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

December 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 December, 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

<table>
<thead>
<tr>
<th>Month</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$61,944</td>
<td>$85,573</td>
<td>$85,508</td>
<td>$76,414</td>
<td>$47,763</td>
<td>$29,776</td>
<td>$21,667</td>
<td>$26,174</td>
<td>$53,498</td>
<td>$20,718</td>
<td>$12,239</td>
<td>$2,166</td>
<td>$61,944</td>
</tr>
</tbody>
</table>

### Cash Receipts
- **State Aid**
- **Property Taxes**
- **Grants**

### Other Receipts
- **WCRISIA - Net**
- **Food Service-Reimbursement**

### Disbursements
- **Payroll**

### Cash Disbursements
- **Payroll**
- **FICA**
  - (2,245) (2,622) (2,335) (2,113) (2,893) (2,395) (1,866) (1,839) (2,249) (1,890) (2,396) (1,894) (26,171)
- **Retirement**
  - (10,689) (9,569) (8,211) (7,357) (12,976) (7,773) (6,911) (5,213) (5,836) (7,665) (7,665) (7,665) (97,665)
- **TIP Payment**
- **Non-People Expenditures**
- **Fringe Benefits**
- **Adjustable Payment**
- **Additional Accountable**
  - (6,400) (6,400) (6,400) (6,400) (6,400) (6,400) (6,400) (6,400) (6,400) (6,400) (6,400) (6,400) (6,400) (6,400)
- **Food Service Transfer**
  - (3,917) (3,917) (3,917) (3,917) (3,917) (3,917) (3,917) (3,917) (3,917) (3,917) (3,917) (3,917) (3,917) (3,917)
- **Capital Leases**
  - 2,973 (2,973) (2,973) (2,973) (2,973) (2,973) (2,973) (2,973) (2,973) (2,973) (2,973) (2,973) (2,973) (2,973)
- **EAA Advance**
  - (5,917) (5,917) (5,917) (5,917) (5,917) (5,917) (5,917) (5,917) (5,917) (5,917) (5,917) (5,917) (5,917) (5,917)
- **Set Aside Payments on Debt**
  - (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866)
- **2012 Bonds - Principal**
  - (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866) (1,866)
- **2012 Bonds - Interest**
- **2011 Bonds - Principal**
  - (2,056) (2,056) (2,056) (2,056) (2,056) (2,056) (2,056) (2,056) (2,056) (2,056) (2,056) (2,056) (2,056) (2,056)
- **2011 Bonds - Interest**
  - (1,377) (1,377) (1,377) (1,377) (1,377) (1,377) (1,377) (1,377) (1,377) (1,377) (1,377) (1,377) (1,377) (1,377)
- **2012B Notes - Principal**
- **2012B Notes - Interest**
  - (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625)
- **2012A EAA Note Payments**
  - (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625) (6,625)

### Total Cash Disbursements
- (75,236) (78,242) (75,482) (55,810) (70,230) (72,663) (63,408) (62,141) (72,473) (67,727) (73,778) (62,587) (820,076)

### Ending Balance
- $40,578
- $88,608
- $164,414
- $41,169
- $30,276
- $27,267
- $21,774
- $33,498
- $21,718
- $12,239
- $2,166
- $17,409
- $17,409

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* Future cash flow projections are subject to change.
* The projected cash flows do not account for the possibility of Federal Sequestration, which would have an adverse impact on the District's projected cash flows.