



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

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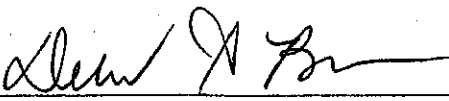
January 15, 2014

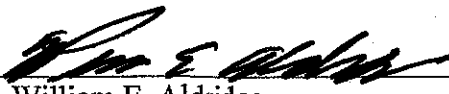
Via Facsimile: (614) 775-5631  
The Bank of New York  
6525 West Campus Oval, Suite 200  
New Albany, OH 43054

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:

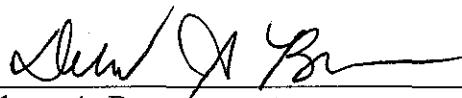
DOES NOT REQUIRE the establishment of new Set Aside Requirements

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 January, 2014

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



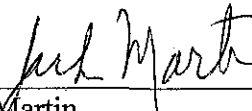
Delores A. Brown

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**

	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	\$17,781	\$21,695	\$123,397	\$54,412	\$42,018	\$31,890	\$29,658	\$14,510	\$20,794	\$25,258	\$23,411	\$8,086	\$17,781
<b>Cash Receipts</b>													
State Aid	32,530	31,859	-	26,655	36,944	28,183	29,825	29,825	29,825	27,680	29,825	29,825	332,975
Property Taxes	-	45,457	(11,989)	(5,224)	2,046	(1,676)	(549)	16,175	5,954	-	-	10,417	60,611
Grants	20,731	17,588	5,083	12,834	12,537	26,976	11,948	15,428	14,591	13,365	23,816	21,985	196,882
MPSERS UAAL Rate Stabilization	7,402	741	-	-	3,042	1,522	-	-	-	-	-	-	12,707
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2013 State Aid Note Proceeds	-	92,000	-	-	-	-	-	-	-	-	-	-	92,000
<b>Other Receipts</b>													
WCRESA -Net	-	-	3,062	3,062	3,062	3,062	3,062	3,062	3,062	3,062	3,062	3,062	30,620
Food Service-Reimbursement	4,576	2,007	1,001	87	8,876	394	2,397	3,774	6,266	4,733	9,106	7,104	50,322
-Deposits	4	8	87	148	152	94	127	81	128	161	115	35	1,140
-RD	2	-	-	-	-	-	-	-	-	-	-	-	213
RD-Other	1,364	1,408	953	2,499	2,625	501	104	334	185	1,599	766	128	12,465
Interest	-	3	-	4	4	5	2	-	2	2	2	1	24
Miscellaneous	234	335	(641)	220	(2,223)	7,403	873	1,546	1,208	2,422	704	1,806	13,886
Outreach Medicaid	1,248	1,191	1,089	1,089	1,169	1,089	1,089	1,089	1,089	1,089	1,089	1,089	13,409
Fee for Service Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
EAA Receipts	2,512	3,391	7	229	223	258	-	-	-	-	-	-	6,618
<b>Total Cash Receipts</b>	<b>70,604</b>	<b>195,988</b>	<b>(1,348)</b>	<b>41,602</b>	<b>68,457</b>	<b>67,806</b>	<b>48,879</b>	<b>71,317</b>	<b>62,308</b>	<b>54,113</b>	<b>68,484</b>	<b>75,661</b>	<b>823,871</b>
<b>Total Available Funds</b>	<b>88,385</b>	<b>217,682</b>	<b>122,049</b>	<b>96,014</b>	<b>110,475</b>	<b>99,696</b>	<b>78,538</b>	<b>85,827</b>	<b>83,102</b>	<b>79,370</b>	<b>91,895</b>	<b>83,747</b>	<b>841,652</b>
<b>Cash Disbursements</b>													
Payroll	(28,617)	(23,709)	(20,975)	(22,838)	(27,639)	(22,038)	(27,148)	(20,292)	(19,728)	(20,292)	(24,545)	(19,728)	(277,551)
FICA	(2,389)	(1,523)	(1,610)	(1,888)	(2,846)	(1,856)	(2,123)	(1,553)	(1,553)	(1,553)	(2,331)	(1,510)	(22,735)
Retirement	(11,419)	(13,616)	(17,221)	(6,892)	(12,725)	(8,908)	(8,899)	(8,074)	(8,074)	(8,074)	(12,131)	(7,974)	(124,008)
MPSERS UAAL Rate Stabilization	-	(7,402)	(741)	-	-	(3,042)	(1,522)	-	-	-	-	-	(12,707)
<b>Non-Payroll Expenditures</b>													
Fringe Benefits	(1,346)	(1,099)	(1,067)	(570)	(1,614)	(1,042)	(1,700)	(1,300)	(1,299)	(1,299)	(1,699)	(1,300)	(15,334)
Fringe Benefits-Wired	(9,413)	(5,098)	(7,109)	(4,397)	(4,612)	(4,603)	(5,327)	(5,128)	(5,127)	(5,128)	(5,327)	(5,127)	(66,396)
Account Payable	(10,784)	(10,567)	(8,623)	(2,539)	(11,545)	(6,316)	(7,683)	(8,138)	(8,187)	(5,736)	(9,785)	(6,974)	(96,876)
Additional Account Payable	-	(28,741)	(6,128)	(6,974)	(5,689)	(12,179)	-	-	-	-	-	-	(59,711)
Food Service Transfer	(1,576)	(1,978)	(3,827)	(1,273)	(5,286)	(3,427)	(2,500)	(6,171)	-	-	(7,866)	(15,791)	(49,696)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	(1,145)	-	(337)	-	-	-	(500)	(1,000)	(500)	(500)	(500)	(500)	(4,982)
2013 State Aid Note COI	-	(552)	-	-	-	-	-	-	-	-	-	-	(552)
<b>Set Aside Payments on Debt</b>													
2012 Bonds - Principal	-	-	-	(1,939)	(1,939)	(1,939)	(1,939)	(1,939)	(1,939)	(1,939)	(1,939)	-	(15,515)
2012 Bonds - Interest	-	-	-	(655)	(655)	(655)	(655)	(655)	(655)	(655)	(655)	-	(5,237)
2011 Bonds - Principal	-	-	-	(2,782)	(2,782)	(2,782)	(2,782)	(2,782)	(2,782)	(2,782)	(2,782)	-	(22,252)
2011 Bonds - Interest	-	-	-	(1,250)	(1,253)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	-	(10,007)
2012A Notes - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
2012A Notes - Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
2013 Notes - Principal	-	-	-	-	-	-	-	(6,750)	(6,750)	(6,750)	(13,000)	(19,500)	(52,750)
2013 Notes - Interest	-	-	-	-	-	-	-	-	-	-	-	(1,533)	(1,533)
<b>Total Set-Aside Payments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,626)</b>	<b>(6,629)</b>	<b>(6,626)</b>	<b>(6,626)</b>	<b>(13,376)</b>	<b>(13,376)</b>	<b>(13,376)</b>	<b>(19,626)</b>	<b>(21,033)</b>	<b>(107,293)</b>
<b>Total Cash Disbursements</b>	<b>(66,690)</b>	<b>(94,285)</b>	<b>(67,637)</b>	<b>(53,996)</b>	<b>(78,585)</b>	<b>(70,038)</b>	<b>(64,028)</b>	<b>(65,033)</b>	<b>(57,844)</b>	<b>(55,959)</b>	<b>(83,810)</b>	<b>(79,937)</b>	<b>(837,842)</b>
<b>Ending Balance</b>	<b>\$21,695</b>	<b>\$123,397</b>	<b>\$54,412</b>	<b>\$42,018</b>	<b>\$31,890</b>	<b>\$29,658</b>	<b>\$14,510</b>	<b>\$20,794</b>	<b>\$25,258</b>	<b>\$23,411</b>	<b>\$8,086</b>	<b>\$3,810</b>	<b>\$3,810</b>
<b>Balance without Note Proceeds</b>	<b>21,695</b>	<b>31,397</b>	<b>(37,588)</b>	<b>(49,982)</b>	<b>(60,110)</b>	<b>(62,342)</b>	<b>(77,490)</b>	<b>(64,456)</b>	<b>(53,242)</b>	<b>(48,339)</b>	<b>(50,664)</b>	<b>(33,907)</b>	<b>(33,907)</b>

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