

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

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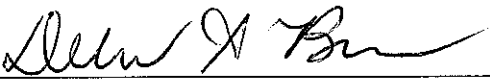
October 15, 2011

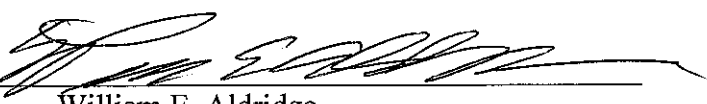
Via Facsimile: (614) 775-5631  
The Bank of New York  
6525 West Campus Oval, Suite 200  
New Albany, OH 43054

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:   
William E. Aldridge  
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 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:

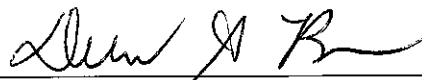
DOES NOT REQUIRE the establishment of new Set Aside Requirements

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]

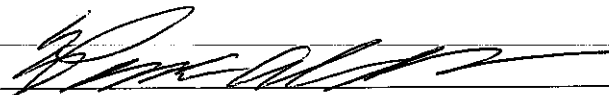
This 15th day of **October**, 2011

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



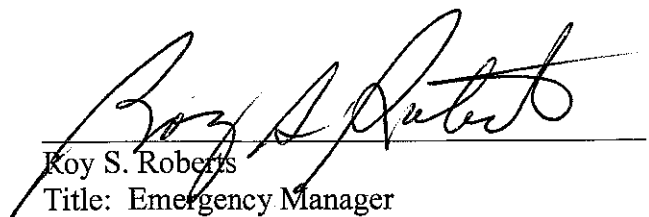
Delores A. Brown

Title: Deputy CFO and Chief Accounting Officer



William E. Aldridge

Title: Chief Financial Officer



Roy S. Roberts

Title: Emergency Manager

**DETROIT PUBLIC SCHOOLS**  
**All Funds Estimated Cash Flow (In Thousands)**  
**July 2011 - June 2012**

	Revised Budget												TOTAL
	Actual	August	September	October	November	December	January	February	March	April	May	June	
Beginning Balance	\$38,355	\$31,074	\$45,717	\$61,066	\$38,723	\$57,052	\$29,194	\$37,792	\$43,246	\$37,590	\$36,913	\$41,593	
Cash Receipts													
State Aid	51,062	70,554	-	42,139	42,526	42,526	42,526	42,526	42,526	42,526	42,526	42,526	503,962
Property Taxes	17,941	17,941	19,213	(3,912)	9,924	526	10,843	11,533	3,842	3	538	11,190	81,640
Grants	67,338	31,899	24,749	1,517	44,052	16,142	24,897	21,815	29,603	22,541	24,411	25,052	333,815
State Aid Note Proceeds	-	20,000	51,082	-	-	-	-	-	-	-	-	-	71,082
2011A State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receipts	-	-	4,428	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	44,928
WCRESA -Net	3,024	1,488	-	340	5,326	4,311	3,421	2,407	3,822	2,927	3,521	2,420	33,006
Food Service-Reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
-Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
-RD	-	-	-	-	-	-	-	-	-	-	-	-	-
RD-Other	7,818	309	910	1,926	6,641	3,998	4,066	5,316	4,636	4,143	7,397	5,049	52,209
Miscellaneous (incl. Interest)	-	-	-	-	-	-	-	-	-	-	-	-	-
E-Rate reimbursement	944	1,888	944	12,944	2,042	1,421	1,421	1,421	1,421	1,421	1,421	1,421	28,712
Outreach Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Fee for Service Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	130,187	144,078	101,326	59,254	115,011	73,424	91,673	89,517	90,350	78,062	84,314	92,157	1,149,354
Total Available Funds	168,542	175,152	147,044	120,320	153,734	130,476	120,867	127,309	133,596	115,651	121,227	133,751	1,187,709
Cash Disbursements													
Payroll	(36,174)	(47,042)	(39,967)	(37,140)	(44,100)	(52,372)	(39,072)	(39,072)	(47,248)	(39,072)	(39,072)	(45,620)	(505,952)
FICA	(2,933)	(3,814)	(3,241)	(2,740)	(3,847)	(4,246)	(3,168)	(3,168)	(3,831)	(3,168)	(3,168)	(3,699)	(41,023)
Retirement	(10,339)	(9,975)	(8,788)	(7,528)	(6,486)	(9,483)	(10,516)	(8,065)	(12,100)	(8,065)	(8,065)	(8,061)	(107,468)
Non-Payroll Expenditures	(47,728)	(28,813)	(33,982)	(28,371)	(36,432)	(29,364)	(24,502)	(27,942)	(27,011)	(22,617)	(23,512)	(24,254)	(354,530)
Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-	-	-	-	-	-	-	-
Set Aside Payments on Debt	-	-	-	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(1,759)	(14,070)
2005B Bonds - Principal	-	-	-	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(7,758)
2005B Bonds - Interest	-	-	-	-	-	-	-	-	-	-	-	-	(72,730)
2010B Notes - Principal	(33,000)	(39,730)	-	-	-	-	-	-	-	-	-	-	(7,354)
2010B Notes - Interest	(7,293)	(61)	-	(3,088)	(3,088)	(3,088)	(3,088)	(3,088)	(3,088)	(3,088)	(3,088)	(3,088)	(24,707)
2011 Bond (Sep) - P&I	-	-	-	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(126,619)
Total Set-Aside Payments	(40,293)	(39,791)	-	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(126,619)
Total Cash Disbursements	(137,467)	(129,435)	(85,978)	(81,597)	(96,682)	(101,283)	(83,075)	(84,063)	(96,006)	(78,738)	(79,634)	(81,634)	(1,135,592)
Ending Balance with Note Proceeds	\$31,074	\$45,717	\$61,066	\$38,723	\$57,052	\$29,194	\$37,792	\$43,246	\$37,590	\$36,913	\$41,593	\$52,117	\$52,117

Notes: Excludes restricted cash balances in Funds 13 (Adult Ed) and 25 (Food Service).  
October 2011 cash flows associated with the Note repayment and Bond issuance net to zero, and therefore are not readily seen above.