



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

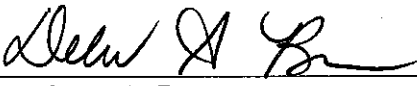
July 15, 2010

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

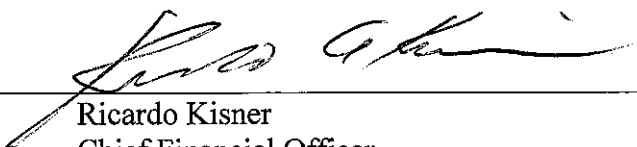
Attention: Vice President
Municipal Credit Group

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:

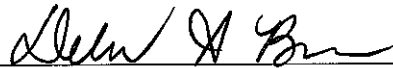
DOES NOT REQUIRE the establishment of new Set Aside Requirements

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]

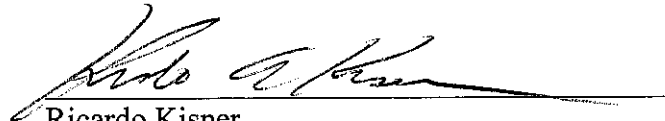
This 15th day of **July**, 2010

[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	\$177,395	\$123,963	\$47,021
Cash Receipts													
State Aid	35,423	63,663	-	66,983	64,588	46,415	94,506	53,393	24,148	43,622	51,700	56,163	600,604.00
Property Taxes	6,648	30,341	21,247	4,589	-	-	19,389	10,144	12,204	(8,528)	-	-	96,324
Grants	42,025	32,205	13,884	6,679	10,500	38,528	20,998	28,081	17,189	16,741	16,393	14,220	257,443
State Stabilization Funds - State Aid	31,959	-	-	-	-	-	13,634	-	9,686	1,535	-	-	56,814
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2009B State Aid Note Proceeds	-	228,652	-	-	-	-	-	-	-	-	-	-	228,652
2010A State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	255,213	-	-	255,213
Other Receipts													
W/CRESA - Net	-	-	7,832	7,832	7,332	7,447	7,332	7,901	7,392	7,832	7,832	7,661	76,393
Food Service-Reimbursement	2,039	-	44	35	1,864	4,236	3,361	1	2,494	3,998	7,128	-	25,200
-Deposits	3	8	56	420	212	146	240	287	244	166	359	160	2,301
-RD	-	-	12	101	113	149	-	6	13	67	2	1	464
RD-Other	43	3	-	14	-	11	-	-	1	74	-	-	146
Interest	7	11	10	33	19	-	13	1	-	5	16	65	180
Miscellaneous	1,739	62	703	2,341	164	2,739	766	5,589	1,194	500	1,055	551	17,403
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	520	-	520
Outreach Medicaid	-	448	449	449	938	449	477	449	562	449	449	449	5,568
Fee for Service Medicaid	-	-	-	46	-	-	-	-	-	-	-	-	46
Total Cash Receipts	119,886	355,393	44,237	89,322	85,730	100,120	160,916	105,852	75,217	321,674	85,454	79,270	1,623,271
Total Available Funds	166,907	377,851	286,249	285,044	205,595	170,278	191,055	145,101	116,988	338,895	262,849	203,233	1,670,292
Cash Disbursements													
Payroll	(57,806)	(38,954)	(39,305)	(62,205)	(47,059)	(47,671)	(53,783)	(44,497)	(41,050)	(55,068)	(48,297)	(43,264)	(573,959)
FICA	(4,569)	(3,185)	(3,168)	(4,014)	(3,901)	(3,854)	(3,362)	(3,649)	(3,433)	(3,475)	(3,606)	(3,569)	(45,795)
Retirement	(11,076)	(11,577)	(7,753)	(7,956)	(10,409)	(10,307)	(15,343)	(9,165)	(9,746)	(9,331)	(9,386)	(9,630)	(121,882)
Non-Payroll Expenditures													
Fringe Benefits	(842)	(528)	(597)	(2,182)	(1,521)	(3,380)	(1,007)	(734)	(1,485)	(1,468)	(1,457)	(1,446)	(16,647)
Fringe Benefits- Wired	(15,371)	(16,207)	(12,169)	(15,692)	(12,440)	(3,482)	(13,165)	(16,875)	(6,219)	(10,423)	(12,909)	(9,614)	(144,566)
Account Payable	(9,096)	(21,520)	(27,714)	(24,401)	(10,910)	(15,252)	(23,550)	(16,059)	(11,547)	(26,991)	(17,525)	(26,155)	(230,720)
Additional Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	(3,189)	(2,039)	(21)	-	(35)	(7,080)	-	(9,248)	(154)	(6,407)	(3,977)	-	(32,150)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	(430)	(374)	-	(374)	(402)	(1,608)	-	(402)	(3,590)
Set Aside Payments on Debt													
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)	(1,242)	(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	-	-	-	(46,000)	(46,000)	(46,000)	(31,000)	-	-	-	-	-	(169,000)
2009A Note - Principal	-	-	-	-	-	-	(5,667)	-	-	-	-	-	(5,667)
2009B Note - Interest/Fees	-	-	-	-	-	-	-	-	-	-	-	-	(158,000)
2009B Note - Interest	-	-	-	-	-	-	-	-	(23,000)	(44,000)	(44,000)	(47,000)	(158,000)
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	(144,446)	(135,839)	(90,727)	(165,179)	(135,437)	(140,139)	(151,806)	(103,330)	(99,768)	(161,500)	(138,886)	(141,080)	(1,608,140)
Ending Balance with Note Proceeds	\$22,458	\$242,012	\$195,522	\$119,865	\$70,158	\$30,139	\$39,249	\$41,771	\$17,221	\$177,395	\$123,963	\$62,153	\$62,153
Balance without Note Proceeds	(186,277)	(152,592)	(199,082)	(228,759)	(232,446)	(226,465)	(189,403)	(186,881)	(188,431)	(239,470)	(248,902)	(263,712)	(263,712)
Debt Service Coverage	0.83	1.52	0.00	1.37	1.33	0.95	2.40	19.57	0.94	0.93	1.11	1.19	1.37

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	\$62,153	\$18,308	\$185,483	\$147,374	\$82,707	\$43,579	\$29,080	\$4,447	\$586	\$174,603	\$103,064	\$64,444	\$62,153
Cash Receipts													
State Aid	55,559	55,559	-	52,499	52,499	52,499	52,499	52,499	52,499	52,499	52,499	52,499	583,609
Property Taxes	1,310	17,000	22,947	9,956	5,000	10,800	10,356	21,475	2,758	(9,210)	-	-	92,992
Grants	36,095	28,340	12,218	5,878	9,240	35,018	17,365	24,711	15,126	14,732	14,426	12,514	225,663
State Stabilization Funds - State Aid	2,231	-	-	-	-	-	-	-	-	-	-	-	4,462
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2010A State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2010B State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2011A State Aid Note Proceeds	-	-	-	-	-	-	-	-	220,000	-	-	-	201,000
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	220,000
WCRESA -Net	-	-	6,344	6,344	5,939	6,032	5,939	6,400	5,988	6,344	6,344	6,205	61,878
Food Service-Reimbursement	2,039	-	44	35	1,864	4,236	3,361	1	2,494	3,998	7,128	-	25,200
-Deposits	3	8	56	420	212	186	200	287	244	166	359	160	2,301
-RD	132	-	12	101	113	149	-	6	13	67	2	1	596
RD-Other	13	3	-	14	-	11	-	-	1	74	-	-	116
Interest	14	19	51	59	27	19	8	3	54	69	34	19	376
Miscellaneous	7,088	62	703	2,341	164	2,747	758	5,389	1,194	500	1,055	551	22,752
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	520	-	520
Outreach Medicaid	-	-	1,794	898	1,876	898	954	898	1,124	898	898	898	11,136
Fee for Service Medicaid	-	-	-	46	-	-	-	-	-	-	-	-	46
Total Cash Receipts	104,484	304,223	441,669	78,590	76,933	112,595	91,440	111,868	301,495	70,137	83,265	72,847	1,452,048
Total Available Funds	166,637	322,531	229,652	225,965	159,641	156,174	120,520	116,316	302,081	244,739	186,329	137,291	1,514,200
Cash Disbursements													
Payroll	(53,048)	(41,289)	(34,623)	(47,130)	(36,059)	(46,428)	(31,779)	(33,933)	(31,072)	(41,206)	(32,937)	(32,909)	(462,411)
FICA	(5,206)	(3,089)	(2,787)	(3,795)	(2,903)	(3,738)	(2,538)	(2,731)	(2,501)	(3,317)	(2,652)	(2,648)	(37,925)
Retirement	(14,404)	(11,528)	(8,027)	(6,731)	(9,162)	(7,010)	(9,026)	(6,178)	(6,596)	(6,040)	(8,011)	(6,403)	(99,116)
Non-Payroll Expenditures													
Fringe Benefits	(1,190)	(433)	(490)	(1,789)	(1,247)	(2,772)	(826)	(602)	(1,218)	(1,204)	(1,195)	(1,186)	(14,151)
Fringe Benefits-Wired	(13,653)	(13,290)	(9,979)	(12,867)	(10,201)	(4,447)	(9,204)	(13,838)	(5,100)	(8,547)	(10,585)	(7,885)	(119,593)
Account Payable	(11,789)	(20,444)	(26,328)	(23,181)	(6,365)	(10,271)	(11,591)	(10,256)	(31,970)	(28,641)	(16,649)	(15,847)	(213,332)
Additional Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	(2,039)	-	(44)	(35)	(1,864)	(4,236)	(3,361)	(1)	(2,494)	(3,998)	(7,128)	-	(25,200)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	(533)	(464)	-	(464)	(498)	(1,994)	-	(498)	(4,452)
Set Aside Payments on Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
2003B 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	-	-	-	-	-	-	-	-	-	-	-	(44,000)	(128,000)
2010B Note - Interest	-	(126)	-	-	-	-	-	-	-	-	-	-	(126)
2011A Note - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
2011A Note - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Set-Aside Payments	(47,000)	(46,976)	-	(47,729)	(47,729)	(47,729)	(47,729)	(47,729)	(46,031)	(44,729)	(44,729)	(44,000)	(512,106)
Total Cash Disbursements	(148,329)	(137,048)	(82,278)	(143,257)	(116,062)	(127,094)	(116,072)	(115,730)	(127,479)	(139,676)	(123,885)	(111,375)	(1,488,285)
Ending Balance with Note Proceeds	\$18,308	\$185,483	\$147,374	\$82,707	\$43,579	\$29,080	\$4,447	\$586	\$174,603	\$105,064	\$64,444	\$25,916	\$25,916
Balance without Note Proceeds	(260,557)	(262,573)	(300,682)	(320,349)	(314,478)	(283,977)	(253,452)	(214,314)	(216,995)	(265,780)	(264,400)	(258,928)	(258,928)
Debt Service Coverage	1.18	1.18	0.00	1.10	1.10	1.10	1.10	1.10	1.14	1.17	1.17	1.19	1.14