

MICHIGAN MUNICIPAL BOND AUTHORITY 2003 STATE AID NOTE PROGRAM

Cash Flow Instructions

Please use the following instructions as a checklist before submitting your application and cash flow to the Authority.

1. Confirm the borrowing amount used in the cash flow agrees with the borrowing amount on page 1 of the application.
2. If you were a no set aside borrower in August 2002, make sure to include the repayment of the prior year note in August 2003.
3. Cash flow must reflect repayment of the note plus interest.

SET ASIDE BORROWERS:

a. Calculate the total amount to be repaid:

Example:	\$1,000,000	Amount borrowed
	<u>1.030</u>	*Assumed interest rate of 3.0%
	\$1,030,000	Total principal and interest

b. Calculate the amount of equal set aside payments:

Example:	<u>\$1,030,000</u>	Total principal and interest
	5	Divided by number of set aside payments
=	\$206,000	Amount of equal set aside payments

c. Enter set aside payments in the cash flow

<i>August Borrowers</i>	5 set asides:	begin Jan. 2004 - end May 2004
	7 set asides:	begin Jan. 2004 - end July 2004

d. Please note that each month with a set aside payment should show a positive ending balance.

NO SET ASIDE BORROWERS:

a. Calculate the total amount to be repaid:

Example:	\$1,000,000.00	Amount borrowed
	<u>1.030</u>	*Assumed interest rate of 3.0%
	1,030,000	Total principal and interest

- August 2003 borrowers reflect repayment of total principal and interest in August 2004

4. No set aside borrowers must demonstrate the ability to repay their note. In other words, the ending August 2004 balance must be positive after repayment of the note.

****Assumed interest rate and not actual interest rate at time of borrowing.
If the ending balance is negative, you must state the source of the additional funds required to repay the note and REFLECT THIS AMOUNT IN THE CASH FLOW.***