

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 **November**, 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  
Division of Finance  
3011 W. Grand Blvd., 11<sup>th</sup> Floor, Fisher Bldg.  
Detroit, MI 48202

# DETROIT PUBLIC SCHOOLS

## Division of Finance

### Office of the Chief Financial Officer

---

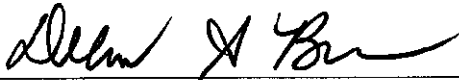
November 15, 2010

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 Kisher  
Chief Financial Officer

**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	\$64,527	\$31,292	\$232,664	\$162,798	\$127,088	\$85,753	\$54,959	\$51,963	\$50,439	\$217,620	\$155,716	\$117,710	\$64,527
<b>Cash Receipts</b>													
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	1,853	39,770	(10,614)	14,537	4,850	10,416	10,045	20,830	7,914	(14,172)	13,416	-	85,490
Grants	17,200	42,682	34,889	25,830	10,365	13,967	34,419	22,981	15,491	12,278	-	-	258,216
State Aid Note Proceeds	-	-	186,000	-	-	-	-	-	-	-	-	-	186,000
2011A State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2011B State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	215,000
WCRESA - Net	-	-	6,541	6,181	5,939	6,032	5,939	6,400	5,988	6,344	6,344	6,205	62,012
Food Service Reimbursement	18,801	-	667	4,647	1,761	4,024	3,193	1	2,369	3,798	6,772	-	46,033
- Deposits	70	-	93	107	121	177	190	273	241	148	341	152	1,913
- RD	125	-	133	2	102	142	-	6	73	3	2	1	588
RD - Other	398	-	61	-	-	11	-	-	1	74	-	-	577
Interest	14	34	96	58	-	34	20	21	73	73	54	48	526
Miscellaneous	6,224	65	280	523	384	2,747	758	5,589	1,221	473	1,055	825	20,144
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	520
Outreach Medicaid	7,438	-	944	-	1,922	898	954	898	1,124	898	898	898	16,872
Fee for Service Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	104,622	321,083	33,191	99,611	73,169	86,233	103,574	104,725	297,220	57,642	77,127	70,223	1,428,419
Total Cash Resources	169,149	352,374	265,855	262,409	200,257	171,986	158,534	156,688	347,658	275,262	232,843	187,933	1,492,946
<b>Cash Disbursements</b>													
Payroll	(26,855)	(29,653)	(43,090)	(39,673)	(34,549)	(43,178)	(29,554)	(31,557)	(37,310)	(29,902)	(30,631)	(37,807)	(423,766)
FICA	(2,968)	(2,388)	(3,469)	(3,193)	(2,781)	(3,476)	(2,378)	(2,540)	(3,004)	(2,407)	(2,466)	(3,044)	(34,114)
Retirement	(6,398)	(7,165)	(5,765)	(8,377)	(7,712)	(6,716)	(8,394)	(5,745)	(6,155)	(7,254)	(5,815)	(5,955)	(81,429)
Non-Payroll Expenditures													
Fringe Benefits	(249)	(252)	-	(131)	(1,301)	(2,603)	(776)	(566)	(1,145)	(1,132)	(1,123)	(1,670)	(10,949)
Fringe Benefits - Wired	(8,464)	(9,947)	(6,480)	(8,659)	(15,256)	(4,180)	(8,631)	(13,007)	(6,545)	(6,283)	(9,950)	(10,666)	(108,109)
Account Payable	(23,831)	(30,514)	(43,385)	(27,912)	(7,882)	(9,655)	(10,895)	(9,641)	(32,926)	(24,048)	(15,650)	(20,626)	(257,166)
Additional Account Payable	(18,801)	-	(667)	(4,647)	(1,761)	(4,024)	(3,193)	(1)	(2,369)	(3,798)	(6,772)	-	(46,033)
Food Service Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	(33)	(464)	-	(464)	(498)	(1,994)	-	(498)	(4,152)
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	(33,000)	(39,730)	(61)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(20,000)	(40,000)	(40,000)	(43,000)	(220,000)
2010B Bonds - Interest	(7,293)	(61)	-	-	-	-	-	-	-	-	-	-	(7,354)
2011A Bonds - Principal	-	-	-	-	-	-	-	-	-	-	-	-	(220,000)
2011A Bonds - Interest	-	-	-	-	-	-	-	-	-	-	-	-	(17,371)
2011B Bonds - Principal	-	-	-	-	-	-	-	-	-	-	-	-	(123,000)
2011B Bonds - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Set-Aside Payments	(40,293)	(39,739)	-	(42,729)	(42,729)	(42,729)	(42,729)	(42,729)	(40,099)	(42,729)	(42,729)	(43,000)	(462,283)
Total Cash Disbursements	(137,856)	(119,710)	(103,057)	(135,331)	(114,504)	(117,027)	(106,570)	(106,249)	(130,038)	(119,547)	(115,133)	(123,287)	(1,128,301)
Ending Balance with Note Proceeds	\$31,292	\$322,664	\$162,798	\$127,088	\$85,753	\$54,959	\$51,963	\$50,439	\$217,620	\$155,716	\$117,710	\$64,527	\$64,527
Balance without Note Proceeds	(220,376)	(165,213)	(222,986)	(218,696)	(219,989)	(210,783)	(173,779)	(135,304)	(163,122)	(185,027)	(183,033)	(193,097)	(193,097)
Debt Service Coverage	1.30	1.32	0.00	1.12	1.12	1.12	1.12	1.12	1.19	1.12	1.12	1.11	1.16

**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	\$22,243	\$166,409	\$123,433	\$71,054	\$35,628	\$31,000	\$27,149	\$201,176	\$135,650	\$99,042	\$92,153
<b>Cash Receipts</b>													
State Aid	56,981	61,035	-	57,894	47,104	52,499	52,499	52,499	52,499	52,499	52,499	52,499	590,507
Property Taxes	1,908	47,500	(10,721)	14,766	5,000	10,800	10,356	21,475	2,758	(9,210)	-	-	94,632
Grants	18,495	45,895	36,518	28,771	11,445	15,018	37,365	24,711	15,126	14,732	14,426	12,514	274,716
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
WCRESA - Net	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Reimbursement	19,790	-	6,641	6,181	5,939	6,032	5,939	6,400	5,988	6,344	6,344	6,205	62,012
Deposits	74	-	702	4,892	1,854	4,236	3,361	1	2,494	3,998	7,128	-	48,456
RD	132	-	-	211	127	186	200	287	244	166	359	160	2,014
RD - Other	398	32	140	2	107	149	-	6	13	67	74	2	619
Interest	2	4	10	-	28	11	-	-	1	74	-	-	577
Miscellaneous	6,224	65	167	636	384	27	12	13	65	82	46	32	325
E-Rate reimbursement	-	-	-	-	384	2,747	738	5,589	1,194	500	1,055	551	19,870
Outreach Medicaid	7,438	-	944	-	1,922	898	954	898	1,124	898	898	898	16,872
Fee for Service Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts</b>	111,442	342,492	34,462	113,357	73,610	92,602	111,444	111,879	301,506	70,150	83,277	72,860	1,519,081
<b>Total Cash Disbursements</b>	173,595	359,865	256,705	279,766	197,043	163,656	147,073	142,879	328,655	271,326	218,927	171,902	1,581,234
<b>Total Available Funds</b>	(62,153)	(117,473)	(222,443)	(166,409)	(123,433)	(71,054)	(35,628)	(31,000)	(27,149)	(201,176)	(135,650)	(99,042)	(60,081)
<b>Cash Disbursements</b>													
Payroll	(54,492)	(33,999)	(37,013)	(51,980)	(37,149)	(46,428)	(31,779)	(33,933)	(31,072)	(41,206)	(32,937)	(32,009)	(464,896)
FICA	(5,705)	(3,470)	(3,569)	(3,504)	(3,085)	(4,460)	(2,588)	(2,731)	(2,501)	(3,317)	(2,652)	(2,448)	(40,200)
Retirement	(14,404)	(9,873)	(7,668)	(8,180)	(9,640)	(7,222)	(9,026)	(6,178)	(6,596)	(6,040)	(8,011)	(6,405)	(99,241)
Non-Payroll Expenditures	(265)	(268)	-	(139)	(1,384)	(2,772)	(826)	(602)	(1,218)	(1,204)	(1,195)	(1,186)	(11,057)
Fringe Benefits	(9,004)	(10,582)	(6,237)	(9,849)	(16,230)	(4,447)	(9,204)	(13,838)	(5,100)	(8,547)	(10,585)	(7,883)	(111,525)
Account Payable	(25,352)	(32,462)	(33,790)	(34,952)	(8,385)	(10,271)	(11,591)	(10,256)	(31,970)	(28,641)	(16,649)	(15,847)	(262,166)
Food Service Transfer	-	-	-	-	(1,854)	(4,236)	(3,361)	(1)	(2,494)	(3,998)	(7,128)	-	(23,072)
Capital Leases	-	-	-	-	(53)	(464)	-	(464)	(498)	(1,994)	-	(498)	(4,452)
Set Aside Payments on Debt	-	-	-	-	(53)	(464)	-	(464)	(498)	(1,994)	-	(498)	(4,452)
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)	(45,000)	(45,000)	(45,000)	(45,000)	(256,235)
2010A Note - Interest	-	-	-	-	-	-	-	-	-	-	-	-	(12,067)
2010B Note - Principal	-	-	-	-	-	-	-	-	-	-	-	-	(116,000)
2010B Note - Interest	-	(117)	-	-	-	-	-	-	-	-	-	-	(117)
2011A Note - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
2011A Note - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Set-Aside Payments</b>	(47,000)	(46,967)	-	(47,729)	(47,729)	(47,729)	(47,729)	(47,729)	(46,031)	(40,729)	(40,729)	(40,000)	(500,098)
<b>Total Cash Disbursements</b>	(136,222)	(137,621)	(90,297)	(156,332)	(123,989)	(128,028)	(116,072)	(115,730)	(127,479)	(135,676)	(119,885)	(107,375)	(1,516,707)
Ending Balance with Note Proceeds	\$17,373	\$22,243	\$166,409	\$123,433	\$71,054	\$35,628	\$31,000	\$27,149	\$201,176	\$135,650	\$99,042	\$64,527	\$62,153
Balance without Note Proceeds	(261,492)	(212,782)	(268,617)	(266,592)	(273,972)	(264,397)	(215,877)	(174,728)	(177,399)	(226,162)	(224,770)	(219,285)	(219,285)
Debt Service Coverage	1.31	1.30	0.00	1.21	0.99	1.10	1.10	1.10	1.14	1.29	1.29	1.31	1.18