in part, except the unredeemed portion of bonds being redeemed in part.

It is hereby certified and recited that all acts, conditions and things required to be done, exist and happen, precedent to and in the issuance of said series of bonds of which this is one, in order to make them valid and binding obligations of said School District have been done, exist and have happened in regular and due form and time as provided by law, and that the total indebtedness of said School District, including the series of bonds of which this is one, does not exceed any constitutional or statutory limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the School District of the City of Detroit, County of Wayne, State of Michigan, by the Board of Education of the Community District, acting on its behalf, has caused this bond to be signed in the name of the School District by the facsimile signature of the President and to be countersigned by the facsimile signature of the Secretary of the Board of Education of the Community District, all as of the Date of Original Issue.

SCHOOL DISTRICT OF THE CITY OF DETROIT
County of Wayne
State of Michigan

BY THE DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

By [Facsimile]
President

Countersigned:

 [Facsimile]
Secretary

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]

Certificate of Authentication

This bond is one of the Bonds described in the within-mentioned resolution.

Transfer Agent

By: _____

Authorized Signature

Date of Authentication: _____

8. Commencing with the fiscal year beginning July 1, 2017, it shall be the duty of the School District to levy a tax annually in an amount sufficient so that the estimated collections therefrom will be sufficient to pay promptly when due the principal of and interest becoming due on the Bonds, which tax levies shall not be subject to limitation as to rate or amount.

9. The School District has considered the option of selling the Bonds through a competitive sale and a negotiated sale and, pursuant to the requirements of Act 34, Public Acts of Michigan, 2001, as amended, and based on the advice of the School District's financial advisor, determines that a negotiated sale of the Bonds provides the School District with greater flexibility in structuring bond maturities and the timing of the sale of the Bonds, and will enable the School District to better market the Bonds to the advantage of the School District and its taxpayers.

10. The School District hereby authorizes each Authorized Officer to approve the sale of the Bonds to the MFA or, alternatively, to solicit proposals and to select a purchaser or underwriter (the "Underwriter"), and to negotiate and award the sale of the Bonds to the MFA or the Underwriter pursuant to a bond purchase agreement and a sale order, each subject to the parameters set forth in this Resolution. Each Authorized Officer is individually authorized, after and in consultation with the chairperson of the Finance committee of the Board, to execute and deliver the bond purchase agreement on behalf of the School District without further approval of this Board of Education.

11. The determination as to which series of Bonds will be issued and as to whether the Bonds will be issued solely or in part to refund the Refunded Bonds or will be issued solely or in part to refund the Loans shall be determined by an Authorized Officer at the time of sale, based on the advice of the School District's financial advisor.

12. Each Authorized Officer is hereby authorized to cause preliminary and final official statements describing the Bonds to be prepared and circulated to prospective purchasers of the Bonds, apply for bond ratings from such municipal bond rating agencies as is deemed appropriate, and apply for and purchase a policy of municipal bond insurance, within the limitations provided in Act 34, if deemed appropriate by the financial advisor and bond counsel. Each Authorized Officer is hereby authorized to negotiate a swap agreement, interest rate cap, hedge or other interest rate cap instrument within the limitations provided in Act 34, provided that, any such swap agreement, interest rate cap, hedge or other exchange or similar agreement shall be presented to the School Board for approval pursuant to Act 34.

13. The President of the Board of Education and either Authorized Officer are each hereby authorized to approve any preliminary and final official statements relating the Bonds. The President of the Board of Education and either Authorized Officer are each authorized to execute and deliver the final Official Statement relating to the Bonds on behalf of the School District. The President of the Board of Education and either Authorized Officer are each authorized to approve, execute and deliver any amendments and supplements to the Official Statement necessary to assure that the statements therein are, and as of the time the Bonds are delivered to the Underwriter will be true, and that it does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

14. The School District hereby covenants, in accordance with the provisions of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), if

applicable, to provide or cause to be provided the information set forth in Exhibit A attached hereto as such Exhibit may be revised by an Authorized Officer as required by Rule 15c2-12 prior to delivery of the Bonds.

15. The School District hereby covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest on the Series A Bonds from adjusted gross income for federal income purposes under the Internal Revenue Code of 1986, as amended (the "Code") including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of bond proceeds and moneys deemed to be bond proceeds. In the event the Series B Bonds are issued on a tax exempt basis, the covenant set forth in this paragraph shall also apply to the Series B Bonds.

16. Either Authorized Officer is hereby individually authorized to adjust the final Bond details to the extent necessary or convenient to complete the transaction authorized in this Resolution, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to, determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, and other matters, all subject to the parameters established in this Resolution. Either Authorized Officer may, without further direction from the Board of Education, execute a sale order evidencing the final terms of the Bonds and make any of the determinations, covenants and elections authorized by this Resolution pursuant to the an order approving the sale of the Bonds, provided that the final terms of the Bonds shall be within the parameters set forth in this Resolution.

18. The representation of the School District by Miller, Canfield, Paddock and Stone, P.L.C. as bond counsel is hereby confirmed and approved, notwithstanding Miller, Canfield's periodic representation in unrelated matters of the Michigan Finance Authority, the Underwriter and other potential parties to the transactions contemplated by this Resolution.

19. The School District hereby appoints PFM Financial Advisors, LLC to act as financial advisor with respect to the Bonds.

20. The officers, agents and employees of the Community District, on behalf of the School District, are authorized to take all other actions necessary and convenient to facilitate sale of the Bonds, including (i) filing Security Reports with the Michigan Department of Treasury pursuant to Act 34 for each series of Bonds, (ii) submitting a request for interim approval and such other actions as may be required for qualification under the School Bond Qualification, Approval, and Loan Act, Act 92, Public Acts of Michigan, 2005, as amended, (iii) executing necessary documents, certificates and agreements and (iv) making such submissions and filing such information with the Financial Review Commission as may be necessary to obtain its approval to issue the Bonds pursuant to Act 181, Public Acts of Michigan, 2014, as amended.

Each Authorized Officer is hereby authorized to file applications with and to pay the related fees, if any, to the Michigan Department of Treasury at his or her discretion under Act 34 for an Order or Orders of Approval to issue all or a portion of the Bonds, and apply for such waivers or other Treasury approvals as necessary to implement the issuance, delivery and security for the Bonds. Each Authorized Officer is hereby specifically authorized in his or her discretion, in accordance with Bulletin 10 under Act 34, to apply to the Michigan Department of

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Board of Education of the Detroit Public Schools Community District acting on behalf of the School District of the City of Detroit, County of Wayne, State of Michigan, at a regular meeting held on March ____, 2017, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Secretary

EXHIBIT A

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by The School District of the City of Detroit, County of Wayne, State of Michigan (the “School District”), in connection with the issuance of its 2017 Refunding Bonds, Series A (Unlimited Tax General Obligation) and 2017 Refunding Bonds, Series B (Unlimited Tax General Obligation) (Federally Taxable) (together, the “Bonds”). The School District covenants and agrees for the benefit of the Bondholders, as hereinafter defined, as follows:

(a) *Definitions.* The following terms used herein shall have the following meanings:

“Audited Financial Statements” means the annual audited financial statement pertaining to the School District prepared by an individual or firm of independent certified public accountants as required by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

“Bondholders” shall mean the registered owner of any Bond or any person (a) with the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including any person holding a Bond through a nominee, depository or other intermediary) or (b) treated as the owner of any Bond for federal income tax purposes.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access District, or such other District, Internet Web site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended.

“SEC” means the United States Securities and Exchange Commission.

(b) *Continuing Disclosure.* The School District hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA, on or before the last day of the 6th month after the end of the fiscal year of the School District, the following annual financial information and operating data, commencing with the fiscal year ended June 30, 2017, in an electronic format as prescribed by the MSRB:

(1) Updates of the numerical financial information and operating data included in the official statement of the School District relating to the Bonds (the “Official Statement”) appearing in the Tables in the Official Statement as described below: [Headings to be conformed to Official Statement when

available.]

- a. Pension Fund Contributions;
- b. Operating Tax Levy and collections;
- c. State School Aid Revenue;
- d. General Fund Budget;
- e. General Fund Revenues and Expenditures;
- f. Historical SEV/Taxable Valuations;
- g. District Tax Rates;
- h. Direct and Overlapping Debt; and
- i. Debt Ratios.

(2) The Audited Financial Statements. provided, however, that if the Audited Financial Statements are not available by the date specified above, they shall be provided when available and unaudited financial statements will be filed by such date and the Audited Financial Statements will be filed as soon as available

Such annual financial information and operating data described above are expected to be provided directly by the School District or by specific reference to documents available to the public through EMMA or filed with the SEC.

If the fiscal year of the School District is changed, the School District shall send a notice of such change to the MSRB through EMMA, prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

(c) *Notice of Failure to Disclose.* The School District agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the School District to provide the annual financial information with respect to the School District described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events.* The School District agrees to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or

- determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of holders of the Bonds, if material;
 - (8) bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the Issuer, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
 - (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or
 - (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(e) *Materiality Determined Under Federal Securities Laws.* The School District agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Identifying Information.* All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(g) *Termination of Reporting Obligation.* The obligation of the School District to provide annual financial information and notices of material events, as set forth above, shall be terminated if and when the School District no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all Bonds.

(h) *Benefit of Bondholders.* The School District agrees that its undertaking pursuant to the Rule set forth in this Undertaking is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific

enforcement of the School District's obligations hereunder and any failure by the School District to comply with the provisions of this Undertaking shall not constitute a default or an event of default with respect to the Bonds.

(i) *Amendments to the Undertaking.* Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the School District, provided that the School District agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the School District or the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the School District (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the School District in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the School District to meet its obligations. A notice of the change in accounting principles shall be sent to the MSRB through EMMA.

(j) *Municipal Advisory Council of the State of Michigan.* The School District shall also file by electronic or other means any information or notice required to be filed with the MSRB through EMMA pursuant to this Undertaking in a timely manner with the Municipal Advisory Council of the State of Michigan.

IN WITNESS WHEREOF, the School District has caused this Undertaking to be executed by its authorized officer.

SCHOOL DISTRICT OF THE CITY OF DETROIT
County of Wayne
State of Michigan

By _____

Its: _____

EXHIBIT B
FORMS OF FINAL QUALIFICATION APPLICATIONS

[SEE ATTACHED]

Reset Form

Michigan Department of Treasury
3451 (Rev. 09-16)

Application No. SBL

**Application for Final Qualification of Bonds
for Participation in the Michigan School Bond Qualification and Loan Program**

Issued under authority of Public Act 92 of 2005, as amended.

Legal Name of School District School District of the City of Detroit	District Code Number 82010	Telephone Number (313) 873-4149	
Address Fisher Building, 14th Floor, 3011 West Grand Blvd.	City Detroit	County Wayne	ZIP Code 48202-3096
Name of Person Responsible for Preparation of this Application Marios Demetriou		Title Dep. Supt. of Finance & Operations	

CERTIFICATION

I, the undersigned, Secretary of the Board of Education, do certify hereby that the following constitutes a true and complete copy of a resolution adopted by the Board of Education of this School District, at a

regular or special meeting held on the _____ day of _____ March _____, 2017 _____,

and that the meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with Act 267 of the Public Acts of 1976 (Open Meetings Act).

Name of Secretary (Print or Type) Misha Stallworth	Signature of Secretary	Date
---	------------------------	------

PARTICIPANTS

Secretary, Board of Education Misha Stallworth	Superintendent of Schools
Treasurer, Board of Education Sonya Mays	Architectural Firm N/A
Bond Counsel Miller Canfield Paddock and Stone, PLC	Construction Manager N/A
Financial Advisor PFM Financial Advisors LLC	Paying Agent To be determined
Senior Underwriter To be determined	

SALE TYPE

Competitive Bid Negotiated Sale

RESOLUTION

A meeting was called to order by _____, President.

Present: Members _____

Absent: Member _____

The following preamble and resolution were offered by Member _____ and supported by Member _____.

BACKGROUND

1. Act 92 of the Public Acts of Michigan, 2005, as amended, ("Act 92") enacted pursuant to Article IX, Section 16, of the Michigan Constitution of 1963, provides the procedure, terms and conditions for the final qualification of bonds for participation in the School Bond Qualification and Loan Program.
2. This district has taken all necessary actions to comply with all legal and procedural requirements for final qualification of this bond issue.

ACTION OF THE BOARD

1. The district hereby applies for final qualification of bonds by the State Treasurer for the purpose of:
 - Financing the school construction **and/or**
 - Refinancing existing debt as described in this application.
2. The bonds of the district qualified by the State Treasurer will conform to all the requirements of law pertaining generally to school bonds and specifically to school bonds qualified under Section 16, Article IX of the 1963 Michigan Constitution, Act 92, and Act 112, Public Acts of 1961, as amended.
3. Any moneys obtained through the sale of the qualified bonds of the district as herein proposed will be used only for the purpose of:
 - Financing the projects described in the application including such limited changes allowed by statute, that have been submitted to the State Treasurer for preliminary qualification of bonds numbered SBL_____ **/and/ or**
 - Refinancing existing qualified debt and for no other purpose unless such change of purpose is permitted by law and has the prior approval of the State Treasurer.
4. The district agrees to annually certify and levy its debt millage tax by filing an Annual Loan Activity Statement in accordance with the requirements of Act 92 and to determine the amounts, if any, to be borrowed from or repaid to the School Loan Revolving Fund ("SLRF"). The district agrees to deposit proceeds of debt millage upon receipt into an account established solely for debt service with the appointed banking institution as defined in Section 9. The district agrees to comply with the provisions of Act 92 governing the periodic recalculation of its millage, the adjustment of its millage levy when necessary, and the repayment of funds to the SLRF, where applicable.
5. The district agrees to enter into a loan agreement and file all necessary applications for qualified loans from the SLRF along with all supporting information for repayment to the SLRF within statutory application dates and in accordance with forms and procedures as prescribed by the State Treasurer. The (insert title of authorized school district official(s)) Superintendent / Chief Financial Officer are/is authorized and directed to execute and deliver the loan agreement and any other documents that may be required by the loan agreement on behalf of the district. The district covenants to comply with the terms of any applicable qualified loan agreement it is now or may be a party to, including the provisions related to its millage levy.
6. The district agrees to take actions and refrain from taking actions as necessary to maintain the tax-exempt status of tax-exempt debt issued by the State of Michigan or the Michigan Finance Authority for the purpose of financing the School Bond Loan Fund or the School Loan Revolving Fund as defined in P.A. 227 of 1985, as amended.
7. The district agrees that if these bonds are issued as tax exempt bonds, it will use the proceeds of these bonds only for the purposes that are allowed for tax exempt bonds and that none of such proceeds will be used for more than the first advance refunding of any original bond issued after 1985, nor more than the second advance refunding of any original bond issued before 1986, and the district further agrees that proceeds of bonds issued as Qualified Zone Academy Bonds, Qualified School Construction Bonds, Build America Bonds or Recovery Zone Economic Development Bonds[will only be used for the purposes that are allowed for such bonds.
8. The district agrees to use any funds borrowed from the SLRF only for the payment of principal and interest on qualified bonds that is immediately payable to bondholders and not to fund escrow or sinking funds.

9. The district agrees to appoint a banking institution that performs paying agent services in general, and to execute a signed agreement that provides, at a minimum, the following procedures:
 - a. If the district has not established an irrevocable escrow account with a qualified escrow agent, the district agrees to submit debt service payments for its qualified bonds in immediately available funds to its banking institution no less than five business days prior to the debt service due date, and agrees not to withdraw, or cause a debit to be drawn against, such funds except to pay debt service.
 - b. The district agrees to use an existing or establish a new interest bearing, money market or investment account with the banking institution that performs paying agent services for the subject bonds, that allows the district to provide written investment instructions for the investment of collected funds on hand preceding the debt service due date.
 - c. The paying agent will implement notification procedures that provide that if sufficient funds for full payment of debt service do not reach the banking institution five business days prior to the debt service payment due date, the paying agent will notify the district of the amount of insufficient funds four business days prior to the debt service payment due date. In the event that the district does not immediately resolve the insufficient funds situation, the paying agent will notify the Michigan Department of Treasury of the delinquency three business days before the payment due date.
 - d. The district agrees to furnish written notification to the paying agent and the Department of Treasury of any bonds that have been refunded.
10. The district agrees to deposit all federal interest credits received with respect to its qualified bonds issued as direct credit type bonds into the debt retirement fund payable for such bonds.
11. The district requests that the State Treasurer increase its computed millage if at any time the full amount of any tax credit related to direct credit type bonds is not received or the amount of debt service on its qualified bonds increases for any reason and the current computed millage is not sufficient to repay all outstanding qualified loans by the final mandatory repayment date.
12. The district agrees that if Treasury determines that the district will not be able to make all or part of the debt service payment, Treasury will process an emergency loan from the SLRF. If the district incurs an emergency loan it shall be a legal debt of the district and the State Treasurer shall bill the school district for the amount paid and the school district shall remit the amount to the state.
13. The board directs the school district administration to report any failure to perform as a result of this application. In the event that the district fails to perform any actions as identified in this application or required by law, the district will submit to the State Treasurer a board approved resolution which indicates the actions taken and procedures implemented to assure future compliance.
14. The district board members have read this application, approved all statements and representations contained herein as true to the best knowledge and belief of said board, and authorized the Secretary of the Board of Education to sign this Final Application and submit same to the State Treasurer for his or her review and approval.

Ayes: Members _____

Nays: Members _____

BOND DETAIL

- 1. PURPOSE: Specify the purpose of bond issue exactly as stated on the ballot and as it is to be cited in the Order Qualifying Bonds (or attach an official copy).

For the purpose of refunding or advance refunding all or a portion of the outstanding School Building and Site Bonds (Unlimited Tax General Obligation), Series 2010B, Build America Bonds (Taxable - Direct Payment Bonds), dated October 28, 2010, callable on or after May 1, 2020 and maturing May 1, 2040, and to pay the costs of issuing the Bonds.

- 2. ELECTION DATA:

- a. Date of election: _____
- b. Attach a copy of the Certified Official Canvass of Election (if not already on file).

- 3. FINAL MATURITY SCHEDULE:

- a. Total amount of this issue \$ _____
- b. Due date annually for principal payments: May 1st
- c. Due date semi-annually for interest payments: May 1st/Nov 1st
- d. Attach a copy of the bond amortization and millage impact schedules.

- 4. DEBT AMOUNTS:

- a. Amount of this bond issue \$ _____
- b. Total amount of bonded debt prior to this issue \$ 1,661,566,135
- c. Total amount of bonds being refunded \$ _____
- d. Total amount of proposed and existing debt (4a + b - c) \$ 1,661,566,135

- 5. PROPERTY VALUATION: Taxable valuation as of this date \$ 6,377,809,763

- 6. CHANGES IN FINANCIAL STRUCTURE: Specify any changes in financial structure since Preliminary Qualification or original Order Qualifying Bonds was approved:

N/A

- 7. Bond Type(s) (Check all that apply):

- Fixed Rate
- Variable Rate
- Tax Exempt
- Taxable
- Qualified Zone Academy Bond

Reset Form

Michigan Department of Treasury
3451 (Rev. 09-16)

Application No. SBL

Application for Final Qualification of Bonds for Participation in the Michigan School Bond Qualification and Loan Program

Issued under authority of Public Act 92 of 2005, as amended.

Legal Name of School District School District of the City of Detroit	District Code Number 82010	Telephone Number (313) 873-4149	
Address Fisher Building, 14th Floor, 3011 West Grand Blvd.	City Detroit	County Wayne	ZIP Code 48202-3096
Name of Person Responsible for Preparation of this Application Marios Demetriou		Title Dep. Supt. of Finance & Operations	

CERTIFICATION

I, the undersigned, Secretary of the Board of Education, do certify hereby that the following constitutes a true and complete copy of a resolution adopted by the Board of Education of this School District, at a

regular or special meeting held on the _____ day of _____ March _____, 2017 ,

and that the meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with Act 267 of the Public Acts of 1976 (Open Meetings Act).

Name of Secretary (Print or Type) Misha Stallworth	Signature of Secretary	Date
---	------------------------	------

PARTICIPANTS

Secretary, Board of Education Misha Stallworth	Superintendent of Schools
Treasurer, Board of Education Sonya Mays	Architectural Firm N/A
Bond Counsel Miller Canfield Paddock and Stone, PLC	Construction Manager N/A
Financial Advisor PFM Financial Advisors LLC	Paying Agent To be determined
Senior Underwriter To be determined	

SALE TYPE

Competitive Bid Negotiated Sale

RESOLUTION

A meeting was called to order by _____, President.

Present: Members _____

Absent: Member _____

The following preamble and resolution were offered by Member _____ and supported by Member _____.

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 - Refinancing existing debt as described in this application.
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 - c. The paying agent will implement notification procedures that provide that if sufficient funds for full payment of debt service do not reach the banking institution five business days prior to the debt service payment due date, the paying agent will notify the district of the amount of insufficient funds four business days prior to the debt service payment due date. In the event that the district does not immediately resolve the insufficient funds situation, the paying agent will notify the Michigan Department of Treasury of the delinquency three business days before the payment due date.
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11. The district requests that the State Treasurer increase its computed millage if at any time the full amount of any tax credit related to direct credit type bonds is not received or the amount of debt service on its qualified bonds increases for any reason and the current computed millage is not sufficient to repay all outstanding qualified loans by the final mandatory repayment date.
12. The district agrees that if Treasury determines that the district will not be able to make all or part of the debt service payment, Treasury will process an emergency loan from the SLRF. If the district incurs an emergency loan it shall be a legal debt of the district and the State Treasurer shall bill the school district for the amount paid and the school district shall remit the amount to the state.
13. The board directs the school district administration to report any failure to perform as a result of this application. In the event that the district fails to perform any actions as identified in this application or required by law, the district will submit to the State Treasurer a board approved resolution which indicates the actions taken and procedures implemented to assure future compliance.
14. The district board members have read this application, approved all statements and representations contained herein as true to the best knowledge and belief of said board, and authorized the Secretary of the Board of Education to sign this Final Application and submit same to the State Treasurer for his or her review and approval.

Ayes: Members _____

Nays: Members _____

BOND DETAIL

- 1. PURPOSE: Specify the purpose of bond issue exactly as stated on the ballot and as it is to be cited in the Order Qualifying Bonds (or attach an official copy).

For the purpose of refunding all or a portion of its outstanding Michigan School Loan Revolving Fund loans and to pay the costs of issuing the Bonds.

- 2. ELECTION DATA:

- a. Date of election: _____
- b. Attach a copy of the Certified Official Canvass of Election (if not already on file).

- 3. FINAL MATURITY SCHEDULE:

- a. Total amount of this issue \$ _____
- b. Due date annually for principal payments: May 1st
- c. Due date semi-annually for interest payments: May 1st/Nov 1st
- d. Attach a copy of the bond amortization and millage impact schedules.

- 4. DEBT AMOUNTS:

- a. Amount of this bond issue \$ _____
- b. Total amount of bonded debt prior to this issue \$ 1,661,566,135
- c. Total amount of bonds being refunded \$ _____
- d. Total amount of proposed and existing debt (4a + b - c) \$ 1,661,566,135

- 5. PROPERTY VALUATION: Taxable valuation as of this date \$ 6,377,809,763

- 6. CHANGES IN FINANCIAL STRUCTURE: Specify any changes in financial structure since Preliminary Qualification or original Order Qualifying Bonds was approved:

N/A

- 7. Bond Type(s) (Check all that apply):

- Fixed Rate
- Variable Rate
- Tax Exempt
- Taxable
- Qualified Zone Academy Bond



School District of the City of Detroit

Refunding Opportunities

February 27, 2017

PFM Financial Advisors LLC
555 Briarwood Circle, Suite 333
Ann Arbor, MI 48108

(734) 994-9700
www.pfm.com

Kari L. Blanchett
Managing Director



Executive Summary

- The School District of the City of Detroit (the “District”, “DPS” or “Old Co”) which remains intact for the sole purpose of servicing the outstanding voted and non-voted debt, has \$1.398 billion of voted unlimited tax bonds outstanding, as well as a State School Loan Revolving Fund (“SLRF”) balance of \$251 million as of 2/23/2017, all related to the voted unlimited tax debt.
- The District has refunding opportunities available which would reduce the interest cost on its existing voted unlimited tax debt, which would eventually reduce the tax burden to taxpayers within the District. These refunding opportunities include:
 - **Refunding the State SLRF balance** locking in a lower interest rate for the District, resulting in savings ranging from approximately \$4 to \$30 million, depending on assumptions used.
 - **Refunding the 2010 Build America Bonds** in order to 1) reduce interest cost, 2) eliminate the risk to the District of increase in the federal sequestration of the interest subsidy and/or non-payment of the federal subsidy.The savings generated would be passed through to taxpayers in the form of earlier reduction of debt millage and would not be available to the General Fund.
- The School Administration is requesting permission to proceed with a RFP process to take proposals from underwriters and financial institutions on refinancing the District’s debt as outlined above.
 - Also recommending the approval of the authorizing resolution which would delegate authority for a member of District administration to lock in interest rates and resulting savings if the proposals produce savings and/or meet the objectives to be set by the School Board and FRC



DPS' Existing Debt

- The table below outlines the outstanding debt of DPS as of February 23, 2017.

Bond Series	Net Par Outstanding ¹	Maturity Range	Net Coupon Range ²	First Call Date	Tax Status	Security
Unlimited Tax General Obligation Bonds:						
Series 1998C Refunding Bonds	\$44,555,000	2017 - 2025	5.250%	Non Callable	Tax Exempt	UTGO - Q
Series 2001A, Building & Site Bonds	183,695,000	2022 - 2029	6.000%	Non Callable	Tax Exempt	UTGO - Q
Series 2002A, Building & Site Bonds	35,785,000	2019 - 2021	6.000%	Non Callable	Tax Exempt	UTGO - Q
Series 2005A Refunding Bonds	226,800,000	2026 - 2032	5.250%	Non Callable	Tax Exempt	UTGO - Q
Series 2009A, Qualified School Construction Bonds	69,325,000	2017 - 2025	3.190%	Non Callable	Taxable - QSCBs	UTGO - Q
Series 2009B, Build America Bonds	186,150,000	2017 - 2039	4.08% - 5.22%	Make Whole Call	Taxable - BABs	UTGO - Q
Series 2010A, Qualified School Construction Bonds	136,335,000	2017 - 2029	1.981%	Non Callable ³	Taxable - QSCBs	UTGO - Q
Series 2010B, Build America Bonds	49,630,000	2030 - 2040	4.615%	5/1/2020	Taxable - BABs	UTGO - Q
Series 2012A Refunding Bonds	296,330,000	2017 - 2033	5.000%	5/1/2022	Tax Exempt	UTGO - Q
Series 2015A Refunding Bonds	169,975,000	2017 - 2025	3.25% - 5.00%	Non Callable	Tax Exempt	UTGO - Q
Total Unlimited Tax General Obligation Bonds	\$1,398,580,000					
SLRF Loan Balance	\$251,117,755		Variable Rate			
Total Unlimited Tax General Obligation Debt	\$1,649,697,755					
Series 2016 D-1	\$149,240,000	2017 - 2023	3.900%	Non Callable	Taxable	Operating Levy
Series 2016 D-2	77,140,000	2017 - 2023	3.550%	Non Callable	Tax Exempt	Operating Levy
Emergency Loan Note	\$150,000,000	2022 - 2026	1.310%	Non Callable	Tax Exempt	Operating Levy
Total Operating - Limited Tax GO Debt	\$376,380,000					
Total All Debt	\$2,026,077,755					

1 - As of February 23, 2017 and net of set asides held with the Trustee
2 - Net of the Federal subsidy and current sequestration
3 - Currently callable at 103% under the extraordinary optional redemption due to sequestration



State School Loan Revolving Fund ("SLRF") Program

- Constitutionally created program that obligates the State of Michigan to provide loans to pay debt service on Michigan school districts "qualified" debt.
- The State loans DPS the funds needed to meet its annual debt service obligations on Qualified Debt as necessary beyond what is received from the 13 mill debt levy.
- Once DPS' 13 mills is producing more money than required to meet the annual bond payments, it will begin repaying the State SLRF.
- DPS' current SLRF loan balance as of February 23, 2017 is **\$251,117,755**.
 - The loan balance is projected to grow to approximately **\$286.85 million by June 30, 2017**.
 - DPS' loan balance is projected to peak at **\$868*** million by **June 30, 2031***.
 - DPS' loan is not projected to be repaid until **June 30, 2043***
- The interest rate charged by the State SLRF on the loan is based on a rate equivalent to .125% higher than the State's cost of funds.
 - The current rate charged by the SLRF is **3.17%**
 - Since the District's borrowing in April 2004, the highest SLRF interest rate was **6.125%**
 - The minimum rate the SLRF may charge for the SLRF is **3%**.
 - The average borrowing rate since 2006 is **4%**.

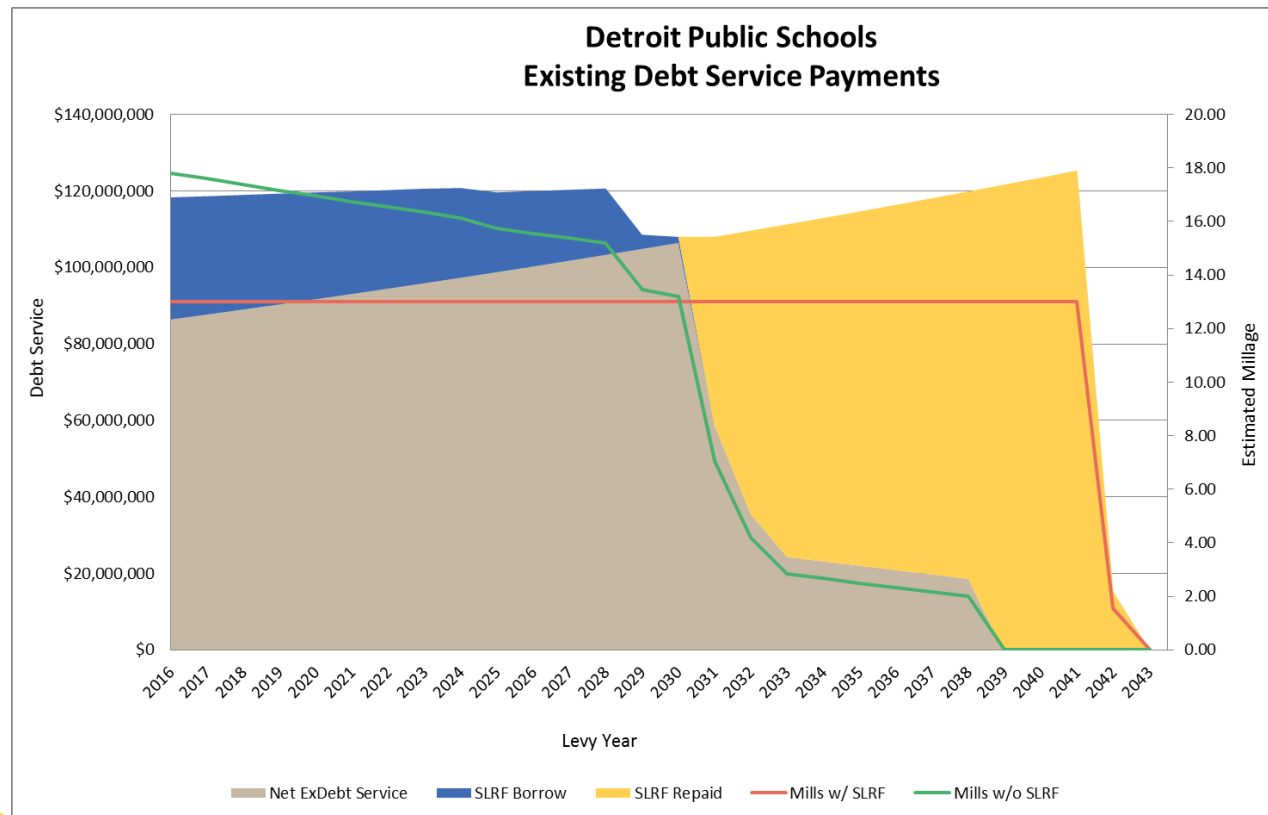
**Figures assume a 1.50% annual growth in taxable value and an SLRF average interest rate of 3.50%.*



Annual Payments of Voted UTGO Debt

• DPS meets its annual voted debt service payments from two main sources:

- 1. Revenue generated from the 13 mill debt levy
- 2. Loans from the State School Loan Revolving Fund ("SLRF").
 - The blue area on the chart below represents the portion of the District's annual bond payments to be borrowed from the SLRF
 - The yellow portion of the chart below represents the portion of the revenue generated from the 13 mills to be used to repay the SLRF.



The chart to the right assumes:

- 1.5% growth in Taxable Value annually.
- An estimated interest rate on the SLRF loans of 3.5%.
- No refunding of DPS' existing debt or SLRF.



Proposed Refunding of SLRF Balance

- The vast majority of Michigan schools with large SLRF loan balances either have refunded their loan balance or are in the process of refunding the loan balance.
- The refunding of the loan balance has largely been accomplished by replacing the current loans carrying variable rates with lower fixed rate bond issuances.
 - The bonds issued to repay the loan balance are typically set at bond terms which produce an effective “all-in” cost to the District at or below 3%, which is the lowest interest rate which the State is allowed to charge on the loans.
 - The District could issue bonds for a longer time period, minimizing the additional loans from the State. However, the District would have less “certainty” of producing savings by refunding the loan balance.
 - If using a longer bond term to minimize future borrowing from the State, the issue should be structured at a term that produces a cost to the District that is reasonably expected to be lower than without the refunding of the loan balance.
- Other financing options are available other than fixed rate debt, such as issuing new variable rate debt.
- It is important to understand that even with the refunding of the loan balance, DPS will most certainly continue to participate in (borrow from) the State SLRF in the future.

SLRF Loan
Estimated at
3.5%



Taxable Bond Rate
at \leq 3.00%



Estimated SLRF Refunding Savings

- The amount of savings actually achieved will vary based on 1) the actual taxable value growth rates, and 2) the actual interest rates charged by the State on the loan over the term of the loans with the State. The estimated savings based on a 1.5% taxable value growth rate and a 3.5% SLRF interest rate, and February 16, 2017 taxable interest rates, the refunding would produce the following savings:

Summary of SLRF Refunding	
Total Savings-Net of Cost	\$14,024,421
Net Present Value (NPV) Savings	\$10,943,337
NPV Savings as % of Refunded Bonds	4.33%
All in True Interest Cost "TIC"	2.99%

- The table below provides the estimated Net Present Value Savings which would be generated given various future taxable value growth rates and SLRF loan interest rates assuming the refunding bond structure is set with a final maturity date that provides an effective cost to the District of approximately 3% (or the minimum rate the State can charge on the loan).

ESTIMATED NET PRESENT VALUE SAVINGS

		School Loan Revolving Fund Interest Rate									
		3.00%		3.25%		3.50%		3.75%		4.00%	
		NPV \$	NPV %	NPV \$	NPV %	NPV \$	NPV %	NPV \$	NPV %	NPV \$	NPV %
Annual Taxable Value Growth	0.00%	\$0	0.00%	\$5,836,127	2.31%	\$12,688,710	5.02%	\$21,057,953	8.34%	\$29,895,946	11.83%
	0.50%	\$0	0.00%	\$5,511,491	2.18%	\$11,798,199	4.67%	\$19,118,743	7.57%	\$27,609,525	10.93%
	1.00%	\$0	0.00%	\$5,277,052	2.09%	\$11,374,098	4.50%	\$17,975,505	7.12%	\$25,851,127	10.23%
	1.50%	\$0	0.00%	\$5,092,113	2.02%	\$10,943,337	4.33%	\$17,234,683	6.82%	\$24,289,634	9.62%
	2.00%	\$0	0.00%	\$5,005,841	1.98%	\$10,508,322	4.16%	\$16,491,006	6.53%	\$23,511,578	9.31%
	2.50%	\$0	0.00%	\$4,815,746	1.91%	\$10,108,395	4.00%	\$16,140,721	6.39%	\$22,461,427	8.89%

Assumptions:

Estimated fixed rate / taxable interest rates as of February 16, 2017

Net present value factor is based on the 2017 Refunding Bonds All in TIC rate of 2.99%



Continue to Monitor Refunding of 2010 Build America Bonds

- The 2010B Build America Bonds are subject to extra-ordinary redemption provisions, and as such may be refunded into tax-exempt bonds so long as the federal sequestration of the interest subsidy continues.
- The table below shows the estimated savings based on recent interest rates on the refunding of the 2010B BABs, assuming 1) the federal sequestration ends in 2017, and 2) the federal sequestration continues at the current sequestration rate of 6.9% over the remaining life of the bonds.
 - Note: the sequestration rate is adjusted annually based on the federal budget and has ranged from 6.8% to 8.7% since 2013.
- The second table provides a matrix on the impact on savings under various interest rate movement scenarios.

	2010B Refunding Sequestration thru FYE 2017	2010B Refunding Sequestration thru Maturity
Total Savings	(\$601,633)	\$925,983
Net Present Value (NPV) Savings	(\$848,427)	\$211,944
NPV Savings as % of Refunded Bonds	-1.71%	0.43%
All in TIC	4.30%	4.30%

* Scenarios assumes current interest rates as of February 16, 2017

	Interest Rate Changes (w sequestration)				
	-0.20%	-0.10%	0.00%	0.10%	0.20%
Total Savings	\$2,749,575	\$1,837,774	\$925,983	\$1,493	(\$914,647)
Net Present Value (NPV) Savings	\$1,526,740	\$863,706	\$211,944	(\$429,973)	(\$1,061,032)
NPV Savings as % of Refunded Bonds	3.08%	1.74%	0.43%	-0.87%	-2.14%
All in TIC	4.10%	4.20%	4.30%	4.40%	4.50%

Assumptions:

0.00% column represents Interest rates as of February 16, 2017



Main Steps to Complete the Refunding

- ◆ School Board and FRC to approve proceeding with the refunding
 - Provide direction parameters authorizing administration to lock in rates, final structure and resulting savings if minimum savings levels met.
- ◆ DPS to request approval from the State of Michigan to issue the bonds.
- ◆ RFP for underwriting and/or financing proposals issued, received, tabulated and recommendation provided
- ◆ DPS to request Michigan Finance Authority's assistance in issuing the bonds.
- ◆ Offering documents prepared and rating requested, if necessary
- ◆ Treasury approval received
- ◆ Structure, rates and savings finalized and approved by DPS and MFA
- ◆ Bond Purchase Agreements signed
- ◆ Closing documents prepared / signed
- ◆ Bond closing – SLRF loan balance repaid



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County of Wayne, State of Michigan
2017 Refunding Bonds
(Unlimited Tax General Obligation)
Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
Assumes Sequestration (6.9%) throughout the life of the 2010B Bonds

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SAVINGS

School District of the City of Detroit
 County of Wayne, State of Michigan
 2017 Refunding Bonds
 (Unlimited Tax General Obligation)

Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
 Assumes Sequestration (6.9%) throughout the life of the 2010B Bonds

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 05/02/2017 @ 3.8316142%
11/01/2017	1,145,102.26	1,176,303.47	(31,201.21)		(30,617.92)
05/01/2018	1,145,102.26	1,182,875.00	(37,772.74)	(68,973.95)	(36,369.82)
11/01/2018	1,145,102.26	1,182,875.00	(37,772.74)		(35,686.14)
05/01/2019	1,145,102.26	1,182,875.00	(37,772.74)	(75,545.48)	(35,015.32)
11/01/2019	1,145,102.26	1,182,875.00	(37,772.74)		(34,357.10)
05/01/2020	1,145,102.26	1,182,875.00	(37,772.74)	(75,545.48)	(33,711.26)
11/01/2020	1,145,102.26	1,182,875.00	(37,772.74)		(33,077.56)
05/01/2021	1,145,102.26	1,182,875.00	(37,772.74)	(75,545.48)	(32,455.77)
11/01/2021	1,145,102.26	1,182,875.00	(37,772.74)		(31,845.67)
05/01/2022	1,145,102.26	1,182,875.00	(37,772.74)	(75,545.48)	(31,247.03)
11/01/2022	1,145,102.26	1,182,875.00	(37,772.74)		(30,659.65)
05/01/2023	1,145,102.26	1,182,875.00	(37,772.74)	(75,545.48)	(30,083.32)
11/01/2023	1,145,102.26	1,182,875.00	(37,772.74)		(29,517.81)
05/01/2024	1,145,102.26	1,182,875.00	(37,772.74)	(75,545.48)	(28,962.94)
11/01/2024	1,145,102.26	1,182,875.00	(37,772.74)		(28,418.49)
05/01/2025	1,145,102.26	1,182,875.00	(37,772.74)	(75,545.48)	(27,884.28)
11/01/2025	1,145,102.26	1,182,875.00	(37,772.74)		(27,360.12)
05/01/2026	1,145,102.26	1,182,875.00	(37,772.74)	(75,545.48)	(26,845.80)
11/01/2026	1,145,102.26	1,182,875.00	(37,772.74)		(26,341.16)
05/01/2027	1,145,102.26	1,182,875.00	(37,772.74)	(75,545.48)	(25,846.00)
11/01/2027	1,145,102.26	1,182,875.00	(37,772.74)		(25,360.15)
05/01/2028	1,145,102.26	1,182,875.00	(37,772.74)	(75,545.48)	(24,883.43)
11/01/2028	1,145,102.26	1,182,875.00	(37,772.74)		(24,415.67)
05/01/2029	1,145,102.26	1,182,875.00	(37,772.74)	(75,545.48)	(23,956.71)
11/01/2029	1,145,102.26	1,182,875.00	(37,772.74)		(23,506.37)
05/01/2030	5,655,102.26	5,452,875.00	202,227.26	164,454.52	123,482.45
11/01/2030	1,041,044.00	1,076,125.00	(35,081.00)		(21,018.22)
05/01/2031	5,551,044.00	5,351,125.00	199,919.00	164,838.00	117,526.69
11/01/2031	936,985.75	969,250.00	(32,264.25)		(18,610.69)
05/01/2032	5,446,985.75	5,249,250.00	197,735.75	165,471.50	111,914.03
11/01/2032	832,927.49	862,250.00	(29,322.51)		(16,283.92)
05/01/2033	5,342,927.49	5,147,250.00	195,677.49	166,354.98	106,624.53
11/01/2033	728,869.24	755,125.00	(26,255.76)		(14,037.81)
05/01/2034	5,238,869.24	5,045,125.00	193,744.24	167,488.48	101,639.37
11/01/2034	624,810.98	647,875.00	(23,064.02)		(11,872.07)
05/01/2035	5,134,810.98	4,947,875.00	186,935.98	163,871.96	94,415.43
11/01/2035	520,752.73	540,375.00	(19,622.27)		(9,724.29)
05/01/2036	5,030,752.73	4,845,375.00	185,377.73	165,755.46	90,141.45
11/01/2036	416,694.47	432,750.00	(16,055.53)		(7,660.38)
05/01/2037	4,931,694.47	4,747,750.00	183,944.47	167,888.94	86,113.37
11/01/2037	312,520.86	324,875.00	(12,354.14)		(5,674.86)
05/01/2038	4,827,520.86	4,649,875.00	177,645.86	165,291.72	80,067.42
11/01/2038	208,347.24	216,750.00	(8,402.76)		(3,716.05)
05/01/2039	4,723,347.24	4,546,750.00	176,597.24	168,194.48	76,630.49
11/01/2039	104,173.62	108,500.00	(4,326.38)		(1,842.05)
05/01/2040	4,619,173.62	4,448,500.00	170,673.62	166,347.24	71,301.88
	90,856,911.52	89,930,928.47	925,983.05	925,983.05	210,991.28

SAVINGS

School District of the City of Detroit
County of Wayne, State of Michigan
2017 Refunding Bonds
(Unlimited Tax General Obligation)

Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
Assumes Sequestration (6.9%) throughout the life of the 2010B Bonds

Savings Summary

PV of savings from cash flow	210,991.28
Plus: Refunding funds on hand	952.22
	<hr/>
Net PV Savings	211,943.50



SUMMARY OF REFUNDING RESULTS

School District of the City of Detroit
County of Wayne, State of Michigan
2017 Refunding Bonds
(Unlimited Tax General Obligation)
Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
Assumes Sequestration (6.9%) throughout the life of the 2010B Bonds

Dated Date	05/02/2017
Delivery Date	05/02/2017
Arbitrage yield	3.831614%
Escrow yield	0.520927%
Value of Negative Arbitrage	135,378.08
Bond Par Amount	47,315,000.00
True Interest Cost	4.255502%
Net Interest Cost	4.487702%
All-In TIC	4.303942%
Average Coupon	5.000000%
Average Life	18.014
Weighted Average Maturity	17.980
Par amount of refunded bonds	49,630,000.00
Average coupon of refunded bonds	6.845000%
Average life of refunded bonds	17.999
Remaining weighted average maturity of refunded bonds	17.999
PV of prior debt to 05/02/2017 @ 3.831614%	54,618,839.40
Net PV Savings	211,943.50
Percentage savings of refunded bonds	0.427047%



SOURCES AND USES OF FUNDS

School District of the City of Detroit
County of Wayne, State of Michigan
2017 Refunding Bonds
(Unlimited Tax General Obligation)

Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
Assumes Sequestration (6.9%) throughout the life of the 2010B Bonds

Sources:

Bond Proceeds:

Par Amount	47,315,000.00
Premium	4,555,672.45

51,870,672.45

Uses:

Refunding Escrow Deposits:

Cash Deposit	0.23
SLGS Purchases	51,380,460.00
	<u>51,380,460.23</u>

Delivery Date Expenses:

Cost of Issuance	300,000.00
Underwriter's Discount	189,260.00
	<u>489,260.00</u>

Other Uses of Funds:

Additional Proceeds	952.22
---------------------	--------

51,870,672.45

Notes:

Cost of Issuance and Underwriter Discount are estimates
Escrow is invested in SLGs
Non Bank Qualified rates as of 2/16/2017 (MMD plus 90 bps)



BOND PRICING

School District of the City of Detroit
 County of Wayne, State of Michigan
 2017 Refunding Bonds
 (Unlimited Tax General Obligation)
 Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
 Assumes Sequestration (6.9%) throughout the life of the 2010B Bonds

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bonds:							
	05/01/2030	4,270,000	5.000%	3.550%	112.113 C	3.810%	517,225.10
	05/01/2031	4,275,000	5.000%	3.630%	111.400 C	3.933%	487,350.00
	05/01/2032	4,280,000	5.000%	3.710%	110.693 C	4.042%	457,660.40
	05/01/2033	4,285,000	5.000%	3.770%	110.166 C	4.126%	435,613.10
	05/01/2034	4,290,000	5.000%	3.830%	109.642 C	4.201%	413,641.80
	05/01/2035	4,300,000	5.000%	3.880%	109.207 C	4.262%	395,901.00
	05/01/2036	4,305,000	5.000%	3.920%	108.861 C	4.312%	381,466.05
	05/01/2037	4,315,000	5.000%	3.950%	108.603 C	4.351%	371,219.45
	05/01/2038	4,325,000	5.000%	3.960%	108.517 C	4.376%	368,360.25
	05/01/2039	4,330,000	5.000%	3.970%	108.431 C	4.398%	365,062.30
	05/01/2040	4,340,000	5.000%	3.980%	108.345 C	4.418%	362,173.00
		47,315,000					4,555,672.45

Dated Date	05/02/2017	
Delivery Date	05/02/2017	
First Coupon	11/01/2017	
Par Amount	47,315,000.00	
Premium	4,555,672.45	
Production	51,870,672.45	109.628389%
Underwriter's Discount	(189,260.00)	(0.400000%)
Purchase Price	51,681,412.45	109.228389%
Accrued Interest		
Net Proceeds	51,681,412.45	



BOND SUMMARY STATISTICS

School District of the City of Detroit
 County of Wayne, State of Michigan
 2017 Refunding Bonds
 (Unlimited Tax General Obligation)

Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
 Assumes Sequestration (6.9%) throughout the life of the 2010B Bonds

Dated Date	05/02/2017
Delivery Date	05/02/2017
Last Maturity	05/01/2040
Arbitrage Yield	3.831614%
True Interest Cost (TIC)	4.255502%
Net Interest Cost (NIC)	4.487702%
All-In TIC	4.303942%
Average Coupon	5.000000%
Average Life (years)	18.014
Weighted Average Maturity (years)	17.980
Duration of Issue (years)	12.285
Par Amount	47,315,000.00
Bond Proceeds	51,870,672.45
Total Interest	42,615,928.47
Net Interest	38,249,516.02
Total Debt Service	89,930,928.47
Maximum Annual Debt Service	6,635,750.00
Average Annual Debt Service	3,910,512.65
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	4.000000
Total Underwriter's Discount	4.000000
Bid Price	109.228389

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	47,315,000.00	109.628	5.000%	18.014	41,204.15
	47,315,000.00			18.014	41,204.15

	TIC	All-In TIC	Arbitrage Yield
Par Value	47,315,000.00	47,315,000.00	47,315,000.00
+ Accrued Interest			
+ Premium (Discount)	4,555,672.45	4,555,672.45	4,555,672.45
- Underwriter's Discount	(189,260.00)	(189,260.00)	
- Cost of Issuance Expense		(300,000.00)	
- Other Amounts			
Target Value	51,681,412.45	51,381,412.45	51,870,672.45
Target Date	05/02/2017	05/02/2017	05/02/2017
Yield	4.255502%	4.303942%	3.831614%



BOND DEBT SERVICE

School District of the City of Detroit
 County of Wayne, State of Michigan
 2017 Refunding Bonds
 (Unlimited Tax General Obligation)

Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
 Assumes Sequestration (6.9%) throughout the life of the 2010B Bonds

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2017			1,176,303.47	1,176,303.47	
05/01/2018			1,182,875.00	1,182,875.00	2,359,178.47
11/01/2018			1,182,875.00	1,182,875.00	
05/01/2019			1,182,875.00	1,182,875.00	2,365,750.00
11/01/2019			1,182,875.00	1,182,875.00	
05/01/2020			1,182,875.00	1,182,875.00	2,365,750.00
11/01/2020			1,182,875.00	1,182,875.00	
05/01/2021			1,182,875.00	1,182,875.00	2,365,750.00
11/01/2021			1,182,875.00	1,182,875.00	
05/01/2022			1,182,875.00	1,182,875.00	2,365,750.00
11/01/2022			1,182,875.00	1,182,875.00	
05/01/2023			1,182,875.00	1,182,875.00	2,365,750.00
11/01/2023			1,182,875.00	1,182,875.00	
05/01/2024			1,182,875.00	1,182,875.00	2,365,750.00
11/01/2024			1,182,875.00	1,182,875.00	
05/01/2025			1,182,875.00	1,182,875.00	2,365,750.00
11/01/2025			1,182,875.00	1,182,875.00	
05/01/2026			1,182,875.00	1,182,875.00	2,365,750.00
11/01/2026			1,182,875.00	1,182,875.00	
05/01/2027			1,182,875.00	1,182,875.00	2,365,750.00
11/01/2027			1,182,875.00	1,182,875.00	
05/01/2028			1,182,875.00	1,182,875.00	2,365,750.00
11/01/2028			1,182,875.00	1,182,875.00	
05/01/2029			1,182,875.00	1,182,875.00	2,365,750.00
11/01/2029			1,182,875.00	1,182,875.00	
05/01/2030	4,270,000	5.000%	1,182,875.00	5,452,875.00	6,635,750.00
11/01/2030			1,076,125.00	1,076,125.00	
05/01/2031	4,275,000	5.000%	1,076,125.00	5,351,125.00	6,427,250.00
11/01/2031			969,250.00	969,250.00	
05/01/2032	4,280,000	5.000%	969,250.00	5,249,250.00	6,218,500.00
11/01/2032			862,250.00	862,250.00	
05/01/2033	4,285,000	5.000%	862,250.00	5,147,250.00	6,009,500.00
11/01/2033			755,125.00	755,125.00	
05/01/2034	4,290,000	5.000%	755,125.00	5,045,125.00	5,800,250.00
11/01/2034			647,875.00	647,875.00	
05/01/2035	4,300,000	5.000%	647,875.00	4,947,875.00	5,595,750.00
11/01/2035			540,375.00	540,375.00	
05/01/2036	4,305,000	5.000%	540,375.00	4,845,375.00	5,385,750.00
11/01/2036			432,750.00	432,750.00	
05/01/2037	4,315,000	5.000%	432,750.00	4,747,750.00	5,180,500.00
11/01/2037			324,875.00	324,875.00	
05/01/2038	4,325,000	5.000%	324,875.00	4,649,875.00	4,974,750.00
11/01/2038			216,750.00	216,750.00	
05/01/2039	4,330,000	5.000%	216,750.00	4,546,750.00	4,763,500.00
11/01/2039			108,500.00	108,500.00	
05/01/2040	4,340,000	5.000%	108,500.00	4,448,500.00	4,557,000.00
	47,315,000		42,615,928.47	89,930,928.47	89,930,928.47



SUMMARY OF BONDS REFUNDED

School District of the City of Detroit
County of Wayne, State of Michigan
2017 Refunding Bonds
(Unlimited Tax General Obligation)
Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
Assumes Sequestration (6.9%) throughout the life of the 2010B Bonds

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
School Building and Site Bonds, Series 2010B (BABs):					
TERM2039	05/01/2030	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2031	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2032	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2033	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2034	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2035	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2036	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2037	6.845%	4,515,000.00	06/01/2017	103.000
	05/01/2038	6.845%	4,515,000.00	06/01/2017	103.000
	05/01/2039	6.845%	4,515,000.00	06/01/2017	103.000
	05/01/2040	6.845%	4,515,000.00	06/01/2017	103.000
			49,630,000.00		

ESCROW REQUIREMENTS

School District of the City of Detroit
 County of Wayne, State of Michigan
 2017 Refunding Bonds
 (Unlimited Tax General Obligation)

Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
 Assumes Sequestration (6.9%) throughout the life of the 2010B Bonds

Period Ending	Interest	Principal Redeemed	Redemption Premium	Total
06/01/2017	283,097.79	49,630,000.00	1,488,900.00	51,401,997.79
	283,097.79	49,630,000.00	1,488,900.00	51,401,997.79



ESCROW STATISTICS

School District of the City of Detroit
 County of Wayne, State of Michigan
 2017 Refunding Bonds
 (Unlimited Tax General Obligation)

Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
 Assumes Sequestration (6.9%) throughout the life of the 2010B Bonds

Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow: 51,380,460.23	0.080	0.520927%	0.520927%	51,245,082.15	135,378.08	
51,380,460.23				51,245,082.15	135,378.08	0.00

Delivery date 05/02/2017
 Arbitrage yield 3.831614%



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County of Wayne, State of Michigan
2017 Refunding Bonds
(Unlimited Tax General Obligation)
Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
Assumes Sequestration (6.9%) throughout FYE 2017

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SAVINGS

School District of the City of Detroit
 County of Wayne, State of Michigan
 2017 Refunding Bonds
 (Unlimited Tax General Obligation)
 Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
 Assumes Sequestration (6.9%) throughout FYE 2017

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 05/02/2017 @ 3.8323475%
11/01/2017	1,104,081.39	1,176,427.78	(72,346.39)		(70,993.66)
05/01/2018	1,104,081.39	1,183,000.00	(78,918.61)	(151,265.00)	(75,986.95)
11/01/2018	1,104,081.39	1,183,000.00	(78,918.61)		(74,558.28)
05/01/2019	1,104,081.39	1,183,000.00	(78,918.61)	(157,837.22)	(73,156.48)
11/01/2019	1,104,081.39	1,183,000.00	(78,918.61)		(71,781.03)
05/01/2020	1,104,081.39	1,183,000.00	(78,918.61)	(157,837.22)	(70,431.44)
11/01/2020	1,104,081.39	1,183,000.00	(78,918.61)		(69,107.22)
05/01/2021	1,104,081.39	1,183,000.00	(78,918.61)	(157,837.22)	(67,807.91)
11/01/2021	1,104,081.39	1,183,000.00	(78,918.61)		(66,533.02)
05/01/2022	1,104,081.39	1,183,000.00	(78,918.61)	(157,837.22)	(65,282.10)
11/01/2022	1,104,081.39	1,183,000.00	(78,918.61)		(64,054.70)
05/01/2023	1,104,081.39	1,183,000.00	(78,918.61)	(157,837.22)	(62,850.38)
11/01/2023	1,104,081.39	1,183,000.00	(78,918.61)		(61,668.70)
05/01/2024	1,104,081.39	1,183,000.00	(78,918.61)	(157,837.22)	(60,509.24)
11/01/2024	1,104,081.39	1,183,000.00	(78,918.61)		(59,371.57)
05/01/2025	1,104,081.39	1,183,000.00	(78,918.61)	(157,837.22)	(58,255.30)
11/01/2025	1,104,081.39	1,183,000.00	(78,918.61)		(57,160.02)
05/01/2026	1,104,081.39	1,183,000.00	(78,918.61)	(157,837.22)	(56,085.32)
11/01/2026	1,104,081.39	1,183,000.00	(78,918.61)		(55,030.84)
05/01/2027	1,104,081.39	1,183,000.00	(78,918.61)	(157,837.22)	(53,996.18)
11/01/2027	1,104,081.39	1,183,000.00	(78,918.61)		(52,980.97)
05/01/2028	1,104,081.39	1,183,000.00	(78,918.61)	(157,837.22)	(51,984.85)
11/01/2028	1,104,081.39	1,183,000.00	(78,918.61)		(51,007.46)
05/01/2029	1,104,081.39	1,183,000.00	(78,918.61)	(157,837.22)	(50,048.44)
11/01/2029	1,104,081.39	1,183,000.00	(78,918.61)		(49,107.46)
05/01/2030	5,614,081.39	5,418,000.00	196,081.39	117,162.78	119,718.51
11/01/2030	1,003,750.80	1,077,125.00	(73,374.20)		(43,956.71)
05/01/2031	5,513,750.80	5,322,125.00	191,625.80	118,251.60	112,640.01
11/01/2031	903,420.21	971,000.00	(67,579.79)		(38,977.36)
05/01/2032	5,413,420.21	5,231,000.00	182,420.21	114,840.42	103,234.64
11/01/2032	803,089.62	864,500.00	(61,410.38)		(34,099.75)
05/01/2033	5,313,089.62	5,134,500.00	178,589.62	117,179.24	97,302.16
11/01/2033	702,759.04	757,750.00	(54,990.96)		(29,397.77)
05/01/2034	5,212,759.04	5,042,750.00	170,009.04	115,018.08	89,176.83
11/01/2034	602,428.45	650,625.00	(48,196.55)		(24,805.78)
05/01/2035	5,112,428.45	4,945,625.00	166,803.45	118,606.90	84,236.22
11/01/2035	502,097.86	543,250.00	(41,152.14)		(20,391.22)
05/01/2036	5,012,097.86	4,853,250.00	158,847.86	117,695.72	77,230.52
11/01/2036	401,767.27	435,500.00	(33,732.73)		(16,092.22)
05/01/2037	4,916,767.27	4,765,500.00	151,267.27	117,534.54	70,805.39
11/01/2037	301,325.46	327,250.00	(25,924.54)		(11,906.64)
05/01/2038	4,816,325.46	4,672,250.00	144,075.46	118,150.92	64,926.97
11/01/2038	200,883.64	218,625.00	(17,741.36)		(7,844.75)
05/01/2039	4,715,883.64	4,583,625.00	132,258.64	114,517.28	57,381.64
11/01/2039	100,441.82	109,500.00	(9,058.18)		(3,856.09)
05/01/2040	4,615,441.82	4,489,500.00	125,941.82	116,883.64	52,605.68
	89,380,044.48	89,981,677.78	(601,633.30)	(601,633.30)	(851,819.21)

SAVINGS

School District of the City of Detroit
County of Wayne, State of Michigan
2017 Refunding Bonds
(Unlimited Tax General Obligation)
Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
Assumes Sequestration (6.9%) throughout FYE 2017

Savings Summary

PV of savings from cash flow	(851,819.21)
Plus: Refunding funds on hand	3,392.47
	<hr/>
Net PV Savings	(848,426.74)



SUMMARY OF REFUNDING RESULTS

School District of the City of Detroit
County of Wayne, State of Michigan
2017 Refunding Bonds
(Unlimited Tax General Obligation)
Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
Assumes Sequestration (6.9%) throughout FYE 2017

Dated Date	05/02/2017
Delivery Date	05/02/2017
Arbitrage yield	3.832347%
Escrow yield	0.520927%
Value of Negative Arbitrage	135,407.79
Bond Par Amount	47,320,000.00
True Interest Cost	4.256446%
Net Interest Cost	4.488551%
All-In TIC	4.304855%
Average Coupon	5.000000%
Average Life	18.031
Weighted Average Maturity	17.997
Par amount of refunded bonds	49,630,000.00
Average coupon of refunded bonds	6.845000%
Average life of refunded bonds	17.999
Remaining weighted average maturity of refunded bonds	17.999
PV of prior debt to 05/02/2017 @ 3.832347%	53,561,721.78
Net PV Savings	(848,426.74)
Percentage savings of refunded bonds	(1.709504%)



SOURCES AND USES OF FUNDS

School District of the City of Detroit
County of Wayne, State of Michigan
2017 Refunding Bonds
(Unlimited Tax General Obligation)

Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
Assumes Sequestration (6.9%) throughout FYE 2017

Sources:

Bond Proceeds:

Par Amount	47,320,000.00
Premium	4,553,132.70

51,873,132.70

Uses:

Refunding Escrow Deposits:

Cash Deposit	0.23
SLGS Purchases	51,380,460.00
	<u>51,380,460.23</u>

Delivery Date Expenses:

Cost of Issuance	300,000.00
Underwriter's Discount	189,280.00
	<u>489,280.00</u>

Other Uses of Funds:

Additional Proceeds	3,392.47
---------------------	----------

51,873,132.70

Notes:

Cost of Issuance and Underwriter Discount are estimates
Escrow is invested in SLGs
Non Bank Qualified rates as of 2/16/2017 (MMD plus 90 bps)



BOND PRICING

School District of the City of Detroit
 County of Wayne, State of Michigan
 2017 Refunding Bonds
 (Unlimited Tax General Obligation)
 Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
 Assumes Sequestration (6.9%) throughout FYE 2017

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bonds:							
	05/01/2030	4,235,000	5.000%	3.550%	112.113 C	3.810%	512,985.55
	05/01/2031	4,245,000	5.000%	3.630%	111.400 C	3.933%	483,930.00
	05/01/2032	4,260,000	5.000%	3.710%	110.693 C	4.042%	455,521.80
	05/01/2033	4,270,000	5.000%	3.770%	110.166 C	4.126%	434,088.20
	05/01/2034	4,285,000	5.000%	3.830%	109.642 C	4.201%	413,159.70
	05/01/2035	4,295,000	5.000%	3.880%	109.207 C	4.262%	395,440.65
	05/01/2036	4,310,000	5.000%	3.920%	108.861 C	4.312%	381,909.10
	05/01/2037	4,330,000	5.000%	3.950%	108.603 C	4.351%	372,509.90
	05/01/2038	4,345,000	5.000%	3.960%	108.517 C	4.376%	370,063.65
	05/01/2039	4,365,000	5.000%	3.970%	108.431 C	4.398%	368,013.15
	05/01/2040	4,380,000	5.000%	3.980%	108.345 C	4.418%	365,511.00
		47,320,000					4,553,132.70

Dated Date	05/02/2017	
Delivery Date	05/02/2017	
First Coupon	11/01/2017	
Par Amount	47,320,000.00	
Premium	4,553,132.70	
Production	51,873,132.70	109.622005%
Underwriter's Discount	(189,280.00)	(0.400000%)
Purchase Price	51,683,852.70	109.222005%
Accrued Interest		
Net Proceeds	51,683,852.70	



BOND SUMMARY STATISTICS

School District of the City of Detroit
 County of Wayne, State of Michigan
 2017 Refunding Bonds
 (Unlimited Tax General Obligation)

Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
 Assumes Sequestration (6.9%) throughout FYE 2017

Dated Date	05/02/2017
Delivery Date	05/02/2017
Last Maturity	05/01/2040
Arbitrage Yield	3.832347%
True Interest Cost (TIC)	4.256446%
Net Interest Cost (NIC)	4.488551%
All-In TIC	4.304855%
Average Coupon	5.000000%
Average Life (years)	18.031
Weighted Average Maturity (years)	17.997
Duration of Issue (years)	12.293
Par Amount	47,320,000.00
Bond Proceeds	51,873,132.70
Total Interest	42,661,677.78
Net Interest	38,297,825.08
Total Debt Service	89,981,677.78
Maximum Annual Debt Service	6,601,000.00
Average Annual Debt Service	3,912,719.41
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	4.000000
Total Underwriter's Discount	4.000000
Bid Price	109.222005

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	47,320,000.00	109.622	5.000%	18.031	41,205.40
	47,320,000.00			18.031	41,205.40

	TIC	All-In TIC	Arbitrage Yield
Par Value	47,320,000.00	47,320,000.00	47,320,000.00
+ Accrued Interest			
+ Premium (Discount)	4,553,132.70	4,553,132.70	4,553,132.70
- Underwriter's Discount	(189,280.00)	(189,280.00)	
- Cost of Issuance Expense		(300,000.00)	
- Other Amounts			
Target Value	51,683,852.70	51,383,852.70	51,873,132.70
Target Date	05/02/2017	05/02/2017	05/02/2017
Yield	4.256446%	4.304855%	3.832347%



BOND DEBT SERVICE

School District of the City of Detroit
 County of Wayne, State of Michigan
 2017 Refunding Bonds
 (Unlimited Tax General Obligation)

Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
 Assumes Sequestration (6.9%) throughout FYE 2017

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2017			1,176,427.78	1,176,427.78	
05/01/2018			1,183,000.00	1,183,000.00	2,359,427.78
11/01/2018			1,183,000.00	1,183,000.00	
05/01/2019			1,183,000.00	1,183,000.00	2,366,000.00
11/01/2019			1,183,000.00	1,183,000.00	
05/01/2020			1,183,000.00	1,183,000.00	2,366,000.00
11/01/2020			1,183,000.00	1,183,000.00	
05/01/2021			1,183,000.00	1,183,000.00	2,366,000.00
11/01/2021			1,183,000.00	1,183,000.00	
05/01/2022			1,183,000.00	1,183,000.00	2,366,000.00
11/01/2022			1,183,000.00	1,183,000.00	
05/01/2023			1,183,000.00	1,183,000.00	2,366,000.00
11/01/2023			1,183,000.00	1,183,000.00	
05/01/2024			1,183,000.00	1,183,000.00	2,366,000.00
11/01/2024			1,183,000.00	1,183,000.00	
05/01/2025			1,183,000.00	1,183,000.00	2,366,000.00
11/01/2025			1,183,000.00	1,183,000.00	
05/01/2026			1,183,000.00	1,183,000.00	2,366,000.00
11/01/2026			1,183,000.00	1,183,000.00	
05/01/2027			1,183,000.00	1,183,000.00	2,366,000.00
11/01/2027			1,183,000.00	1,183,000.00	
05/01/2028			1,183,000.00	1,183,000.00	2,366,000.00
11/01/2028			1,183,000.00	1,183,000.00	
05/01/2029			1,183,000.00	1,183,000.00	2,366,000.00
11/01/2029			1,183,000.00	1,183,000.00	
05/01/2030	4,235,000	5.000%	1,183,000.00	5,418,000.00	6,601,000.00
11/01/2030			1,077,125.00	1,077,125.00	
05/01/2031	4,245,000	5.000%	1,077,125.00	5,322,125.00	6,399,250.00
11/01/2031			971,000.00	971,000.00	
05/01/2032	4,260,000	5.000%	971,000.00	5,231,000.00	6,202,000.00
11/01/2032			864,500.00	864,500.00	
05/01/2033	4,270,000	5.000%	864,500.00	5,134,500.00	5,999,000.00
11/01/2033			757,750.00	757,750.00	
05/01/2034	4,285,000	5.000%	757,750.00	5,042,750.00	5,800,500.00
11/01/2034			650,625.00	650,625.00	
05/01/2035	4,295,000	5.000%	650,625.00	4,945,625.00	5,596,250.00
11/01/2035			543,250.00	543,250.00	
05/01/2036	4,310,000	5.000%	543,250.00	4,853,250.00	5,396,500.00
11/01/2036			435,500.00	435,500.00	
05/01/2037	4,330,000	5.000%	435,500.00	4,765,500.00	5,201,000.00
11/01/2037			327,250.00	327,250.00	
05/01/2038	4,345,000	5.000%	327,250.00	4,672,250.00	4,999,500.00
11/01/2038			218,625.00	218,625.00	
05/01/2039	4,365,000	5.000%	218,625.00	4,583,625.00	4,802,250.00
11/01/2039			109,500.00	109,500.00	
05/01/2040	4,380,000	5.000%	109,500.00	4,489,500.00	4,599,000.00
	47,320,000		42,661,677.78	89,981,677.78	89,981,677.78



SUMMARY OF BONDS REFUNDED

School District of the City of Detroit
County of Wayne, State of Michigan
2017 Refunding Bonds
(Unlimited Tax General Obligation)
Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
Assumes Sequestration (6.9%) throughout FYE 2017

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
School Building and Site Bonds, Series 2010B (BABs):					
TERM2039	05/01/2030	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2031	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2032	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2033	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2034	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2035	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2036	6.845%	4,510,000.00	06/01/2017	103.000
	05/01/2037	6.845%	4,515,000.00	06/01/2017	103.000
	05/01/2038	6.845%	4,515,000.00	06/01/2017	103.000
	05/01/2039	6.845%	4,515,000.00	06/01/2017	103.000
	05/01/2040	6.845%	4,515,000.00	06/01/2017	103.000
			49,630,000.00		



ESCROW REQUIREMENTS

School District of the City of Detroit
County of Wayne, State of Michigan
2017 Refunding Bonds
(Unlimited Tax General Obligation)

Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
Assumes Sequestration (6.9%) throughout FYE 2017

Period Ending	Interest	Principal Redeemed	Redemption Premium	Total
06/01/2017	283,097.79	49,630,000.00	1,488,900.00	51,401,997.79
	283,097.79	49,630,000.00	1,488,900.00	51,401,997.79



ESCROW STATISTICS

School District of the City of Detroit
 County of Wayne, State of Michigan
 2017 Refunding Bonds
 (Unlimited Tax General Obligation)

Refunds the District's School Building and Site Improvement Bonds (UTGO), Series 2010B (BABs)
 Assumes Sequestration (6.9%) throughout FYE 2017

Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow:						
51,380,460.23	0.080	0.520927%	0.520927%	51,245,052.44	135,407.79	
51,380,460.23				51,245,052.44	135,407.79	0.00

Delivery date 05/02/2017
 Arbitrage yield 3.832347%



\$254,240,000
SCHOOL DISTRICT OF THE CITY OF DETROIT
County of Wayne, State of Michigan
2017 Refunding Bonds
(General Obligation - Unlimited Tax)
(Federally Taxable)

ESTIMATED COMPARISON OF BEFORE VS. AFTER 2017 REFUNDING BONDS

Levy Year	Payment Yr. End 30-Jun	Estimated Amount to be Paid From Debt Levy			Annual SLRF & 2017 Refunding Bond Activity				Projected Millage Rate*		
		Before Refunding	After Refunding	Savings	SLRF Accrued Int. Before	After Refunding	Savings	PV Savings**	Before Refunding	After Refunding	Savings
2016	2017	\$86,373,355	\$86,373,355	\$0	\$8,889,336	\$8,408,799	\$480,537	\$478,163	13.00	13.00	0.00
2017	2018	87,668,955	87,668,955	0	10,328,031	7,975,901	2,352,129	2,271,985	13.00	13.00	0.00
2018	2019	88,983,989	88,983,989	0	11,782,457	10,056,080	1,726,377	1,618,732	13.00	13.00	0.00
2019	2020	90,318,749	90,318,749	0	13,253,444	12,018,807	1,234,638	1,123,761	13.00	13.00	0.00
2020	2021	91,673,530	91,673,530	0	14,741,166	13,903,595	837,571	740,033	13.00	13.00	0.00
2021	2022	93,048,633	93,048,633	0	16,244,984	15,692,833	552,150	473,568	13.00	13.00	0.00
2022	2023	94,444,363	94,444,363	0	17,762,009	17,424,707	337,302	280,827	13.00	13.00	0.00
2023	2024	95,861,028	95,861,028	0	19,295,936	19,125,749	170,187	137,544	13.00	13.00	0.00
2024	2025	97,298,944	97,298,944	0	20,845,766	20,643,435	202,331	158,735	13.00	13.00	0.00
2025	2026	98,758,428	98,758,428	0	22,397,636	22,118,412	279,224	212,647	13.00	13.00	0.00
2026	2027	100,239,804	100,239,804	0	23,921,077	23,631,975	289,102	213,723	13.00	13.00	0.00
2027	2028	101,743,401	101,743,401	0	25,458,753	25,159,423	299,329	214,805	13.00	13.00	0.00
2028	2029	103,269,552	103,269,552	0	27,008,776	26,698,858	309,918	215,893	13.00	13.00	0.00
2029	2030	104,818,595	104,818,595	0	28,498,741	28,177,860	320,882	216,986	13.00	13.00	0.00
2030	2031	106,390,874	106,390,874	0	29,626,309	29,294,076	332,233	218,084	13.00	13.00	0.00
2031	2032	107,986,738	107,986,738	0	30,434,343	30,090,357	343,986	219,188	13.00	13.00	0.00
2032	2033	109,606,539	109,606,539	0	29,623,030	29,266,875	356,155	220,298	13.00	13.00	0.00
2033	2034	111,250,637	111,250,637	0	27,973,511	27,604,757	368,754	221,413	13.00	13.00	0.00
2034	2035	112,919,396	112,919,396	0	25,870,610	25,488,811	381,799	222,534	13.00	13.00	0.00
2035	2036	114,613,187	114,613,187	0	23,593,863	23,198,557	395,305	223,660	13.00	13.00	0.00
2036	2037	116,332,385	116,332,385	0	21,136,260	20,726,971	409,289	224,793	13.00	13.00	0.00
2037	2038	118,077,371	118,077,371	0	18,490,621	18,066,853	423,768	225,931	13.00	13.00	0.00
2038	2039	119,848,531	119,848,531	0	15,649,224	15,210,465	438,759	227,074	13.00	13.00	0.00
2039	2040	121,646,259	121,646,259	0	12,495,572	12,041,291	454,280	228,224	13.00	13.00	0.00
2040	2041	123,470,953	123,470,953	0	8,555,231	8,084,880	470,351	229,379	13.00	13.00	0.00
2041	2042	125,323,017	125,323,017	0	4,271,472	3,784,482	486,990	230,540	13.00	13.00	0.00
2042	2043	15,207,944	1,183,523	14,024,421	453,959	682,823	(228,864)	(105,172)	1.55	0.12	1.43
2043	2044	0	0	(0)	0	0	(0)	(0)	0.00	0.00	0.00
2044	2045	0	0	(0)	0	0	(0)	(0)	0.00	0.00	0.00
		<u>\$2,737,175,157</u>	<u>\$2,723,150,736</u>	<u>\$14,024,421</u>	<u>\$508,602,117</u>	<u>\$494,577,635</u>	<u>\$14,024,482</u>	<u>\$10,943,348</u>			<u>0.00</u>

TOTAL CUMULATIVE SAVINGS: \$14,024,421

NET PRESENT VALUE (NPV) SAVINGS: \$10,943,348

NPV Savings as % of Bonds Refunded: 4.332%

SBLF/ SLRF Balance Repaid: \$252,620,000

MLRD: 2046

* Based on an 1.50% annual Taxable Value growth rate first five years, 1.50% thereafter

* Based on an SLRF activity rate of 3.50%.

** Based on the 2017 Refunding Bonds All in TIC rate of 2.99% (interest rates are estimated as of February 15, 2017).



SCHOOL DISTRICT OF THE CITY OF DETROIT
County of Wayne, State of Michigan

SCHEDULE OF PROJECTED MILLAGE REQUIRED TO REPAY BONDED DEBT - BEFORE SLRF REFUNDING

Levy Year	Fiscal Yr. End 30-Jun	Taxable Value		Existing UTQ Debt & Mills					SLRF Activity at 3.50%		
		Projected Taxable Value [1]	Growth	PPT Exemption Reimburst	UTQ Debt Before Ref.	Net Existing UT Debt	Mills without SLRF	Total UT Mills Levied	1-Jul SLRF Balance	Amount Borrowed (Repaid)	30-Jun SLRF Balance
2016	2017	\$6,644,104,193		(\$5,872,837)	\$124,190,326	\$118,317,489	17.81	13.00	\$246,017,604	\$31,944,135	\$286,851,074
2017	2018	6,743,765,756	1.50%	(5,872,837)	124,490,047	118,617,210	17.59	13.00	286,851,074	30,948,255	328,127,360
2018	2019	6,844,922,242	1.50%	(5,872,837)	124,820,620	118,947,784	17.38	13.00	328,127,360	29,963,794	369,873,612
2019	2020	6,947,596,076	1.50%	(5,872,837)	125,159,816	119,286,979	17.17	13.00	369,873,612	28,968,230	412,095,286
2020	2021	7,051,810,017	1.50%	(5,872,837)	125,504,786	119,631,949	16.96	13.00	412,095,286	27,958,419	454,794,870
2021	2022	7,157,587,167	1.50%	(5,872,837)	125,731,102	119,858,266	16.75	13.00	454,794,870	26,809,632	497,849,487
2022	2023	7,264,950,975	1.50%	(5,872,837)	126,089,147	120,216,310	16.55	13.00	497,849,487	25,771,947	541,383,443
2023	2024	7,373,925,239	1.50%	(5,872,837)	126,458,681	120,585,844	16.35	13.00	541,383,443	24,724,816	585,404,195
2024	2025	7,484,534,118	1.50%	(5,872,837)	126,623,555	120,750,718	16.13	13.00	585,404,195	23,451,775	629,701,735
2025	2026	7,596,802,130	1.50%	(5,872,837)	125,481,209	119,608,373	15.74	13.00	629,701,735	20,849,945	672,949,316
2026	2027	7,710,754,162	1.50%	(5,872,837)	125,854,527	119,981,690	15.56	13.00	672,949,316	19,741,886	716,612,280
2027	2028	7,826,415,474	1.50%	(5,872,837)	126,171,221	120,298,384	15.37	13.00	716,612,280	18,554,983	760,626,016
2028	2029	7,943,811,706	1.50%	(5,872,837)	126,500,127	120,627,290	15.19	13.00	760,626,016	17,357,738	804,992,530
2029	2030	8,062,968,882	1.50%	(5,872,837)	114,416,756	108,543,920	13.46	13.00	804,992,530	3,725,324	837,216,595
2030	2031	8,183,913,415	1.50%	(5,872,837)	113,867,596	107,994,759	13.20	13.00	837,216,595	1,603,885	868,446,789
2031	2032	8,306,672,116	1.50%	(5,872,837)	64,592,060	58,719,224	7.07	13.00	868,446,789	(49,267,514)	849,613,617
2032	2033	8,431,272,198	1.50%	(5,872,837)	41,341,051	35,468,215	4.21	13.00	849,613,617	(74,138,324)	805,098,324
2033	2034	8,557,741,281	1.50%	(5,872,837)	30,167,745	24,294,908	2.84	13.00	805,098,324	(86,955,728)	746,116,107
2034	2035	8,686,107,400	1.50%	(5,872,837)	29,029,213	23,156,376	2.67	13.00	746,116,107	(89,763,020)	682,223,696
2035	2036	8,816,399,011	1.50%	(5,872,837)	27,890,680	22,017,844	2.50	13.00	682,223,696	(92,595,343)	613,222,216
2036	2037	8,948,644,996	1.50%	(5,872,837)	26,757,148	20,884,311	2.33	13.00	613,222,216	(95,448,074)	538,910,402
2037	2038	9,082,874,671	1.50%	(5,872,837)	25,618,393	19,745,557	2.17	13.00	538,910,402	(98,331,814)	459,069,208
2038	2039	9,219,117,791	1.50%	(5,872,837)	24,479,638	18,606,802	2.02	13.00	459,069,208	(101,241,730)	373,476,703
2039	2040	9,357,404,558	1.50%	(5,872,837)	4,715,884	(1,156,953)	-0.12	13.00	373,476,703	(122,803,212)	263,169,063
2040	2041	9,497,765,627	1.50%	(5,872,837)	-	(5,872,837)	-0.62	13.00	263,169,063	(129,343,790)	142,380,504
2041	2042	9,640,232,111	1.50%	(5,872,837)	-	(5,872,837)	-0.61	13.00	142,380,504	(131,195,854)	15,456,121
2042	2043	9,784,835,593	1.50%	(702,136)	-	(702,136)	-0.07	1.55	15,456,121	(15,910,080)	0
2043	2044	9,931,608,127	1.50%	-	-	-	0.00	0.00	0	0	0
				(\$153,395,893)	\$2,135,951,329	\$1,982,555,436				(\$754,619,721)	
									<i>SLRF Interest:</i>	\$508,602,117	

[1] Includes 2016 Taxable Value of \$6,377,809,763 and 2016 Equivalent IFT value of \$122,379,533 less 2016 Captured Value of \$307,841,778.



SCHOOL DISTRICT OF THE CITY OF DETROIT
County of Wayne, State of Michigan

SCHEDULE OF PROJECTED MILLAGE REQUIRED TO REPAY BONDED DEBT - AFTER SLRF REFUNDING

Levy Year	Fiscal Yr. End 30-Jun	Taxable Value		Debt After Refunding				SLRF Activity at 3.50%			
		Projected Taxable Value [1]	Growth	PPT Exemption Reimburst	UTQ After Refunding	Mills without SLRF	Total UT Mills Levied	1-Jul SLRF Balance	2017 Ref Repayment	Amount Borrowed (Repaid)	30-Jun SLRF Balance
2016	2017	\$6,644,104,193		(\$5,872,837)	\$124,190,326	17.81	13.00	\$246,017,604	(\$252,620,000)	\$31,944,135	\$32,130,598
2017	2018	6,743,765,756	1.50%	(5,872,837)	163,869,070	23.43	13.00	32,130,598		70,327,278	104,004,754
2018	2019	6,844,922,242	1.50%	(5,872,837)	163,864,933	23.08	13.00	104,004,754		69,008,107	177,094,629
2019	2020	6,947,596,076	1.50%	(5,872,837)	163,869,027	22.74	13.00	177,094,629		67,677,441	251,431,666
2020	2021	7,051,810,017	1.50%	(5,872,837)	163,871,962	22.41	13.00	251,431,666		66,325,595	327,038,679
2021	2022	7,157,587,167	1.50%	(5,872,837)	163,870,908	22.07	13.00	327,038,679		64,949,438	403,936,145
2022	2023	7,264,950,975	1.50%	(5,872,837)	163,868,695	21.75	13.00	403,936,145		63,551,496	482,147,800
2023	2024	7,373,925,239	1.50%	(5,872,837)	163,865,776	21.43	13.00	482,147,800		62,131,911	561,698,365
2024	2025	7,484,534,118	1.50%	(5,872,837)	143,178,260	18.35	13.00	561,698,365		40,006,480	621,808,574
2025	2026	7,596,802,130	1.50%	(5,872,837)	125,481,209	15.74	13.00	621,808,574		20,849,945	664,776,931
2026	2027	7,710,754,162	1.50%	(5,872,837)	125,854,527	15.56	13.00	664,776,931		19,741,886	708,150,792
2027	2028	7,826,415,474	1.50%	(5,872,837)	126,171,221	15.37	13.00	708,150,792		18,554,983	751,865,199
2028	2029	7,943,811,706	1.50%	(5,872,837)	126,500,127	15.19	13.00	751,865,199		17,357,738	795,921,794
2029	2030	8,062,968,882	1.50%	(5,872,837)	114,416,756	13.46	13.00	795,921,794		3,725,324	827,824,978
2030	2031	8,183,913,415	1.50%	(5,872,837)	113,867,596	13.20	13.00	827,824,978		1,603,885	858,722,939
2031	2032	8,306,672,116	1.50%	(5,872,837)	64,592,060	7.07	13.00	858,722,939		(49,267,514)	839,545,781
2032	2033	8,431,272,198	1.50%	(5,872,837)	41,341,051	4.21	13.00	839,545,781		(74,138,324)	794,674,333
2033	2034	8,557,741,281	1.50%	(5,872,837)	30,167,745	2.84	13.00	794,674,333		(86,955,728)	735,323,362
2034	2035	8,686,107,400	1.50%	(5,872,837)	29,029,213	2.67	13.00	735,323,362		(89,763,020)	671,049,153
2035	2036	8,816,399,011	1.50%	(5,872,837)	27,890,680	2.50	13.00	671,049,153		(92,595,343)	601,652,367
2036	2037	8,948,644,996	1.50%	(5,872,837)	26,757,148	2.33	13.00	601,652,367		(95,448,074)	526,931,264
2037	2038	9,082,874,671	1.50%	(5,872,837)	25,618,393	2.17	13.00	526,931,264		(98,331,814)	446,666,303
2038	2039	9,219,117,791	1.50%	(5,872,837)	24,479,638	2.02	13.00	446,666,303		(101,241,730)	360,635,039
2039	2040	9,357,404,558	1.50%	(5,872,837)	4,715,884	-0.12	13.00	360,635,039		(122,803,212)	249,873,118
2040	2041	9,497,765,627	1.50%	(5,872,837)	-	-0.62	13.00	249,873,118		(129,343,790)	128,614,208
2041	2042	9,640,232,111	1.50%	(5,872,837)	-	-0.61	13.00	128,614,208		(131,195,854)	1,202,836
2042	2043	9,784,835,593	1.50%	(54,642)	-	-0.01	0.12	1,202,836		(1,238,165)	0
2043	2044	9,931,608,127	1.50%	0	-	0.00	0.00	0		0	0
				(\$152,748,398)	\$2,421,332,207						(\$454,566,927)
								<i>SLRF Interest:</i>			\$461,169,323

[1] Includes 2016 Taxable Value of \$6,377,809,763 and 2016 Equivalent IFT value of \$122,379,533 less 2016 Captured Value of \$307,841,778.



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Refunding the District's SLRF Balance
Estimated Taxable Rates as of February 16, 2017

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SOURCES AND USES OF FUNDS

Detroit Public Schools
2017 Refunding Bonds (SLRF)
Refunding the District's SLRF Balance
Estimated Taxable Rates as of February 16, 2017

Sources:

Bond Proceeds:	
Par Amount	254,240,000.00
	<hr/>
	254,240,000.00
	<hr/> <hr/>

Uses:

Project Fund Deposits:	
SBLF / SLRF Repayment	252,620,000.00
Delivery Date Expenses:	
Cost of Issuance	600,000.00
Underwriter's Discount	1,016,960.00
	<hr/>
	1,616,960.00
Other Uses of Funds:	
Additional Proceeds	3,040.00
	<hr/>
	254,240,000.00
	<hr/> <hr/>

Note: All cost of issuance is an estimate only



BOND DEBT SERVICE

Detroit Public Schools
2017 Refunding Bonds (SLRF)
Refunding the District's SLRF Balance
Estimated Taxable Rates as of February 16, 2017

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2017			3,214,511.50	3,214,511.50	
05/01/2018	32,950,000	1.380%	3,214,511.50	36,164,511.50	39,379,023.00
11/01/2018			2,987,156.50	2,987,156.50	
05/01/2019	33,070,000	1.860%	2,987,156.50	36,057,156.50	39,044,313.00
11/01/2019			2,679,605.50	2,679,605.50	
05/01/2020	33,350,000	2.210%	2,679,605.50	36,029,605.50	38,709,211.00
11/01/2020			2,311,088.00	2,311,088.00	
05/01/2021	33,745,000	2.600%	2,311,088.00	36,056,088.00	38,367,176.00
11/01/2021			1,872,403.00	1,872,403.00	
05/01/2022	34,395,000	2.850%	1,872,403.00	36,267,403.00	38,139,806.00
11/01/2022			1,382,274.25	1,382,274.25	
05/01/2023	35,015,000	3.020%	1,382,274.25	36,397,274.25	37,779,548.50
11/01/2023			853,547.75	853,547.75	
05/01/2024	35,700,000	3.270%	853,547.75	36,553,547.75	37,407,095.50
11/01/2024			269,852.75	269,852.75	
05/01/2025	16,015,000	3.370%	269,852.75	16,284,852.75	16,554,705.50
	254,240,000		31,140,878.50	285,380,878.50	285,380,878.50



BOND PRICING

Detroit Public Schools
 2017 Refunding Bonds (SLRF)
 Refunding the District's SLRF Balance
 Estimated Taxable Rates as of February 16, 2017

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	05/01/2018	32,950,000	1.380%	1.380%	100.000
	05/01/2019	33,070,000	1.860%	1.860%	100.000
	05/01/2020	33,350,000	2.210%	2.210%	100.000
	05/01/2021	33,745,000	2.600%	2.600%	100.000
	05/01/2022	34,395,000	2.850%	2.850%	100.000
	05/01/2023	35,015,000	3.020%	3.020%	100.000
	05/01/2024	35,700,000	3.270%	3.270%	100.000
	05/01/2025	16,015,000	3.370%	3.370%	100.000
		254,240,000			

Dated Date	05/01/2017	
Delivery Date	05/01/2017	
First Coupon	11/01/2017	
Par Amount	254,240,000.00	
Original Issue Discount		
Production	254,240,000.00	100.000000%
Underwriter's Discount	(1,016,960.00)	(0.400000%)
Purchase Price	253,223,040.00	99.600000%
Accrued Interest		
Net Proceeds	253,223,040.00	

Note: Estimated Taxable interest rates as of February 16, 2017



BOND SUMMARY STATISTICS

Detroit Public Schools
 2017 Refunding Bonds (SLRF)
 Refunding the District's SLRF Balance
 Estimated Taxable Rates as of February 16, 2017

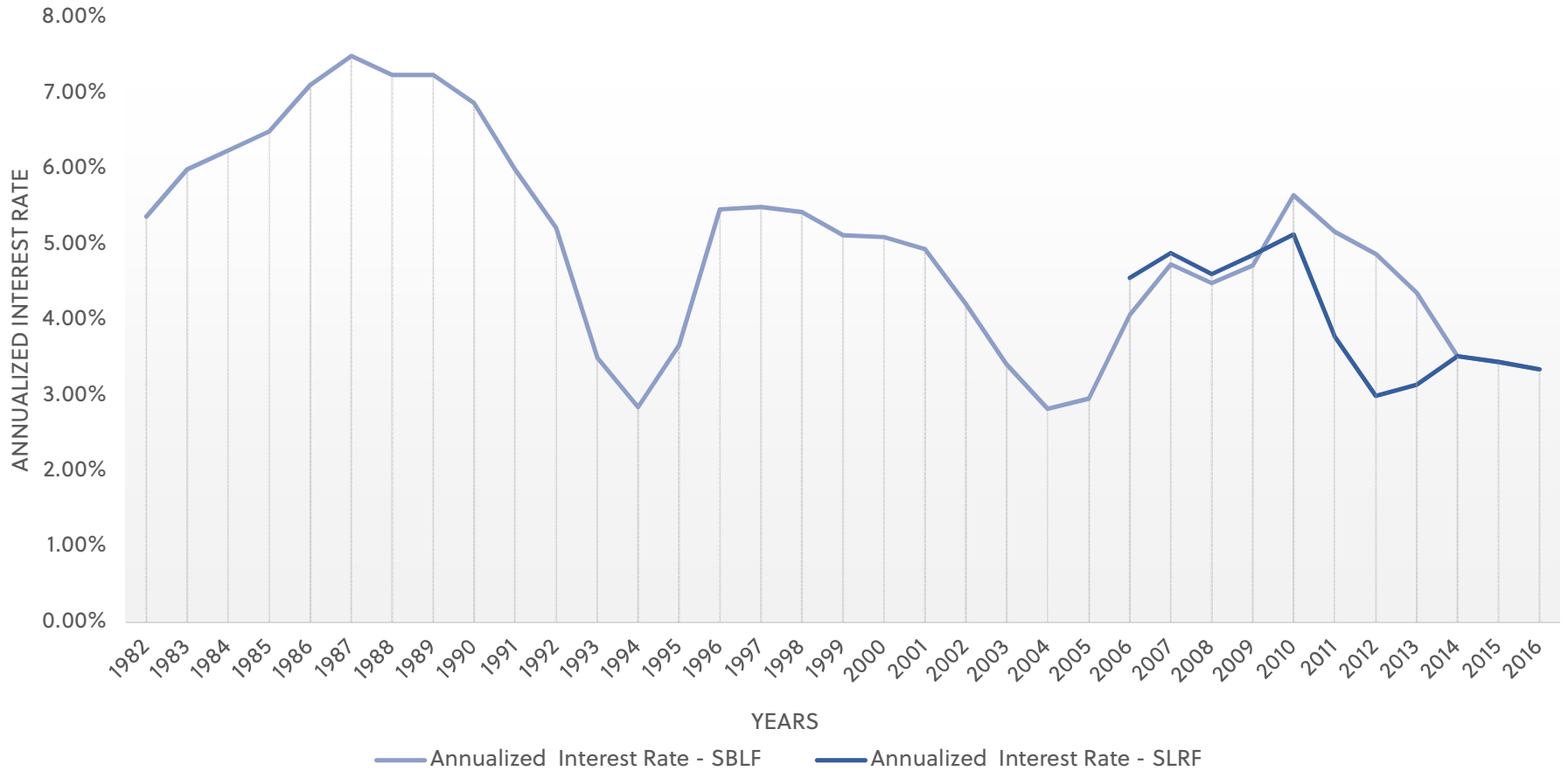
Dated Date	05/01/2017
Delivery Date	05/01/2017
Last Maturity	05/01/2025
Arbitrage Yield	2.833300%
True Interest Cost (TIC)	2.933975%
Net Interest Cost (NIC)	2.938923%
All-In TIC	2.993641%
Average Coupon	2.845982%
Average Life (years)	4.304
Weighted Average Maturity (years)	4.304
Duration of Issue (years)	4.036
Par Amount	254,240,000.00
Bond Proceeds	254,240,000.00
Total Interest	31,140,878.50
Net Interest	32,157,838.50
Total Debt Service	285,380,878.50
Maximum Annual Debt Service	39,379,023.00
Average Annual Debt Service	35,672,609.81
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	4.000000
Total Underwriter's Discount	4.000000
Bid Price	99.600000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	254,240,000.00	100.000	2.846%	4.304	101,529.00
	254,240,000.00			4.304	101,529.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	254,240,000.00	254,240,000.00	254,240,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	(1,016,960.00)	(1,016,960.00)	
- Cost of Issuance Expense		(600,000.00)	
- Other Amounts			
Target Value	253,223,040.00	252,623,040.00	254,240,000.00
Target Date	05/01/2017	05/01/2017	05/01/2017
Yield	2.933975%	2.993641%	2.833300%



Michigan School Bond Qualification and Loan Program Historical Annualized Interest Rates (as of June 30) Years 1982 to 2016



Source: Michigan Department of Treasury, School Bond Qualification and Loan Program, 2015 Annual Report

Notes:

-Beginning in 2014, the School Bond Loan Fund (SBLF) and School Loan Revolving Fund (SLRF) rates were consolidated into one rate