



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

February 1, 2023

Mr. Brian Lynch, Superintendent
Ms. Lena Jankowiak, Board President
Bay City Academy
301 N. Farragut Street
Bay City, MI 48708

Subject: Bay City Academy – 2023 Removal from EDEP status

Dear Superintendent Brian Lynch and Board President Lena Jankowiak,

Pursuant to MCL §380.1220, Bay City Academy ("the academy") was required to submit an Enhanced Deficit Elimination Plan (EDEP) to the Michigan Department of Treasury ("Treasury") due to the academy not eliminating its general fund deficit within five years of submitting its initial Deficit Elimination Plan. Bay City Academy submitted an updated EDEP to Treasury on January 27, 2021, with an anticipated deficit elimination in FY2021-22.

Treasury has received the academy's audited financial statements for fiscal year 2021-2022 showing a positive general fund balance of \$582,106. Based upon departmental review of the academy's financial data, the academy has eliminated its general fund deficit as scheduled and eliminated the deficit in FY2021-22. Therefore, pursuant to MCL § 380.1220, the academy is no longer required to submit monthly EDEP reports.

While, one-time funding or short-term positive fund balances do not necessarily end Treasury evaluation of the academy's fiscal health, Treasury has not identified any known conditions that would hinder the removal of EDEP oversight. Removal shall be invalidated if there is a failure to maintain the reduction targets identified in the academy's financial data or significant changes occur that would invalidate the plan as presented. Consequently, pursuant to MCL §380.1219, Treasury will continue to evaluate the academy's financial health and trends providing continued access to technical support as deemed necessary.

Treasury's continued partnership with Bay City Academy provides the academy with access to targeted financial resources during this transition. Treasury can support the academy in the areas of strategic financial planning, professional development, grant management, business office needs, and other areas as identified during this period. We want to thank the academy for its cooperation during this process and commend the academy on its improved financial status.

If you have any questions or require further assistance, please do not hesitate to contact Nancy Hoover, Division Administrator of the School Review and Fiscal Accountability at HooverN2@michigan.gov.

Sincerely,

E-SIGNED by Kevin Smith
on 2023-01-31 11:52:02 EST

Kevin Smith, Deputy State Treasurer
Michigan Department of Treasury

cc:

Mike Randel, Business Manager, Bay City Academy

Mr. Michael Vieau, Superintendent, Bay-Arenac Intermediate School District

Dr. Michael Rice, State Superintendent, Michigan Department of Education

Timothy Beson, State Representative, Michigan House of Representatives

Kevin Daley, State Senator, Michigan Senate

Peter Morman, Legislative Affairs, Department of Treasury