DETROIT PUBLIC SCHOOLS
Division of Finance
Office of the Chief Financial Officer

September 15, 2012

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:

X 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, 2012
[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 Financial Manager
## DETROIT PUBLIC SCHOOLS  
### General Fund Estimated Cash Flow (in Thousands)  
#### July 2012 - June 2013

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<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
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<th>April</th>
<th>May</th>
<th>June</th>
<th>TOTAL</th>
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</table>

### Cash Receipts
- **State Aid (1,2)**
  - 42,092
- **Property Taxes (2,3,4)**
  - 48,254
- **Grants**
  - 17,009
- **State Aid Note Proceeds (5)**
- **2013B State Aid Note Proceeds**
- **EAA - Note Repayment (16)**
- **Other Receipts**
  - WCRERA - Net
    - 1,358
- **Food Service Reimbursement**
  - 2,322
- **RD-Other**
  - 1,008
- **Interest**
  - 6
- **Miscellaneous (6)**
  - 179
- **E-Rate Reimbursement**
- **Outreach Medicaid (15)**
  - 1,074
- **Fee for Service Medicaid**
- **EAA Receipts (7)**

| Total Cash Receipts | 63,163 | 117,276 | 3,184 | 59,512  | 115,913 | 36,134 | 66,945 | 75,751  | 69,954  | 56,038  | 60,541  | 76,603 | 798,597 |

### Total Available Funds
- 125,109 | 166,849 | 91,702 | 80,819  | 136,990 | 103,332 | 99,844 | 112,694 | 122,870 | 106,066 | 93,323  | 90,109 | 605,541 |

### Cash Disbursements
- **Payroll (8,9)**
  - 28,846
- **FICA**
  - 2,628
- **Retirement (10)**
  - 16,097
- **TIP Payment (11)**
  - 4,500
- **Non-Payroll Expenditures**
  - 912
- **Payline Benefits**
  - 6,511
- **Account Payable (12,13,14)**
  - 26,531
- **Additional Account Payable**
- **Food Service Transfer**
  - (9,171)
- **Capital Lease**
- **Adult Education**
- **EAA Advance**
- **Set Aside Payments on Debt**
- **2012 Bonds - Principal**
- **2012 Bonds - Interest**
- **2013 Bonds - Principal**
- **2013 Bonds - Interest**
- **2011 Bonds - Principal**
- **2011 Bonds - Interest**
- **2012B Notes - Principal**
- **2012B Notes - Interest**
- **2014A EAA Note Payables**
- **Total Set Aside Payments**

| Total Cash Disbursements | (75,536) | (78,242) | (70,485) | (59,742) | (70,772) | (67,635) | (62,301) | (59,778) | (72,842) | (75,283) | (78,817) | (69,358) | (839,790) |

### Ending Balance with Note Proceeds
- **$49,573**  
- **$88,608**  
- **$21,307**  
- **$21,077**  
- **$66,218**  
- **$34,899**  
- **$37,543**  
- **$52,916**  
- **$50,028**  
- **$52,782**  
- **$13,506**  
- **$61,944**  

**9/10/2012 4:21 PM**  
Cash_Flows_DFS_actual_as_of_8-31-2012(FINAL)-SET-ASIDES.xlsx

Prepared for Detroit Public Schools by Public Financial Management