

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]

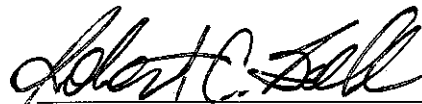
This 15th day of **March**, 2011
[To be filed monthly 5 days before Funds Transfer Date]



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
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

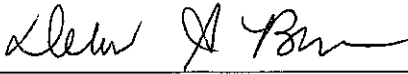
March 15, 2011

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

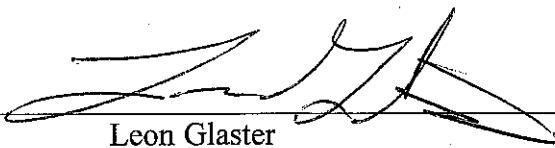
Attention: Vice President
Municipal Credit Group

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

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	\$17,829	(25,949)	\$121,514	\$80,713	\$62,153
Cash Receipts													
State Aid	56,981	61,035	-	57,894	65,888	43,506	53,331	52,046	48,623	48,623	48,623	48,623	585,174
Property Taxes	1,908	47,500	(10,721)	14,766	-	5,124	12,143	-	-	(619)	-	-	70,101
Grants	18,495	45,895	36,518	28,771	13,005	35,508	8,862	33,078	19,985	20,737	20,409	18,367	299,630
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	-	-	-	-	-	-	-	-	11,000	108,521	-	-	119,521
2011A-2 State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	110,556	-	-	110,556
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
WCRESA -Ner	-	-	6,641	6,181	5,396	6,181	6,181	6,181	6,181	6,181	6,181	6,181	61,484
Food Service-Reimbursement	19,790	-	702	4,892	-	7,454	3,033	2,194	5,113	2,999	5,346	-	51,522
-Deposits	74	-	-	211	-	97	311	223	163	166	359	160	1,764
-RD	132	-	140	2	-	-	67	267	-	3	2	1	613
RD-Other	398	32	61	-	-	258	1,314	3,999	61	138	-	-	6,261
Interest	2	4	10	4	7	6	1	2	2	29	42	25	133
Miscellaneous	6,224	65	167	636	2,914	6,681	727	604	1,686	500	1,055	551	21,810
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	520	-	520
Outreach Medicaid	7,438	-	944	-	944	944	944	944	944	944	944	944	15,934
Fee for Service Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	111,442	342,492	34,462	113,357	88,154	105,758	96,768	116,286	93,759	298,777	83,481	74,851	1,559,587
Total Available Funds	173,595	359,865	256,705	279,766	211,587	185,543	138,755	140,962	111,588	272,828	204,995	155,564	1,621,739
Cash Disbursements													
Payroll	(54,492)	(33,999)	(37,013)	(51,980)	(39,654)	(46,493)	(34,910)	(35,436)	(35,645)	(46,171)	(35,054)	(35,054)	(485,900)
FICA	(5,705)	(3,470)	(3,569)	(3,504)	(3,231)	(4,704)	(2,936)	(3,058)	(2,940)	(2,983)	(2,862)	(2,822)	(41,783)
Retirement	(14,404)	(9,873)	(7,668)	(8,180)	(9,640)	(16,693)	(11,247)	(10,578)	(10,980)	(21,727)	(10,545)	(10,397)	(141,932)
Non-Payroll Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	(265)	(268)	-	(139)	(494)	(635)	-	(543)	(1,233)	(1,224)	(1,215)	-	(6,016)
Fringe Benefits-Wired	(9,004)	(10,582)	(6,257)	(9,849)	(8,546)	(6,916)	(4,501)	(7,482)	(10,252)	(8,755)	(10,844)	(8,076)	(101,064)
Account Payable	(25,352)	(32,462)	(35,790)	(34,952)	(17,968)	(20,386)	(12,757)	(17,991)	(24,490)	(24,723)	(17,679)	(17,679)	(282,229)
Additional Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	-	-	-	-	(4,541)	-	-	(859)	(5,049)	(2,999)	(5,346)	-	(18,793)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-	-	-	(1,608)	(1,994)	-	(498)	(4,100)
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)
Total Cash Disbursements	(156,222)	(137,621)	(90,297)	(156,332)	(131,803)	(143,556)	(114,080)	(123,132)	(137,537)	(151,314)	(124,282)	(115,741)	(1,581,916)
Ending Balance with Note Proceeds	\$17,373	\$222,243	\$166,409	\$123,433	\$79,785	\$41,987	\$24,676	\$17,829	(25,949)	\$121,514	\$80,713	\$39,823	\$39,823
Balance without Note Proceeds	(261,492)	(220,931)	(276,765)	(274,741)	(273,389)	(266,187)	(238,498)	(200,345)	(430,898)	(258,524)	(261,326)	(262,215)	(262,215)
Balance without 2011A1&2 Proceeds	\$17,373	\$222,243	\$166,409	\$123,433	\$79,785	\$41,987	\$24,676	\$17,829	(256,026)	(108,563)	(149,365)	(190,254)	(190,254)
Debt Service Coverage	1.21	1.50	0.00	1.21	1.38	0.91	1.12	1.09	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	\$39,823	\$6,743	\$194,824	\$151,752	\$114,013	\$72,698	\$32,118	\$12,598	\$6,289	\$184,905	\$141,183	\$102,751	\$39,823
Cash Receipts													
State Aid	48,623	48,623	-	51,751	51,751	41,048	48,183	48,183	48,183	48,183	48,183	48,183	530,898
Property Taxes	-	22,199	12,556	7,000	1,309	827	11,615	11,577	4,399	(459)	870	12,520	84,414
Grants	27,663	36,090	18,801	16,447	14,782	24,168	18,516	28,596	43,212	19,839	20,156	23,070	291,341
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2011B State Aid Note Proceeds	-	182,814	-	-	-	-	-	-	-	-	-	-	182,814
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	3,279	4,278	2,229	1,950	1,752	2,865	2,195	3,390	5,123	2,352	2,389	2,735	34,538
-Deposits	70	-	93	107	-	92	295	211	165	148	341	152	1,676
-RD	125	-	133	2	-	-	63	253	-	3	2	1	583
RD-Other	398	32	61	-	-	258	1,314	3,999	125	74	-	-	6,261
Interest	12	2	88	53	37	27	9	2	39	64	48	42	423
Miscellaneous	2,802	1,435	629	1,109	1,405	2,010	771	1,579	1,579	1,079	1,457	837	16,692
E-Rate reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
Outreach Medicaid	994	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	83,966	297,138	42,686	85,141	78,022	79,617	90,569	105,933	318,735	78,113	80,275	94,903	1,435,099
Total Available Funds	123,789	303,881	237,510	236,893	192,035	152,315	122,687	118,531	325,024	263,019	221,458	197,654	1,474,922
Cash Disbursements													
Payroll	(34,261)	(29,579)	(40,310)	(37,113)	(34,499)	(40,449)	(30,372)	(30,829)	(39,813)	(31,367)	(30,497)	(38,249)	(417,338)
FICA	(2,758)	(2,380)	(3,245)	(2,988)	(2,778)	(3,255)	(2,445)	(2,482)	(3,206)	(2,526)	(2,454)	(3,078)	(33,595)
Retirement	(9,285)	(9,694)	(12,795)	(10,975)	(10,540)	(9,926)	(9,246)	(9,729)	(14,064)	(9,787)	(9,391)	(9,259)	(124,690)
Non-Payroll Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	(247)	(540)	(97)	(313)	(332)	(522)	(252)	(148)	(336)	(456)	(495)	(494)	(4,233)
Fringe Benefits-Wired	(4,814)	(5,107)	(4,971)	(4,825)	(4,720)	(3,843)	(4,163)	(4,195)	(4,941)	(4,738)	(4,865)	(4,699)	(55,881)
Account Payable	(22,109)	(17,687)	(22,109)	(17,687)	(17,687)	(22,109)	(17,687)	(17,687)	(27,739)	(28,887)	(28,887)	(36,109)	(276,387)
Additional Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	(3,279)	(4,278)	(2,229)	(1,950)	(1,752)	(2,865)	(2,195)	(3,390)	(5,123)	(2,352)	(2,389)	(2,735)	(34,538)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-	-	-	(1,608)	(1,994)	-	(498)	(4,100)
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	-	-	-	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	-	-	-	-	(120,000)
2011A-1 Notes - Interest	-	-	-	-	-	-	-	(7,353)	-	-	-	-	(7,353)
2011A-2 Notes - Principal	-	-	-	(20,300)	(20,300)	(10,500)	(17,000)	(9,700)	(33,200)	-	-	-	(111,000)
2011A-2 Notes - Interest	-	-	-	-	-	-	-	-	(7,361)	-	-	-	(7,361)
2011B Notes - Principal	-	-	-	-	-	-	-	-	-	(37,000)	(37,000)	(40,000)	(114,000)
2011B Notes - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Set-Aside Payments	(40,293)	(39,791)	-	(47,029)	(47,029)	(37,229)	(43,729)	(43,782)	(43,290)	(39,729)	(39,729)	(40,000)	(461,626)
Total Cash Disbursements	(117,047)	(109,057)	(85,757)	(122,880)	(119,338)	(120,198)	(110,089)	(112,242)	(140,119)	(121,836)	(118,707)	(135,121)	(1,412,389)
Ending Balance with Note Proceeds	\$6,743	\$194,824	\$151,752	\$114,013	\$72,698	\$32,118	\$12,598	\$6,289	\$184,905	\$141,183	\$102,751	\$62,533	\$62,533
Balance without Note Proceeds	(255,003)	(209,945)	(261,139)	(254,578)	(251,594)	(257,674)	(236,194)	(201,450)	(206,859)	(213,581)	(215,014)	(215,231)	(215,231)
Balance without 2011A1&2 Proceeds	(223,335)	(35,253)	(78,325)	(71,764)	(68,780)	(74,860)	(53,380)	(18,635)	184,905	141,183	102,751	62,533	62,533
Debt Service Coverage	1.21	1.22	0.00	1.10	1.10	1.10	1.10	1.10	1.11	1.21	1.21	1.20	1.15