



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

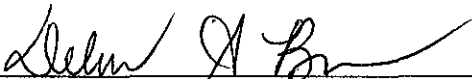
January 15, 2010

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 Officers 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:

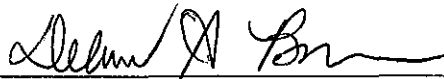
DOES NOT REQUIRE the establishment of new Set Aside Requirements

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]

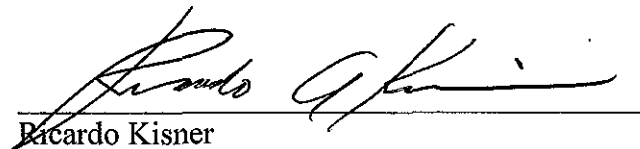
This 15th day of **January**, 2010

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



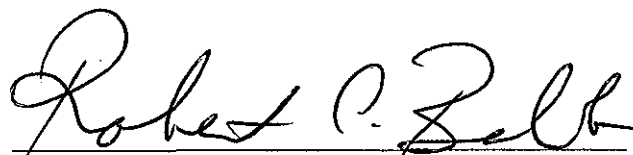
Delores A. Brown

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 2009 - June 2010
January/ February/March 2010 State Aid Advance

	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	\$47,021	\$22,458	\$242,012	\$195,522	\$119,865	\$70,158	\$30,139	\$42,824	\$32,404	\$226,627	\$155,719	\$85,324	\$47,021
Cash Receipts													
State Aid	35,423	63,663	-	66,983	64,588	46,415	108,412	56,748	-	56,748	56,748	56,748	612,475
Property Taxes	6,648	30,341	21,247	4,589	-	-	16,679	5,200	6,300	-	-	8,045	99,047
Grants	42,025	32,205	13,884	6,679	10,500	38,528	19,198	24,000	20,000	15,000	12,000	18,000	252,019
State Stabilization Funds - State Aid	31,959	-	-	-	-	-	-	12,000	-	-	-	-	43,959
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2009B State Aid Note Proceeds	-	228,652	-	-	-	-	-	-	-	-	-	-	228,652
2010A State Aid Note Proceeds	-	-	-	-	-	-	-	-	250,000	-	-	-	250,000
Other Receipts													
WCRESA -Net	-	-	7,832	7,832	7,332	7,447	7,400	7,400	7,400	7,400	7,400	7,400	74,843
Food Service-Reimbursement	2,039	-	44	35	1,864	4,236	6,365	1,356	2,801	2,949	1,952	-	23,641
-Deposits	3	8	56	420	212	146	116	51	51	-	51	51	1,165
-RD	-	-	12	101	113	149	205	285	250	426	-	173	1,712
RD-Other	43	3	-	14	-	11	-	17	17	-	-	17	122
Interest	7	11	10	33	19	-	15	7	72	73	34	15	296
Miscellaneous	1,739	62	703	2,341	164	2,739	1,034	128	848	139	297	42	10,236
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
Outreach Medicaid	-	448	449	449	938	449	449	594	-	-	-	-	3,776
Fee for Service Medicaid	-	-	-	46	-	-	-	806	-	594	255	-	1,701
Total Cash Receipts	119,886	355,393	44,237	89,522	85,730	100,120	159,873	108,590	287,739	83,329	78,737	90,488	1,603,644
Total Available Funds	166,907	377,851	286,249	285,044	205,595	170,278	190,012	151,414	320,143	309,956	234,456	175,813	1,650,665
Cash Disbursements													
Payroll	(57,806)	(38,954)	(39,305)	(62,205)	(47,059)	(47,671)	(57,450)	(48,896)	(48,896)	(62,071)	(48,896)	(48,896)	(608,105)
FICA	(4,569)	(3,185)	(3,168)	(4,014)	(3,901)	(3,864)	(5,535)	(3,936)	(3,936)	(3,936)	(3,936)	(3,936)	(47,916)
Retirement	(11,076)	(11,577)	(7,753)	(7,956)	(10,409)	(10,307)	(15,542)	(10,193)	(8,283)	(8,283)	(10,515)	(8,283)	(120,177)
Non-Payroll Expenditures													
Fringe Benefits	(842)	(528)	(597)	(2,182)	(1,521)	(3,380)	(815)	(2,000)	(2,000)	(1,600)	(2,500)	(2,100)	(20,065)
Fringe Benefits-Wired	(15,371)	(16,207)	(12,169)	(15,692)	(12,440)	(3,482)	(12,369)	(9,900)	(8,600)	(11,669)	(17,604)	(13,203)	(148,706)
Account Payable	(9,096)	(21,520)	(27,714)	(24,401)	(10,910)	(15,252)	(13,077)	(17,000)	(19,000)	(17,000)	(17,000)	(17,000)	(208,970)
Additional Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	(3,189)	(2,039)	(21)	-	(35)	(7,080)	(3,004)	(1,356)	(2,801)	(2,949)	(1,952)	-	(24,426)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	(430)	(374)	-	-	-	-	-	-	(804)
Set Aside Payments on Debt													
2005B Bonds- Principal	-	-	-	(1,487)	(1,487)	(2,975)	(1,487)	(1,487)	-	(1,487)	(1,487)	-	(11,899)
2005B Bonds - Interest	-	-	-	(1,242)	(1,245)	246	(1,242)	(1,242)	-	(1,242)	(1,242)	-	(7,206)
2008 Note - Principal	(42,500)	(41,829)	-	-	-	-	-	-	-	-	-	-	(84,329)
2008 Note - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
2009A Note - Principal	-	-	-	(46,000)	(46,000)	(46,000)	(31,000)	-	-	-	-	-	(169,000)
2009A Note - Interest/Fees	-	-	-	-	-	-	(5,667)	-	-	-	-	-	(5,667)
2009B Note - Principal	-	-	-	-	-	-	-	(23,000)	-	(44,000)	(44,000)	(47,000)	(158,000)
2009B Note - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Set-Aside Payments	(42,500)	(41,829)	-	(48,729)	(48,732)	(48,729)	(39,396)	(25,729)	-	(46,729)	(46,729)	(47,000)	(436,101)
Total Cash Disbursements	(144,449)	(135,839)	(90,727)	(165,179)	(135,437)	(140,139)	(147,188)	(119,010)	(93,516)	(154,237)	(149,132)	(140,418)	(1,615,271)
Ending Balance with Note Proceeds	\$22,458	\$242,012	\$195,522	\$119,865	\$70,158	\$30,139	\$42,824	\$32,404	\$226,627	\$155,719	\$85,324	\$35,395	\$35,395
Balance without Note Proceeds	(186,277)	(152,592)	(199,082)	(228,739)	(232,446)	(226,465)	(185,828)	(173,248)	(229,025)	(255,933)	(282,328)	(285,257)	(285,257)
Debt Service Coverage	0.83	1.52	0.00	1.37	1.33	0.95	2.75	2.21	0.00	1.21	1.21	1.21	1.40

DETROIT PUBLIC SCHOOLS
General Fund Estimated Cash Flow (In Thousands)
July 2010 - June 2011
January/ February/March 2010 State Aid Advance

	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	\$35,395	\$17,310	\$364,052	\$324,767	\$246,995	\$193,950	\$163,901	\$132,874	\$95,216	\$58,617	\$127,571	\$62,298	\$35,395
Cash Receipts													
State Aid	56,748	56,748	-	54,081	54,081	54,081	54,081	54,081	54,081	54,081	54,081	54,081	600,225
Property Taxes	6,449	29,431	20,610	4,451	-	4,451	11,727	5,044	6,111	-	-	7,802	96,076
Grants	39,083	29,951	12,912	6,211	9,765	37,007	16,678	22,320	18,600	13,950	11,160	16,740	234,378
State Stabilization Funds - State Aid	2,061	2,061	-	-	-	-	-	-	-	-	-	-	4,121
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2010A State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2010B State Aid Note Proceeds	-	362,000	-	-	-	-	-	-	-	-	-	-	362,000
2011A State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	135,000	-	-	135,000
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
WCRESA -Net	-	-	7,832	7,832	7,332	7,447	7,400	7,400	7,400	7,400	7,400	7,400	74,843
Food Service-Reimbursement	1,020	-	22	18	932	2,118	3,183	678	1,401	1,475	976	-	11,821
-Deposits	2	4	28	210	106	93	38	26	26	-	26	26	583
-RD	-	-	6	51	57	75	103	142	125	213	-	87	856
RD-Other	43	3	-	14	-	11	-	17	-	-	-	17	122
Interest	13	41	102	141	88	90	59	44	28	15	39	15	675
Miscellaneous	696	62	281	936	66	1,099	410	51	339	56	119	17	4,132
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
Outreach Medicaid	-	448	449	449	938	449	449	594	-	-	-	-	3,776
Fee for Service Medicaid	-	-	-	46	-	-	-	806	-	594	255	-	1,701
Total Cash Receipts	106,112	480,748	42,242	74,441	73,364	106,921	94,127	91,202	88,128	212,783	74,055	86,183	1,530,307
Total Available Funds	141,507	498,058	406,295	399,208	320,357	300,872	258,028	224,076	183,344	271,400	201,627	148,481	1,565,702
Cash Disbursements													
Payroll	(40,669)	(38,954)	(33,802)	(53,496)	(40,471)	(51,215)	(39,189)	(42,051)	(42,051)	(53,381)	(42,051)	(42,051)	(519,380)
FICA	(3,274)	(3,135)	(2,722)	(4,306)	(3,257)	(4,122)	(3,154)	(3,384)	(3,384)	(4,296)	(3,384)	(3,384)	(41,802)
Retirement	(8,190)	(6,812)	(6,525)	(5,662)	(8,961)	(6,779)	(8,578)	(6,564)	(7,043)	(7,043)	(8,941)	(7,043)	(88,141)
Non-Payroll Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	(800)	(528)	(567)	(2,073)	(1,445)	(3,211)	(774)	(1,900)	(1,900)	(1,520)	(2,375)	(1,995)	(19,088)
Fringe Benefits-Wired	(14,603)	(16,207)	(11,561)	(14,907)	(11,818)	(5,152)	(9,907)	(9,405)	(8,170)	(11,086)	(16,724)	(12,543)	(142,081)
Account Payable	(8,641)	(21,520)	(26,328)	(23,181)	(10,365)	(15,271)	(11,641)	(16,150)	(18,050)	(16,150)	(16,150)	(16,150)	(199,598)
Additional Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	(1,020)	-	(22)	(18)	(932)	(2,118)	(3,183)	(678)	(1,401)	(1,475)	(976)	-	(11,821)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	(430)	(374)	-	-	-	-	-	-	(804)
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)
2005B 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)	-	-	-	-	-	-	-	-	-	-	(21,850)
2010A Note - Principal	-	-	-	(26,000)	(46,000)	(46,000)	(46,000)	(46,000)	(40,000)	-	-	-	(250,000)
2010A Note - Interest	-	-	-	(19,844)	-	-	-	-	-	-	-	-	(19,844)
2010B Note - Principal	-	-	-	-	-	-	-	-	-	(19,000)	(46,000)	(49,000)	(114,000)
2010B Note - Interest	-	-	-	-	-	-	-	-	-	(27,150)	-	-	(27,150)
2011A Note - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
2011A Note - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Set-Aside Payments	(47,000)	(46,850)	-	(48,572)	(48,729)	(48,729)	(48,729)	(48,729)	(42,729)	(48,879)	(48,729)	(49,000)	(526,672)
Total Cash Disbursements	(124,197)	(154,006)	(81,527)	(152,215)	(126,407)	(136,970)	(125,154)	(128,860)	(124,727)	(143,829)	(139,329)	(132,165)	(1,549,387)
Ending Balance with Note Proceeds	\$17,310	\$364,052	\$324,767	\$246,993	\$193,950	\$163,901	\$132,874	\$95,216	\$58,617	\$127,571	\$62,298	\$16,316	\$16,316
Balance without Note Proceeds	(256,342)	(212,767)	(252,052)	(283,983)	(291,025)	(275,074)	(174,101)	(165,759)	(162,358)	(182,254)	(201,527)	(198,510)	(198,510)
Debt Service Coverage	1.21	1.21	0.00	1.11	1.11	1.11	1.11	1.11	1.27	1.11	1.11	1.10	1.14