



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

BRIAN J. WHISTON
STATE SUPERINTENDENT

November 1, 2016

Richard Satterlee, Superintendent
Craig Johnston, School Board President
Bay City Academy
400 N. Madison
Bay City, MI 48708

Dear Superintendent Satterlee and Board President Johnston:

Thank you for the submission of your academy's Deficit Elimination Plan (DEP) as developed by the academy and approved by the local board of education. The Michigan Department of Education (MDE) has approved this plan based on contingencies, which are listed below. Attached is a one page summary of the DEP from your electronic submission.

The pupil projections included in this plan are based on strategies being implemented by the academy. If these pupil projections do not materialize, the academy will be expected to institute expenditure reductions in order to meet the fund balance targets in the plan.

The plan also projects Foundation Allowance increases. The district will be expected to institute expenditure reductions in any year where the school does not receive the projected increase, in order to meet the fund balance targets in the plan.

The academy is required to meet the fund balance targets in this DEP. Failure to meet these deficit reduction targets will invalidate the plan. Department approval is granted based on the following contingencies:

- If the academy is unable to achieve its enrollment projections, it will be expected to reduce expenditures in order to meet the fund balance targets in the DEP.
- The district will be expected to institute expenditure reductions in any year where the school does not receive a projected Foundation Allowance increase, in order to meet the fund balance targets in the plan.
- The academy is required to post a link to this approved DEP on its website within 30 days of this approval letter. The link should be posted on the budget transparency page, in the form and manner found in the transparency guidance.
- The academy is required to submit any revisions made to the current year budget along with the corresponding board resolution. If the budget revision impacts the DEP, the DEP should also be revised and submitted.

STATE BOARD OF EDUCATION

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- The academy is required to submit Monthly Budgetary Control Reports to the Department. Please use the tab labeled "Month1Summary2017" in the DEP workbook.
- If a deficit continues to exist at fiscal year end 2016-17, the academy will be required to submit an updated DEP by July 31, 2017, or 30 days after the state school aid budget is passed, whichever comes later.
- If a deficit continues to exist at fiscal year end 2016-17, the academy will be required to submit its pupil count information no later than one week after the fall count.

Please notify us if significant changes occur which would invalidate this plan as approved.

Please contact Jeff Kolb at (517) 373-1908 or kolbj2@michigan.gov, or Chad Urchike at (517) 335-1261 or urchikec1@michigan.gov, if you have any questions.

I look forward to your submissions and continued cooperation.

Sincerely,



Daniel M. Hanrahan, Director
Office of State Aid and School Finance

cc: Brian Lynch, Business Manager, Bay City Academy
Lena Jankowiak, Vice President, Academy Board of Directors
Tricia Coonan, Secretary, Academy Board of Directors
Ryan Moore, Treasurer, Academy Board of Directors
Scot Thompson, Trustee, Academy Board of Directors
Dave VanSice, Trustee, Academy Board of Directors
April Parkey, Trustee, Vice President, Academy Board of Directors
Chris Oshelski, Lake Superior State University Charter Office
Kyle Guerrant, Deputy Superintendent, Michigan Department of Education
Jeff Kolb, Financial Specialist, Office of State Aid and School Finance
Local Audits Unit, Michigan Department of Treasury

Bay City Academy

Account	Beginning Fund Equity:	Preliminary Actual 2015-16 (\$1,359,477)	Budgeted 2016-17 (\$1,099,749)	Yearly Increase (Decrease)	% Increase (Decrease)	Estimated 2017-18 (\$1,074,028)	Yearly Increase (Decrease)	% Increase (Decrease)	Estimated 2018-19 (\$829,382)	Yearly Increase (Decrease)	% Increase (Decrease)	Estimated 2019-20 (\$414,039)	Yearly Increase (Decrease)	% Increase (Decrease)
	Add: Revenues	\$42,744	\$45,000	\$2,256	5.28%	\$50,000	\$5,000	11.11%	\$50,000	\$0	0.00%	\$50,000	\$0	0.00%
11x	Local Sources	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%
51x	Local Rec'd Thru Another Public Sch.	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%
22x	Other Political Sub.	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%
3xx	State Sources	\$3,212,822	\$2,781,362	(\$431,160)	-13.42%	\$3,025,325	\$243,963	8.77%	\$3,226,400	\$201,075	6.65%	\$3,378,050	\$151,650	4.70%
4xx	Federal Sources	\$267,342	\$207,952	(\$59,390)	-22.21%	\$208,000	\$48	0.02%	\$208,000	\$0	0.00%	\$208,000	\$0	0.00%
52x-6xx	Incoming Transfers & Other	\$55,809	\$0	(\$55,809)	-100.00%	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%
	TOTAL REVENUES, ETC.	\$3,578,417	\$3,034,314	(\$544,103)	-15.21%	\$3,283,325	\$249,011	8.21%	\$3,484,400	\$201,075	6.12%	\$3,636,050	\$151,650	4.35%
	TOTAL RESOURCES AVAILABLE	\$2,218,940	\$1,934,565	(\$284,375)	-12.82%	\$2,209,297	\$74,732	14.20%	\$2,655,018	\$445,721	20.17%	\$3,222,011	\$566,993	21.36%
	Less: Expenditures													
1xx	Classroom Inst.	\$1,355,242	\$1,328,745	(\$26,497)	-1.96%	\$1,342,030	\$13,285	1.00%	\$1,355,450	\$13,420	1.00%	\$1,369,005	\$13,555	1.00%
	Support Services:													
21x	Pupil	\$344,801	\$279,395	(\$65,406)	-18.97%	\$282,189	\$2,794	1.00%	\$285,011	\$2,822	1.00%	\$287,861	\$2,850	1.00%
22x	Inst. Staff	\$35,907	\$10,800	(\$25,107)	-69.92%	\$10,908	\$108	1.00%	\$11,020	\$112	1.00%	\$11,130	\$110	1.00%
23x	Gen. Adm.	\$468,340	\$375,064	(\$93,276)	-19.92%	\$378,815	\$3,751	1.00%	\$382,600	\$3,785	1.00%	\$386,425	\$3,825	1.00%
24x	Sch. Adm.	\$419,645	\$371,642	(\$48,003)	-11.44%	\$375,360	\$3,716	1.00%	\$379,115	\$3,755	1.00%	\$382,905	\$3,790	1.00%
25x	Business	\$169,756	\$183,644	\$13,888	14.48%	\$195,580	\$11,936	1.00%	\$197,535	\$1,955	1.00%	\$199,510	\$1,975	1.00%
26x	Operation & Maintenance	\$385,943	\$298,611	(\$87,332)	-22.63%	\$301,597	\$2,986	1.00%	\$304,613	\$3,016	1.00%	\$307,659	\$3,046	1.00%
27x	Transportation	\$109,822	\$99,345	(\$10,477)	-9.54%	\$100,340	\$995	1.00%	\$101,343	\$1,003	1.00%	\$102,355	\$1,012	1.00%
28x	Central	\$29,833	\$36,347	\$6,514	21.83%	\$36,710	\$363	1.00%	\$37,070	\$360	0.98%	\$37,440	\$370	1.00%
28x	Other	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%
3xx	Community Services	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%
41,42,43	Outgoing Transfers	\$0	\$15,000	\$15,000	100.00%	\$15,150	\$150	1.00%	\$15,300	\$150	0.99%	\$15,450	\$150	0.98%
45x	Facilities Acq	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%
51x	Debt Service	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%
5xx	Fund Modifications	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%
	TOTAL EXP. & OUTGOING TRANSFERS	\$3,318,689	\$3,008,593	(\$310,096)	-9.34%	\$3,038,679	\$30,086	1.00%	\$3,065,057	\$30,378	1.00%	\$3,099,740	\$30,683	1.00%
	ENDING FUND BALANCE	(\$1,099,749)	(\$1,074,028)	\$25,721	-2.34%	(\$829,382)	\$244,646	-22.78%	(\$414,039)	\$415,343	-50.08%	\$122,271	\$536,310	-129.53%