



**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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March 10, 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]

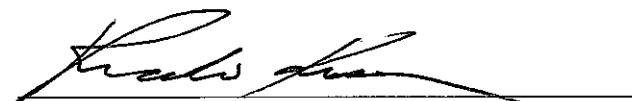
This 15th day of March, 2010

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



Delores A. Brown

Title: Deputy CFO and Chief Accounting Officer



Ricardo Kisner, Chief Financial Officer

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**

	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	\$39,249	\$41,771	\$260,012	\$163,586	\$79,716	\$47,021
<b>Cash Receipts</b>													
1 State Aid	35,423	63,663	-	66,983	64,588	46,415	94,506	53,393	20,977	56,977	56,977	56,977	616,880
2 Property Taxes	6,648	30,341	21,247	4,589	-	-	19,589	10,144	3,000	-	-	8,043	103,601
3 Grants	42,025	32,205	13,884	6,679	10,500	38,528	14,680	28,081	20,796	15,000	12,000	18,000	252,378
4 State Stabilization Funds - State Aid	31,959	-	-	-	-	-	19,952	-	12,000	-	-	-	63,911
5 State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
7 2009B State Aid Note Proceeds	-	228,652	-	-	-	-	-	-	-	-	-	-	228,652
8 2010A State Aid Note Proceeds	-	-	-	-	-	-	-	-	256,000	-	-	-	256,000
20 Other Receipts													
21 WCRESA -Net	-	-	7,832	7,832	7,332	7,447	7,332	7,901	7,400	7,400	7,400	7,400	75,276
22 Food Service-Reimbursement	2,039	-	44	35	1,864	4,236	3,361	1	2,801	2,949	1,952	-	19,282
23 -Deposits	3	8	56	420	212	146	240	287	140	-	51	51	1,614
24 -RD	-	-	12	101	113	149	-	6	251	426	-	173	1,231
25 RD-Other	43	3	-	14	-	11	-	-	17	-	-	17	105
26 Interest	7	11	10	33	19	-	13	1	5	81	35	12	226
29 Miscellaneous	1,739	62	703	2,341	164	2,739	766	5,589	1,099	139	297	42	15,680
30 E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Outreach Medicaid	-	448	449	449	938	449	477	449	562	-	-	-	4,221
32 Fee for Service Medicaid	-	-	-	46	-	-	-	-	-	594	255	-	895
35 Total Cash Receipts	119,886	355,393	44,237	89,522	85,730	100,120	160,916	105,852	325,048	83,566	78,967	90,715	1,639,952
37 Total Available Funds	166,907	377,851	286,249	285,044	205,595	170,278	191,055	145,101	366,819	343,578	242,553	170,431	1,686,973
38													
<b>Cash Disbursements</b>													
40 Payroll	(57,806)	(38,954)	(39,305)	(62,205)	(47,059)	(47,671)	(53,783)	(44,497)	(44,502)	(58,321)	(45,896)	(45,896)	(585,895)
42 FICA	(4,569)	(3,185)	(3,168)	(4,014)	(3,901)	(3,864)	(3,362)	(3,649)	(3,582)	(3,694)	(3,694)	(3,694)	(46,376)
43 Retirement	(11,076)	(11,577)	(7,753)	(7,956)	(10,409)	(10,307)	(15,543)	(9,165)	(9,600)	(10,300)	(15,542)	(10,300)	(129,528)
46 Non-Payroll Expenditures													
47 Fringe Benefits	(842)	(528)	(597)	(2,182)	(1,521)	(3,380)	(1,007)	(734)	(2,778)	(1,600)	(2,500)	(2,100)	(19,769)
48 Fringe Benefits-Wired	(15,371)	(16,207)	(12,169)	(15,692)	(12,440)	(3,482)	(13,165)	(16,875)	(5,691)	(11,399)	(16,524)	(12,393)	(151,408)
49 Account Payable	(9,096)	(21,520)	(27,714)	(24,401)	(10,910)	(15,252)	(23,550)	(16,059)	(11,722)	(45,000)	(30,000)	(30,000)	(265,224)
50 Additional Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
53 Food Service Transfer	(3,189)	(2,039)	(21)	-	(35)	(7,080)	-	(9,248)	(2,801)	(2,949)	(1,952)	-	(29,314)
54 Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
55 Adult Education	-	-	-	-	(430)	(374)	-	(374)	(402)	-	-	-	(1,580)
58 Set Aside Payments on Debt													
59 2005B Bonds- Principal	-	-	-	(1,487)	(1,487)	(1,487)	(1,487)	(1,487)	(1,487)	(1,487)	(1,487)	-	(11,899)
60 2005B Bonds - Interest	-	-	-	(1,242)	(1,245)	(1,242)	(1,242)	(1,242)	(1,242)	(1,242)	(1,242)	-	(9,935)
61 2008 Note - Principal	(42,500)	(41,829)	-	-	-	-	-	-	-	-	-	-	(84,329)
62 2008 Note - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
63 2009A Note - Principal	-	-	-	(46,000)	(46,000)	(46,000)	(31,000)	-	-	-	-	-	(169,000)
64 2009A Note - Interest/Fees	-	-	-	-	-	-	(5,667)	-	-	-	-	-	(5,667)
65 2009B Note - Principal	-	-	-	-	-	-	-	-	(23,000)	(44,000)	(44,000)	(47,000)	(158,000)
66 2009B Note - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
82 Total Set-Aside Payments	(42,500)	(41,829)	-	(48,729)	(48,732)	(48,729)	(39,396)	(2,729)	(25,729)	(46,729)	(46,729)	(47,000)	(438,830)
Total Cash Disbursements	(144,449)	(135,839)	(90,727)	(165,179)	(135,437)	(140,139)	(151,806)	(103,330)	(106,807)	(179,992)	(162,837)	(151,383)	(1,667,925)
Ending Balance with Note Proceeds	\$22,458	\$242,012	\$195,522	\$119,865	\$70,158	\$30,139	\$39,249	\$41,771	\$260,012	\$163,586	\$79,716	\$19,048	\$19,048
Balance without Note Proceeds	(186,277)	(152,592)	(199,082)	(228,739)	(232,446)	(226,465)	(189,403)	(186,881)	54,360	1,934	(37,936)	(51,604)	(51,604)
Debt Service Coverage	0.83	1.52	0.00	1.37	1.33	0.95	2.40	19.57	0.82	1.22	1.22	1.21	1.41

**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	\$19,048	\$12,135	\$215,709	\$189,367	\$125,053	\$78,991	\$64,872	\$29,984	\$15,194	\$216,549	\$146,595	\$86,837	\$19,048
<b>Cash Receipts</b>													
State Aid	67,477	46,477	-	54,176	54,176	54,176	54,176	54,176	54,176	54,176	54,176	54,176	601,537
Property Taxes	6,449	29,431	20,610	4,451	-	9,700	9,301	9,840	2,910	-	-	7,802	100,493
Grants	39,924	30,595	13,190	6,345	9,975	37,803	12,744	26,677	19,756	14,250	11,400	17,100	239,759
State Stabilization Funds - State Aid	2,231	2,231	-	-	-	-	-	-	-	-	-	-	4,462
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2010A State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2010B State Aid Note Proceeds	-	212,000	-	-	-	-	-	-	-	-	-	-	212,000
2011A State Aid Note Proceeds	-	-	-	-	-	-	-	-	225,000	-	-	-	225,000
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
WCRESA -Net	-	-	7,832	7,832	7,332	7,447	7,332	7,901	7,400	7,400	7,400	7,400	75,276
Food Service-Reimbursement	2,039	-	44	35	1,864	4,236	3,361	1	2,801	2,949	1,952	-	19,282
-Deposits	3	8	56	420	212	186	200	287	140	-	51	51	1,614
-RD	-	-	12	101	113	149	-	6	251	426	-	173	1,231
RD-Other	43	3	-	14	-	11	-	-	17	-	-	17	105
Interest	7	47	61	78	42	37	19	10	65	90	47	25	529
Miscellaneous	1,739	62	703	2,341	164	2,747	758	5,589	1,099	139	297	42	15,680
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
Outreach Medicaid	-	448	449	449	938	449	477	449	562	-	-	-	4,221
Fee for Service Medicaid	-	-	-	46	-	-	-	-	-	594	255	-	895
<b>Total Cash Receipts</b>	<b>119,911</b>	<b>321,302</b>	<b>42,957</b>	<b>76,289</b>	<b>74,816</b>	<b>116,941</b>	<b>88,369</b>	<b>104,936</b>	<b>314,177</b>	<b>80,023</b>	<b>75,578</b>	<b>86,785</b>	<b>1,502,084</b>
<b>Total Available Funds</b>	<b>138,960</b>	<b>333,437</b>	<b>258,666</b>	<b>265,656</b>	<b>199,869</b>	<b>195,932</b>	<b>153,241</b>	<b>134,920</b>	<b>329,370</b>	<b>296,573</b>	<b>222,173</b>	<b>173,622</b>	<b>1,521,132</b>
<b>Cash Disbursements</b>													
Payroll	(46,264)	(31,942)	(32,230)	(51,008)	(38,588)	(48,833)	(34,360)	(36,488)	(36,492)	(47,823)	(37,635)	(37,635)	(479,297)
FICA	(3,725)	(2,571)	(2,594)	(4,107)	(3,106)	(3,930)	(2,767)	(2,937)	(2,938)	(3,850)	(3,030)	(3,030)	(38,585)
Retirement	(8,922)	(8,994)	(6,210)	(6,266)	(9,916)	(7,502)	(9,493)	(6,680)	(7,093)	(7,094)	(9,297)	(7,316)	(94,783)
Non-Payroll Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	(665)	(417)	(472)	(1,724)	(1,202)	(2,670)	(796)	(580)	(2,195)	(1,264)	(1,975)	(1,659)	(15,618)
Fringe Benefits-Wired	(12,297)	(12,966)	(9,735)	(12,554)	(9,952)	(4,338)	(8,979)	(13,500)	(4,553)	(9,119)	(13,219)	(9,914)	(121,127)
Account Payable	(5,912)	(13,988)	(18,014)	(15,861)	(7,092)	(10,449)	(14,773)	(10,438)	(7,619)	(29,250)	(19,500)	(19,500)	(172,396)
Additional Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	(2,039)	-	(44)	(35)	(1,864)	(4,236)	(3,361)	(1)	(2,801)	(2,949)	(1,952)	-	(19,282)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	(430)	(374)	-	(374)	(402)	-	-	-	(1,580)
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)	(46,000)	-	-	-	(256,000)
2010A Note - Interest	-	-	-	(20,320)	-	-	-	-	-	-	-	-	(20,320)
2010B Note - Principal	-	-	-	-	-	-	-	-	-	(30,000)	(46,000)	(49,000)	(125,000)
2010B Note - Interest	-	-	-	-	-	-	-	-	-	(15,900)	-	-	(15,900)
2011A Note - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
2011A Note - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Set-Aside Payments</b>	<b>(47,000)</b>	<b>(46,850)</b>	<b>-</b>	<b>(49,049)</b>	<b>(48,729)</b>	<b>(48,729)</b>	<b>(48,729)</b>	<b>(48,729)</b>	<b>(48,729)</b>	<b>(48,629)</b>	<b>(48,729)</b>	<b>(49,000)</b>	<b>(532,898)</b>
<b>Total Cash Disbursements</b>	<b>(126,824)</b>	<b>(117,728)</b>	<b>(69,299)</b>	<b>(140,603)</b>	<b>(120,878)</b>	<b>(131,060)</b>	<b>(123,256)</b>	<b>(119,726)</b>	<b>(112,821)</b>	<b>(149,978)</b>	<b>(135,336)</b>	<b>(128,054)</b>	<b>(1,475,565)</b>
<b>Ending Balance with Note Proceeds</b>	<b>\$12,135</b>	<b>\$215,709</b>	<b>\$189,367</b>	<b>\$125,053</b>	<b>\$78,991</b>	<b>\$64,872</b>	<b>\$29,984</b>	<b>\$15,194</b>	<b>\$216,549</b>	<b>\$146,595</b>	<b>\$86,837</b>	<b>\$45,568</b>	<b>\$45,568</b>
Balance without Note Proceeds	(11,517)	27,640	1,298	(16,696)	(16,758)	15,123	70,486	101,696	124,051	(200,254)	(214,012)	(206,281)	(206,281)
Debt Service Coverage	1.44	0.99	0.00	1.10	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.13