



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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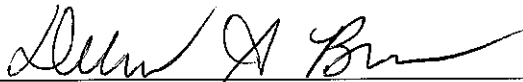
February 15, 2011


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:

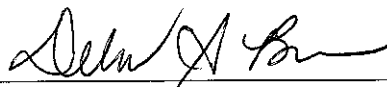
DOES NOT REQUIRE the establishment of new Set Aside Requirements

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]

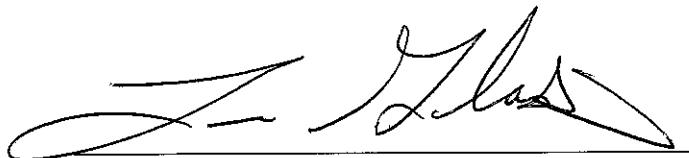
This 15th day of **February**, 2011

[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	\$62,153	\$17,373	\$222,243	\$166,409	\$123,433	\$79,785	\$41,987	\$24,676	\$9,582	\$193,749	\$111,158	\$68,207	\$62,153
<b>Cash Receipts</b>													
State Aid	56,981	61,035	-	57,894	65,888	43,506	53,331	51,699	48,629	48,629	48,629	48,629	584,852
Property Taxes	1,908	47,500	(10,721)	14,766	-	5,124	12,143	-	28,444	(8,613)	-	-	90,551
Grants	18,495	45,895	36,518	28,771	13,005	35,508	8,862	37,997	16,158	20,737	20,409	18,367	300,721
State Stabilization Funds - State Aid	-	-	-	-	-	-	9,854	-	-	-	-	-	9,854
Education Jobs Fund	-	-	-	-	-	-	-	16,749	-	-	-	-	16,749
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2010B State Aid Note Proceeds	-	187,961	-	-	-	-	-	-	-	-	-	-	187,961
2011A-1 State Aid Note Proceeds	-	-	-	-	-	-	-	-	74,625	-	-	-	74,625
2011A-2 State Aid Note Proceeds	-	-	-	-	-	-	-	-	144,275	-	-	-	144,275
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
WCRESA -Net	-	-	6,641	6,181	5,396	6,181	6,181	6,178	6,178	6,178	6,178	6,485	61,775
Food Service-Reimbursement	19,790	-	702	4,892	-	7,454	3,033	222	1,871	2,999	5,346	-	46,308
-Deposits	74	-	-	211	-	97	311	166	244	166	359	160	1,788
-RD	132	-	140	2	-	-	1,299	267	13	67	2	1	1,922
RD-Other	398	32	61	-	-	258	82	-	1	74	-	-	906
Interest	2	4	10	4	7	6	1	6	34	75	37	20	205
Miscellaneous	6,224	65	167	636	2,914	6,681	727	1,260	1,194	500	1,055	551	21,975
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	520	-	520
Outreach Medicaid	7,438	-	944	-	944	944	944	944	944	944	944	944	15,934
Fee for Service Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts</b>	<b>111,442</b>	<b>342,492</b>	<b>34,462</b>	<b>113,357</b>	<b>88,154</b>	<b>105,758</b>	<b>96,768</b>	<b>115,488</b>	<b>322,609</b>	<b>71,755</b>	<b>83,479</b>	<b>75,158</b>	<b>1,560,922</b>
<b>Total Available Funds</b>	<b>173,595</b>	<b>359,865</b>	<b>256,705</b>	<b>279,766</b>	<b>211,587</b>	<b>185,543</b>	<b>138,755</b>	<b>140,163</b>	<b>332,191</b>	<b>265,504</b>	<b>194,637</b>	<b>143,364</b>	<b>1,623,075</b>
<b>Cash Disbursements</b>													
Payroll	(54,492)	(33,999)	(37,013)	(51,980)	(39,654)	(46,493)	(34,910)	(36,863)	(37,054)	(46,171)	(35,054)	(35,054)	(488,737)
FICA	(5,705)	(3,470)	(3,569)	(3,504)	(3,231)	(4,704)	(2,936)	(3,070)	(2,983)	(2,983)	(2,862)	(2,822)	(41,839)
Retirement	(14,404)	(9,873)	(7,668)	(8,180)	(9,640)	(16,693)	(11,247)	(16,056)	(10,976)	(16,253)	(10,744)	(10,748)	(142,482)
Non-Payroll Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	(265)	(268)	-	(139)	(494)	(635)	-	(300)	(600)	(1,233)	(1,224)	(1,215)	(6,373)
Fringe Benefits-Wired	(9,004)	(10,582)	(6,257)	(9,849)	(8,546)	(6,916)	(4,501)	(7,738)	(5,864)	(8,755)	(10,844)	(8,076)	(96,932)
Account Payable	(25,352)	(32,462)	(35,790)	(34,952)	(17,968)	(20,386)	(12,757)	(17,503)	(22,976)	(33,230)	(19,628)	(20,294)	(293,297)
Additional Account Payable	-	-	-	-	-	-	-	-	(9,590)	-	-	-	(9,590)
Food Service Transfer	-	-	-	-	(4,541)	-	-	(859)	(1,871)	(2,999)	(5,346)	-	(15,615)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-	-	(464)	(498)	(1,994)	-	(498)	(3,455)
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	-	-	-	-	-	-	-	-	-	(38,000)	(38,000)	(40,000)	(116,000)
2010B Note - Interest	-	(117)	-	-	-	-	-	-	-	-	-	-	(117)
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)
<b>Total Cash Disbursements</b>	<b>(156,222)</b>	<b>(137,621)</b>	<b>(90,297)</b>	<b>(156,332)</b>	<b>(131,803)</b>	<b>(143,556)</b>	<b>(114,080)</b>	<b>(130,582)</b>	<b>(138,442)</b>	<b>(154,346)</b>	<b>(126,430)</b>	<b>(118,706)</b>	<b>(1,598,416)</b>
<b>Ending Balance with Note Proceeds</b>	<b>\$17,373</b>	<b>\$222,243</b>	<b>\$166,409</b>	<b>\$123,433</b>	<b>\$79,785</b>	<b>\$41,987</b>	<b>\$24,676</b>	<b>\$9,582</b>	<b>\$193,749</b>	<b>\$111,158</b>	<b>\$68,207</b>	<b>\$24,658</b>	<b>\$24,658</b>
Balance without Note Proceeds	(261,492)	(220,931)	(276,765)	(274,741)	(273,389)	(266,187)	(238,498)	(208,592)	(200,023)	(257,703)	(262,654)	(266,203)	(266,203)
Balance without 2011A1&2 Proceeds	\$17,373	\$222,243	\$166,409	\$123,433	\$79,785	\$41,987	\$24,676	\$9,582	(25,151)	(107,742)	(150,693)	(194,242)	(194,242)
Debt Service Coverage	1.21	1.30	0.00	1.21	1.38	0.91	1.12	1.08	1.06	1.19	1.19	1.22	1.17

**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	\$24,658	\$4,063	\$188,894	\$121,902	\$68,283	\$38,638	\$12,975	(869)	(3,627)	\$171,635	\$104,521	\$70,328	\$24,658
<b>Cash Receipts</b>													
State Aid	48,629	48,630	-	48,183	48,183	48,183	48,183	48,183	48,183	48,183	48,183	48,183	530,910
Property Taxes	(2,707)	21,881	12,576	6,056	1,260	560	10,618	11,140	8,601	(1,640)	838	12,048	81,229
Grants	27,652	36,063	18,780	16,430	14,774	24,147	18,511	29,371	42,582	19,827	20,144	23,059	291,341
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2011C State Aid Note Proceeds	-	191,558	-	-	-	-	-	-	-	-	-	-	191,558
2012A State Aid Note Proceeds	-	-	-	-	-	-	-	-	208,950	-	-	-	208,950
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
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	3,278	4,275	2,226	1,948	1,751	2,863	2,194	3,482	5,048	2,350	2,388	2,734	34,538
-Deposits	70	-	93	107	-	92	295	158	241	148	341	152	1,699
-RD	125	-	133	2	-	-	1,234	253	73	3	2	1	1,826
RD-Other	398	32	61	-	-	258	82	-	1	74	-	-	906
Interest	6	1	78	39	21	12	3	-	37	54	35	28	315
Miscellaneous	2,796	1,435	629	1,108	1,403	2,004	770	1,662	1,515	1,078	1,456	836	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	81,242	305,539	42,672	80,596	74,377	86,442	89,497	102,391	322,193	76,907	80,215	94,404	1,436,475
Total Available Funds	105,900	309,602	231,566	202,497	142,660	125,081	102,471	101,522	318,565	248,542	184,736	164,732	1,461,133
<b>Cash Disbursements</b>													
Payroll	(34,261)	(29,579)	(40,310)	(37,113)	(34,499)	(40,449)	(30,372)	(32,071)	(41,039)	(31,367)	(30,497)	(38,249)	(419,805)
FICA	(2,758)	(2,380)	(3,245)	(2,988)	(2,778)	(3,255)	(2,445)	(2,582)	(3,305)	(2,526)	(2,454)	(3,078)	(33,794)
Retirement	(9,285)	(9,694)	(12,795)	(10,975)	(10,540)	(9,926)	(9,246)	(9,729)	(14,813)	(9,787)	(9,391)	(9,259)	(125,439)
Non-Payroll Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	(254)	(557)	(101)	(324)	(339)	(534)	(262)	(223)	(355)	(457)	(498)	(497)	(4,399)
Fringe Benefits-Wired	(4,964)	(5,270)	(5,113)	(4,978)	(4,866)	(3,961)	(4,279)	(4,348)	(4,667)	(4,884)	(5,023)	(4,842)	(57,193)
Account Payable	(6,746)	(29,162)	(45,873)	(32,161)	(5,521)	(7,390)	(10,813)	(8,485)	(46,357)	(46,927)	(20,429)	(26,102)	(285,965)
Additional Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	(3,278)	(4,275)	(2,226)	(1,948)	(1,751)	(2,863)	(2,194)	(3,482)	(5,048)	(2,350)	(2,388)	(2,734)	(34,538)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-	-	(464)	(498)	(1,994)	-	(498)	(3,455)
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 Notes - Principal	(33,000)	(39,730)	-	-	-	-	-	-	-	-	-	-	(72,730)
2010B Notes - Interest	(7,293)	(61)	-	-	-	-	-	-	-	-	-	-	(7,354)
2011A-1 Notes - Principal	-	-	-	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	-	-	-	-	(75,000)
2011A-2 Notes - Interest	-	-	-	-	-	-	-	(4,338)	-	-	-	-	(4,338)
2011A-2 Notes - Principal	-	-	-	(26,000)	(26,000)	(26,000)	(26,000)	(13,000)	(28,000)	-	-	-	(145,000)
2011A-2 Notes - Interest	-	-	-	-	-	-	-	(8,700)	(121)	-	-	-	(8,821)
2011B Notes - Principal	-	-	-	-	-	-	-	-	-	(41,000)	(41,000)	(43,000)	(125,000)
2011B Notes - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Set-Aside Payments	(40,293)	(39,791)	-	(43,729)	(43,729)	(43,729)	(43,729)	(43,766)	(30,849)	(43,729)	(43,729)	(43,000)	(460,071)
Total Cash Disbursements	(101,838)	(120,708)	(109,664)	(134,215)	(104,022)	(112,106)	(103,340)	(105,149)	(146,931)	(144,021)	(114,408)	(128,258)	(1,424,659)
Ending Balance with Note Proceeds	\$4,063	\$188,894	\$121,902	\$68,283	\$38,638	\$12,975	(869)	(3,627)	\$171,635	\$104,521	\$70,328	\$36,474	\$36,474
Balance without Note Proceeds	(246,505)	(213,441)	(288,556)	(301,176)	(289,820)	(274,484)	(247,327)	(209,048)	(228,874)	(254,987)	(248,181)	(239,034)	(239,034)
Balance without 2011A1&2 Proceeds	(214,837)	(30,006)	(96,998)	(150,617)	(180,262)	61,350	(219,769)	(222,527)	171,635	104,521	70,328	36,474	36,474
Debt Service Coverage	1.21	1.22	0.00	1.10	1.10	1.10	1.10	1.10	1.56	1.10	1.10	1.12	1.15