

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 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:

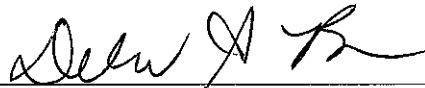
DOES NOT REQUIRE the establishment of new Set Aside Requirements

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**, 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 Manager



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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April 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: \_\_\_\_\_

Handwritten signature of Delores A. Brown in black ink.

Delores A. Brown  
Deputy CFO and Chief Accounting Officer

By: \_\_\_\_\_

Handwritten signature of Leon Glaster in black ink.

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	\$22,243	\$166,409	\$123,433	\$79,785	\$41,987	\$24,676	\$17,829	\$32,885	\$18,676	\$30,323	\$62,153
<b>Cash Receipts</b>													
State Aid	56,981	61,035	-	57,894	65,888	43,506	53,331	52,046	45,678	49,035	49,035	49,035	583,463
Property Taxes	1,908	47,500	(10,721)	14,766	-	5,124	12,143	-	1,698	1,698	-	-	75,418
Grants	18,495	45,895	36,518	28,771	13,005	33,508	8,862	33,078	22,643	22,289	20,409	18,367	303,839
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	-	-	-	-	-	-	-	-	-	-	-	-	-
2011A-1 State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2011A-2 State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receipts	-	187,961	-	-	-	-	-	-	68,467	-	42,178	-	187,961
WCRESA - Net	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service- Reimbursement	19,790	-	6,641	6,181	5,396	6,181	6,181	6,181	6,641	5,262	6,181	6,181	61,025
- Deposits	74	-	702	4,892	-	7,454	3,033	2,194	3,249	2,371	2,984	2,362	49,031
RD-Other	132	-	140	211	-	97	311	223	183	271	359	160	1,889
Interest	398	-	2	2	-	258	1,299	4,266	-	2	2	2	5,844
Miscellaneous	2	32	61	4	7	6	1	2	1	4	6	10	2,107
E-Rate reimbursement	6,224	4	10	4	2,914	6,681	727	604	2,031	3,425	1,055	551	25,080
Outreach Medicaid	7,438	-	-	-	-	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	105,738	96,768	116,286	150,989	127,602	130,371	148,167	1,565,847
Total Cash Receipts	111,442	342,492	34,462	113,357	88,154	105,738	96,768	116,286	150,989	127,602	130,371	148,167	1,565,847
Total Available Funds	173,595	359,865	236,705	279,766	211,587	185,543	138,755	140,962	168,818	160,486	149,047	178,490	1,628,000
<b>Cash Disbursements</b>													
Payroll	(54,492)	(33,999)	(37,013)	(51,980)	(39,654)	(46,493)	(34,910)	(35,436)	(33,544)	(45,806)	(33,054)	(33,054)	(479,432)
FICA	(5,705)	(3,470)	(3,569)	(3,504)	(3,231)	(4,704)	(2,936)	(3,058)	(2,870)	(2,915)	(2,771)	(2,660)	(41,392)
Retirement	(14,404)	(9,873)	(7,668)	(8,180)	(9,640)	(16,693)	(11,247)	(10,578)	(10,913)	(10,377)	(10,899)	(16,117)	(136,589)
Non-Payroll Expenditures	(265)	(268)	-	(139)	(494)	(635)	-	-	(1,842)	(2,408)	(2,416)	(2,482)	(10,949)
Fringe Benefits	(9,004)	(10,582)	(6,257)	(9,849)	(8,546)	(6,916)	(4,501)	(7,482)	(7,822)	(9,398)	(10,013)	(10,581)	(100,950)
Fringe Benefits-Wired	(25,332)	(32,462)	(35,790)	(34,952)	(17,968)	(20,386)	(12,757)	(17,991)	(29,673)	(24,151)	(15,360)	(14,893)	(281,735)
Account Payable	-	-	-	-	-	-	-	-	(920)	(920)	-	-	(920)
Additional Account Payable	-	-	-	-	(4,541)	-	-	(859)	(3,242)	(2,371)	(2,984)	(2,362)	(16,359)
Food Service Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-	-	-	-	(2,737)	(498)	(498)	(3,733)
Set Aside Payments on Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
2005B Bonds- Principal	-	-	-	(1,675)	(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)	(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)	(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	-	-	-	-	-	-	-	-	-	-	-	-	-
2010B Note - Interest	(47,000)	(117)	-	(47,729)	(47,729)	(47,729)	(47,729)	(47,729)	(46,031)	(40,729)	(40,729)	(40,000)	(500,998)
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)	(500,998)
Total Cash Disbursements	(156,222)	(137,621)	(90,297)	(156,332)	(131,805)	(143,556)	(114,080)	(123,132)	(135,933)	(141,811)	(118,723)	(122,646)	(1,572,156)
Ending Balance with Note Proceeds	\$17,373	\$222,243	\$166,409	\$123,433	\$79,785	\$41,987	\$24,676	\$17,829	\$32,885	\$18,676	\$30,323	\$55,844	\$55,844
Balance without Note Proceeds	(261,492)	(220,931)	(276,765)	(274,741)	(273,389)	(266,187)	(238,498)	(200,345)	(372,064)	(361,363)	(311,715)	(246,194)	(246,194)
Balance without 2011A1&2 Proceeds	\$17,373	\$222,243	\$166,409	\$123,433	\$79,785	\$41,987	\$24,676	\$17,829	(197,193)	(211,402)	(199,754)	(174,233)	(174,233)
Debt Service Coverage	1.21	1.30	0.00	1.21	1.38	0.91	1.12	1.09	0.99	1.20	1.20	1.23	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	\$55,844	\$23,985	\$212,860	\$170,708	\$133,579	\$93,006	\$53,168	\$34,224	\$28,386	\$211,174	\$171,661	\$135,671	\$55,844
<b>Cash Receipts</b>													
State Aid	49,035	49,035	-	51,751	51,751	41,048	48,183	48,183	48,183	48,183	48,183	48,183	531,720
Property Taxes	-	21,875	12,629	6,899	1,309	792	11,532	11,577	4,399	11	870	12,520	84,414
Grants	27,621	35,987	18,719	16,382	14,753	24,088	18,496	28,522	43,592	29,041	20,110	23,029	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	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service-Reimbursement	3,274	4,266	6,578	6,578	6,578	6,578	6,578	6,578	6,578	6,578	6,578	6,578	65,775
-Deposits	70	-	2,219	1,942	1,749	2,856	2,193	3,581	5,168	2,576	2,384	2,730	34,538
-RD	125	-	93	107	-	92	295	211	232	200	341	152	1,794
RD-Other	398	-	133	2	-	1,234	82	4,052	-	2	2	1	5,551
Interest	19	32	61	-	-	258	82	1,172	53	104	-	-	2,107
Miscellaneous	19	12	97	60	44	36	17	12	53	76	60	59	546
E-Rate reimbursement	2,699	1,434	627	1,099	1,357	1,899	759	1,569	1,589	1,395	1,440	827	16,692
Church Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Fee for Service Medicaid	994	1,664	1,518	144	407	1,746	1,029	1,563	383	252	250	786	10,736
Total Cash Receipts	84,236	297,119	42,673	84,965	77,948	79,392	90,398	105,649	320,299	79,216	80,218	94,865	1,436,979
Total Cash Available	140,080	321,104	255,533	255,673	211,528	172,398	143,566	139,874	348,684	290,389	251,879	230,535	1,492,823
<b>Cash Disbursements</b>													
Payroll	(34,261)	(29,579)	(40,310)	(37,113)	(34,499)	(40,449)	(30,372)	(30,829)	(38,242)	(30,790)	(28,757)	(35,639)	(410,840)
FICA	(2,758)	(2,380)	(3,245)	(2,988)	(2,778)	(3,255)	(2,445)	(2,482)	(3,078)	(2,479)	(2,314)	(2,868)	(33,070)
Retirement	(9,285)	(9,694)	(12,795)	(10,975)	(10,540)	(9,926)	(9,246)	(9,729)	(13,508)	(9,459)	(9,095)	(8,731)	(122,982)
Non-Payroll Expenditures	(219)	(510)	(97)	(298)	(280)	(454)	(252)	(148)	(445)	(476)	(518)	(528)	(4,226)
Fringe Benefits	(4,673)	(4,958)	(4,825)	(4,685)	(4,582)	(5,730)	(4,041)	(4,072)	(4,579)	(4,657)	(4,648)	(4,785)	(54,234)
Account Payable	(21,332)	(17,066)	(21,332)	(17,066)	(17,066)	(21,332)	(17,066)	(17,066)	(26,962)	(28,266)	(28,266)	(35,332)	(268,150)
Additional Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	(3,274)	(4,266)	(2,219)	(1,942)	(1,749)	(2,856)	(2,193)	(3,581)	(5,168)	(2,576)	(2,384)	(2,730)	(34,538)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	-	-	-	-	-	-	-	-	-	-	-	-	-
Set Aside Payments on Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
2005B Bonds - Principal	-	-	-	(1,759)	(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)	(970)	(7,758)
2010B Notes - Principal	(33,000)	(39,730)	(61)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(7,554)
2010B Notes - Interest	(7,293)	(61)	-	(20,300)	(20,300)	(10,500)	(17,000)	(9,700)	(33,200)	(7,361)	-	-	(72,730)
2011A-1 Notes - Principal	-	-	-	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(7,554)
2011A-1 Notes - Interest	-	-	-	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(970)	(7,758)
2011A-2 Notes - Principal	-	-	-	(20,300)	(20,300)	(10,500)	(17,000)	(9,700)	(33,200)	(7,361)	-	-	(120,000)
2011A-2 Notes - Interest	-	-	-	-	-	-	-	-	-	-	-	-	(7,361)
2011B Notes - Principal	-	-	-	-	-	-	-	-	-	-	-	-	(7,361)
2011B Notes - Interest	-	-	-	-	-	-	-	-	-	-	-	-	(7,361)
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	(116,095)	(108,244)	(84,824)	(122,094)	(118,522)	(119,230)	(109,342)	(111,488)	(137,511)	(118,729)	(116,208)	(131,111)	(1,393,398)
Ending Balance with Note Proceeds	\$23,985	\$212,860	\$170,708	\$133,579	\$93,006	\$53,168	\$34,224	\$28,386	\$211,174	\$171,661	\$135,671	\$99,425	\$99,425
Balance without Note Proceeds	(237,761)	(191,909)	(242,183)	(235,012)	(231,286)	(236,624)	(214,568)	(179,353)	(180,591)	(183,103)	(182,694)	(178,339)	(178,339)
Balance without 2011A1&2 Proceeds	(206,093)	(172,18)	(59,369)	(52,198)	(48,471)	(53,810)	(31,753)	3,461	211,174	171,661	135,671	99,425	99,425
Debt Service Coverage	1.22	1.23	0.00	1.10	1.10	1.10	1.10	1.10	1.11	1.21	1.21	1.20	1.15