



DETROIT PUBLIC SCHOOLS
Division of Finance
3011 W. Grand Blvd., 11th Floor, Fisher Bldg.
Detroit, MI 48202

DETROIT PUBLIC SCHOOLS

Division of Finance

Office of the Chief Financial Officer

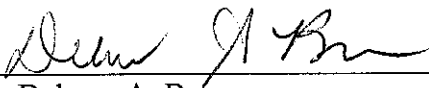
September 15, 2010

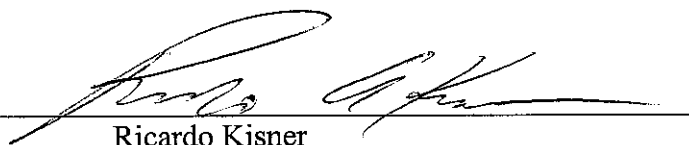
Via Facsimile: (614) 775-5631
The Bank of New York
6525 West Campus Oval, Suite 200
New Albany, OH 43054

Attention: Vice President
Municipal Credit Group

Ladies and Gentlemen:

Pursuant to Section 6.2(a)(v) of that certain Reimbursement Agreement among the Michigan Municipal Bond Authority, the School District of the City of Detroit (the "District") and The Bank of New York Trust Company, N.A. (the "Bank"), dated as of March 1, 2005, the District, through its undersigned official, hereby certifies that except as otherwise known and provided by law, the District has not taken any action or failed to take any action as of the date hereof that will result in the state withholding State Aid payments.

By: 
Delores A. Brown
Deputy CFO and Chief Accounting Officer

By: 
Ricardo Kisner
Chief Financial Officer

CERTIFICATE AS TO SET ASIDE REQUIREMENTS

(Pursuant to Section 3.3 of the Financing Agreement dated as of March 1, 2005 (the "Agreement") between the Michigan Municipal Bond Authority and the School District of the City of Detroit (the "District"))

The undersigned, the Emergency Financial Manager and Authorized District Officer of the District, hereby certifies that he/she has projected the District's monthly receipt of State School Aid for each month in the Projection Period (as defined in the Agreement) and compared such receipts to the corresponding monthly Set Aside Requirements (as defined in the Agreement) and has determined that at this time Section 3.3 of the Agreement:

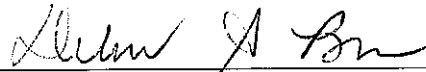
DOES NOT REQUIRE the establishment of new Set Aside Requirements

DOES REQUIRE the establishment of new Set Aside Requirements which, for each Series of Obligations currently Outstanding, are as follows:

[For each series of Obligations identify new Set Aside Requirements]

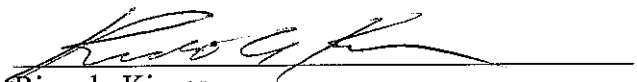
This 15th day of **September**, 2010

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



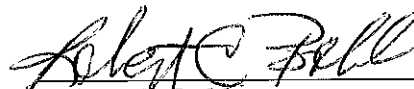
Delores A. Brown

Title: Deputy CFO and Chief Accounting Officer



Ricardo Kisner

Title: Chief Financial Officer



Robert C. Bobb

Title: Emergency Financial Manager

DETROIT PUBLIC SCHOOLS
General Fund Estimated Cash Flow (In Thousands)
July 2010 - June 2011

	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	\$62,153	\$17,373	\$222,243	\$176,009	\$111,573	\$72,456	\$57,971	\$33,350	\$29,499	\$203,527	\$134,002	\$93,393	\$62,153
Cash Receipts													
State Aid	56,981	61,035	-	52,499	52,499	52,499	52,499	52,499	52,499	52,499	52,499	52,499	590,307
Property Taxes	1,908	47,500	5,414	9,956	5,000	10,800	10,356	21,475	2,758	(9,210)	-	-	105,957
Grants	18,495	45,895	32,413	5,878	9,240	35,018	17,365	24,711	15,126	14,732	14,426	12,514	245,813
State Stabilization Funds - State Aid	-	-	-	-	-	-	-	-	-	-	-	-	-
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2010A State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2010B State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2011A State Aid Note Proceeds	-	187,961	-	-	-	-	-	-	-	-	-	-	187,961
Other Receipts	-	-	-	-	-	-	-	-	220,000	-	-	-	220,000
WCHESA - Net	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service-Reimbursement:													
-Deposits	19,790	-	6,344	6,344	5,939	6,032	5,939	6,400	5,988	6,344	6,344	6,205	61,878
-RD	74	-	44	35	1,864	4,236	3,361	1	2,494	3,998	7,128	160	42,951
RD-Other	132	-	35	420	212	186	200	287	244	166	359	160	2,343
Interest	398	32	110	101	113	149	-	6	13	67	2	1	694
Miscellaneous	2	4	58	72	38	33	19	14	65	83	45	30	530
E-Rate reimbursement	6,224	65	723	2,341	164	2,747	758	5,589	1,194	500	1,055	551	21,911
Outreach Medicaid	7,438	-	896	898	1,876	898	954	898	1,124	898	898	898	520
Fee for Service Medicaid	-	-	-	46	-	-	-	-	-	-	-	-	17,676
Total Cash Receipts	111,442	342,492	46,037	78,604	76,945	112,609	91,451	111,880	301,507	70,151	83,276	72,858	1,499,251
Total Available Funds	173,595	359,865	268,281	254,613	186,518	185,065	149,422	145,229	331,006	273,678	217,278	166,251	1,561,404
Cash Disbursements													
Payroll	(54,492)	(33,939)	(33,505)	(47,130)	(36,059)	(46,428)	(31,739)	(33,933)	(31,072)	(41,206)	(32,937)	(32,909)	(455,448)
FICA	(3,470)	(3,470)	(2,787)	(3,795)	(2,905)	(3,738)	(2,558)	(2,731)	(2,501)	(3,317)	(2,652)	(2,648)	(38,805)
Retirement	(14,404)	(9,873)	(7,584)	(6,513)	(9,162)	(7,010)	(9,026)	(6,178)	(6,596)	(6,040)	(8,011)	(6,405)	(96,800)
Non-Payroll Expenditures	(269)	(268)	(197)	(1,789)	(1,247)	(2,772)	(826)	(602)	(1,218)	(1,204)	(1,135)	(1,186)	(12,767)
Fringe Benefits	(9,004)	(10,382)	(12,688)	(12,867)	(10,201)	(4,447)	(9,204)	(13,838)	(5,100)	(8,547)	(10,585)	(7,883)	(114,946)
Account Payable	(23,352)	(32,462)	(35,467)	(23,181)	(6,365)	(10,271)	(11,591)	(10,256)	(31,970)	(28,641)	(16,649)	(15,847)	(248,052)
Additional Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	-	-	(44)	(35)	(1,864)	(4,236)	(3,361)	(1)	(2,494)	(3,998)	(7,128)	-	(23,161)
Capital Leases	-	-	-	-	-	-	-	(1)	-	-	-	-	-
Adult Education	-	-	-	-	(533)	(464)	-	(464)	(498)	(1,994)	-	(498)	(4,452)
Set Aside Payments on Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
2005B Bonds- Principal	-	-	-	(1,675)	(1,675)	(1,675)	(1,675)	(1,675)	(1,675)	(1,675)	(1,675)	(1,675)	(13,400)
2005B Bonds- Interest	-	-	-	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(8,428)
2009B Note - Principal	(47,000)	(25,000)	-	-	-	-	-	-	-	-	-	-	(72,000)
2009B Note - Interest	-	(21,850)	-	-	-	-	-	-	-	-	-	-	(21,850)
2010A Note - Principal	-	-	-	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(31,235)	(42,000)	(42,000)	(44,000)	(12,067)
2010A Note - Interest	-	-	-	-	-	-	-	-	(12,067)	-	-	-	(256,235)
2010B Note - Principal	-	-	-	-	-	-	-	-	-	-	-	-	(128,000)
2010B Note - Interest	-	(117)	-	-	-	-	-	-	-	-	-	-	(117)
2011A Note - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
2011A Note - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Set-Aside Payments	(47,000)	(46,967)	-	(47,729)	(47,729)	(47,729)	(47,729)	(47,729)	(46,031)	(44,729)	(44,729)	(44,000)	(512,098)
Total Cash Disbursements	(156,222)	(137,621)	(92,272)	(143,059)	(116,062)	(127,094)	(116,072)	(115,730)	(127,479)	(139,676)	(123,885)	(111,375)	(1,506,528)
Ending Balance with Note Proceeds	\$17,373	\$222,243	\$176,009	\$111,573	\$72,456	\$57,971	\$33,350	\$29,499	\$203,527	\$134,002	\$93,393	\$54,876	\$54,876
Balance without Note Proceeds	(261,492)	(212,782)	(259,017)	(278,452)	(272,570)	(242,055)	(213,528)	(172,378)	(175,048)	(223,811)	(222,419)	(216,936)	(216,936)
Debt Service Coverage	1.21	1.30	0.00	1.10	1.10	1.10	1.10	1.10	1.14	1.17	1.17	1.19	1.15

DETROIT PUBLIC SCHOOLS
General Fund Estimated Cash Flow (In Thousands)
July 2011 - June 2012

	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	\$54,876	\$177,929	\$229,068	\$174,940	\$122,409	\$88,807	\$76,817	\$55,228	\$53,705	\$220,888	\$158,984	\$120,979	\$54,876
Cash Receipts													
State Aid	52,499	52,499	-	47,725	47,725	47,725	47,725	47,725	47,725	47,725	47,725	47,725	534,527
Property Taxes	1,833	39,770	10,059	4,850	4,850	10,476	10,045	20,850	7,914	(14,172)	-	-	96,475
Grants	17,200	42,682	31,527	4,083	8,593	32,567	16,149	22,981	15,491	12,278	13,416	14,368	231,336
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2011B State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2012A State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-	215,000	-	-	-	215,000
WCRESA - Net	-	-	-	6,344	5,939	6,032	5,939	6,400	5,988	6,344	6,344	6,205	61,878
Food Service- Reimbursement	18,801	-	42	33	1,771	4,024	3,193	1	2,369	3,798	6,772	-	40,803
Deposits	70	-	151	281	201	177	190	273	241	148	341	152	2,226
-RD	125	-	123	78	107	142	-	6	73	3	2	1	659
RD-Other	398	32	-	14	-	11	-	-	1	74	-	-	530
Interest	9	29	96	59	-	41	27	22	74	74	56	50	537
Miscellaneous	6,224	65	728	2,336	164	2,747	758	5,589	1,221	473	1,055	825	22,185
E-Rate reimbursement	-	-	-	896	898	898	954	898	1,124	898	898	898	520
Outreach Medicaid	7,438	-	-	46	1,876	898	-	-	-	-	-	-	17,676
Fee for Service Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	104,618	321,077	49,965	66,748	71,227	104,840	84,981	104,726	297,221	57,643	77,129	70,225	1,410,599
Total Available Funds	159,494	339,007	279,034	241,689	193,637	193,647	161,798	159,954	350,925	278,331	236,113	191,204	1,465,276
Cash Disbursements													
Payroll	(56,855)	(29,553)	(39,911)	(35,079)	(33,535)	(43,178)	(29,554)	(31,557)	(37,316)	(29,902)	(30,631)	(37,807)	(414,979)
FICA	(2,968)	(2,388)	(3,213)	(2,892)	(2,699)	(3,476)	(2,378)	(2,540)	(3,004)	(2,407)	(2,466)	(3,044)	(33,406)
Retirement	(6,398)	(7,165)	(5,765)	(7,759)	(6,819)	(6,519)	(8,394)	(5,745)	(6,135)	(7,254)	(5,813)	(5,955)	(79,721)
Non-Payroll Expenditures	(249)	(252)	(711)	(1,155)	(1,172)	(2,605)	(776)	(566)	(1,145)	(1,132)	(1,123)	(1,670)	(12,556)
Fringe Benefits	(8,464)	(9,947)	(15,745)	(8,279)	(9,589)	(4,800)	(8,651)	(13,007)	(6,545)	(6,283)	(9,950)	(10,686)	(111,325)
Account Payable	(23,831)	(30,514)	(38,708)	(21,421)	(5,983)	(9,655)	(10,895)	(9,641)	(32,926)	(24,048)	(15,650)	(20,626)	(243,899)
Additional Account Payable	(18,801)	-	(42)	(33)	(1,771)	(4,024)	(3,153)	(1)	(2,369)	(3,798)	(6,772)	-	(40,803)
Food Service Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	(533)	(464)	-	(464)	(498)	(1,994)	-	-	(4,452)
Set Aside Payments on Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
2005B Bonds- Principal	-	-	-	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(14,070)
2005B Bonds- Interest	-	-	-	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(7,758)
2010B Bonds- Principal	(44,000)	(15,961)	-	-	-	-	-	-	-	-	-	-	(59,961)
2010B Bonds- Interest	-	(14,058)	-	-	-	-	-	-	-	-	-	-	(14,058)
2011A Bonds- Principal	-	-	-	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(20,000)	-	-	-	(220,000)
2011A Bonds- Interest	-	-	-	-	-	-	-	-	(17,371)	-	-	-	(17,371)
2011B Bonds- Principal	-	-	-	-	-	-	-	-	-	(40,000)	(40,000)	(43,000)	(123,000)
2011B Bonds- Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Set-Aside Payments	(44,000)	(30,019)	-	(42,729)	(42,729)	(42,729)	(42,729)	(42,729)	(40,099)	(42,729)	(42,729)	(43,000)	(456,218)
Total Cash Disbursements	(141,565)	(109,938)	(104,093)	(119,279)	(104,829)	(116,830)	(106,570)	(106,249)	(130,036)	(119,547)	(115,133)	(123,287)	(1,397,358)
Ending Balance with Note Proceeds	\$17,929	\$229,068	\$174,940	\$132,409	\$88,807	\$76,817	\$55,228	\$53,705	\$220,888	\$158,984	\$120,979	\$67,917	\$67,917
Balance without Note Proceeds	(218,032)	(162,874)	(210,844)	(223,375)	(216,934)	(188,925)	(170,514)	(132,037)	(159,854)	(181,758)	(179,762)	(189,825)	(189,825)
Debt Service Coverage	1.19	1.75	0.00	1.12	1.12	1.12	1.12	1.12	1.19	1.12	1.12	1.11	1.17