

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

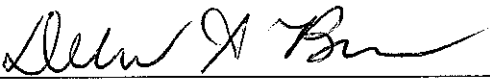
October 15, 2011

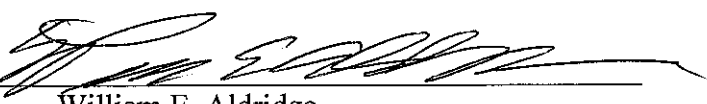
Via Facsimile: (614) 775-5631
The Bank of New York
6525 West Campus Oval, Suite 200
New Albany, OH 43054

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 E. Aldridge
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:

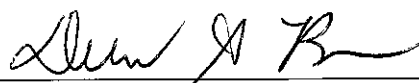
DOES NOT REQUIRE the establishment of new Set Aside Requirements

DOES REQUIRE the establishment of new Set Aside Requirements which, for each Series of Obligations currently Outstanding, are as follows:

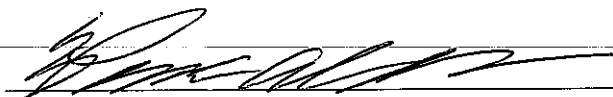
[For each series of Obligations identify new Set Aside Requirements]

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

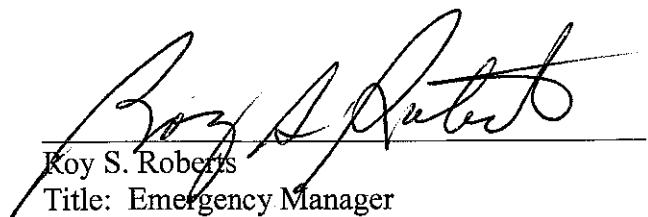
[To be filed monthly 5 days before Funds Transfer Date]



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



William E. Aldridge
Title: Chief Financial Officer



Roy S. Roberts
Title: Emergency Manager

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

| | Revised Budget | | | | | | | | | | | | TOTAL |
|-----------------------------------|----------------|-----------|-----------|----------|----------|-----------|----------|----------|----------|----------|----------|----------|-------------|
| | Actual | August | September | October | November | December | January | February | March | April | May | June | |
| Beginning Balance | \$38,355 | \$31,074 | \$45,717 | \$61,066 | \$38,723 | \$57,052 | \$29,194 | \$37,792 | \$43,246 | \$37,590 | \$36,913 | \$41,593 | |
| 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 | 17,941 | 19,213 | (3,912) | 9,924 | 526 | 10,843 | 11,533 | 3,842 | 3 | 538 | 11,190 | 81,640 |
| Grants | 67,338 | 31,899 | 24,749 | 1,517 | 44,052 | 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 | - | - | 4,428 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 44,928 |
| WCRESA -Net | 3,024 | 1,488 | - | 340 | 5,326 | 4,311 | 3,421 | 2,407 | 3,822 | 2,927 | 3,521 | 2,420 | 33,006 |
| Food Service-Reimbursement | - | - | - | - | - | - | - | - | - | - | - | - | - |
| -Deposits | - | - | - | - | - | - | - | - | - | - | - | - | - |
| -RD | - | - | - | - | - | - | - | - | - | - | - | - | - |
| RD-Other | 7,818 | 309 | 910 | 1,926 | 6,641 | 3,998 | 4,066 | 5,316 | 4,636 | 4,143 | 7,397 | 5,049 | 52,209 |
| Miscellaneous (incl. Interest) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| E-Rate reimbursement | 944 | 1,888 | 944 | 12,944 | 2,042 | 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 | 101,326 | 59,254 | 115,011 | 73,424 | 91,673 | 89,517 | 90,350 | 78,062 | 84,314 | 92,157 | 1,149,354 |
| Total Available Funds | 168,542 | 175,152 | 147,044 | 120,320 | 153,734 | 130,476 | 120,867 | 127,309 | 133,596 | 115,651 | 121,227 | 133,751 | 1,187,709 |
| Cash Disbursements | | | | | | | | | | | | | |
| Payroll | (36,174) | (47,042) | (39,967) | (37,140) | (44,100) | (52,372) | (39,072) | (39,072) | (47,248) | (39,072) | (39,072) | (45,620) | (505,952) |
| FICA | (2,933) | (3,814) | (3,241) | (2,740) | (3,847) | (4,246) | (3,168) | (3,168) | (3,831) | (3,168) | (3,168) | (3,699) | (41,023) |
| Retirement | (10,339) | (9,975) | (8,788) | (7,528) | (6,486) | (9,483) | (10,516) | (8,065) | (12,100) | (8,065) | (8,065) | (8,061) | (107,468) |
| Non-Payroll Expenditures | (47,728) | (28,813) | (33,982) | (28,371) | (36,432) | (29,364) | (24,502) | (27,942) | (27,011) | (22,617) | (23,512) | (24,254) | (354,530) |
| Account Payable | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Additional Account Payable | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Food Service Transfer | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital Leases | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult Education | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Set Aside Payments on Debt | - | - | - | (1,759) | (1,759) | (1,759) | (1,759) | (1,759) | (1,759) | (1,759) | (1,759) | (1,759) | (14,070) |
| 2005B Bonds - Principal | - | - | - | (970) | (970) | (970) | (970) | (970) | (970) | (970) | (970) | (970) | (7,758) |
| 2005B Bonds - Interest | - | - | - | - | - | - | - | - | - | - | - | - | (72,730) |
| 2010B Notes - Principal | (33,000) | (39,730) | - | - | - | - | - | - | - | - | - | - | (7,354) |
| 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 | - | - | - | (5,817) | (5,817) | (5,817) | (5,817) | (5,817) | (5,817) | (5,817) | (5,817) | (5,817) | (126,619) |
| Total Set-Aside Payments | (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 Cash Disbursements | (137,467) | (129,435) | (85,978) | (81,597) | (96,682) | (101,283) | (83,075) | (84,063) | (96,006) | (78,738) | (79,634) | (81,634) | (1,135,592) |
| Ending Balance with Note Proceeds | \$31,074 | \$45,717 | \$61,066 | \$38,723 | \$57,052 | \$29,194 | \$37,792 | \$43,246 | \$37,590 | \$36,913 | \$41,593 | \$52,117 | \$52,117 |

Notes: 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.