

DETROIT PUBLIC SCHOOLS

Jack Martin
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January 22, 2013

Mr. Kevin Clinton
State Treasurer and Chair
Michigan Department of Treasury
Bureau of Local Government Services
4th Floor, Treasury Building
430 West Allegan Street
Lansing, Michigan 48992

RE: School District of the City of Detroit (DPS) Emergency Manager's Financial & Operating Plan and Educational Plan

Dear Treasurer Clinton:

Enclosed for your review and consideration is the amended Financial and Operating Plan required by Section 11(1), along with the Educational Plan required by Section 11(2). The reports present the detailed financial and operating plan for the current fiscal year ended June 30, 2014, along with a financial and operating plan through June 30, 2016. The amendments include an update of the education plan, a listing of real estate for sale or lease as well as fiscal year 2014 budget amendments number 1 and 2.

The Plan provides for:

- a) Conducting all aspects of the operations of the District within the resources available according to revenue estimates.
- b) The payment in full of scheduled debt service requirements.
- c) The modification, rejection, termination, and renegotiation of contracts.
- d) The timely deposit of required payments to the pension fund in which the District participates.
- e) Other actions considered necessary to achieve the objectives of the financial and operating plan, alleviate the financial emergency, and remove the district from receivership.

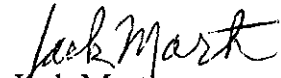
January 22, 2014
Treasurer Kevin Clinton
Page 2

This Plan also provides for the elimination of the District's fund deficit, as well as establishing a fund balance surplus that exceeds \$2.6 million.

As previously mentioned, section 11(2) requires submission of an Educational Plan. The enclosed Educational Plan is also being provided to you for your review and consideration.

I am available to meet with you to discuss these plans and to respond to any questions you may have.

Respectfully submitted,



Jack Martin
Emergency Manager
School District City of Detroit

Enclosure

pc: Michael Flanagan, Michigan Superintendent of Public Instruction
Karen Ridgeway, Superintendent of Academics
William E. Aldridge, Chief Financial and Administrative Officer