



12675 Burt Road, Detroit, Michigan 48223 (313) 537-3570 phone (313) 537-6904 fax

April 27, 2017

Mr. Christopher May
Financial Analyst
Michigan Department of Education
608 W. Allergan Street
P.O. Box 30008
Lansing, MI 48909

Dear Mr. May:

This letter acknowledges receipt of Ms. Leah Breen’s letter dated April 24, 2017 regarding the assessment of a financial penalty related to the certification status of Ms. Sharon McPhail. While the full ramifications of State Superintendent Whiston’s determination remain under review, we respectfully request an extended repayment period of an additional four (4) years pursuant to MCL 388.1615.

Please consider this an urgent request for the maximum repayment period, as a deduction of \$208,833.27 from the May 2017 State Aid payment would cause dire hardship. Our May 2017 State Aid is estimated at \$549,000.00 before deductions for the 2016 PSA SAN Note (please see copy of April 2017 State Aid Report), long-term debt (please see copy of trustee’s report from U.S. Bank) and our authorizer fee.

Gross State Aid Estimate:		\$549,310.00
Less: 2016 PSA SAN Note:	(\$94,955.61)	
Long Term Debt:	(\$89,649.62)	
Auth. Fee Estimate (3%):	(\$16,470.00)	<u>(\$201,075.23)</u>
Net State Aid Proceeds:		<u>\$348,234.77</u>

As you can see a deduction of \$208,833.27 (\$10,833.33 x 19 months) would leave us with only **\$139,401.50** with which to meet our payrolls and various overhead and maintenance costs. Our payrolls alone have averaged \$360,000.00 per month (please see April 28,2017 salary & hourly payroll invoices attached). This penalty would be catastrophic and likely result in the termination of the majority of our staff and possibly the immediate cessation of our entire Kg-Grade 12 educational program.

As I mentioned above, we respectfully request the extended re-payment period of an additional four (4) years pursuant to MCL388.1615 Section15 (2).

Sincerely,

A handwritten signature in blue ink that reads "Patrick Devlin" followed by a flourish and the word "(wife)" in parentheses.

Patrick Devlin

President of the Board of Directors

Attachments (4)

cc: Members of the Detroit Community Schools Board of Directors

Phil Boone, Interim Director, Office of State Aid and School Finance

STATE OF MICHIGAN
2016-2017 State Aid Financial Status Report
Payment Dated: 04/20/2017

District: 82925 ISD: 82
Detroit Community Schools

State Aid Membership	734.83
General ED K-12	730.02
Supplemental 2016	751.67
Fall 2016	727.61
Special ED K-12 Sec 52	4.81
Supplemental 2016	2.33
Fall 2016	5.08
Special ED K-12 Sec 53	0.00
Supplemental 2016	0.00
Fall 2016	0.00

FY 2017 Foundation	7,511.00
FY 1995 Foundation	5,500.00

Local Revenue Per GE	0.00	Special Ed. Costs	139,342.00
Local Revenue Per Membership	0.00	Special Ed. Transp. Costs	0.00

CURRENT YEAR ALLOWANCES		Amount	Pct to Date	Previous Amts	Current Amt
51c	SPEC ED HEADLEE OBLIGATION	39,871.04	63.63 %	21,745.67	3,624.27
22b	DISCRETIONARY PAYMENT	1,441,615.22	63.63 %	786,256.94	131,042.82
11(3)	PSA PROTECTED	4,041,565.00	63.63 %	2,204,269.55	367,378.26
31A	AT RISK	498,269.83	63.63 %	272,811.25	44,237.84
35a(5)	EARLY LITERACY TARGETED INSTRUCTIO	5,115.00	63.63 %	2,789.72	464.95
152a	HEADLEE OBLIGATION FOR DATA COLLEC	18,569.07	63.63 %	10,129.82	1,685.68
31d	SCHOOL LUNCH	9,647.25	63.63 %	5,261.61	876.94
		\$6,054,652.41		\$3,303,264.56	\$549,310.76

PRIOR YEAR ADJUSTMENTS		Amount	Pct to Date	Previous Amts	Current Amt
51c	2016 SPEC ED HEADLEE OBLIGATION	(36,128.07)	100.00 %	(36,128.07)	0.00
		(\$36,128.07)		(\$36,128.07)	\$0.00
SUBTOTALS		\$6,018,524.34		\$3,267,136.49	\$549,310.76

Amount Applied to Loan Payments

MFA - 2016 PSA SAN D-1	94,955.61
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OTHER CURRENT YEAR CALCULATION INFORMATION

20	FOUNDATION GRANT (State PP: \$7,511.00)	5,483,180.22
51a.2	SPECIAL ED FOUNDATION (SEC 52)	36,127.91
51a	SPECIAL EDUCATION (Categorical Amount)	3,743.13
		\$5,523,051.26

SUMMARY OF REGULAR PAYMENTS

10/20/2016	\$587,904.04	11/21/2016	\$587,831.10	12/20/2016	\$478,002.15
01/20/2017	\$551,584.55	02/21/2017	\$524,363.43	03/20/2017	\$537,451.22
04/20/2017	\$549,310.76				

U.S. Bank TrustNow Essentials
 Global Transactions
 By Account Id, Post Date

Post Date	Trade Date	Settle Date	SEDOL	CUSIP	Port	Tran	Tran	Local	Local	Local	Exchange	Price	Amount
					P/I	Type	Explanation	Currency	Price	Amount	Rate	Price	Amount
790575000				DETROIT CMNTY HS 2005									
04/25/2017					P	210	CASH DISBURSEMENT PAID TO DETROIT COMMUNITY WIRE TRANSFER MBLUZON EXCESS FUNDS FROM APRIL 25 2017						-348,226.21
04/25/2017					P	330	CASH RECEIPT RECEIPT OF FUNDS MBLUZON FROM BAY MILLS						437,875.83
04/25/2017					P	210	CASH DISBURSEMENT PAID TO 790575002 TRANSFER TO ANOTHER TRUST MBLUZON FOR MONTHLY INTEREST SET ASIDE						-55,953.00
04/25/2017					P	210	CASH DISBURSEMENT PAID TO 790575003 TRANSFER TO ANOTHER TRUST MBLUZON FOR MONTHLY PRINCIPAL SET ASIDE						-30,000.00
04/25/2017					P	210	CASH DISBURSEMENT PAID TO 790575006 TRANSFER TO ANOTHER TRUST MBLUZON FEE EXPENSE						-355.00
04/25/2017					P	210	CASH DISBURSEMENT PAID TO 790575005 TRANSFER TO ANOTHER TRUST MBLUZON FOR MONTHLY R & R FUND						-3,341.62

MM1, Inc.
Main Office
3170 Old Farm Lane
Commerce Twp, MI 48390

Detroit Community Schools
12675 Burt Road
Detroit, MI 48223
Pat Peoples
(313) 537-3570

Invoice Date: 04/28/17
Check Date: 04/28/17
Invoice Format: AA : Z3

Invoice 1501004-265
For the Pay Period Ending 04/30/17
Batch Number 019-2-042617-15.21

Gross Wages	138,656.85
FICA	10,607.29
FUTA	46.19
MESC	1,371.49
Workers' Comp	1,560.71
Employee Benefits	12,680.93
Admin Fee	4,215.89
401K	542.25
Other/Misc	10.75

Sub Total:	169,692.35
Credit - Emp Loan	-50.00

Total Invoice:	169,642.35

Due Upon Receipt

Thank You For Your Business

If you have any questions contact: Shelly Graves
(248) 313-2000

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3170 Old Farm Lane
Commerce Twp, MI 48390

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Invoice Date: 04/28/17
Check Date: 04/28/17
Invoice Format: AA : Z3

Invoice 1501005-212
For the Pay Period Ending 04/15/17
Batch Number 019-2-042517-15.93

Gross Wages	8,399.98
FICA	642.61
FUTA	28.75
MESC	682.86
Workers' Comp	444.04
Employee Benefits	11.28
Admin Fee	252.01
401K	
Other/Misc	
Sub Total:	10,461.53
Total Invoice:	10,461.53

Due Upon Receipt

Thank You For Your Business

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(248) 313-2000