



PART V

STATE AID REVENUE NOTES



**School District of the City of Detroit
Michigan Finance Authority
State Aid Revenue Notes
Series 2013C**

In August 2013 the District issued State Aid Revenue Notes – Series 2013C. These notes in the amount of \$92 million carry an interest rate of 4.375% and were priced to yield 4.375%.

The notes are due August 20, 2014. Following is the official statement cover page relating to this financing transaction. The completed official statement is available in the District's Finance Division, Office of the Chief Financial and Administrative Officer.

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In the opinion of Note Counsel and the Attorney General of the State of Michigan, subject to compliance with certain tax-related covenants, under existing law, interest on the Notes is excluded from gross income for federal income tax purposes except as described under "TAX MATTERS" herein, and the Notes and the interest thereon are exempt from all taxation provided by the laws of the State of Michigan except for estate taxes and taxes on gains realized from the sale, payment or other disposition of the Notes. See "TAX MATTERS" herein.

\$92,000,000
MICHIGAN FINANCE AUTHORITY
STATE AID REVENUE NOTES,
SERIES 2013C
(School District of the City of Detroit)

Interest Rate: 4.375% Priced to Yield: 4.375%
 Dated: Date of Delivery Due: August 20, 2014
 CUSIP: 59447PWP2†

The State Aid Revenue Notes, Series 2013C (School District of the City of Detroit) (the "Notes") will be issued by the Michigan Finance Authority (the "Authority"). The Notes are offered at a price equal to 100% of the face amount thereof. Interest on the Notes will be payable at maturity on August 20, 2014.

The Notes are being issued under a Master Indenture dated as of October 1, 2011, as amended and supplemented through the related Fifth Supplemental Indenture dated as of August 1, 2013 (the "Fifth Supplemental Indenture" and collectively, the "Master Indenture") of the Authority. The proceeds from the sale of the Notes will be used to provide funds to purchase a note (the "Series 2013C Municipal Obligation") to be issued by the School District of the City of Detroit (the "District").

The Notes will be issued as a separate Class of Obligations (as defined herein) pursuant to the Fifth Supplemental Indenture and will be issued on a subordinate basis to certain Obligations currently outstanding under the Master Indenture in the aggregate principal amount of \$336,624,926. Accordingly, the Notes will constitute a Junior Subordinate Lien Authority Obligation (as defined herein) under the Master Indenture such that State of Michigan school aid payments are available for payment of the Notes only on a subordinate basis, behind certain Senior Lien Authority Obligations (as defined herein) of the Authority secured under the Master Indenture and behind certain Senior Subordinate Lien Authority Obligations (as defined herein) secured under the Master Indenture. See "SOURCES OF PAYMENT AND SECURITY FOR THE NOTES" herein for a discussion of the lien priority of outstanding District obligations and the lien priority of any additional obligations issued by the District in the future.

The Notes will be issued as fully registered notes in denominations of \$5,000 and integral multiples thereof and, when issued, such Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, of New York, New York ("DTC"). So long as Cede & Co. is the registered owner of the Notes, principal of and interest on the Notes are payable by The Bank of New York Mellon Trust Company, N.A., as Trustee and Paying Agent, to Cede & Co. So long as Cede & Co. is the registered owner of the Notes, references herein to Noteholders or Registered Owners (or similar terms) shall mean Cede & Co. and shall not mean Beneficial Owners (as defined herein) of the Notes. Purchases of beneficial interests in the Notes will be made in book-entry-only form and in denominations of \$5,000 and integral multiples thereof, and individual purchasers of beneficial interests will not receive physical delivery of note certificates. Payments of principal and interest will be made to Beneficial Owners by DTC through its Participants. (See "THE NOTES - Book-Entry-Only System" herein.) The Notes are not subject to redemption prior to maturity.

The Notes are limited obligations of the Authority, payable by the Authority solely from the sources provided therefor by the Resolution (as defined herein) and under the Master Indenture, primarily the payments of principal of and interest on the Series 2013C Municipal Obligation by the District. The Notes shall not be in any way a debt or liability of the State of Michigan or any political subdivision thereof and shall not create or constitute any indebtedness, liability or obligation of the State of Michigan or any political subdivision thereof or be or constitute a pledge of the full faith and credit or the taxing power of the State of Michigan or any political subdivision thereof. The Authority has no taxing power.

The Notes are offered subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriters, and subject to the approval of legality by the Attorney General of the State of Michigan and by Dykema Gossett PLLC, Lansing, Michigan, Note Counsel. Certain legal matters will be passed upon for the District by Foster, Swift, Collins & Smith, P.C., Lansing, Michigan, counsel to the District. Certain legal matters will be passed upon for the Underwriters by their counsel, Dickinson Wright PLLC, Troy, Michigan. Delivery of the Notes to DTC is expected on or about August 27, 2013.

This cover page contains certain information for quick reference only. It is *not* a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

J.P. Morgan

Loop Capital Markets

Dated: August 21, 2013

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