



DETROIT PUBLIC SCHOOLS
Division of Finance
3011 W. Grand Blvd.
Fisher Bldg., Suite 1101
Detroit, MI 48202
Phone: (313) 873-4147
Fax: (313) 873-4478

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

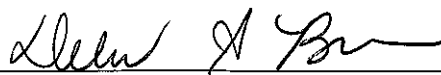
October 15, 2013

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

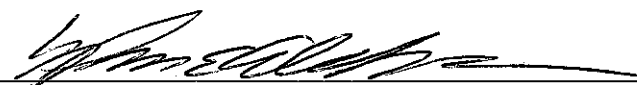
Attention: Vice President
Municipal Credit Group

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 and Administrative 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 Financial 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:

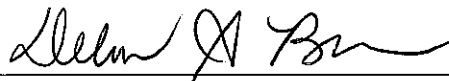
DOES NOT REQUIRE the establishment of new Set Aside Requirements

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

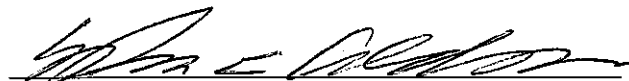
[For each series of Obligations identify new Set Aside Requirements]

This 15th day of October, 2013

[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 and Administrative Officer



Jack Martin
Title: Emergency Manager

DETROIT PUBLIC SCHOOLS
General Fund Estimated Cash Flow (In Thousands)
July 2013 - June 2014

| | Actual July | Actual August | Actual September | Projections October | Projections November | Projections December | Projections January | Projections February | Projections March | Projections April | Projections May | Projections June | Projections TOTAL |
|-----------------------------------|----------------|------------------|---------------------|------------------------|-------------------------|-------------------------|------------------------|-------------------------|----------------------|----------------------|--------------------|---------------------|----------------------|
| Beginning Balance | \$17,781 | \$21,695 | \$123,397 | \$54,412 | \$29,337 | \$13,659 | \$27,700 | \$20,025 | \$30,488 | \$30,014 | \$19,478 | \$6,352 | \$17,781 |
| Cash Receipts | | | | | | | | | | | | | |
| 1 State Aid | 32,532 | 31,859 | - | 31,766 | 31,766 | 31,766 | 31,766 | 31,766 | 31,766 | 31,766 | 31,766 | 31,766 | 350,285 |
| 2 Property Taxes | - | 45,457 | (11,989) | (3,845) | 3,750 | - | - | 16,377 | 6,029 | - | - | - | 66,637 |
| 3 Grants | 20,731 | 17,588 | 5,083 | 11,608 | 6,922 | 28,932 | 11,251 | 15,567 | 14,723 | 13,485 | 24,031 | 22,183 | 192,104 |
| 4 MPSERS UAAL Rate Stabilization | 7,402 | 741 | - | - | - | - | - | - | - | - | - | - | 8,143 |
| 7 State Aid Note Proceeds | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 2013 State Aid Note Proceeds | - | 92,000 | - | - | - | - | - | - | - | - | - | - | 92,000 |
| 20 Other Receipts | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 21 WCRESA -Net | - | - | 3,062 | 3,062 | 3,062 | 3,062 | 3,062 | 3,062 | 3,062 | 3,062 | 3,062 | 3,062 | 30,620 |
| 22 Food Service-Reimbursement | 4,576 | 2,007 | 1,001 | 2,535 | 2,710 | 9,405 | 2,397 | 3,774 | 6,266 | 4,733 | 9,106 | 7,104 | 55,614 |
| 23 -Deposits | 4 | 8 | 87 | 105 | 98 | 80 | 127 | 81 | 128 | 161 | 115 | 35 | 1,028 |
| 24 -RD | 2 | - | - | - | - | - | 7 | - | - | - | - | - | 220 |
| 25 RD-Other | 1,364 | 1,408 | 953 | 429 | 1,025 | 153 | 104 | 334 | 185 | 1,599 | 766 | 128 | 8,448 |
| 26 Interest | - | 3 | - | 12 | 11 | 7 | 10 | 10 | 12 | 10 | 7 | 5 | 85 |
| 29 Miscellaneous | 234 | 335 | (641) | 472 | 1,431 | 1,492 | 873 | 1,546 | 1,208 | 2,422 | 704 | 1,806 | 11,880 |
| 31 Outreach Medicaid | 1,248 | 1,191 | 1,089 | 1,089 | 970 | 970 | 970 | 970 | 1,068 | 970 | 1,064 | 970 | 12,567 |
| 32 Fee for Service Medicaid | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 EAA Receipts | 2,512 | 3,391 | 7 | 8 | - | - | - | - | - | - | - | - | 5,918 |
| 35 Total Cash Receipts | 70,604 | 195,988 | (1,348) | 47,242 | 51,744 | 75,865 | 50,365 | 73,487 | 64,446 | 58,208 | 70,621 | 78,128 | 835,549 |
| 37 Total Available Funds | 88,385 | 217,682 | 122,049 | 101,654 | 81,081 | 89,524 | 78,265 | 93,512 | 94,934 | 88,221 | 90,999 | 84,479 | 853,330 |
| Cash Disbursements | | | | | | | | | | | | | |
| 39 Payroll | (28,617) | (23,709) | (20,975) | (22,621) | (26,762) | (24,361) | (25,953) | (20,034) | (19,728) | (20,035) | (24,288) | (19,728) | (276,812) |
| 42 FICA | (2,389) | (1,523) | (1,610) | (1,793) | (2,560) | (1,863) | (1,510) | (1,533) | (1,533) | (1,533) | (2,311) | (1,510) | (21,669) |
| 43 Retirement | (11,419) | (13,616) | (17,221) | (6,518) | (10,980) | (7,290) | (7,976) | (6,494) | (6,592) | (6,591) | (9,846) | (6,592) | (111,134) |
| 44 MPSERS UAAL Rate Stabilization | - | (7,402) | (741) | - | - | - | - | - | - | - | - | - | (8,143) |
| 46 Non-Payroll Expenditures | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 47 Fringe Benefits | (1,346) | (1,099) | (1,067) | (1,041) | (1,700) | (1,300) | (1,550) | (1,300) | (1,300) | (1,300) | (1,700) | (1,300) | (16,002) |
| 48 Fringe Benefits-Wired | (9,413) | (5,098) | (7,109) | (4,987) | (5,639) | (5,439) | (5,639) | (5,439) | (5,439) | (5,439) | (5,639) | (5,439) | (70,717) |
| 49 Account Payable | (10,784) | (10,567) | (14,751) | (11,607) | (1,992) | (5,041) | (5,090) | (4,138) | (10,187) | (15,236) | (15,285) | (10,333) | (115,011) |
| 50 Additional Account Payable | - | (28,741) | - | (12,088) | (7,954) | - | - | (6,436) | - | - | - | - | (55,219) |
| 53 Food Service Transfer | (1,576) | (1,978) | (3,827) | (4,536) | (2,710) | (9,405) | (3,397) | (3,774) | (6,266) | (4,733) | (4,553) | (11,637) | (58,412) |
| 54 Capital Leases | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 55 Adult Education | (1,145) | - | (337) | (500) | (500) | (500) | (500) | (500) | (500) | (500) | (500) | (500) | (5,982) |
| 56 2013 State Aid Note COI | - | (552) | - | - | - | - | - | - | - | - | - | - | (552) |
| 58 Set Aside Payments on Debt | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 59 2012 Bonds - Principal | - | - | - | (1,939) | (1,939) | (1,939) | (1,939) | (1,939) | (1,939) | (1,939) | (1,939) | (1,939) | (15,515) |
| 60 2012 Bonds - Interest | - | - | - | (655) | (655) | (655) | (655) | (655) | (655) | (655) | (655) | (655) | (5,237) |
| 61 2011 Bonds - Principal | - | - | - | (2,782) | (2,782) | (2,782) | (2,782) | (2,782) | (2,782) | (2,782) | (2,782) | (2,782) | (22,252) |
| 62 2011 Bonds - Interest | - | - | - | (1,250) | (1,250) | (1,250) | (1,250) | (1,250) | (1,250) | (1,250) | (1,250) | (1,250) | (10,004) |
| 63 2012A Notes - Principal | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 64 2012A Notes - Interest | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 65 2013 Notes - Principal | - | - | - | - | - | - | - | - | - | - | - | - | (52,750) |
| 66 2013 Notes - Interest | - | - | - | - | - | - | - | - | - | - | - | - | (1,533) |
| 83 Total Set-Aside Payments | - | - | - | (6,626) | (6,626) | (6,626) | (6,626) | (13,376) | (13,376) | (13,376) | (19,626) | (21,033) | (107,290) |
| Total Cash Disbursements | (66,690) | (94,285) | (67,637) | (72,317) | (67,423) | (61,824) | (58,240) | (63,024) | (64,920) | (68,743) | (83,747) | (78,092) | (846,943) |
| Ending Balance | \$21,695 | \$123,397 | \$54,412 | \$29,337 | \$13,659 | \$27,700 | \$20,025 | \$30,488 | \$30,014 | \$19,478 | \$6,352 | \$6,387 | \$6,387 |
| Balance without Note Proceeds | 21,695 | 31,397 | (7,588) | (62,663) | (78,341) | (64,300) | (71,975) | (54,762) | (48,486) | (52,272) | (52,398) | (31,330) | (31,330) |

* Future cash flow projections are subject to change
* The projected cash flows are based on the District's FYE 2014 Budget.