



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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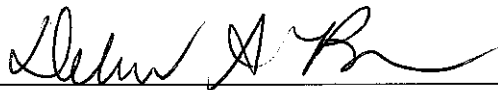
January 18, 2011

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:   
Leon Glaster  
Interim 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:

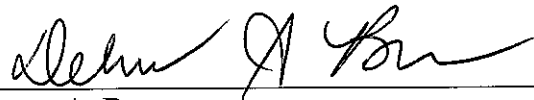
DOES NOT REQUIRE the establishment of new Set Aside Requirements

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]

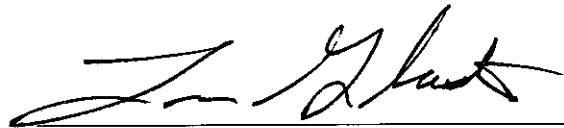
This 18th day of **January**, 2011

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



Delores A. Brown

Title: Deputy CFO and Chief Accounting Officer



Leon Glaster

Title: Interim 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	\$62,155	\$17,373	\$222,243	\$166,409	\$123,433	\$79,785	\$41,987	\$23,671	\$23,800	\$185,889	\$113,372	\$76,203	\$62,153
<b>Cash Receipts</b>													
State Aid	56,981	61,035	-	57,894	65,888	45,506	53,331	49,003	49,003	49,003	49,003	49,003	583,650
Property Taxes	1,908	47,500	(10,721)	14,766	-	5,124	17,257	20,083	2,580	(8,613)	-	-	89,884
Grants	18,495	45,895	36,518	28,771	13,005	35,508	13,571	31,396	16,158	20,737	20,409	18,367	298,829
State Stabilization Funds - State Aid	-	-	-	-	-	-	9,858	-	-	-	-	-	9,858
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2010A State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2010B State Aid Note Proceeds	-	187,961	-	-	-	-	-	-	-	-	-	-	187,961
2011A State Aid Note Proceeds	-	-	-	-	-	-	-	-	218,900	-	-	-	218,900
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
WCRESA -Net	19,790	-	6,641	6,181	5,396	6,181	6,178	6,178	6,178	6,178	6,178	6,489	61,775
Food Service-Reimbursement	-	-	702	4,892	-	7,454	3,361	1	1,871	2,999	5,346	-	46,415
-Deposits	74	-	-	211	-	97	211	287	244	166	359	160	1,809
-RD	132	-	140	2	-	-	8	6	13	67	2	1	371
RD-Other	398	32	61	-	-	258	-	-	1	74	-	-	824
Interest	2	4	10	4	7	6	8	11	23	73	37	23	209
Miscellaneous	6,224	65	167	636	2,914	6,681	686	5,589	1,194	500	1,055	551	26,262
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	520	-	520
Outreach Medicaid	7,438	-	944	-	944	944	944	944	944	944	944	944	15,994
Fee for Service Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	111,442	342,492	34,462	113,357	88,154	105,758	105,412	113,497	297,108	72,127	83,853	75,538	1,543,201
Total Available Funds	173,595	359,865	256,705	279,766	211,587	185,543	147,400	137,168	320,908	258,015	197,225	151,741	1,605,334
<b>Cash Disbursements</b>													
Payroll	(54,492)	(33,999)	(37,013)	(51,980)	(39,654)	(46,493)	(36,352)	(38,054)	(38,054)	(48,171)	(35,054)	(35,054)	(494,369)
FICA	(5,705)	(3,470)	(3,569)	(3,504)	(3,231)	(4,704)	(3,164)	(3,148)	(3,148)	(3,148)	(3,036)	(2,924)	(42,751)
Retirement	(14,404)	(9,873)	(7,668)	(8,180)	(9,640)	(16,693)	(15,092)	(7,862)	(7,862)	(7,862)	(7,552)	(7,242)	(119,990)
Non-Payroll Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	(265)	(268)	-	(139)	(494)	(635)	(450)	(600)	(600)	(1,204)	(1,195)	(1,186)	(7,056)
Fringe Benefits-Wired	(9,004)	(10,382)	(6,257)	(9,849)	(8,546)	(6,916)	(4,289)	(9,642)	(5,100)	(8,547)	(10,385)	(7,883)	(97,200)
Account Payable	(25,352)	(32,462)	(35,790)	(34,952)	(17,968)	(20,386)	(11,294)	(5,870)	(22,266)	(29,991)	(17,525)	(17,153)	(271,011)
Additional Account Payable	-	-	-	-	-	-	-	-	(9,590)	-	-	-	(9,590)
Food Service Transfer	-	-	-	-	(4,541)	-	(5,361)	-	(1,871)	(2,999)	(5,346)	-	(20,117)
Capital Leases	-	-	-	-	-	-	-	-	(498)	(1,994)	-	(498)	(3,455)
Adult Education	-	-	-	-	-	-	-	(464)	-	-	-	-	-
Set Aside Payments on Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
2005B Bonds- Principal	-	-	-	(1,675)	(1,675)	(1,675)	(1,675)	(1,675)	(1,675)	(1,675)	(1,675)	-	(13,400)
2003B Bonds - Interest	-	-	-	(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)	-	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(31,235)	-	-	-	(21,850)
2010A Note - Principal	-	-	-	-	-	-	-	-	(12,067)	-	-	-	(256,235)
2010A Note - Interest	-	-	-	-	-	-	-	-	-	-	-	-	(12,067)
2010B Note - Principal	-	-	-	-	-	-	-	-	-	-	-	-	(116,000)
2010B Note - Interest	-	(117)	-	-	-	-	-	-	-	(38,000)	(38,000)	(40,000)	(117,000)
Total Set-Aside Payments	(47,000)	(46,967)	-	(47,729)	(47,729)	(47,729)	(47,729)	(47,729)	(46,031)	(40,729)	(40,729)	(40,000)	(500,098)
Total Cash Disbursements	(156,222)	(137,621)	(90,297)	(156,332)	(131,803)	(143,556)	(123,729)	(113,368)	(135,019)	(144,644)	(121,022)	(111,943)	(1,565,555)
Ending Balance with Note Proceeds	\$17,373	\$222,243	\$166,409	\$123,433	\$79,785	\$41,987	\$23,671	\$23,800	\$185,889	\$113,372	\$76,203	\$39,798	\$39,798
Balance without Note Proceeds	(261,492)	(220,931)	(276,765)	(274,741)	(273,389)	(266,187)	(239,503)	(194,374)	(207,883)	(255,489)	(254,658)	(251,063)	(251,063)

**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	\$39,798	\$7,421	\$187,218	\$132,129	\$78,165	\$48,913	\$22,895	\$9,722	\$11,892	\$182,748	\$117,941	\$84,689	\$39,798
<b>Cash Receipts</b>													
State Aid	49,003	49,458	-	47,211	47,211	47,211	47,211	47,211	47,211	47,211	47,211	47,211	523,358
Property Taxes	(3,034)	24,582	14,078	6,805	1,412	634	12,801	15,966	5,191	(1,849)	939	13,501	91,026
Grants	27,671	36,110	18,817	16,460	14,787	24,183	19,285	28,337	42,599	19,848	20,165	23,078	291,341
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2011B State Aid Note Proceeds	-	183,951	-	-	-	-	-	-	-	-	-	-	183,951
2012A State Aid Note Proceeds	-	-	-	-	-	-	-	-	213,925	-	-	-	213,925
<b>Other Receipts</b>													
WCRESA -Net	-	-	6,578	6,578	6,578	6,578	6,578	6,578	6,578	6,578	6,578	6,578	65,775
Food Service-Reimbursement	3,280	4,281	2,231	1,951	1,753	2,867	2,286	3,359	5,050	2,353	2,390	2,736	34,538
-Deposits	70	-	93	107	-	92	200	273	241	148	341	152	1,719
-RD	125	-	133	2	-	-	8	6	73	3	2	1	352
RD-Other	398	32	61	-	-	258	-	-	74	1	-	-	824
Interest	11	2	82	43	25	17	7	4	40	59	40	36	366
Miscellaneous	2,668	1,433	626	1,095	1,342	1,866	751	2,094	1,490	1,068	1,434	825	16,692
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
Outreach Medicaid	993	1,664	1,518	144	407	1,746	1,029	1,563	383	252	250	786	10,736
Fee for Service Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	81,187	301,513	44,217	80,396	73,515	85,451	90,155	105,391	322,782	75,744	79,350	94,902	1,434,602
Total Available Funds	120,985	308,934	231,435	212,525	151,680	134,364	113,050	115,112	334,674	258,491	197,291	179,591	1,474,400
<b>Cash Disbursements</b>													
Payroll	(35,442)	(30,599)	(41,700)	(38,393)	(35,689)	(41,843)	(32,716)	(34,249)	(43,354)	(34,249)	(31,549)	(39,568)	(439,350)
FICA	(2,853)	(2,463)	(3,356)	(3,091)	(2,874)	(3,369)	(2,634)	(2,758)	(3,491)	(2,758)	(2,540)	(3,186)	(35,373)
Retirement	(6,475)	(6,824)	(9,007)	(7,726)	(7,419)	(6,988)	(6,771)	(7,076)	(10,614)	(7,076)	(6,797)	(6,518)	(89,291)
Non-Payroll Expenditures	(229)	(509)	(93)	(296)	(303)	(481)	(329)	(258)	(316)	(392)	(430)	(429)	(4,065)
Fringe Benefits	(5,172)	(5,490)	(5,329)	(5,186)	(5,070)	(4,127)	(4,437)	(4,726)	(5,068)	(5,068)	(5,207)	(5,025)	(59,622)
Fringe Benefits-Wired	(19,820)	(31,757)	(37,589)	(34,988)	(6,931)	(9,066)	(11,426)	(7,603)	(47,706)	(43,933)	(20,961)	(26,333)	(298,112)
Account Payable	(3,280)	(4,281)	(2,231)	(1,951)	(1,753)	(2,867)	(2,286)	(3,359)	(5,050)	(2,353)	(2,390)	(2,736)	(34,538)
Additional Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-	-	-	-	-	-	-	-
Set Aside Payments on Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
2005B Bonds- Principal	-	-	-	(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)	-	(7,758)
2010B Bonds- Principal	(33,000)	(39,730)	-	-	-	-	-	-	-	-	-	-	(72,730)
2010B Bonds - Interest	(7,293)	(61)	-	-	-	-	-	-	-	-	-	-	(7,354)
2011A Bonds- Principal	-	-	-	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	-	(220,000)
2011A Bonds - Interest	-	-	-	-	-	-	-	-	-	-	-	-	(13,383)
2011B Bonds- Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
2011B Bonds - Interest	-	-	-	-	-	-	-	-	-	-	-	-	(122,000)
Total Set-Aside Payments	(40,293)	(39,791)	-	(42,729)	(42,729)	(42,729)	(42,729)	(42,729)	(36,112)	(42,729)	(42,729)	(42,000)	(457,296)
Total Cash Disbursements	(113,564)	(121,715)	(99,306)	(134,360)	(102,767)	(111,469)	(103,328)	(103,221)	(151,926)	(140,550)	(112,602)	(126,293)	(1,421,102)
Ending Balance with Note Proceeds	\$7,421	\$187,218	\$132,129	\$78,165	\$48,913	\$22,895	\$9,722	\$11,892	\$182,748	\$117,941	\$84,689	\$53,298	\$53,298
Balance without Note Proceeds	(243,147)	(207,509)	(270,721)	(284,685)	(273,938)	(259,956)	(233,129)	(190,959)	(215,128)	(259,934)	(233,186)	(222,578)	(222,578)