



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

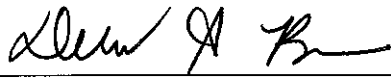
September 15, 2011

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: 

William Aldridge
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 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:

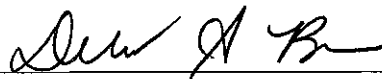
DOES NOT REQUIRE the establishment of new Set Aside Requirements

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 **September**, 2011

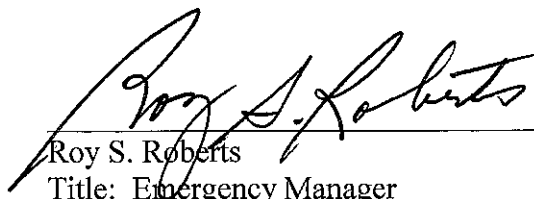
[To be filed monthly 5 days before Funds Transfer Date]



Delores A. Brown
Title: Deputy CFO and Chief Accounting Officer



William Aldridge
Title: Interim Chief Financial Officer



Roy S. Roberts
Title: Emergency Manager

DETROIT PUBLIC SCHOOLS
All Funds Estimated Cash Flow (In Thousands) - Mid August Update
July 2011 - June 2012

	Revised Budget												TOTAL
	Actual	Act/Budget	September	October	November	December	January	February	March	April	May	June	
Beginning Balance	\$38,355	\$31,074	\$45,717	\$52,761	\$61,342	\$56,368	\$25,919	\$55,138	\$41,212	\$35,952	\$35,896	\$41,197	
Cash Receipts													
State Aid	51,062	70,554	-	42,139	42,526	42,526	42,526	42,526	42,526	42,526	42,526	42,526	503,962
Property Taxes	-	17,941	10,052	13,421	1,752	526	10,843	11,533	3,842	3	538	11,190	81,640
Grants	67,538	31,899	36,860	19,369	13,889	16,142	24,897	21,815	29,603	22,541	24,411	25,052	333,815
State Aid Note Proceeds	-	20,000	51,082	-	-	-	-	-	-	-	-	-	71,082
2011A State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receipts	-	-	6,015	6,015	6,015	6,015	6,015	6,015	6,015	6,015	6,015	6,015	60,150
WCRESA -Net	3,024	1,488	128	4,112	3,375	2,361	3,421	2,407	3,822	2,927	3,521	2,420	33,006
Food Service-Reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
-Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
-RD	-	-	-	-	-	-	-	-	-	-	-	-	-
RD-Other	7,818	309	6,834	3,830	5,747	2,880	3,171	4,421	3,518	3,248	6,502	3,950	52,209
Miscellaneous (incl. Interest)	-	-	-	-	-	-	-	-	-	-	-	-	-
E-Rate reimbursement	944	1,888	944	7,493	7,493	1,421	1,421	1,421	1,421	1,421	1,421	1,421	28,712
Outreach Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Fee for Service Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	130,187	144,078	111,916	96,379	80,797	71,871	92,294	90,138	90,747	78,682	84,934	92,554	1,164,576
Total Available Funds	168,542	175,152	157,633	149,140	142,139	128,240	118,212	125,275	131,959	114,634	120,830	133,751	1,202,931
Cash Disbursements													
Payroll	(36,174)	(47,042)	(41,660)	(36,565)	(42,983)	(52,372)	(39,072)	(39,072)	(47,248)	(39,072)	(39,072)	(45,620)	(505,952)
FICA	(2,933)	(3,814)	(3,378)	(2,965)	(3,485)	(4,246)	(3,168)	(3,168)	(3,831)	(3,168)	(3,168)	(3,699)	(41,023)
Retirement	(10,339)	(9,975)	(8,788)	(6,490)	(6,486)	(10,521)	(10,516)	(8,065)	(12,100)	(8,065)	(8,065)	(8,065)	(107,468)
Non-Payroll Expenditures	(47,728)	(28,813)	(51,047)	(35,962)	(27,000)	(29,564)	(24,502)	(27,942)	(27,011)	(22,617)	(23,512)	(24,254)	(369,752)
Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional Account Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Food Service Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-	-	(72,730)
2010B Notes - Interest	(7,293)	(61)	-	(3,088)	(3,088)	(3,088)	(3,088)	(3,088)	(3,088)	(3,088)	(3,088)	(3,088)	(24,707)
2011 Bond (Sep) - P&I	(40,293)	(39,791)	-	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(5,817)	(126,619)
Total Set-Aside Payments	(137,467)	(129,435)	(104,873)	(87,798)	(85,770)	(102,321)	(83,075)	(84,063)	(96,006)	(78,738)	(79,634)	(81,634)	(1,150,815)
Total Cash Disbursements	\$31,074	\$45,717	\$52,761	\$61,342	\$56,368	\$25,919	\$35,138	\$41,212	\$55,952	\$35,896	\$41,197	\$52,117	\$52,117
Ending Balance with Note Proceeds													

Notes: YTD variances are timing related and have been rolled forward approximately 4 to 8 weeks with the exception of some minor amounts that have been extended further. Excludes restricted cash balances in Funds 13 (Adult Ed) and 25 (Food Service). October 2011 cash flows associated with the Note repayment and Bond issuance net to zero, and therefore are not readily seen above.