

**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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June 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:

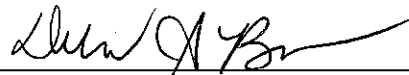
DOES NOT REQUIRE the establishment of new Set Aside Requirements

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 June, 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	\$21,691	\$123,396	\$54,410	\$42,016	\$31,891	\$29,657	\$16,623	\$18,339	\$18,037	\$18,731	\$10,296	\$17,781
<b>Cash Receipts</b>													
State Aid	32,530	31,859	-	26,655	36,944	28,183	30,970	23,934	30,607	25,790	30,490	32,148	330,111
Property Taxes	-	45,457	(11,989)	(5,224)	2,046	(1,676)	2,336	10,966	1,879	2,805	14,154	(2,704)	58,050
Grants	20,730	17,589	5,083	12,835	12,537	26,976	13,362	18,096	17,583	13,776	12,540	20,704	191,812
MPSERS UAAL Rate Stabilization	7,402	741	-	-	3,042	1,522	1,521	1,525	1,522	1,522	1,522	1,522	21,841
State Aid Note Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
2013 State Aid Note Proceeds	-	92,000	-	-	-	-	-	-	-	-	-	-	92,000
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
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	393	3,814	2,871	206	3,054	7,504	2,368	36,757
-Deposits	4	8	87	148	153	94	41	113	105	105	133	52	1,043
-RD	2	-	-	-	-	-	-	-	-	-	-	-	2
RD-Other	1,363	1,408	953	2,498	2,626	500	990	1,781	3,043	495	1,524	637	17,818
Interest	-	3	-	4	4	-	3	1	-	1	2	-	18
Miscellaneous	234	336	(642)	220	(2,222)	7,404	926	802	654	1,097	669	130	9,608
Outreach Medicaid	1,248	1,191	1,089	1,089	1,169	1,089	1,089	1,140	1,089	-	-	-	10,193
Fee for Service Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-
EAA Receipts	2,512	3,391	7	229	223	258	129	-	-	-	-	-	6,749
Total Cash Receipts	70,601	195,990	(1,349)	41,603	68,460	67,805	58,243	64,291	59,750	51,707	71,601	57,919	806,621
Total Available Funds	88,382	217,681	122,047	96,013	110,476	99,696	87,900	80,914	78,089	69,744	90,331	68,215	824,402
<b>Cash Disbursements</b>													
Payroll	(28,618)	(23,709)	(20,975)	(22,838)	(27,640)	(22,038)	(27,867)	(21,567)	(22,093)	(22,532)	(26,252)	(22,110)	(288,239)
FICA	(2,390)	(1,523)	(1,610)	(1,888)	(2,846)	(1,856)	(1,726)	(1,836)	(1,849)	(1,882)	(2,769)	(1,889)	(24,064)
Retirement	(11,419)	(13,616)	(17,221)	(6,892)	(12,725)	(8,908)	(8,761)	(8,241)	(2,341)	(2,340)	(3,490)	(2,357)	(98,311)
MPSERS UAAL Rate Stabilization	-	(7,402)	(741)	-	-	(3,042)	(1,522)	(1,521)	(1,525)	(1,522)	(1,522)	(1,522)	(20,319)
Non-Payroll Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	(1,345)	(1,099)	(1,066)	(569)	(1,615)	(1,042)	(1,181)	(1,216)	(1,003)	(1,029)	(1,076)	(1,884)	(14,125)
Fringe Benefits-Wired	(9,413)	(5,098)	(7,109)	(4,397)	(4,611)	(4,604)	(5,621)	(5,048)	(5,982)	(344)	(9,865)	(5,039)	(67,131)
Account Payable	(10,785)	(10,567)	(8,623)	(2,540)	(11,545)	(6,316)	(15,811)	(9,770)	(8,627)	(5,333)	(10,789)	(4,387)	(105,092)
Additional Account Payable	-	(28,741)	(6,128)	(6,974)	(5,688)	(12,180)	-	-	-	-	-	-	(59,711)
Other Transfers	-	-	-	-	-	-	-	-	(1,756)	(856)	(147)	(29)	(2,788)
Food Service Transfer	(1,576)	(1,978)	(3,827)	(1,273)	(5,286)	(3,427)	(2,162)	-	(1,500)	(1,800)	(4,500)	(3,604)	(30,933)
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Education	(1,145)	-	(337)	-	-	-	-	-	-	-	-	(500)	(1,982)
2013 State Aid Note COI	-	(552)	-	-	-	-	-	-	-	-	-	-	(552)
Set Aside Payments on Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
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)
Total Set-Aside Payments	-	-	-	(6,626)	(6,629)	(6,626)	(6,626)	(13,376)	(13,376)	(13,376)	(19,626)	(21,033)	(107,293)
Total Cash Disbursements	(66,691)	(94,285)	(67,637)	(53,997)	(78,585)	(70,039)	(71,277)	(62,575)	(60,052)	(51,014)	(80,035)	(64,354)	(820,541)
Ending Balance	\$21,691	\$123,396	\$54,410	\$42,016	\$31,891	\$29,657	\$16,623	\$18,339	\$18,037	\$18,731	\$10,296	\$3,860	\$3,860
Balance without Note-Proceeds	21,691	31,396	(37,590)	(49,984)	(60,109)	(62,343)	(75,377)	(66,911)	(60,463)	(53,019)	(48,454)	(33,857)	(33,857)

\* Future cash flow projections are subject to change

\* The projected cash flows are based on the District's FYE 2014 Budget.