



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

---

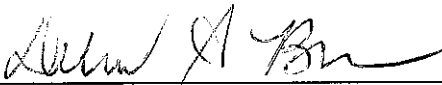
April 15, 2010

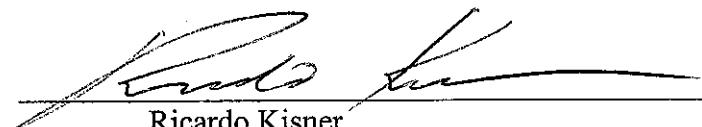
Via Facsimile: (614) 775-5631  
The Bank of New York  
6525 West Campus Oval, Suite 200  
New Albany, OH 43054

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 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:

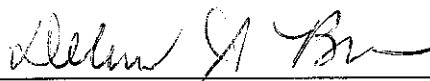
DOES NOT REQUIRE the establishment of new Set Aside Requirements

DOES REQUIRE the establishment of new Set Aside Requirements which, for each Series of Obligations currently Outstanding, are as follows:

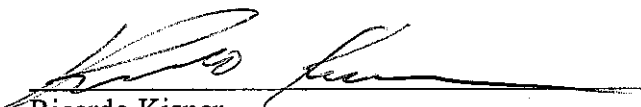
[For each series of Obligations identify new Set Aside Requirements]

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

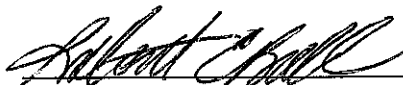
[To be filed monthly 5 days before Funds Transfer Date]



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**

	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	\$17,221	\$179,094	\$90,752	\$47,021
<b>Cash Receipts</b>													
State Aid	35,423	63,663	-	66,983	64,588	46,415	94,506	53,393	24,148	49,700	50,500	55,400	604,719
Property Taxes	6,648	30,341	21,247	4,589	-	-	19,589	10,144	12,294	(8,528)	-	8,043	104,367
Grants	42,025	32,205	13,884	6,679	10,500	38,528	14,680	28,081	17,189	15,856	12,000	18,000	249,627
State Stabilization Funds - State Aid	31,959	-	-	-	-	-	19,952	-	9,686	2,314	-	-	63,911
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2009B State Aid Note Proceeds	-	228,652	-	-	-	-	-	-	-	-	-	-	228,652
2010A State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	255,213	-	-	255,213
<b>Other Receipts</b>													
WCRESA -Net	-	-	7,832	7,832	7,332	7,447	7,332	7,901	7,392	7,400	7,400	7,400	75,268
Food Service-Reimbursement	2,039	-	44	35	1,864	4,236	3,361	1	2,494	2,949	1,952	-	18,975
-Deposits	3	8	56	420	212	146	240	287	244	58	51	51	1,776
-RD	-	-	12	101	113	149	-	6	13	363	-	173	930
RD-Other	43	3	-	14	-	11	-	-	1	-	-	-	89
Interest	7	11	10	33	19	-	13	1	-	68	39	15	216
Miscellaneous	1,739	62	703	2,341	164	2,739	766	5,589	1,194	197	297	42	15,833
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
Outreach Medicaid	-	448	449	449	938	449	477	449	562	449	-	-	4,670
Fee for Service Medicaid	-	-	-	46	-	-	-	-	-	594	255	-	895
<b>Total Cash Receipts</b>	<b>119,886</b>	<b>355,393</b>	<b>44,237</b>	<b>89,522</b>	<b>85,730</b>	<b>100,120</b>	<b>160,916</b>	<b>105,852</b>	<b>75,217</b>	<b>326,633</b>	<b>72,494</b>	<b>89,141</b>	<b>1,625,142</b>
<b>Total Available Funds</b>	<b>166,907</b>	<b>377,851</b>	<b>286,249</b>	<b>285,044</b>	<b>205,595</b>	<b>170,278</b>	<b>191,055</b>	<b>145,101</b>	<b>116,988</b>	<b>343,853</b>	<b>251,589</b>	<b>179,893</b>	<b>1,672,163</b>
<b>Cash Disbursements</b>													
Payroll	(57,806)	(38,954)	(39,305)	(62,205)	(47,059)	(47,671)	(53,783)	(44,497)	(41,050)	(57,796)	(45,896)	(45,896)	(581,918)
FICA	(4,569)	(3,185)	(3,168)	(4,014)	(3,901)	(3,864)	(5,362)	(3,649)	(3,433)	(3,649)	(3,694)	(3,694)	(46,182)
Retirement	(11,076)	(11,577)	(7,753)	(7,956)	(10,409)	(10,307)	(15,543)	(9,165)	(9,749)	(10,300)	(15,542)	(10,300)	(129,677)
<b>Non-Payroll Expenditures</b>													
Fringe Benefits	(842)	(528)	(597)	(2,182)	(1,521)	(3,380)	(1,007)	(734)	(1,485)	(2,230)	(2,500)	(2,100)	(19,106)
Fringe Benefits-Wired	(15,371)	(16,207)	(12,169)	(15,692)	(12,440)	(3,482)	(13,165)	(16,875)	(6,219)	(10,669)	(16,524)	(12,393)	(151,206)
Account Payable	(9,096)	(21,520)	(27,714)	(24,401)	(10,910)	(15,252)	(23,550)	(16,059)	(11,547)	(26,822)	(28,000)	(28,000)	(242,871)
Additional Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	(3,189)	(2,039)	(21)	-	(35)	(7,080)	-	(9,248)	(154)	(5,358)	(1,952)	-	(29,076)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	(430)	(374)	-	(374)	(402)	(1,206)	-	-	(2,786)
<b>Set Aside Payments on Debt</b>													
2005B Bonds- Principal	-	-	-	(1,487)	(1,487)	(1,487)	(1,487)	(1,487)	(1,487)	(1,487)	(1,487)	-	(11,899)
2005B Bonds - Interest	-	-	-	(1,242)	(1,245)	(1,242)	(1,242)	(1,242)	(1,242)	(1,242)	(1,242)	-	(9,935)
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	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Set-Aside Payments</b>	<b>(42,500)</b>	<b>(41,829)</b>	<b>-</b>	<b>(48,729)</b>	<b>(48,732)</b>	<b>(48,729)</b>	<b>(39,396)</b>	<b>(2,729)</b>	<b>(25,729)</b>	<b>(46,729)</b>	<b>(46,729)</b>	<b>(47,000)</b>	<b>(438,830)</b>
<b>Total Cash Disbursements</b>	<b>(144,449)</b>	<b>(135,839)</b>	<b>(90,727)</b>	<b>(165,179)</b>	<b>(135,437)</b>	<b>(140,139)</b>	<b>(151,806)</b>	<b>(103,330)</b>	<b>(99,768)</b>	<b>(164,759)</b>	<b>(160,837)</b>	<b>(149,383)</b>	<b>(1,641,653)</b>
<b>Ending Balance with Note Proceeds</b>	<b>\$22,458</b>	<b>\$242,012</b>	<b>\$195,522</b>	<b>\$119,865</b>	<b>\$70,158</b>	<b>\$30,139</b>	<b>\$39,249</b>	<b>\$41,771</b>	<b>\$17,221</b>	<b>\$179,094</b>	<b>\$90,752</b>	<b>\$30,510</b>	<b>\$30,510</b>
<b>Balance without Note Proceeds</b>	<b>(186,277)</b>	<b>(152,592)</b>	<b>(199,082)</b>	<b>(228,739)</b>	<b>(232,446)</b>	<b>(226,465)</b>	<b>(189,403)</b>	<b>(186,881)</b>	<b>(188,431)</b>	<b>(237,771)</b>	<b>(282,113)</b>	<b>(295,355)</b>	<b>(295,355)</b>
<b>Debt Service Coverage</b>	<b>0.83</b>	<b>1.52</b>	<b>0.00</b>	<b>1.37</b>	<b>1.33</b>	<b>0.95</b>	<b>2.40</b>	<b>19.57</b>	<b>0.94</b>	<b>1.06</b>	<b>1.08</b>	<b>1.18</b>	<b>1.38</b>

**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	\$30,510	\$10,157	\$218,426	\$187,927	\$120,897	\$73,822	\$57,914	\$20,240	\$3,662	\$214,903	\$145,381	\$82,431	\$30,510
<b>Cash Receipts</b>													
State Aid	55,400	55,400	-	53,801	53,801	53,801	53,801	53,801	53,801	53,801	53,801	53,801	595,012
Property Taxes	6,449	29,431	20,610	4,451	-	9,700	9,301	9,840	11,925	(8,272)	-	7,802	101,236
Grants	39,924	30,595	13,190	6,345	9,975	37,803	12,744	26,677	16,330	15,063	11,400	17,100	237,146
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	-	211,000	-	-	-	-	-	-	-	-	-	-	211,000
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	7,392	7,400	7,400	7,400	75,268
Food Service-Reimbursement	2,039	-	44	35	1,864	4,236	3,361	1	2,494	2,949	1,952	-	18,975
-Deposits	3	8	56	420	212	186	200	287	244	58	51	51	1,776
-RD	-	-	12	101	113	149	-	6	13	363	-	173	930
RD-Other	43	3	-	14	-	11	-	-	1	-	-	17	89
Interest	9	47	62	77	40	34	16	6	62	90	46	23	512
Miscellaneous	1,739	62	703	2,341	164	2,747	758	5,589	1,194	197	297	42	15,833
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
Outreach Medicaid	-	448	449	449	938	449	477	449	562	449	-	-	4,670
Fee for Service Medicaid	-	-	-	46	-	-	-	-	-	594	255	-	895
Total Cash Receipts	107,836	329,224	42,957	75,913	74,440	116,564	87,991	104,557	319,018	72,692	75,203	86,409	1,492,804
Total Available Funds	138,346	339,382	261,383	263,840	195,337	190,386	145,905	124,797	322,680	287,596	220,583	168,840	1,523,314
<b>Cash Disbursements</b>													
Payroll	(46,264)	(31,942)	(32,230)	(51,008)	(38,588)	(48,833)	(34,360)	(36,488)	(33,661)	(47,393)	(37,635)	(37,635)	(476,035)
FICA	(3,725)	(2,571)	(2,594)	(4,107)	(3,106)	(3,930)	(2,767)	(2,937)	(2,710)	(3,815)	(3,030)	(3,030)	(38,322)
Retirement	(8,922)	(8,994)	(6,210)	(6,266)	(9,916)	(7,502)	(9,493)	(6,680)	(7,093)	(6,544)	(9,213)	(7,316)	(94,149)
Non-Payroll Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	(665)	(417)	(472)	(1,724)	(1,202)	(2,670)	(796)	(580)	(1,173)	(1,762)	(1,975)	(1,659)	(15,094)
Fringe Benefits-Wired	(12,297)	(12,966)	(9,735)	(12,554)	(9,952)	(4,338)	(8,979)	(13,500)	(4,975)	(8,535)	(13,219)	(9,914)	(120,965)
Account Payable	(7,277)	(17,216)	(22,171)	(19,521)	(8,728)	(12,860)	(18,182)	(12,847)	(9,238)	(21,458)	(22,400)	(22,400)	(194,297)
Additional Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	(2,039)	-	(44)	(35)	(1,864)	(4,236)	(3,361)	(1)	(2,494)	(2,949)	(1,952)	-	(18,975)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	(430)	(374)	-	(374)	(402)	(1,206)	-	-	(2,786)
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	-	-	-	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(31,235)	-	-	-	(256,235)
2010A Note - Interest	-	-	-	-	-	-	-	-	(12,067)	-	-	-	(12,067)
2010B Note - Principal	-	-	-	-	-	-	-	-	-	(30,000)	(46,000)	(48,000)	(124,000)
2010B Note - Interest	-	-	-	-	-	-	-	-	-	(15,825)	-	-	(15,825)
2011A Note - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
2011A Note - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Set-Aside Payments	(47,000)	(46,850)	-	(47,729)	(47,729)	(47,729)	(47,729)	(47,729)	(46,031)	(48,554)	(48,729)	(48,000)	(523,805)
Total Cash Disbursements	(128,189)	(120,956)	(73,456)	(142,943)	(121,514)	(132,472)	(125,665)	(121,135)	(107,777)	(142,215)	(138,152)	(129,954)	(1,484,429)
Ending Balance with Note Proceeds	\$10,157	\$218,426	\$187,927	\$120,897	\$73,822	\$57,914	\$20,240	\$3,662	\$214,903	\$145,381	\$82,431	\$38,886	\$38,886
Balance without Note Proceeds	(268,708)	(223,931)	(254,430)	(276,460)	(278,535)	(249,443)	(218,261)	(189,839)	(160,295)	(220,938)	(237,888)	(233,433)	(233,433)
Debt Service Coverage	1.18	1.18	0.00	1.13	1.13	1.13	1.13	1.13	1.17	1.11	1.10	1.12	1.14