



School District of the City of Pontiac

Sinking Fund Budget Summary by Function FY2017-18 1st Amendment

	FY2017 Actual	FY2018 Adopted Budget	FY2018 1st Amendment	Variance	Explanations
REVENUE					
Local	6,929,574	7,002,000	7,264,900	262,900	A
State	0	0	0	0	
Federal	0	0	0	0	
County & InterDistrict					
Other Financing Sources	3,440,000	3,000,000	10,560,000	7,560,000	B
TOTAL REVENUE	10,369,574	10,002,000	17,824,900	7,822,900	
EXPENDITURES					
<u>Support Services</u>					
Other Business Services	5,205	0	30,000	30,000	
Operating Building Services	0	0	2,200	2,200	
Infrastructure Technology	199,087	350,000	350,000	0	
Site Improvements	1,506,093	1,240,000	4,040,000	2,800,000	C
Building Improvements	9,147,785	8,102,000	11,202,000	3,100,000	D
<u>Other Financing</u>	151,551	310,000	310,000	0	
TOTAL EXPENDITURES	11,009,720	10,002,000	15,934,200	5,932,200	
Net Income / (Deficit) - Current Year	(640,146)	0	1,890,700	1,890,700	
Beginning Fund Balance	(1,000,000)	0	(1,640,146)	(1,640,146)	
Projected Ending Fund Balance	(1,640,146)	0	250,554		



School District of the City of Pontiac
 Risk Related Activity Fund Budget Summary by Function
 FY2017-18 1st Amendment

	<u>FY2017</u> <u>Actual</u>	<u>FY2018</u> <u>Adopted Budget</u>	<u>FY2018</u> <u>1st Amendment</u>	<u>Variance</u>	<u>Explanations</u>
REVENUE					
Local	1,063,391	1,160,000	1,060,000	(100,000)	
State	0	0	0	0	
Federal	0	0	0	0	
County & InterDistrict					
Other Financing Sources	0	0	0	0	
TOTAL REVENUE	<u>1,063,391</u>	<u>1,160,000</u>	<u>1,060,000</u>	<u>(100,000)</u>	
EXPENDITURES					
<u>Insurance Programs</u>					
Workmen's Compensation	235,262	350,000	300,000	(50,000)	
Unemployment	24,377	60,000	50,000	(10,000)	
Property Claims	761,568	750,000	750,000	0	
TOTAL EXPENDITURES	<u>1,021,207</u>	<u>1,160,000</u>	<u>1,100,000</u>	<u>(60,000)</u>	
Net Income / (Deficit) - Current Year	<u>42,183</u>	<u>0</u>	<u>(40,000)</u>	<u>(40,000)</u>	
Beginning Fund Balance	806,302	0	848,485	848,485	
Projected Ending Fund Balance	<u>848,485</u>	<u>0</u>	<u>808,485</u>		

**PONTIAC SCHOOL DISTRICT BUDGET
FY18 1st AMENDED BUDGET BY FUND**

	ADOPTED FUND 110 GEF	AMEND 1 FUND 110 GEF	ADOPTED FUND 120 GRANTS	AMEND 1 FUND 120 GRANTS	ADOPTED FUND 130 SEF	AMEND 1 FUND 130 SEF	ADOPTED FUND 150 ATHLETICS	AMEND 1 FUND 150 ATHLETICS	ADOPTED TOTAL BY FUND	AMEND 1 TOTAL BY FUND	ADJUSTMENT BY TOTAL
FY18 AMENDED BUDGET											
FY18 BEGINNING FUND BALANCE	(23,361,466)	(23,184,147)	-	-	-	-	-	-	(23,361,466)	(23,184,147)	177,319
REVENUE											
LOCAL	28,451,400	29,029,800	88,900	113,700	-	8,000	23,500	23,500	28,563,800	29,175,000	611,200
STATE	3,808,700	5,103,100	5,328,100	5,897,000	4,432,700	4,371,200	-	-	13,569,500	15,371,300	1,801,800
FEDERAL	-	-	8,247,600	10,325,100	1,860,700	1,860,700	-	-	10,108,300	12,185,800	2,077,500
OTHER FINANCING SOURCES	14,346,300	14,036,300	-	-	4,579,100	4,706,900	276,500	276,500	19,201,900	19,019,700	(182,200)
TOTAL REVENUE:	46,606,400	48,169,200	13,664,600	16,335,800	10,872,500	10,946,800	300,000	300,000	71,443,500	75,751,800	4,308,300
EXPENSE BY FUNCTION											
0110 - BASIC INSTRUCTION	12,923,100	14,217,000	3,474,700	3,344,700	-	-	-	-	16,397,800	17,561,700	1,163,900
0120 - ADDED NEEDS	13,900	13,900	4,998,100	5,527,200	8,113,700	8,480,700	-	-	13,125,700	14,021,800	896,100
0130 - ADULT/CONTINUING ED	205,000	153,100	-	151,400	-	-	-	-	205,000	304,500	99,500
0210 - SUPPORTING SERVICES	590,600	697,400	1,371,500	1,371,500	2,808,000	2,949,000	-	-	4,770,100	5,017,900	247,800
0220 - INSTRUCTIONAL STAFF SUPPORT	528,300	576,800	2,046,100	2,238,200	354,700	343,700	-	-	2,929,100	3,158,700	229,600
0230 - GENERAL ADMINISTRATION	1,538,900	1,538,800	7,400	7,500	-	-	-	-	1,546,300	1,546,300	-
0240 - SCHOOL ADMINISTRATION	2,591,100	2,755,200	-	-	184,600	184,600	-	-	2,775,700	2,939,800	164,100
0250 - SUPPORT SERVICES BUSINESS	1,920,100	2,120,100	10,000	10,000	-	-	25,200	25,200	1,955,300	2,155,300	200,000
0260 - OPERATION/MAINTENANCE	6,205,300	6,459,200	461,600	454,300	150,000	120,000	20,300	20,300	6,837,200	7,053,800	216,600
0270 - PUPIL TRANSPORTATION	1,820,000	2,136,900	758,700	691,800	1,818,000	1,818,000	30,000	30,000	4,426,700	4,676,700	250,000
0280 - CENTRAL ADMINISTRATION	2,487,500	2,557,100	86,700	89,900	19,500	19,500	-	-	2,593,700	2,666,500	72,800
0290 - OTHER	-	-	-	-	-	-	224,500	224,500	224,500	224,500	-
0300 - COMMUNITY SERVICES	1,500	1,500	232,400	232,400	15,200	15,200	-	-	249,100	249,100	-
0450 - CAPITAL/BUILDING IMPROVEMENTS	500,000	500,000	-	-	-	-	-	-	500,000	500,000	-
0500 - LONG TERM DEBT	12,311,000	12,573,300	-	-	-	-	-	-	12,311,000	12,573,300	262,300
0600 - FUND MODIFICATIONS	276,500	276,500	217,400	216,900	77,000	77,000	-	-	570,900	570,400	(500)
TOTAL EXPENSES:	43,912,800	46,576,800	13,664,600	14,335,800	13,540,700	14,007,700	300,000	300,000	71,418,100	75,220,300	3,802,200
NET (+/-)	2,693,600	1,592,400	-	2,000,000	(2,668,200)	(3,060,900)	-	-	25,400	531,500	506,100
FY18 ENDING FUND BALANCE	(20,667,866)	(21,591,747)	-	2,000,000	(2,668,200)	(3,060,900)	-	-	(23,336,066)	(22,652,647)	

**PONTIAC SCHOOL DISTRICT GENERAL EDUCATION FUND BUDGET
REVENUE AND EXPENDITURE BUDGET - FUND 110
FISCAL YEAR 2017-18**

	2017-18 ADOPTED BUDGET	ADJUSTMENT	2017-18 AMENDMENT 1 TOTALS
FUND EQUITY, BEG OF YEAR			
Unassigned	(23,361,466)	177,319	(23,184,147)
Non-Spendable prepaids, inventory; and deposits	-	-	-
	(23,361,466)	177,319	(23,184,147)
REVENUE			
LOCAL SOURCES			
Property Taxes	27,876,800	496,900	28,373,700
Property Taxes Delinquent Penalties & Interest	21,000	-	21,000
Interest on Investments	600	3,000	3,600
Miscellaneous and Other	50,000	-	50,000
Technology Services - Misc Repairs	-	-	-
Gains on Fixed Asset Sales (GCA)	-	33,500	33,500
Middle Cities Insurance Surplus	50,000	-	50,000
Facility Rentals	75,000	45,000	120,000
Waterford Memorandum of Understanding	40,000	-	40,000
Erate Discount	338,000	-	338,000
TOTAL LOCAL SOURCES	28,451,400	578,400	29,029,800
STATE SOURCES			
Section 22b Discretionary Payment	436,100	-	436,100
Section 20f Hold Harmless	-	32,000	32,000
Section 22n High School	-	22,500	22,500
Section 23a Dropout Recovery	40,000	-	40,000
Section 25e Membership Transfer	30,000	-	30,000
Section 147a MPSERS Offset, 147b Normal Cost Offset	-	475,400	475,400
Section 147c 2 MPSERS One Time Deposit	-	578,200	578,200
147c MPSERS UAAL Rate Stabilization/147d Liability Payment	2,665,600	186,300	2,851,900
Section 152a Headlee Obligation for Data Collection	105,000	-	105,000
Section 26.a Renaissance Zone	172,000	-	172,000
MDE Consent Agreement	360,000	-	360,000
TOTAL STATE SOURCES	3,808,700	1,294,400	5,103,100
OTHER FINANCING SOURCES			
Indirect Revenue	376,300	-	376,300
Sale of Property	900,000	-	900,000
Reimbursement from Insurance Claims	320,000	(320,000)	-
CTE Transportation Costs	50,000	-	50,000
Refinancing on Energy Bonds/SBLF	11,740,000	-	11,740,000
Food Service	135,000	10,000	145,000
MESSA Levy Transfer	825,000	-	825,000
TOTAL OTHER FINANCING SOURCES	14,346,300	(310,000)	14,036,300
TOTAL REVENUE	46,606,400	1,562,800	48,169,200
TOTAL REVENUE AND BEG BALANCE	23,244,934	1,740,119	24,985,053
EXPENDITURES			
Instruction - 01xx	13,142,000	1,242,000	14,384,000
Support Services - 02xx	17,681,800	1,159,700	18,841,500
Community Services - 03xx	1,500	-	1,500
Capital Expenditures - 04xx	500,000	-	500,000
Debt Service -05XX	12,311,000	262,300	12,573,300
Outgoing Transfers- 06xx	276,500	-	276,500
TOTAL EXPENDITURES	43,912,800	2,664,000	46,576,800
Operating Surplus/(Deficit)	2,693,600	(1,101,200)	1,592,400
FUND EQUITY, END OF YEAR			
Unassigned	(20,667,866)	(923,881)	(21,591,747)
Non-Spendable prepaids, inventory; and deposits	-	-	-
TOTAL FUND EQUITY, END OF YEAR	(20,667,866)	(923,881)	(21,591,747)
TOTAL EXPEND AND ENDING BALANCE	23,244,934	1,740,119	24,985,053

PONTIAC SCHOOL DISTRICT GENERAL FUND BUDGET FUND 110
FISCAL YEAR 2017-2018

PROGRAM DESCRIPTION	2017-18 ADOPTED BUDGET	ADJUSTMENT	2017-18 AMENDMENT 1 TOTALS
111 Elementary Education	6,451,000	660,700	7,111,700
112 Middle School	2,612,800	156,200	2,769,000
113 High School	3,859,300	293,200	4,152,500
118 Pre-School	-	183,800	183,800
125 Compensatory Education	13,900	-	13,900
132 Secondary Learning	205,000	(51,900)	153,100
0100 INSTRUCTION	13,142,000	1,242,000	14,384,000
211 Attendance Services	40,000	-	40,000
212 Guidance Services	449,900	106,800	556,700
219 Other Pupil Services	100,700	-	100,700
21x PUPIL SUPPORT	590,600	106,800	697,400
221 Improvement of Instruction	135,800	43,000	178,800
222 Educational Media Services	103,800	2,200	106,000
226 Supervision Direction of Instr Staff	288,700	3,300	292,000
227 Academic Student Assessment	-	-	-
22x INSTRUCTIONAL STAFF SUPPORT	528,300	48,500	576,800
231 Board of Education	615,000	-	615,000
232 Executive Administration	923,900	(100)	923,800
23x GENERAL ADMINISTRATION	1,538,900	(100)	1,538,800
241 Office of Principal	2,580,100	96,400	2,676,500
249 Other School Administration	11,000	67,700	78,700
24x SCHOOL ADMINISTRATION	2,591,100	164,100	2,755,200
252 Fiscal Services	840,100	-	840,100
259 Other Business Services	1,080,000	200,000	1,280,000
25x BUSINESS ADMINISTRATION	1,920,100	200,000	2,120,100
261 Operation/Maintenance	5,929,500	242,700	6,172,200
266 Building Security Services	275,800	11,200	287,000
26x OPERATION/MAINTENANCE	6,205,300	253,900	6,459,200
27x PUPIL TRANSPORTATION	1,820,000	316,900	2,136,900
281 Planning, Research & Development	85,000	63,300	148,300
282 Information Services	97,200	-	97,200
283 Staff/Personnel Services	663,500	400	663,900
284 Data Processing	1,301,200	900	1,302,100
285 Pupil Accounting	340,600	5,000	345,600
28x CENTRAL ADMINISTRATION	2,487,500	69,600	2,557,100
3xx COMMUNITY SERVICES	1,500	-	1,500
45x SITE & BUILDING IMPROVEMENTS	500,000	-	500,000
511 DEBT SERVICE - LONG TERM	12,311,000	262,300	12,573,300
6xx FUND MODIFICATIONS	276,500	-	276,500
GEF (110) TOTAL	43,912,800	2,664,000	46,576,800

**PONTIAC SCHOOL DISTRICT GRANTS & FUNDED PROJECTS BUDGET
REVENUE AND EXPENDITURE BUDGET - FUND 120
FISCAL YEAR 2017-2018**

	2017-18 ADOPTED BUDGET	ADJUSTMENT	2017-18 AMENDMENT 1 TOTALS
FUND EQUITY, BEG OF YEAR			
Unassigned	-	-	-
	-	-	-
REVENUE			
LOCAL SOURCES			
Local Grants	88,900	24,800	113,700
TOTAL LOCAL SOURCES	88,900	24,800	113,700
STATE SOURCES			
Section 99h First Robotics	5,500	-	5,500
Section 21h Partnership Model Districts	-	300,000	300,000
Section 31A At Risk	2,449,600	-	2,449,600
Section 31A At Risk C/O	200,000	-	200,000
Section 35a5 Target Literacy Instruction	-	103,700	103,700
Section 41 Bilingual Education	-	103,900	103,900
Section 104d - Computer Adaptive Tests	-	5,000	5,000
Section 107.1 Adult Education	-	222,400	222,400
Section 32d Great Start Readiness	1,730,300	11,200	1,741,500
Section 32d Great Start Readiness C/O	926,300	(206,400)	719,900
Section 61a.1 Vocational Education	16,400	2,700	19,100
Section 95 Principal Educator Evaluation	-	26,400	26,400
TOTAL STATE SOURCES	5,328,100	568,900	5,897,000
FEDERAL SOURCES			
Title I	5,176,000	(50,000)	5,126,000
Title I C/O	838,000	2,050,000	2,888,000
Title II	669,400	-	669,400
Title II C/O	413,200	-	413,200
Title III	139,000	(21,800)	117,200
Title IV	-	91,700	91,700
National Institute of Justice	17,000	-	17,000
JROTC	50,000	-	50,000
21st Century Community Learning (EXCEL)	945,000	-	945,000
Drinking Water	-	7,600	7,600
TOTAL FEDERAL SOURCES	8,247,600	2,077,500	10,325,100
TOTAL REVENUE	13,664,600	2,671,200	16,335,800
TOTAL REVENUE AND BEG BALANCE	13,664,600	2,671,200	16,335,800
EXPENDITURES	13,664,600	671,200	14,335,800
TOTAL EXPENDITURES	13,664,600	671,200	14,335,800
Operating Surplus/(Deficit)	-	-	-
FUND EQUITY, END OF YEAR			
Unassigned	-	2,000,000	2,000,000
Non-Spendable prepaids, inventory; and deposits	-	-	-
TOTAL FUND EQUITY, END OF YEAR	-	2,000,000	2,000,000
TOTAL EXPEND AND ENDING BALANCE	13,664,600	2,671,200	16,335,800

**PONTIAC SCHOOL DISTRICT GRANTS & FUNDED PROJECTS BUDGET
FISCAL YEAR 2017-2018**

PROGRAM DESCRIPTION	2017-18 ADOPTED BUDGET	ADJUSTMENT	2017-18 AMENDMENT 1 TOTALS
111 Elementary Education	1,080,100	60,000	1,140,100
112 Middle School	59,500	400	59,900
113 High School	89,300	-	89,300
118 Pre-School	2,150,600	(190,400)	1,960,200
119 Summer School	95,200	-	95,200
125 Compensatory Education	4,897,500	526,400	5,423,900
127 Vocational Education	100,600	2,700	103,300
131 Adult/Continuing Education	-	12,800	12,800
132 Secondary Learning	-	138,600	138,600
0100 INSTRUCTION	8,472,800	550,500	9,023,300
212 Guidance Services	763,600	-	763,600
213 Health Services	-	15,900	15,900
216 Social Work Services	15,900	576,100	592,000
219 Other Pupil Services	592,000	(592,000)	-
21x PUPIL SUPPORT	1,371,500	-	1,371,500
221 Improvement of Instruction	1,247,200	137,100	1,384,300
222 Library	-	400	400
225 Computer Assisted Instruction	-	-	-
226 Supervision Direction of Instr Staff	740,300	59,700	800,000
227 Academic Student Assessment	58,600	(5,100)	53,500
22x INSTRUCTIONAL STAFF SUPPORT	2,046,100	192,100	2,238,200
231 Board of Education	1,000	-	1,000
233 Grant Writer/Grant Procurement	6,400	100	6,500
23x GENERAL ADMINISTRATION	7,400	100	7,500
241 Office of Principal	-	-	-
24x SCHOOL ADMINISTRATION	-	-	-
257 Internal Services	10,000	-	10,000
25x BUSINESS ADMINISTRATION	10,000	-	10,000
261 Operation/Maintenance	-	7,600	7,600
266 Building Security Services	461,600	(14,900)	446,700
26x OPERATION/MAINTENANCE	461,600	(7,300)	454,300
27x PUPIL TRANSPORTATION	758,700	(66,900)	691,800
281 Plan Research Development	23,900	-	23,900
282 Information Services	3,500	-	3,500
283 Staff/Personnel Services	59,300	3,200	62,500
284 Data Processing	-	-	-
28x CENTRAL ADMINISTRATION	86,700	3,200	89,900
311 Community Services Direction	6,100	-	6,100
331 Community Activities	53,800	-	53,800
351 Custody & Care of Children	900	-	900
370 Non-Public School Pupils	171,600	-	171,600
3xx COMMUNITY SERVICES	232,400	-	232,400
456 BUILDING IMPROVEMENTS	-	-	-
6xx FUND MODIFICATIONS (IDC)	217,400	(500)	216,900
GRANT FUND (120) TOTAL	13,664,600	671,200	14,335,800

**PONTIAC SCHOOL DISTRICT SPECIAL EDUCATION FUND BUDGET
REVENUE AND EXPENDITURE BUDGET - FUND 130
FISCAL YEAR 2017-18**

	2017-18 ADOPTED BUDGET	ADJUSTMENT	2017-18 AMENDMENT 1 TOTALS
FUND EQUITY, BEG OF YEAR			
Unassigned	-	-	-
	-	-	-
REVENUE			
LOCAL SOURCES			
Misc Revenue	-	8,000	8,000
TOTAL LOCAL SOURCES	-	8,000	8,000
STATE SOURCES			
Section 51c Special Ed Headlee	4,432,700	(61,500)	4,371,200
TOTAL STATE SOURCES	4,432,700	(61,500)	4,371,200
FEDERAL SOURCES			
Medicaid Revenue	290,000	-	290,000
IDEA Flowthrough 2017	-	-	-
IDEA Flowthrough 2018	1,498,600	-	1,498,600
IDEA Preschool 2017	-	-	-
IDEA Preschool 2018	72,100	-	72,100
TOTAL FEDERAL SOURCES	1,860,700	-	1,860,700
OTHER FINANCING SOURCES			
PA18 County Special Education Tax	4,566,000	127,800	4,693,800
Avondale Cooperative Agreement-Tuition	13,100	-	13,100
TOTAL OTHER FINANCING SOURCES	4,579,100	127,800	4,706,900
TOTAL REVENUE	10,872,500	74,300	10,946,800
TOTAL REVENUE AND BEG BALANCE	10,872,500	74,300	10,946,800
EXPENDITURES			
Special Education	13,540,700	467,000	14,007,700
TOTAL EXPENDITURES	13,540,700	467,000	14,007,700
Operating Surplus/(Deficit)	(2,668,200)	(392,700)	(3,060,900)
FUND EQUITY, END OF YEAR			
Unassigned	(2,668,200)	(136,800)	(2,805,000)
Non-Spendable prepaids, inventory, and deposits	55,900	(55,900)	-
Non-Spendable Maintenance of Effort-FY17 Expenditures	-	200,000	200,000
TOTAL FUND EQUITY, END OF YEAR	(2,612,300)	7,300	(2,605,000)
TOTAL EXPEND AND ENDING BALANCE	10,928,400	474,300	11,402,700

**PONTIAC SCHOOL DISTRICT SPECIAL EDUCATION BUDGET
FISCAL YEAR 2017-18**

PROGRAM DESCRIPTION		2017-18 PROPOSED BUDGET	ADJUSTMENT	2017-18 AMEND 1 TOTALS
122	Special Education	8,113,700	367,000	8,480,700
0100	INSTRUCTION	8,113,700	367,000	8,480,700
213	Health Services	699,000	50,000	749,000
214	Psychological Services	413,000	6,800	419,800
215	Speech Pathology and Audiology	726,200	600	726,800
216	Social Work Services	651,400	(1,200)	650,200
218	Teacher Consultant	318,400	2,800	321,200
219	Other Pupil Services	-	82,000	82,000
21x	PUPIL SUPPORT	2,808,000	141,000	2,949,000
221	Improvement of Instruction	21,800	-	21,800
226	Supervision Direction of Instr Staff	332,900	(11,000)	321,900
22x	INSTRUCTIONAL STAFF SUPPORT	354,700	(11,000)	343,700
231	Board of Education	-	-	-
23x	GENERAL ADMINISTRATION	-	-	-
241	Office of Principal	184,600	-	184,600
24x	SCHOOL ADMINISTRATION	184,600	-	184,600
26x	Operations/Maintenance	150,000	(30,000)	120,000
27x	PUPIL TRANSPORTATION	1,818,000	-	1,818,000
283	Staff/Personnel Services	17,000	-	17,000
284	Data Processing	2,500	-	2,500
28x	CENTRAL ADMINISTRATION	19,500	-	19,500
331	Community Activities	-	-	-
371	Non-Public School Pupils	15,200	-	15,200
3xx	COMMUNITY SERVICES	15,200	-	15,200
6xx	FUND MODIFICATIONS (IDC)	77,000	-	77,000
GRANT FUND (130) TOTAL		13,540,700	467,000	14,007,700

**PONTIAC SCHOOL DISTRICT ATHLETICS FUND BUDGET
REVENUE AND EXPENDITURE BUDGET - FUND 150
FISCAL YEAR 2017-2018**

	2017-18 ADOPTED TOTALS	ADJUSTMENT	2017-18 AMENDMENT 1 TOTALS
FUND EQUITY, BEG OF YEAR			
Unassigned	-	-	-
	-	-	-
REVENUE			
LOCAL SOURCES			
Gate Receipts	19,400	-	19,400
Donations	-	-	-
Concessions	4,100	-	4,100
TOTAL LOCAL SOURCES	23,500	-	23,500
OPERATING TRANSFERS			
Transfer from GEF	276,500	-	276,500
TOTAL OPERATING TRANSFER	276,500	-	276,500
TOTAL REVENUE	300,000	-	300,000
TOTAL REVENUE AND BEG BALANCE	300,000	-	300,000
EXPENDITURES			
Athletics	300,000		300,000
TOTAL EXPENDITURES	300,000	-	300,000
Operating Surplus/(Deficit)	-	-	-
FUND EQUITY, END OF YEAR			
Unassigned	-	-	-
Non-Spendable prepaids, inventory; and deposits	-	-	-
TOTAL FUND EQUITY, END OF YEAR	-	-	-
TOTAL EXPEND AND ENDING BALANCE	300,000	-	300,000

**PONTIAC SCHOOL DISTRICT ATHLETICS FUND BUDGET
REVENUE AND EXPENDITURE BUDGET - FUND 150**

FISCAL YEAR 2017-2018	2017-18 ADOPTED TOTALS	ADJUSTMENT	2017-18 AMENDMENT 1 TOTALS
PROGRAM DESCRIPTION			
Athletic Fund Services			
259 Other Business Services	25,200	-	25,200
266 Security	20,300	-	20,300
271 Transportation	30,000	-	30,000
293 Athletic Activities	224,500	-	224,500
ATHLETICS FUND TOTAL	300,000	-	300,000

**PONTIAC SCHOOL DISTRICT FOOD SERVICE FUND BUDGET
REVENUE AND EXPENDITURE BUDGET - FUND 250
FISCAL YEAR 2017-18**

	2017-18 ADOPTED BUDGET	ADJUSTMENT	2017-18 AMENDMENT 1 TOTALS
FUND EQUITY, BEG OF YEAR			
Restricted	876,870	283,365	1,160,235
Non-Spendable prepaids, inventory; and deposits	15,000	17,515	32,515
	891,870	300,880	1,192,750
REVENUE			
LOCAL SOURCES			
Adult Meals	2,000	-	2,000
A la Carte Sales	75,000	10,000	85,000
Catering & Other	8,000	-	8,000
TOTAL LOCAL SOURCES	85,000	10,000	95,000
STATE SOURCES			
Sect 31d School Lunch	90,000	10,000	100,000
TOTAL STATE SOURCES	90,000	10,000	100,000
FEDERAL SOURCES			
USDA Commodities	240,000	-	240,000
Summer Lunch	16,000	(15,000)	1,000
National School Breakfast	725,000	75,000	800,000
National School Lunch	1,750,000	-	1,750,000
NSL - Child Care Food Program	65,000	-	65,000
NSL - CNP Fresh Fruit & Vegetables	54,000	-	54,000
TOTAL FEDERAL SOURCES	2,850,000	60,000	2,910,000
OTHER FINANCING SOURCES			
Copier Lease	6,500	(6,500)	-
TOTAL OTHER FINANCING SOURCES	6,500	(6,500)	-
TOTAL REVENUE	3,031,500	73,500	3,105,000
TOTAL REVENUE AND BEG BALANCE	3,923,370	374,380	4,297,750
EXPENDITURES			
Food Service	2,984,000	430,000	3,414,000
TOTAL EXPENDITURES	2,984,000	430,000	3,414,000
Operating Surplus/(Deficit)	47,500	(356,500)	(309,000)
FUND EQUITY, END OF YEAR			
Unassigned	910,970	(55,620)	855,350
Non-Spendable prepaids, inventory; and deposits	28,400	-	28,400
TOTAL FUND EQUITY, END OF YEAR	939,370	(55,620)	883,750
TOTAL EXPEND AND ENDING BALANCE	3,923,370	374,380	4,297,750

**PONTIAC SCHOOL DISTRICT FOOD SERVICE FUND BUDGET
FISCAL YEAR 2017-18**

PROGRAM DESCRIPTION	2017-18 ADOPTED BUDGET	ADJUSTMENT	2017-18 AMENDMENT 1 TOTALS
Food Services			
1261 Operating Building Services	8,000	(5,500)	2,500
1266 Security Services	7,000	-	7,000
1283 Staff Services	3,000	10,000	13,000
1297 Food Services	2,808,300	180,700	2,989,000
145X Buldg Improvements/Capital	155,700	94,300	250,000
1511 Debt Service-Long Term	2,000	5,500	7,500
1611 Fund Modification	-	145,000	145,000
FOOD SERVICE FUND TOTAL	2,984,000	430,000	3,414,000

**PONTIAC SCHOOL DISTRICT CAPITAL PROJECTS SINKING FUND
REVENUE AND EXPENDITURE BUDGET - FUND 410
FISCAL YEAR 2017-18**

	2017-18 ADOPTED BUDGET	ADJUSTMENT	2017-18 AMEND 1 TOTALS
COMMITTED, FUND EQUITY BEGINNING OF YEAR	-	(1,640,146)	(1,640,146)
REVENUE			
LOCAL SOURCE REVENUE			
Property Tax Levy - Sinking Fund	7,000,000	-	7,000,000
Sinking Fund Pilot		33,800	33,800
Misc Rebates - Sinking Fund		30,000	30,000
Erate - Sinking Fund		199,100	199,100
Interest Income	2,000	-	2,000
Financing Proceeds	3,000,000	7,560,000	10,560,000
TOTAL REVENUE	10,002,000	7,822,900	17,824,900
TOTAL REVENUE AND BEGINNING BALANCE	10,002,000	6,182,754	16,184,754
EXPENDITURES			
Other Business Services - 259	-	30,000	30,000
Operating Bldg Services - 261	-	2,200	2,200
Infrastructure Technology - 284	350,000	-	350,000
Site Improvements -452	1,240,000	2,800,000	4,040,000
Building Improvements - 456	8,102,000	3,100,000	11,202,000
Debt Service Interest Expense - 511	310,000	-	310,000
TOTAL EXPENDITURES	10,002,000	5,932,200	15,934,200
TOTAL FUND EQUITY, END OF YEAR	-	250,554	250,554

PONTIAC SCHOOL DISTRICT INTERNAL SERVICES FUND - RISK RELATED ACTIVITY FUND - FUND 810
 Schedule of Revenues, Expenses, and Net Assets
 FISCAL YEAR 2017-2018

	2017-18 ADOPTED BUDGET	ADJUSTMENT	2017-18 AMENDMENT 1 TOTALS
Net Assets, Beginning of Year			
Total Net Assets, Beginning of Year	806,302	42,182	848,484
Operating Revenues			
Worker Compensation contribution - All Funds	400,000	(100,000)	300,000
Unemployment contribution - All Funds	160,000	-	160,000
Property/Casualty, E & O, Fleet & Other Insurance contribution	600,000	-	600,000
Interest Income	-	-	-
TOTAL REVENUE	1,160,000	(100,000)	1,060,000
Operating Expenses			
Worker Compensation premium/claims	350,000	(50,000)	300,000
Unemployment premium/claims	60,000	(10,000)	50,000
Property/Casualty, E & O, Fleet & Other Insurance contribution	750,000	-	750,000
Total Operating Expenses	1,160,000	(60,000)	1,100,000
Net Operating Profit (Loss)	-	2,182	808,484

SCHOOL DISTRICT FOR THE CITY OF PONTIAC

AMENDED GENERAL APPROPRIATIONS RESOLUTION FOR 2017-2018 SCHOOL YEAR

The 2017-18 Amended General Appropriations Resolution is based upon the budget for the General Fund. The recommended resolution, in the format provided by the State Department of Education to conform to the Uniform Budgeting Act, P.A. 621, is as follows for consideration.

The proposed amended budget is based upon the information available during the period of preparation including the costs of personnel as specified by current collective bargaining agreements and employee compensation plans and the enrollment and staffing projected for the current year. Adjustments to the budget can be anticipated when significant information is obtained which materially changes revenue or expenditures within the current fiscal year.

RESOLVED, that this resolution shall be the amended general appropriations budget of the School District for the City of Pontiac for the fiscal year 2017-2018 which will match the DEP: A resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all income received by the School District for the City of Pontiac.

BE IT FURTHER RESOLVED, that the total revenue to be available for appropriation in the **GENERAL FUND** of the School District for the City of Pontiac for the fiscal year 2017-2018 is as follows:

	Original Budget	Amended Budget	Recommended Amendments
REVENUE			
Local	\$ 28,563,800	\$ 29,175,000	\$ 611,200
State	\$ 13,569,500	\$ 15,371,300	\$ 1,801,800
Federal	\$ 10,108,300	\$ 12,185,800	\$ 2,077,500
Other Financing Sources	<u>\$ 19,201,900</u>	<u>\$ 19,019,700</u>	<u>\$ (182,200)</u>
TOTAL REVENUE	\$ 71,443,500	\$ 75,751,800	\$ 4,308,300
FUND BALANCE 7/1/2017	<u>\$ (23,361,466)</u>	<u>\$ (23,184,147)</u>	<u>\$ 177,319</u>
TOTAL AVAILABLE TO APPROPRIATE	\$ 48,082,034	\$ 52,567,653	\$ 4,485,619

BE IT FURTHER RESOLVED, THAT \$52,567,653 of the total available to appropriate in the **GENERAL FUND** is hereby appropriated in the amounts and for the purposes set forth below:

	Original Budget	Amended Budget	Recommended Amendments
EXPENDITURES			
Instructional Services			
Basic Programs	\$ 16,397,800	\$ 17,561,700	\$ 1,163,900
Added Needs	\$ 13,125,700	\$ 14,021,800	\$ 896,100
Adult & Continuing Education	\$ 205,000	\$ 304,500	\$ 99,500
Support Services			
Pupil Services	\$ 4,770,100	\$ 5,017,900	\$ 247,800
Instructional Staff Support	\$ 2,929,100	\$ 3,158,700	\$ 229,600
General Administration	\$ 1,546,300	\$ 1,546,300	\$ -
School Administration	\$ 2,775,700	\$ 2,939,800	\$ 164,100
Business Support	\$ 1,955,300	\$ 2,155,300	\$ 200,000
Operations/Maintenance	\$ 6,837,200	\$ 7,053,800	\$ 216,600
Transportation	\$ 4,426,700	\$ 4,676,700	\$ 250,000
Central Support	\$ 2,593,700	\$ 2,666,500	\$ 72,800
Other	\$ 224,500	\$ 224,500	\$ -
Community Services	\$ 249,100	\$ 249,100	\$ -
Capital/Building Improvements	\$ 500,000	\$ 500,000	\$ -
Other Financing	<u>\$ 12,881,900</u>	<u>\$ 13,143,700</u>	<u>\$ 261,800</u>
TOTAL EXPENDITURES	<u>\$ 71,418,100</u>	<u>\$ 75,220,300</u>	<u>\$ 3,802,200</u>
FUND BALANCE 7/1/2018	<u>\$ (23,336,066)</u>	<u>\$ (22,652,647)</u>	<u>\$ 683,419</u>
Net Income / (Deficit) - Current Year	<u>\$ 25,400</u>	<u>\$ 531,500</u>	<u>\$ 506,100</u>

BE IT FURTHER RESOLVED, that the total revenue to be available for appropriation in the **SPECIAL REVENUE SCHOOL FOOD SERVICE FUND** of the School District of the City of Pontiac for the fiscal year 2017-2018 is as follows:

	Original Budget	Amended Budget	Recommended Amendments
REVENUE			
Local	\$ 85,000	\$ 95,000	\$ 10,000
State	\$ 90,000	\$ 100,000	\$ 10,000
Federal	\$ 2,850,000	\$ 2,910,000	\$ 60,000
Other Financing Sources	<u>\$ 6,500</u>	<u>\$ -</u>	<u>\$ (6,500)</u>
TOTAL REVENUE	\$ 3,031,500	\$ 3,105,000	\$ 73,500
FUND BALANCE 7/1/2017	<u>\$ 891,870</u>	<u>\$ 1,192,750</u>	<u>\$ 300,880</u>
TOTAL AVAILABLE TO APPROPRIATE	\$ 3,923,370	\$ 4,297,750	\$ 374,380

BE IT FURTHER RESOLVED, THAT \$3,414,000 of the total available to appropriate in the **SPECIAL REVENUE SCHOOL LUNCH FUND** is hereby appropriated in the amounts and for the purposes set forth below:

	Original Budget	Amended Budget	Recommended Amendments
EXPENDITURES			
Operating Building Services	\$ 8,000	\$ 2,500	\$ (5,500)
Security Services	\$ 7,000	\$ 7,000	\$ -
Staff Services	\$ 3,000	\$ 13,000	\$ 10,000
Food Services	\$ 2,808,300	\$ 2,989,000	\$ 180,700
Capital Outlay	\$ 155,700	\$ 250,000	\$ 94,300
Debt Service-Long Term	\$ 2,000	\$ 7,500	\$ 5,500
Fund Modification	\$ -	\$ 145,000	\$ 145,000
TOTAL EXPENDITURES	<u>\$ 2,984,000</u>	<u>\$ 3,414,000</u>	<u>\$ 430,000</u>
FUND BALANCE 7/1/2018	<u>\$ 939,370</u>	<u>\$ 883,750</u>	<u>\$ (55,620)</u>

BE IT FURTHER RESOLVED, that the total revenue to be available for appropriation in the **CAPITAL PROJECTS (SINKING) FUND** of the School District of the City of Pontiac for the fiscal year 2017-2018 is as follows:

	Original Budget	Amended Budget	Recommended Amendments
REVENUE			
Local	\$ 7,002,000	\$ 7,264,900	\$ 262,900
State	\$ -	\$ -	\$ -
Federal	\$ -	\$ -	\$ -
Other Financing Sources	<u>\$ 3,000,000</u>	<u>\$ 10,560,000</u>	<u>\$ 7,560,000</u>
TOTAL REVENUE	\$ 10,002,000	\$ 17,824,900	\$ 7,822,900
FUND BALANCE 7/1/2017	<u>\$ -</u>	<u>\$ (1,640,146)</u>	<u>\$ (1,640,146)</u>
TOTAL AVAILABLE TO APPROPRIATE	\$ 10,002,000	\$ 16,184,754	\$ 6,182,754

BE IT FURTHER RESOLVED, THAT \$15,934,200 of the total available to appropriate in the **CAPITAL PROJECTS (SINKING) FUND** is hereby appropriated in the amounts and for the purposes set forth below:

	Original Budget	Amended Budget	Recommended Amendments
EXPENDITURES			
Other Business Services	\$ -	\$ 30,000	\$ 30,000
Operating Building Services	\$ -	\$ 2,200	\$ 2,200
Infrastructure Technology	\$ 350,000	\$ 350,000	\$ -
Site Improvements	\$ 1,240,000	\$ 4,040,000	\$ 2,800,000
Building Improvements	\$ 8,102,000	\$ 11,202,000	\$ 3,100,000
Debt Service	\$ 310,000	\$ 310,000	\$ -
TOTAL EXPENDITURES	<u>\$ 10,002,000</u>	<u>\$ 15,934,200</u>	<u>\$ 5,932,200</u>
FUND BALANCE 7/1/2018	<u>\$ -</u>	<u>\$ 250,554</u>	<u>\$ 250,554</u>

BE IT FURTHER RESOLVED, that the total revenue to be available for appropriation in the **INTERNAL SERVICE FUND** of the School District of the City of Pontiac for the fiscal year 2017-2018 is as follows:

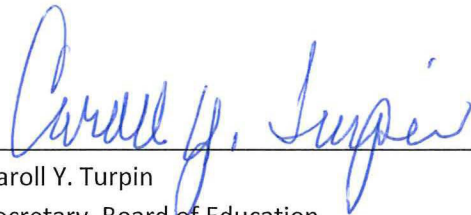
	Original Budget	Amended Budget	Recommended Amendments
REVENUE			
Local	\$1,160,000	\$1,060,000	\$ (100,000)
State	\$ -	\$ -	\$ -
Federal	\$ -	\$ -	\$ -
Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUE	\$1,160,000	\$1,060,000	\$ (100,000)
NET POSITION 7/1/2017	<u>\$ 806,302</u>	<u>\$ 848,484</u>	<u>\$ 42,182</u>
TOTAL AVAILABLE TO APPROPRIATE	<u>\$1,966,302</u>	<u>\$1,908,484</u>	<u>\$ (57,818)</u>

BE IT FURTHER RESOLVED, THAT \$1,908,484 of the total available to appropriate in the **INTERNAL SERVICE FUND** is hereby appropriated in the amounts and for the purposes set forth below:

	Original Budget	Amended Budget	Recommended Amendments
EXPENDITURES			
Insurance Programs	\$1,160,000	\$1,100,000	\$ (60,000)
TOTAL EXPENDITURES	<u>\$1,160,000</u>	<u>\$1,100,000</u>	<u>\$ (60,000)</u>
NET POSITION 7/1/2018	<u>\$ 806,302</u>	<u>\$ 808,484</u>	<u>\$ 2,182</u>

BE IT FURTHER RESOLVED, that no Board of Education member or employee of the School District shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statement adopted by the Board. Changes in the amount appropriated by the Board of Education shall require approval by the Board of Education.

BE IT FURTHER RESOLVED, that the Superintendent is hereby charged with general supervision of the execution of the Budget adopted by the Board of Education and shall hold the Assistant Superintendents, Directors, Assistant Directors and Managers responsible for performance of their responsibilities within the amounts appropriated by the Board of Education and in keeping with the budgetary policy statement adopted by the Board of Education. The Superintendent is further authorized to approve adjustments and/or transfers between line items within a fund of the Board adopted operating budget. This act is to take effect in fiscal year 2017-2018.



Carroll Y. Turpin
Secretary, Board of Education

School District for the City of Pontiac

School District of the City of Pontiac
County of Oakland, State of Michigan
Cash Flow & Anticipated Borrowing
FYE June 30, 2018

Week Ending	7/7/2017	7/14/2017	7/21/2017	7/28/2017	8/4/2017	8/11/2017	8/18/2017	8/25/2017	9/1/2017	9/8/2017	9/15/2017	9/22/2017	9/29/2017	10/6/2017	10/13/2017	10/20/2017	10/27/2017	11/3/2017	11/10/2017	11/17/2017	11/24/2017	12/1/2017	12/8/2017	12/15/2017	12/22/2017	12/29/2017	1/5/2018	1/12/2018
Beginning Balance	3,488,947	2,242,304	2,502,179	1,850,344	1,105,334	728,581	1,628,860	6,995,662	2,485,606	4,895,457	2,613,142	6,370,730	995,186	9,859,042	4,439,510	2,648,647	8,441,273	5,863,676	5,988,829	4,803,767	5,096,720	3,769,045	2,294,269	1,099,460	3,962,097	3,239,905	2,486,551	1,168,409
Receipts																												
10 Intercepted Property Taxes (Retained Percentage)	-	-	-	-	458,194	-	2,189,874	-	2,246,562	-	3,894,151	-	7,154,354	-	1,174,955	-	88,183	-	271,918	-	16,970	-	-	-	95,883	-	25,161	-
11 Intercepted Property Taxes (Disbursement Percentage)	-	-	-	-	178,186	-	851,617	-	873,663	-	1,514,392	-	2,782,249	-	456,927	-	34,294	-	105,746	-	6,599	-	-	-	37,288	-	9,785	-
12 Non-Intercepted Property Taxes	-	-	17,859	-	52,825	-	62,619	-	217,498	-	135,248	-	996,386	-	6,710	-	-	-	-	-	-	-	-	-	1,656	-	36,348	-
13 Total Gross Property Taxes	-	-	17,859	-	689,205	-	3,104,110	-	3,337,722	-	5,543,791	-	10,932,989	-	1,638,592	-	-	-	133,275	-	377,663	-	-	-	25,225	-	169,519	-
14 State Aid	-	-	1,063,857	-	-	-	-	-	1,037,094	-	-	-	-	-	1,294,897	-	-	-	-	-	-	-	-	-	1,062,476	-	34,946	-
15 2016 TAN Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 2017 TAN Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 2017 SAN Proceeds	-	-	-	-	-	-	-	4,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Emergency Loan #2 Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Refinancing of 2006 and 2014 Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21 Debt Service Redemption Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Act 18 Revenues	-	-	-	-	-	-	4,120,186	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Other Grants	-	524,955	-	-	-	1,659,103	-	-	-	-	4,680	-	-	-	-	3,135,133	-	-	-	261,563	-	-	-	3,008,340	-	-	-	-
24 Insurance Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Medicaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Property Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Rentals/Miscellaneous	28,966	-	-	-	-	-	-	36,352	-	-	-	-	111,374	-	-	-	-	-	-	-	-	45,968	-	-	-	-	22,191	-
28 Other Receipts	-	-	-	-	13,835	-	-	-	49,063	-	-	-	-	-	-	-	-	-	81,306	-	-	-	11,889	-	-	-	6,748	-
Total Receipts	28,966	524,955	1,081,716	-	703,040	1,659,103	7,224,296	5,573,446	3,386,785	-	5,548,472	-	11,044,363	-	-	6,068,622	45,968	214,581	-	639,226	1,254,220	25,225	-	3,177,859	1,190,454	57,137	6,748	2,600,000
Expenditures																												
31 Employee Attendance Incentive	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Payroll	1,201,590	-	1,250,834	-	1,023,522	-	1,224,616	-	904,855	-	1,482,652	-	1,161,178	-	1,159,119	-	1,154,444	-	1,166,794	-	1,797,195	-	1,173,201	-	1,700,963	-	1,119,270	-
33 Property Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34 Risk Related Activity Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 Utilities	54,508	-	54,508	-	36,922	-	36,922	-	27,887	-	27,887	-	27,887	-	49,362	-	49,362	-	29,931	-	29,931	-	-	-	23,170	-	23,170	-
36 PA-18 Tuition	18,838	18,838	18,838	18,838	18,838	38,671	442,692	38,671	38,671	38,927	38,927	38,927	38,927	38,927	23,296	23,296	23,296	23,296	13,413	13,413	13,413	13,413	19,391	19,391	19,391	19,391	19,391	37,385
37 Other Expenditures	18,838	18,838	18,838	18,838	18,838	38,671	442,692	38,671	38,671	38,927	38,927	38,927	38,927	38,927	23,296	23,296	23,296	23,296	13,413	13,413	13,413	13,413	19,391	19,391	19,391	19,391	19,391	37,385
General Expenditures - Subtotal	1,274,935	18,838	1,324,180	18,838	1,079,281	38,671	1,742,901	38,671	971,414	38,927	1,549,467	38,927	1,419,439	88,290	1,401,749	72,658	1,397,074	53,227	1,180,207	43,344	1,810,608	36,583	1,192,591	42,561	1,720,354	19,391	1,227,507	37,385
Debt Payments																												
59 2016 TANB Set-Asides	-	-	-	-	-	450,000	-	2,135,000	-	2,185,000	-	4,180,000	-	4,980,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60 2016 SAN (State Aid Intercept) Payments	-	-	-	-	-	-	-	6,800,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61 Emergency Loan #1 Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62 Emergency Loan #2 Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63 MFA LGLP (SBLF Refunding) Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64 Refinancing of the 2006 and 2014 Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Payments - Subtotal	-	-	-	-	-	450,000	-	8,935,000	-	2,185,000	-	4,180,000	-	5,254,740	-	-	261,638	-	-	-	-	-	-	-	-	-	-	-
Significant Recurring Payments																												
70 AT&T Verizon/Paetec CBI	3,640	-	-	-	-	3,607	-	-	-	-	3,594	-	1,804	-	-	-	-	-	-	5,479	-	-	-	-	-	4,840	-	3,474
71 Ancillary Services (P-Card)	36,104	-	-	-	-	85,192	-	-	-	-	52,650	-	103,206	-	-	-	-	-	-	54,394	-	-	-	-	-	50,776	-	60,486
72 Comcast	25,356	-	-	-	-	24,437	-	-	-	-	24,437	-	24,438	-	-	-	-	-	-	-	-	-	-	-	-	48,875	-	24,438
73 Contractors (Independent) inc. Behavioral/Intervention	-	-	59,691	-	-	-	70,380	-	-	-	-	-	120,829	-	-	-	79,626	-	-	-	-	-	-	-	144,222	-	38,993	-
74 First Student	-	-	-	578,095	-	-	18,536	-	-	-	-	460	-	-	-	20,145	-	-	-	-	-	750,486	-	-	-	697,674	-	-
75 Custodial/Grounds/Maintenance	-	-	-	68,435	-	-	-	-	-	-	191,222	-	450,648	-	-	-	-	-	-	-	-	152,887	-	-	-	8,350	-	-
76 MESSA Premium	-	-	-	189	-	-	751,374	-	-	-	401,228	-	-	-	-	334,224	-	-	-	-	459,963	-	-	-	-	-	-	-
77 Oakland Schools IGA	-	-	340,097	-	-	9,988	-	-	-	-	501,401	-	-	-	-	-	-	-	-	-	511,390	-	-	-	-	-	-	-
78 Pediatric Health Consultants	-	792	-	-	-	20,334	-	-	-	-	8,833	-	3,348	-	-	-	-	-	-	55,222	-	-	-	-	13,565	-	20,167	
79 PEGS including grant subs	-	24,500	-	24,500	-	5,520	-	-	-	-	10,557	-	10,557	-	-	-	-	-	-	31,346	-	-	-	34,335	-	36,881	-	40,949
80 Prime Health & Deaf CAN Advocacy	673	-	673	673	512	512	512	512	5,520	-	-	-	10,557	-	6,716	-	6,716	-	6,716	4,856	4,856	-	2,218	2,218	2,218	2,218	2,866	-
81 BCN	41,203	-	41,203	-	-	41,543	-	-	-	-	45,538	-	35,479	-	35,479	-	6,716	-	6,716	-	24,060	-	-	-	33,677	-	29,674	-
82 Security (TYCO)	11,774	-	-	-																								

School District for the City of Pontiac

School District of the City of Pontiac
 County of Oakland, State of Michigan
 Cash Flow & Anticipated Borrowing
 FYE June 30, 2018

	Week Ending	1/19/2018	1/26/2018	2/2/2018	2/9/2018	2/16/2018	2/23/2018	3/2/2018	3/9/2018	3/16/2018	3/23/2018	3/30/2018	4/6/2018	4/13/2018	4/20/2018	4/27/2018	5/4/2018	5/11/2018	5/18/2018	5/25/2018	6/1/2018	6/8/2018	6/15/2018	6/22/2018	6/29/2018	
Beginning Balance		3,482,968	2,328,027	1,613,209	402,212	388,702	571	772,185	1,986,716	1,994,716	253,780	5,483,136	2,267,621	2,222,954	4,486,517	6,470,378	3,396,279	2,431,541	1,164,041	2,840,375	2,119,347	2,054,683	828,933	482,078	697,809	
Receipts																										
10 Intercepted Property Taxes (Retained Percentage)		51,907		29,058		11,080				19,217		63,416		34,591		17,295		65,379		749,773						
11 Intercepted Property Taxes (Disbursement Percentage)		20,186		11,300		4,309				7,473		24,662		13,452		6,726		254,092		291,578						
12 Non-Intercepted Property Taxes		10,998		25,287		5				1,683		5,555		3,030		1,515		57,234								
13 Total Gross Property Taxes		83,091		65,645		15,394				28,374		93,633		51,073		25,536		964,706		1,041,351						
14 State Aid			974,593				962,064					981,699								981,699				981,699		
15 2016 TAN Proceeds								2,935,000				5,000,000			3,835,000											
16 2017 TAN Proceeds																										
17 2017 SAN Proceeds																										
18 Emergency Loan #2 Proceeds												8,485,000														
19 Refinancing of 2006 and 2014 Bonds																										
20 Capitalized Interest																										
21 Debt Service Redemption Fund																										
22 Act 18 Revenues																								785,222		
23 Other Grants		592,389				1,070,842				1,040,233					1,060,233				1,060,233						1,061,104	
24 Insurance Revenue																										
25 Medicaid																									145,000	
26 Property Sales												280,000													275,000	
27 Rentals/Miscellaneous			27,564					7,750				7,750								129,250					7,750	
28 Other Receipts									10,000					10,000							10,000				10,000	
Total Receipts		675,479	1,002,157	65,645		1,086,237	962,064	2,942,750	10,000	1,068,606	5,981,699	8,866,383	10,000	3,835,000	2,093,004	7,750	25,536	10,000	2,024,938	1,110,949	1,041,351	50,000		1,766,921	1,498,854	
Expenditures																										
31 Employee Attendance Incentive																										
32 Payroll		1,644,343		1,191,127		1,443,762		1,275,000		1,275,000		1,275,000		1,275,000		1,275,000		1,275,000		1,275,000					1,275,000	
33 Property Sales												16,800														16,500
34 Risk Related Activity Funding																										
35 Utilities		88,846		5,134		5,134		52,167		52,167			52,167		52,167		52,167		52,167		52,167				52,167	
36 PA-18 Tuition		37,385	37,385	37,385	11,462	11,462	11,462	11,462																	250,000	
37 Other Expenditures		1,770,573	37,385	1,233,646	11,462	1,460,358	11,462	1,338,629		1,327,167		1,291,800	52,167	1,275,000	52,167	1,275,000	52,167	1,275,000	52,167	1,275,000	52,167	1,275,000	52,167	1,273,750	50,917	1,523,750
General Expenditures - Subtotal		1,770,573	37,385	1,233,646	11,462	1,460,358	11,462	1,338,629		1,327,167		1,291,800	52,167	1,275,000	52,167	1,275,000	52,167	1,275,000	52,167	1,275,000	52,167	1,275,000	52,167	1,273,750	50,917	1,523,750
Debt Payments																										
59 2016 TANB Set-Asides																										
60 2016 SAN (State Aid Intercept) Payments										1,000,000					800,000					500,000						
61 Emergency Loan #1 Payments												90,411					45,959									
62 Emergency Loan #2 Payments												88,767					45,123									
63 MFA LGLP (SBLF Refunding) Payments																	733,388									
64 Refinancing of the 2006 and 2014 Bonds												8,481,875					63,638									
Debt Payments - Subtotal										1,000,000		8,481,875			800,000		888,108			500,000						
Significant Recurring Payments																										
70 AT&T Verizon/Paetec/CBI						1,523				5,000					5,000										5,000	
71 Ancillary Services (P-Card)						99				100,000					50,000										50,000	
72 Comcast																									24,438	
73 Contractors (Independent) inc. Behavioral/Intervention		39,622					72,169				50,000														50,000	
74 First Student			481,762																							357,000
75 Custodial/Grounds/Maintenance			388,350					318,995					714,000			357,000										357,000
76 MESSA Premium			763,849									700,000				350,000										350,000
77 Oakland Schools IGA							10,450				520,343				4,477						4,477					34,465
78 Pediatric Health Consultants							13,146				20,000															20,000
79 PEGS including grant subs				40,949			47,083	47,083		47,500			47,500				47,500				47,500					47,500
80 Prime Health & Deaf CAN Advocacy		2,866	2,866	2,048	2,048	2,048	2,048	2,000	2,000	2,000	2,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,000	2,000	2,000	2,000	2,000	
81 BCN							3,723						30,000													30,000
82 Security (TYCO)													24,000								12,000					12,000
83 Sunbelt Staffing			38,650			6,617		6,617				40,000		40,000		40,000				40,000					40,000	
Significant Recurring Payments - Subtotal		42,488	1,655,476	42,997	2,048	14,010	144,896	374,696	2,000	317,375	572,343	1,760,849	2,500	231,438	56,977	1,006,849	50,000	2,500	231,438	56,977	1,053,849	2,000	230,938	86,465	1,053,849	
Other Items- Capital and Other																										
87 Technology		1,485					5,577																			
88 Capital Outlay		15,873										180,000														(59,024)
89 Interest Cost and Late Fees													343,196													
90 Deposit into Capitalized Interest Account																										
91 Deposit into Debt Service Redemption Fund																										
92 Maintenance & Operations																										

School District of the City of Pontiac Treasury A/P Report

Document Record Date as of: 02/28/2018

Bank Code: 05

Fund: General Fund [1xx+340]

Vendor Name	Prior Year	Current Year	Balance
ADVANCED DISPOSAL SERVICES SOLID WASTE MID'	0.00	9,597.02	9,597.02
BLUE CARE NETWORK OF SE MICH	0.00	16,736.33	16,736.33
BRENDA CARTER	0.00	80.00	80.00
CAROLL Y TURPIN	0.00	80.00	80.00
CITY OF PONTIAC WATER DEPT	0.00	12,349.77	12,349.77
COMCAST CABLEVISION	0.00	24,437.50	24,437.50
CONSUMERS ENERGY	0.00	45,587.77	45,587.77
DIANE DRUCKENMILLER	0.00	576.90	576.90
DTE ENERGY COMPANY	0.00	56,588.78	56,588.78
DUBRAE NEWMAN	0.00	80.00	80.00
FIRST STUDENT TRANSP SERVICES	0.00	9,752.59	9,752.59
INACOMP TECHNICAL SERVICES GROUP LLC	0.00	108.48	108.48
KEANA MONIQUE SMITH	0.00	311.00	311.00
Kerry Tolbert	0.00	80.00	80.00
M E A FINANCIAL SERVICES	0.00	601.39	601.39
M E S S A MI EDUC. SPEC. SERV. ASSOC INC	0.00	376,737.86	376,737.86
MICHAEL MCGUINNESS	0.00	80.00	80.00
OAKLAND SCHOOLS	0.00	135.00	135.00
OCCUPATIONAL HEALTH CTRS OF MI	0.00	450.50	450.50
PRIME HEALTHCARE STAFFING INC	0.00	5,889.83	5,889.83
RELIANCE STANDARD LIFE INSURANCE COMPANY	0.00	587.58	587.58
SOLIANT HEALTH	0.00	51,338.75	51,338.75
SUNTEL SERVICES INC	0.00	31.25	31.25
TREASURER, CITY OF PONTIAC	0.00	10,333.33	10,333.33
WILLIAM A CARRINGTON	0.00	80.00	80.00
WINNSBORO FOREST COMPANIES, LLC	0.00	5,700.00	5,700.00
General Fund [1xx+340] Total:		628,331.63	628,331.63

**School District of the City of Pontiac
Treasury A/P Report**

Fund: Food Service [250]

Vendor Name	Prior Year	Current Year	Balance
BLUE CARE NETWORK OF SE MICH	0.00	7,429.35	7,429.35
M E S S A MI EDUC. SPEC. SERV. ASSOC INC	0.00	810.81	810.81
Food Service [250] Total:		8,240.16	8,240.16
Bank Code 05 Total:	0.00	636,571.79	636,571.79

School District of the City of Pontiac Treasury A/P Report

Bank Code: 08

Fund:

Vendor Name	Prior Year	Current Year	Balance
STATE OF MICHIGAN - DEPT OF LICENSING & REGUL	0.00	-3,924.59	-3,924.59
Total:		-3,924.59	-3,924.59
Bank Code 08 Total:	0.00	-3,924.59	-3,924.59

School District of the City of Pontiac Treasury A/P Report

Bank Code: 14

Fund:

Vendor Name	Prior Year	Current Year	Balance
Shana Jackson	0.00	150.00	150.00
Total:		150.00	150.00
Bank Code 14 Total:	0.00	150.00	150.00

**School District of the City of Pontiac
Treasury A/P Report**

Bank Code: 41

Fund:

Vendor Name	Prior Year	Current Year	Balance
FIBERLINK INC	0.00	18,572.50	18,572.50
Lee Contracting, Inc.	0.00	24,046.02	24,046.02
MOTOR CITY CARPET & FLOOR COVERING INC	0.00	21,192.24	21,192.24
OAKLAND COUNTY TREASURER CASH ACTG	0.00	971.59	971.59
PREMIER RELOCATIONS LLC	0.00	16,516.00	16,516.00
STONER ADVISORY GROUP	0.00	1,187.50	1,187.50
Total:		82,485.85	82,485.85
Bank Code 41 Total:	0.00	82,485.85	82,485.85
Grand Total:	0.00	715,283.05	715,283.05



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: March 30, 2018
TO: Local Emergency Financial Assistance Loan Board (ELB)
FROM: Michael Wrobel, Michigan Department of Treasury
SUBJECT: Bay City Academy Preliminary Review

Background

In a letter dated July 20, 2017, the Department of Treasury (the “Department”) advised the Bay City Academy (the “District”) that oversight would transfer from the Michigan Department of Education (MDE) to the Department beginning in January, 2018. Pursuant to 2015 PA 110, section 4(2)(b) (MCL 141.1544), the District is statutorily-mandated to undergo a preliminary review of its finances to determine the existence of probable financial stress. In part, this section provides that the Department, as the State Financial Authority, shall conduct a preliminary review of any school district subject to a DEP which provides for the elimination of its deficit over a period exceeding 5 years. An Interim Report of the Preliminary Review was sent to the District on March 27, 2018. The District was then given five days to respond to that Interim Report. The District and the Department were able to finalize the report on March 30, 2018.

Department of Treasury Recommendation

The Department has been working closely with the District since the Fall of 2017. The Department is of the opinion the District’s financial stress is manageable and therefore recommends the ELB find probable financial stress does not exist in Bay City Academy. Under the legislation, the District is required to enter into an Enhanced Deficit Elimination Plan (EDEP) with the Department, which may include a Financial Recovery Agreement. We expect the district to submit its EDEP by the start of the 2019 fiscal year (July 1, 2018).



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

March 30, 2018

Mr. Harlan Goodrich, Secretary
Local Emergency Financial Assistance Loan Board
Community Engagement and Finance Division
Michigan Department of Treasury
Lansing, MI 48922

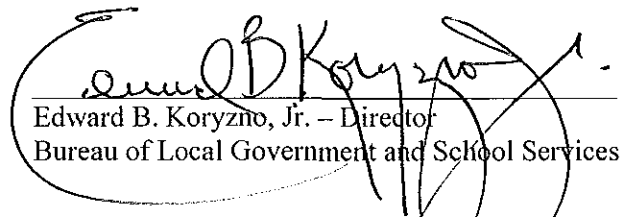
Dear Mr. Goodrich:

On March 9, 2018 a preliminary review of the Bay City Academy (the "Academy") began pursuant to MCL §141.1544(2)(b).

An interim report of the preliminary review was sent to the Academy on March 27, 2018. The Academy was then given five days to respond to that interim report. In its response, the Academy submitted information that caused the Department of Treasury to amend the final report. Copies of both the interim report and the Academy's response are included as attachments to the final report of the preliminary review.

As required by MCL §141.1544(3), the final report of the preliminary review is being transmitted to the Local Emergency Financial Assistance Loan Board (ELB) for its review. The ELB will determine whether or not probable financial stress exists in the Academy.

Sincerely,



Edward B. Koryzno, Jr. – Director
Bureau of Local Government and School Services

cc: Brian Lynch, Superintendent, Bay City Academy
Ryan Moore, Board President, Bay City Academy
Lena Jankowiak, Board Vice President, Bay City Academy
Tricia Coonan, Board Secretary, Bay City Academy
Scot Thompson, Board Treasurer, Bay City Academy
Matt Meisel, Board Trustee, Bay City Academy
Michael Randel, CPA, Randel, Frank, & Schwartzman, CPA PLLLC
Brian J Whiston, State Superintendent, MDE
Kyle Guarrant, Deputy Superintendent, Administrative Services, MDE
Phil Boone, State Aid and School Finance, MDE
Mike Green, State Senator, Michigan Senate
Brian Elder, State Representative, Michigan House of Representatives



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: March 30, 2018
TO: Local Emergency Financial Assistance Loan Board
FROM: Michael Wrobel, Manager of the Outreach, School Review, and Fiscal Analysis Section
SUBJECT: Final Preliminary Review Report – Bay City Academy

I. Background

On March 9, 2018 the Department of Treasury (the “Department”) initiated a Preliminary Review of the finances of Bay City Academy (the “District”) to determine whether or not the school district exhibited probable financial stress. Pursuant to 2015 PA 110, section 4 (2) (b) (MCL §141.1544), the District is statutorily mandated to undergo a preliminary review of its finances to determine the existence of probable financial stress. In part, this section provides that the Department, as the State Financial Authority, shall conduct a preliminary review of any school district that is subject to a Deficit Elimination Plan (DEP) that provides for the elimination of deficit over a period exceeding 5 years.

II. Final Review Findings

The following are facts or circumstances determined by the Department that are indicative of probable financial stress pursuant to 2015 PA 110, section 4(1)(s):

- 1) The last approved DEP exceeds seven or more consecutive years (including the current year); and/or

Finding:

The District’s current DEP (attachment A) approved by the Michigan Department of Education in November 2016 and extends 5 years through the 2020-2021 fiscal year.

The District does not meet this criteria.

- 2) The district’s existing deficit is greater than 15% of general fund revenues;

Finding:

The District’s approved 2017-2018 budget reflects total general fund revenues of \$3,018,359 for the 2017-2018 fiscal year. The District’s total projected fund balance for 2017-18 is -\$1,220,054 indicating their deficit is 40.4% of their total general fund revenues.

The District does meet this criteria.

- 3) A fiscal review by one of the Department’s program offices or an external auditor has revealed one or more material internal control weaknesses as evidenced by notes/findings in the financial audit related to:

- a) Lack of written policies and procedures or failure to follow the written policies and procedures
- b) Immediate concerns with cash shortfalls in current fiscal year which may lead to additional financings or emergency loan
- c) Excessive variances on Final Expenditure Reports (FER) for grants with federal funds
- d) History of spending outside the appropriations established by the local school board in violation of Uniform Budgeting and Accounting Act (UBAA)
- e) Significant audit findings and/or material weaknesses identified in the single audit; and

Finding:

- a) No deficiency noted.
- b) District is currently not anticipating a cash flow shortfall for FY 18.
- c) There are no excessive variances on FER for grants with federal funds (attachment C).
- d) The board passed a balanced budget on June 20th 2014 for the 2015 fiscal year calling for a savings of \$19,786 on budgeted revenue of \$4,710,500. They closed the year with a fund balance of \$(1,359,479) and received only \$3,724,629 in revenue. For the 2016 Fiscal year, the board was able to close the year at an audited surplus of \$204,019 leaving a fund balance of \$(1,155,458). For 2017, a budget calling for a savings of \$25,721 ended up at (\$99,246) putting the general fund balance at \$(1,254,704). The 2018 budget called for a savings of \$19,346 with an outstanding general fund deficit of \$(1,254,704). An amendment was passed in November improving savings to \$51,747, cutting the deficit to \$(1,202,949).

This information is summarized below:

Fiscal Year	Budgeted Rev-Exp	Actual Rev-Exp	Fund Balance
2014	\$82,397	\$11,438	\$31,181
2015	\$19,786	\$(1,390,666)	\$(1,359,479)
2016	\$166,301	\$204,019	\$(1,155,458)
2017	\$25,721	\$(99,246)	\$(1,254,704)
2018	\$51,747	-	-

The District does meet this criteria.

- e) The District received 4 audit findings for Fiscal Year 17: (attachment D):
 - i. 2017-001 (Repeat Finding 2016-001): Relying on external auditor to compile financial information
 - ii. 2017-002 (Repeat Finding 2016-002): Maintain appropriate control over expenditures
 - iii. 2017-003 (Repeat Finding 2016-003): Deficit Fund Balance not allowed
 - iv. 2017-004(Repeat Finding 2016-004): Cannot adopt budget projecting overall deficit

The District does meet this criteria.

- 4) The district has shown unsatisfactory progress in eliminating a deficit. This is determined by identifying one or more of the following conditions:
 - a) A deficit increase is planned the future fiscal year

- b) Lack of cooperation from the district in submitting deficit information (i.e., late submission of the DEP, delinquent return of phone calls or correspondence relating to the DEP, and chronic late submission of Monthly Budgetary Control Reports.)
- c) History of supplying the Department with DEP information that is inaccurate or inconsistent with actual revenues and expenditures at year end; and/or

Finding:

- a) The District's deficit is showing a decrease from (\$1,254,696) in the 2017-2018 fiscal year to a projected (\$1,202,949) on June 30, 2018. The Department and District will work on revised projections during the Enhanced Deficit Elimination Plan (EDEP) process.
- b) No deficiency noted.
- c) Using information from their posted budgets at baycityacademy.com, in FY 16, the district adopted a budget that endeavored to cut \$166,301 from a deficit of \$1,333,730. Their FY17 budget shows they came up \$71,971 short. In FY 17, the Board passed a budget that aimed to cut \$25,721 from the new deficit of \$1,239,400. They instead lost \$57,081 putting their posted fund balance as of June 30th, 2017 at \$1,239,400. The posted budget for 2018 hopes to cut \$51,747. There is a recurring finding in the audits that speaks to this issue. Audit Finding 2017-002 (a repeat finding of 2016-002) states, "The Academy did not appropriately monitor actual expenditures and budget amounts so that disbursements were within the approved budget".

The District does meet this criteria.

Other Findings:

- 1) The District has experienced difficulty in paying their State Aid Notes and a bus note according to the original terms of the agreements.
 - a) Wildfire Credit Union supplied a \$700,000 state aid note with the final payment due March 2015. At June 30, 2017, the balance due on this note is \$518,361. This note has been renegotiated each year.
 - b) During the 2014-15 year, the District obtained a \$1,500,000 state aid note from First National Bank with final payment due September 2015. The balance due on this note June 30, 2017 is \$1,330,000. The loan has been renegotiated several times.
 - c) During 2015-16, the district obtained a \$161,534 bus note with final payment due October 2016. On June 30, 2017, the district owed \$108,549. The audit shows the balance and final payment will be made by the district October 2019.

All of the above items are listed as short term debt in the district audits. By definition, short term debt should be paid in full within a calendar year. The district is unable to make payment in full and so requires their creditors to renegotiate terms each year. The Department notes that an amount of principal has been paid down on each loan in each fiscal year.

Bay City Academy

Account	Preliminary Actual 2015-16	Budgeted 2016-17	Yearly Increase (Decrease)	% Increase (Decrease)	Estimated 2017-18	Yearly Increase (Decrease)	% Increase (Decrease)	Estimated 2018-19	Yearly Increase (Decrease)	% Increase (Decrease)	Estimated 2019-20	Yearly Increase (Decrease)	% Increase (Decrease)	Estimated 2020-21	Yearly Increase (Decrease)	% Increase (Decrease)	
1	Beginning Fund Equity:	(\$1,359,477)	(\$1,099,749)			(\$1,074,028)			(\$829,382)		(\$414,039)			\$122,271			
2	Add: Revenues																
3	11x Local Sources	\$42,744	\$45,000	\$2,256	5.28%	\$50,000	\$5,000	11.11%	\$50,000	\$0	\$50,000	\$0	0.00%	\$50,000	\$0	0.00%	
4	51x Local Rec'd Thru Another Public Sch.	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
5	2xx Other Political Sub.	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
6	3xx State Sources	\$3,212,522	\$2,781,362	(\$431,160)	-13.42%	\$3,025,325	\$243,963	8.77%	\$3,226,400	\$201,075	\$3,378,050	\$151,650	4.70%	\$3,537,400	\$159,350	4.72%	
7	8xx Federal Sources	\$267,342	\$207,952	(\$59,390)	-22.21%	\$208,000	\$48	0.02%	\$208,000	\$0	\$208,000	\$0	0.00%	\$208,000	\$0	0.00%	
8	52x-6xx Incoming Transfers & Other	\$55,809	\$0	(\$55,809)	-100.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
9	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	\$3,636,050	\$151,650	4.35%	\$3,795,400	\$159,350	4.38%	
10	TOTAL RESOURCES AVAILABLE	\$2,218,940	\$1,934,565	(\$284,375)	-12.82%	\$2,209,297	\$274,732	14.20%	\$2,655,018	\$445,721	\$3,222,011	\$566,983	21.36%	\$3,917,671	\$695,660	21.59%	
11	Less: Expenditures																
12	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	\$1,369,005	\$13,555	1.00%	\$1,382,694	\$13,689	1.00%	
13	Support Services:																
14	21x Pupil	\$344,801	\$279,395	(\$65,406)	-18.97%	\$282,189	\$2,794	1.00%	\$285,011	\$2,822	\$287,861	\$2,850	1.00%	\$290,740	\$2,879	1.00%	
15	22x Inst. Staff	\$35,907	\$10,800	(\$25,107)	-69.92%	\$10,908	\$108	1.00%	\$11,020	\$112	\$11,130	\$110	1.00%	\$11,240	\$110	0.99%	
16	23x Gen. Adm.	\$468,340	\$375,064	(\$93,276)	-19.92%	\$378,815	\$3,751	1.00%	\$382,600	\$3,785	\$386,425	\$3,825	1.00%	\$390,290	\$3,865	1.00%	
17	24x Sch. Adm.	\$419,645	\$371,642	(\$48,003)	-11.44%	\$375,360	\$3,718	1.00%	\$379,115	\$3,755	\$382,905	\$3,790	1.00%	\$386,735	\$3,830	1.00%	
18	25x Business	\$169,156	\$193,644	\$24,488	14.48%	\$195,580	\$1,936	1.00%	\$197,535	\$1,955	\$199,510	\$1,975	1.00%	\$201,505	\$1,995	1.00%	
19	26x Operation & Maintenance	\$385,943	\$298,611	(\$87,332)	-22.63%	\$301,697	\$2,986	1.00%	\$304,613	\$3,016	\$307,659	\$3,046	1.00%	\$310,736	\$3,077	1.00%	
20	27x Transportation	\$109,822	\$99,345	(\$10,477)	-9.54%	\$100,340	\$995	1.00%	\$101,343	\$1,003	\$102,355	\$1,012	1.00%	\$103,380	\$1,025	1.00%	
21	28x Central	\$29,833	\$36,347	\$6,514	21.83%	\$36,710	\$363	1.00%	\$37,070	\$360	\$37,440	\$370	1.00%	\$37,815	\$375	1.00%	
22	29x Other	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
23	3xx Community Services	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
24	41,42,43 Outgoing Transfers	\$0	\$15,000	\$15,000	100.00%	\$15,150	\$150	1.00%	\$15,300	\$150	\$15,450	\$150	0.98%	\$15,600	\$150	0.97%	
25	45x Facilities Acq	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
26	51x Debt Service	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
27	6xx Fund Modifications	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
28	TOTAL EXP. & OUTGOING TRANSFERS	\$3,318,689	\$3,008,593	(\$310,096)	-9.34%	\$3,038,679	\$30,086	1.00%	\$3,069,057	\$30,378	\$3,099,740	\$30,683	1.00%	\$3,130,735	\$30,995	1.00%	
29	ENDING FUND BALANCE	(\$1,099,749)	(\$1,074,028)	\$25,721	-2.34%	(\$829,382)	\$244,646	-22.78%	(\$414,039)	\$415,343	\$0.08%	\$122,271	\$536,310	-129.53%	\$786,936	\$664,665	543.60%

Notes:

Transfers & Other Revenue:	
Transfers	\$45,871.00
Other State	\$9,938.00
Total	\$55,809.00

2017-2018 GENERAL APPROPRIATIONS ACT – BUDGET AMENDMENT

The Special Meeting of the Board of Education of Bay City Academy (“the Academy”) County of Bay, State of Michigan, November 14, 2017 at 301 Farragut, Bay City, Michigan.

The meeting was called to order by Mr. Moore chairperson.

Present: Moore, Thompson, Coonan, Meisel

Absent: Janhawiah

The following Preamble and resolution were offered by Member Coonan and supported by Member Meisel.

RESOLVED, that this shall be the general appropriations act for the fiscal year 2017/2018.

BE IT FURTHER RESOLVED that the revenues estimated to be available for appropriations in the general fund is as follows:

Revenue:

Local	\$18,096
State Sources	\$2,686,377
Federal Sources	\$203,611

Total Revenue: **\$2,908,084**

Fund Balance July 1, 2017: (\$1,254,696)

There is no statutory authority for Public School Academies in Michigan to levy taxes.

BE IT FURTHER RESOLVED, that \$2,908,084, the total available to appropriate in the general fund, is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:

110	Instruction	\$1,788,693
126	Federal & State Programs Grants	\$6,580
220	Support Services – Instr Staff	\$26,791
230	General Administration	\$374,288
250	Business Support Services	\$155,522
260	Operations & Maintenance	\$365,149
271	Pupil Transportation Services	\$61,487
280	Central	\$45,520
	Debt Service	\$32,307

Total Appropriated: **\$2,856,337**

Revenues over Expenditures: **\$51,747**

Fund Balance June 30, 2018: (\$1,202,949)

AYES: All

NAYS: none

Resolution declared adopted.

Jucia Coonan

Secretary
Board of Education

I certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Board of Education of Bay City Academy, county of Bay, state of Michigan, at the regular meeting held on November 14 at the Academy, Bay City, Michigan, and that the meeting was conducted and public notice of the meeting was given pursuant to 1976 PA 267, and that the minutes of said meeting were kept and will be or have been made available as required by the Act.

Jucia Coonan

Secretary
Board of Education

Grant Auditor Report

09903

7/1/2016 - 6/30/2017

ISD 09

**Bay City Academy
301 NORTH FARRAGUT ST**

BAY CITY, MI487086599

Grant #	Project #	Project End Date	Allocation	Approved	Paid During Date Range	Cumulative Payments	Balance Approved-Cumulative	Final Expenditure Report?
10.553								
School Breakfast Program								
151970	1215		\$0.00	\$5,544.12	(\$2,410.30)	\$5,544.12	\$0.00	None
161970	116		\$0.00	\$7,140.87	(\$3,045.69)	\$7,140.87	\$0.00	None
161970	1216		\$0.00	\$2,032.12	\$2,032.12	\$2,032.12	\$0.00	None
161970	216		\$0.00	\$5,478.08	(\$1,668.78)	\$5,478.08	\$0.00	None
171970	117		\$0.00	\$2,482.31	\$2,482.31	\$2,482.31	\$0.00	None
171970	217		\$0.00	\$1,916.44	\$1,916.44	\$1,916.44	\$0.00	None
171970	317		\$0.00	\$925.44	\$925.44	\$925.44	\$0.00	None
171970	417		\$0.00	\$1,662.06	\$1,662.06	\$1,662.06	\$0.00	None
171970	517		\$0.00	\$1,621.85	\$1,621.85	\$1,621.85	\$0.00	None
171970	617		\$0.00	\$1,592.42	\$1,592.42	\$1,592.42	\$0.00	None
171970	717		\$0.00	\$1,502.09	\$1,502.09	\$1,502.09	\$0.00	None
171970	817		\$0.00	\$2,095.35	\$2,095.35	\$2,095.35	\$0.00	None
Total for 10.553			\$0.00	\$33,993.15	\$8,705.31	\$33,993.15	\$0.00	

Grant Auditor Report

Grant #	Project #	Project End Date	Allocation	Approved	Paid During Date Range	Cumulative Payments	Balance Approved-Cumulative	Final Expenditure Report?
10.555								
National School Lunch Program								
151960	1215		\$0.00	\$15,577.22	(\$1,843.43)	\$15,577.22	\$0.00	None
161960	116		\$0.00	\$20,489.87	(\$2,056.30)	\$20,489.87	\$0.00	None
161960	1216		\$0.00	\$8,896.92	\$8,896.92	\$8,896.92	\$0.00	None
161960	216		\$0.00	\$16,766.26	(\$1,212.46)	\$16,766.26	\$0.00	None
171960	117		\$0.00	\$9,837.40	\$9,837.40	\$9,837.40	\$0.00	None
171960	217		\$0.00	\$8,950.28	\$8,950.28	\$8,950.28	\$0.00	None
171960	317		\$0.00	\$4,293.62	\$4,293.62	\$4,293.62	\$0.00	None
171960	417		\$0.00	\$7,773.30	\$7,773.30	\$7,773.30	\$0.00	None
171960	517		\$0.00	\$8,507.96	\$8,507.96	\$8,507.96	\$0.00	None
171960	617		\$0.00	\$8,182.08	\$8,182.08	\$8,182.08	\$0.00	None
171960	717		\$0.00	\$8,032.86	\$8,032.86	\$8,032.86	\$0.00	None
171960	817		\$0.00	\$10,468.58	\$10,468.58	\$10,468.58	\$0.00	None
Total for 10.555			\$0.00	\$127,776.35	\$69,830.81	\$127,776.35	\$0.00	
84.010								
ESEA Title I-2% Schoolwide Plan Grants								
161520	1516	9/30/2016	\$0.00	\$9,000.00	\$5,000.00	\$9,000.00	\$0.00	Received
161530	1516	9/30/2016	\$206,585.00	\$266,361.00	\$71,952.63	\$249,365.63	\$16,995.37	Received

Grant Auditor Report

Grant #	Project #	Project End Date	Allocation	Approved	Paid During Date Range	Cumulative Payments	Balance Approved-Cumulative	Final Expenditure Report?
171530	1617	9/30/2017	\$196,256.00	\$213,252.00	\$127,976.89	\$191,424.00	\$21,828.00	Received
Total for 84.010			\$402,841.00	\$488,613.00	\$204,929.52	\$449,789.63	\$38,823.37	
84.367								
TITLE II PART A								
170520	1617	9/30/2017	\$11,854.00	\$24,517.00	\$6,500.00	\$21,306.08	\$3,210.92	Received
Total for 84.367			\$11,854.00	\$24,517.00	\$6,500.00	\$21,306.08	\$3,210.92	
Total for Bay City Academy			\$414,695.00	\$674,899.50	\$289,965.64	\$632,865.21	\$42,034.29	

BAY CITY ACADEMY
Schedule of Findings and Responses
For the Year Ended June 30, 2017

2017-001 (Repeat Finding 2016-001)

Criteria or Specific Requirement

The preparation of financial statements is the responsibility of the Academy management and requires internal controls over both; (1) recording, processing and summarizing financial data (i.e., maintaining internal books and records) and (2) reporting this financial data in the form of financial statements, including all related footnote disclosures (i.e., external financial reporting).

Condition

As is the case with many small schools, the Academy is relying on their independent external auditors to assist with preparation of the financial statements and related note disclosures as part of its external financial reporting process.

Cause/Effect

This condition was caused by the Academy's decision that it is more cost effective to outsource the preparation of its annual financial statements to auditors than to incur the time and expense to obtain the necessary training and expertise required by the Academy to perform this task internally. The Academy's ability to adjust its books and records and prepare financial statements is based, in part, on its reliance on its external auditors who cannot, by definition, be considered a part of the Academy's internal control.

Recommendation

We recommend the Board review this decision annually and evaluate the cost effectiveness of outsourcing the preparation process to determine if this function can be implemented internally.

Views of the Responsible Officials and Planned Corrective Action

We have determined the cost of completing GAAP basis financial statements internally outweighs the benefit to be received. Refer to our corrective action plan for additional information.

BAY CITY ACADEMY
Schedule of Findings and Responses
For the Year Ended June 30, 2017

2017-002 (Repeat Finding 2016-002)

Criteria or Specific Requirement

The State of Michigan requires Michigan School Districts to maintain appropriate controls over expenditures so that disbursements do not exceed budgeted amounts.

Condition

The Academy incurred unfavorable variances in a number of its General Fund expenditure accounts. These variances resulted in a violation of the Uniform Accounting and Budgeting and Budgeting Act, Michigan Public Act of 1978 (Act).

Cause/Effect

The Academy did not appropriately monitor actual expenditures and budget amounts so that disbursements were within the approved budget.

Recommendation

We recommend the Academy should implement measures to monitor its financial activity and amend its budgets when necessary, in accordance with requirements of the Act.

Views of the Responsible Officials and Planned Corrective Action

The prior management company was terminated as of April 2015. As of May 1st, 2015 the new management team took over and will make sure that actual expenditures do not exceed the budgeted expenditures. Refer to our corrective action plan for additional information.

BAY CITY ACADEMY
Schedule of Findings and Responses
For the Year Ended June 30, 2017

2017-003 (Repeat Finding 2016-003)

Criteria or Specific Requirement

The Uniform Accounting and Budgeting Act, Michigan Public Act of 1978, does not allow a local unit of government to have a deficit fund balance.

Condition

As of June 30, 2017, the General Fund has an unassigned deficit fund balance.

Cause/Effect

Lack of adequate budgetary controls in 2015 contributed to the significant accumulated deficit at June 30, 2017. The Academy is not in compliance with the Michigan Uniform Accounting and Budgeting Act for its General Fund.

Recommendation

We recommend that management and the Board of Directors review the 2017-2018 fiscal year budget and continue to work with the State of Michigan to develop a plan to eliminate the unassigned deficit in the General Fund.

Views of the Responsible Officials and Planned Corrective Action

A plan of action filed with the State of Michigan. The management team has eliminated several jobs and many other expenses. The eliminated jobs are being taken over by the new management company or distributed to other administrative employees. With regard to cutting expenditures, the new management company is currently looking to renegotiate the Academy's debt and receive concessions from current vendors. Expenditures of the Academy are being aggressively bid out in a more formal process. Refer to our corrective action plan for additional information.

BAY CITY ACADEMY
Schedule of Findings and Responses
For the Year Ended June 30, 2017

2017-004 (Repeat Finding 2016-004)

Criteria or Specific Requirement

The Uniform Accounting and Budgeting Act, Michigan Public Act 621 of 1978, does not allow a local unit of government to adopt a budget projecting an overall deficit in its fund balance at year end.

Condition

The final approved budget adopted for the General Fund for the 2016-2017 reflected a deficit fund balance at year end.

Cause/Effect

Lack of adequate budgetary controls in 2015 contributed to the significant accumulated deficit at June 30, 2017. The Academy is not in compliance with the Michigan Uniform Accounting and Budgeting Act for its General Fund.

Recommendation

We recommend that management and the Board of Directors review the General Fund budget for 2017-2018 and modify expected revenues and expenditures to work toward a balanced budget.

Views of the Responsible Officials and Planned Corrective Action

The management team and the Board of Directors will be working to closely monitor the Academy's budget as it pertains to the actual expenditures. Refer to our corrective action plan for additional information.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: March 27, 2018

TO: Brian Lynch, Superintendent
Ryan Moore, Board President

FROM: Michael Wrobel, Manager of the Outreach, School Review, and Fiscal
Accountability Section

SUBJECT: Interim Preliminary Review Report – Bay City Academy

I. Background

On March 9, 2018 the Department of Treasury (the “Department”) initiated a Preliminary Review of the finances of Bay City Academy (the “District”) to determine whether or not the school district exhibited probable financial stress. Pursuant to 2015 PA 110, section 4 (2) (b) (MCL §141.1544), the District is statutorily mandated to undergo a preliminary review of its finances to determine the existence of probable financial stress. In part, this section provides that the Department, as the State Financial Authority, shall conduct a preliminary review of any school district that is subject to a Deficit Elimination Plan (DEP) that provides for the elimination of deficit over a period exceeding 5 years.

Under 2015 PA 110, section 4 (3), the Department shall provide an interim report of its findings to the District within 20 days following the commencement of the preliminary review. The school district may provide comments within 5 days after the interim report is provided to the District. Thereafter, the Department shall prepare and provide a final report detailing its preliminary review to the Emergency Loan Board within 30 days following commencement of the preliminary review.

II. Final Review Findings

The following are facts or circumstances determined by the Department that are indicative of probable financial stress pursuant to 2015 PA 110, section 4(1)(s):

- 1) The last approved DEP exceeds seven or more consecutive years (including the current year); and/or

Finding:

The District’s previous DEP (attachment A) approved by the Michigan Department of Education in November 2016 and extends 5 years through the 2020-2021 fiscal year.

The District does not meet this criteria.

- 2) The district's existing deficit is greater than 15% of general fund revenues;

Finding:

The District's approved 2017-2018 budget (attachment B) reflects total general fund revenues of \$2,908,084 for the 2017-2018 fiscal year. The District's total projected fund balance for 2017-18 is (\$1,202,949) indicating their deficit is 41.4% of their total general fund revenues.

The District does meet this criteria.

- 3) A fiscal review by one of the Department's program offices or an external auditor has revealed one or more material internal control weaknesses as evidenced by notes/findings in the financial audit related to:

- a) Lack of written policies and procedures or failure to follow the written policies and procedures
- b) Immediate concerns with cash shortfalls in current fiscal year which may lead to additional financings or emergency loan
- c) Excessive variances on Final Expenditure Reports (FER) for grants with federal funds
- d) History of spending outside the appropriations established by the local school board in violation of Uniform Budgeting and Accounting Act (UBAA)
- e) Significant audit findings and/or material weaknesses identified in the single audit; and

Finding:

- a) No deficiency noted.
- b) District is currently not anticipating a cash flow shortfall for FY 18.
- c) There are no excessive variances on FER for grants with federal funds (attachment C).
- d) The board passed a balanced budget on June 20th 2014 for the 2015 fiscal year calling for a savings of \$19,786 on budgeted revenue of \$4,710,500. They closed the year with a fund balance of (\$1,359,479) and received only \$3,724,629 in revenue. For the 2016 Fiscal year, the board was able to close the year at an audited surplus of \$204,019 leaving a fund balance of (\$1,155,458). For 2017, a budget calling for savings of \$25,721 ended up at (\$99,246) putting the general fund balance at (\$1,254,704). The 2018 budget called for a savings of \$19,346 with an outstanding general fund deficit of (\$1,254,704).

This information is summarized below:

Fiscal Year	Budgeted Rev-Exp	Actual Rev-Exp	Fund Balance
2014	\$82,397	\$11,438	\$31,181
2015	\$19,786	\$(1,390,666)	\$(1,359,479)
2016	\$166,301	\$204,019	\$(1,155,458)
2017	\$25,721	\$(99,246)	\$(1,254,704)
2018	\$19,346	TBD	TBD

The District does meet this criteria.

- e) The District received 4 audit findings for Fiscal Year 17: (attachment D):
 - i. 2017-001 (Repeat Finding 2016-001): Relying on external auditor to compile financial information
 - ii. 2017-002 (Repeat Finding 2016-002): Maintain appropriate control over expenditures
 - iii. 2017-003 (Repeat Finding 2016-003): Deficit Fund Balance not allowed
 - iv. 2017-004(Repeat Finding 2016-004): Cannot adopt budget projecting overall deficit

The District does meet this criteria.

- 4) The district has shown unsatisfactory progress in eliminating a deficit. This is determined by identifying one or more of the following conditions:
 - a) A deficit increase is planned the future fiscal year
 - b) Lack of cooperation from the district in submitting deficit information (i.e., late submission of the DEP, delinquent return of phone calls or correspondence relating to the DEP, and chronic late submission of Monthly Budgetary Control Reports.)
 - c) History of supplying the Department with DEP information that is inaccurate or inconsistent with actual revenues and expenditures at year end; and/or

Finding:

- a) The District’s deficit is showing a decrease from (\$1,254,696) in the 2017-2018 fiscal year to a projected (\$1,202,949) on June 30, 2018. The Department and District will work on revised projections during the Enhanced Deficit Elimination Plan (EDEP) process.
- b) No deficiency noted.
- c) The District has passed budgets in recent years that are inaccurate and inconsistent when viewed from year end. Furthermore, budgets posted on their website are not consistent with numbers pulled from the Financial Information Database within the Center for Education Information and Performance. Using information from their posted budgets at baycityacademy.com, in FY 16, the district adopted a budget that endeavored to cut \$166,301 from a deficit of \$1,333,730. Their FY17 budget shows

they came up \$71,971 short. In FY 17, the Board passed a budget that aimed to cut \$25,721 from the new deficit of \$1,239,400. They instead lost \$57,081 putting their posted fund balance as of June 30th, 2017 at \$1,239,400. The posted budget for 2018 hopes to cut \$19,346.

It should be noted that none of the numbers listed above match audited numbers posted in the Financial Information Database and the Center for Education and Performance Information.

The District does meet this criteria.

Other Findings:

- 1) The District has experienced difficulty in paying their State Aid Notes and a bus note according to the original terms of the agreements.
 - a) Wildfire Credit Union supplied a \$700,000 state aid note with the final payment due March 2015. At June 30, 2017, the balance due on this note is \$518,361. This note has been renegotiated several times with various payment dates and terms that have not been fulfilled.
 - b) During the 2014-15 year, the District borrowed \$1,500,000 state aid note from First National Bank with final payment due September 2015. The balance due on this note June 30, 2017 is \$1,330,000. The loan has been renegotiated several times with the district failing to make the monthly payments.
 - c) During 2015-16, the district obtained a \$161,534 bus note with final payment due October 2016. On 6/30/17, the district owed \$108,549. The audit shows the balance and final payment will be made by the district October 2019.

- 2) The District has experienced declining enrollment for the last four years. Future projections show an increase in enrollment, which contradict the enrollment trend.

Fiscal Year	2014	2015	2016	2017	2018
Student Count	551.86	469.72	397.89	337.18	322.00*
Change	28.86	(82.14)	(71.83)	(60.71)	(15.18)

**claimed a “recent spike in enrollment” in a press release regarding an extension of their charter. In fact, they have an audited decrease of more than 15 FTE, representing a one-year decline of 4.7% on the previous year.*

The District has five days to respond to these findings. Any comments the District would like to provide to the Department are due April 3, 2018. Please send documents and questions to Michael Wrobel at WrobelM@michigan.gov or (517) 335-3247.

- cc. Lena Jankowiak, Board Vice President, Bay City Academy
 Tricia Coonan, Board Secretary, Bay City Academy

Scot Thompson, Board Treasurer, Bay City Academy
Matt Meisel, Board Trustee, Bay City Academy
Brian J Whiston, State Superintendent, MDE
Kyle Guerrant, Deputy Superintendent, Administrative Services, MDE
Mike Green, State Senator, Michigan Senate
Brian Elder, State Representative, Michigan House of Representatives
Phil Boone, Director, State Aid and School Finance, MDE
Michael Randel, CPA, Randel, Frank, & Schwartzman, CPA PLLLC

-----Original Message-----

From: Mike Randel [<mailto:mike@rfscpas.com>]

Sent: Thursday, March 29, 2018 6:25 PM

To: Wrobel, Michael (TREASURY) <WrobelM@michigan.gov>

Cc: Brian Lynch (lynchb@baycityacademy.com) <lynchb@baycityacademy.com>

Subject: Prelim prelim

Michael,

The things I would like to discuss with you on Friday are:

3D-History of spending outside the appropriations-under findings "The 2018 budget called for a savings of \$19,346- that number is from the original budget. The amended budget calls for a savings of \$51,747. Fund balance would then be (\$1,202,949). The chart under 3D would have to be updated if you agree.

4C-Where is this information coming from? Is this just stating that we did not perform exactly as budgeted?

Other Findings:

1(a) When you say "terms have not been fulfilled" - I do not understand that, we do acquire a new loan from the same institution to pay off the old loan in full. Never missing a payment and we have been paying down the debt. (see my attachments as support)

1(b)This is the same situation. No missed payments. Reduction of principal

1(c) Same situation. We prepay the lease every October and we get new financing each year from the same source.

All lenders have been paid timely with principal reduction.

2 "claimed a recent spike in enrollment" the press release referred to:

September 2018 opening day kid count of 188 students in Bay City October 2018 actual count day = 197 students in Bay City Enrollment at the time of the press release was 208 students in Bay City or +20 for the school year.

Looking forward to talking on Friday,

Michael Randel, CPA

Randel, Frank & Schwartzman, CPA PLLC

30700 Telegraph Road

Ste 3655

Bingham Farms, MI 48025

Mike@rfscpas.com

(248) 644-1040 Phone

(248) 438-8520 Fax

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reply to the sender that you have received the message in error and then delete it. Thank you.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2018-7

DETERMINATION OF PROBABLE FINANCIAL STRESS

FOR THE BAY CITY ACADEMY STATE OF MICHIGAN

WHEREAS, Subsection 4(2)(b) of 2012 Public Act (PA) 436, the Local Financial Stability and Choice Act (“the Act”), mandates that the State Treasurer conduct a preliminary review to determine the existence of probable financial stress in a school district if the school district is subject to a deficit elimination plan under Section 1220 of 1976 PA 451, the Revised School Code, which exceeds five (5) years; And

WHEREAS, on March 9, 2018, the State Treasurer commenced a preliminary review of the Bay City Academy (“the Academy”) based upon, among other things, a determination that the Academy’s deficit elimination plan exceeded a time period of five (5) years; And

WHEREAS, in accord with Subsection 4(3) of the Act, an interim report was provided to Academy officials on March 27, 2018, and Academy officials were afforded the five (5) days allowed under the Act to offer comment; And

WHEREAS, Subsection 4(3) of the Act requires a final preliminary review report to be submitted to the Local Emergency Financial Assistance Loan Board within 30 days of being commenced; And

WHEREAS, on March 30, 2018, the State Treasurer submitted to the Local Emergency Financial Assistance Loan Board the final report detailing the preliminary review of the Academy;
And

WHEREAS, Subsection 4(3) of the Act requires that, within 20 days of receiving the final preliminary review report, the Local Emergency Financial Assistance Loan Board shall determine if probable financial stress exists in the Academy; And

WHEREAS, on April 9, 2018, at a duly noticed public meeting, the Local Emergency Financial Assistance Loan Board reviewed and considered the final report of the State Treasurer detailing the preliminary review of the Academy, which review and consideration included an opportunity for representatives of the Academy to be heard concerning the matter; And

WHEREAS, Section 2 of 1980 PA 243, the Emergency Municipal Loan Act, established the Local Emergency Financial Assistance Loan Board and enumerates its powers, among which is the power “to act by an order issued in the name of the board and signed by the members of the board.”

NOW, THEREFORE, be it ordered by the Local Emergency Financial Assistance Loan Board as follows:

1. That, having reviewed and considered the final report of the State Treasurer detailing the preliminary review of the Academy and being fully advised in the premises, the Local Emergency Financial Assistance Loan Board determines, pursuant to Subsection 4(3) of the Act, that probable financial stress exists in the Academy.
2. That the Michigan Department of Treasury transmit respectfully and forthwith to the Office of the Governor a copy of this Order and a copy of the final report of the State Treasurer detailing the preliminary review of the Academy.
3. This Order shall have immediate effect.

IN WITNESS WHEREOF, the members of the Board, or their designees, have signed and executed this Order of Approval.

LOCAL EMERGENCY FINANCIAL ASSISTANCE
LOAN BOARD

By _____
Eric Scorsone, Deputy Treasurer for Finance
As Designee for Nick A. Khouri, State Treasurer

By _____
John J. Walsh, State Budget Director
As Designee for David L. DeVries, Director
Department of Technology, Management and Budget

By _____
Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs

Date: April 9, 2018

Lansing, Michigan



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2018-7

DETERMINATION OF NO PROBABLE FINANCIAL STRESS

FOR THE BAY CITY ACADEMY STATE OF MICHIGAN

WHEREAS, Subsection 4(2)(b) of 2012 Public Act (PA) 436, the Local Financial Stability and Choice Act (“the Act”), mandates that the State Treasurer conduct a preliminary review to determine the existence of probable financial stress in a school district if the school district is subject to a deficit elimination plan under Section 1220 of 1976 PA 451, the Revised School Code, which exceeds five (5) years; And

WHEREAS, on March 9, 2018, the State Treasurer commenced a preliminary review of the Bay City Academy (“the Academy”) based upon, among other things, a determination that the Academy’s deficit elimination plan exceeded a time period of five (5) years; And

WHEREAS, in accord with Subsection 4(3) of the Act, an interim report was provided to Academy officials on March 27, 2018, and Academy officials were afforded the five (5) days allowed under the Act to offer comment; And

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Page 2

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WHEREAS, Subsection 4(3) of the Act requires that, within 20 days of receiving the final preliminary review report, the Local Emergency Financial Assistance Loan Board shall determine if probable financial stress exists in the Academy; And

WHEREAS, on April 9, 2018, at a duly noticed public meeting, the Local Emergency Financial Assistance Loan Board reviewed and considered the final report of the State Treasurer detailing the preliminary review of the Academy, which review and consideration included an opportunity for representatives of the Academy to be heard concerning the matter; And


WHEREAS, Section 2 of 1980 PA 243, the Emergency Municipal Loan Act, established the Local Emergency Financial Assistance Loan Board and enumerates its powers, among which is the power “to act by an order issued in the name of the board and signed by the members of the board.”


NOW, THEREFORE, be it ordered by the Local Emergency Financial Assistance Loan Board as follows:


1. That, having reviewed and considered the final report of the State Treasurer detailing the preliminary review of the Academy and being fully advised in the premises, the Local Emergency Financial Assistance Loan Board determines, pursuant to Subsection 4(3) of the Act, that probable financial stress does not exist in the Academy.
2. That the Michigan Department of Treasury transmit respectfully and forthwith to the Office of the Governor a copy of this Order and a copy of the final report of the State Treasurer detailing the preliminary review of the Academy.
3. This Order shall have immediate effect.

IN WITNESS WHEREOF, the members of the Board, or their designees, have signed and executed this Order of Approval.

LOCAL EMERGENCY FINANCIAL ASSISTANCE
LOAN BOARD

By 
Eric Scorsone, Deputy Treasurer for Finance
As Designee for Nick A. Khouri, State Treasurer

By 
John J. Walsh, State Budget Director
As Designee for David L. DeVries, Director
Department of Technology, Management and Budget

By 
Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs

Date: April 9, 2018

Lansing, Michigan

STATE OF MICHIGAN
DEPARTMENT OF TREASURYRICK SNYDER
GOVERNORNICK A. KHOURI
STATE TREASURER

DATE: April 9, 2018

TO: Local Emergency Financial Assistance Loan Board (ELB)

FROM: John Barton, Bureau of State and Authority Finance
Brian Lefler, R.W. Baird

SUBJECT: Subordination of Emergency Loans – Treasury Summary Memo

Background

Pursuant to Public Act 243 of 1980, as amended, the Local Emergency Financial Assistance Loan Board (ELB) has approved emergency loans to certain municipalities and school districts. In addition to Emergency Loans, these municipalities and school districts have issued or may intend to issue debt either through the Michigan Finance Authority (MFA) or as stand-alone obligations issued directly by the municipality or school district. These debt obligations issued either through the MFA or as stand-alone transactions typically share the same revenue pledge as the emergency loans e.g. revenue sharing or state school aid. Recent experience has shown potential investors, purchasers, or third party providers of credit enhancement (bond insurers) have either hesitated to participate or declined to participate in the MFA's or stand-alone transactions because they view the language in the ELB's emergency loan Orders and related Notes to be ambiguous as it relates to the State Treasurer's ability to withhold state sourced revenues in the event of payment shortfall. By statute, in the event of a repayment default on an emergency loan, the State Treasurer "may" intercept State sourced revenues, such as revenue sharing or state school aid, to cover any emergency loan payment shortfalls.

Recommendation

An ELB Order providing for explicit subordination is recommended to provide clarity to investors which may hold or purchase future bonds of the Michigan Finance Authority (MFA) for the benefit of a municipality or school district with outstanding emergency loan(s). Further, for stand-alone transactions, it is recommended the ELB provide explicit authorization via delegation authority to the State Treasurer to provide for the subordination of emergency loans to stand-alone transactions not issued through the MFA on a case-by-case basis.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2018-8

**ORDER APPROVING SUBORDINATION OF EMERGENCY LOANS TO
OTHER OBLIGATIONS OF MUNICIPALITIES**

WHEREAS, pursuant to the Emergency Municipal Loan Act, Public Act 243 of 1980, as amended (the "Act"), the Local Emergency Financial Assistance Loan Board has made loans to the municipalities listed on Exhibit A attached hereto; And

WHEREAS, certain of those municipalities require additional funding for which they have issued or intend to issue debt through the Michigan Finance Authority (the "MFA") or as stand-alone obligations, which debt shares the same revenue pledge as the loans made by the Local Emergency Financial Assistance Loan Board; And

WHEREAS, due to uncertainty regarding the priority of the pledge of such revenues among the obligations, municipalities have found it difficult to obtain credit enhancement and to attract purchasers of such debt; And

WHEREAS, Section 2 of the Act provides the Local Emergency Financial Assistance Loan Board with authority to set the terms and conditions associated with loans made under the Act; And

WHEREAS, in order to facilitate the issuance of debt by municipalities, the Michigan Department of Treasury is recommending that the priority of the pledged revenues among the above-described obligations be clarified to provide that with respect to the pledge of the proceeds of operating taxes, revenue sharing and state school aid payments, as applicable, to repayment of the


loans listed in attached Exhibit A, (i) such pledge shall be subordinate to the pledge of those revenues to all state aid notes, tax anticipation notes and other debt issuances sold to the MFA, and (ii) with the approval of the State Treasurer, such pledge may be subordinated to the pledge of those revenues to all state aid notes, tax anticipation notes and other debt issuances sold to parties other than the MFA.


NOW, THEREFORE, be it ordered by the Local Emergency Financial Assistance Loan Board as follows:


1. The pledge of the proceeds of operating taxes, revenue sharing and state school aid payments, as applicable, to repayment of the loans listed in attached Exhibit A, shall be subordinate to the pledge of those revenues to all state aid notes, tax anticipation notes and other debt issuances sold to the MFA.
2. The State Treasurer is hereby authorized to permit the subordination of the pledge of the proceeds of operating taxes, revenue sharing and state school aid payments, as applicable, to repayment of the loans listed in attached Exhibit A, to the pledge of those revenues to all state aid notes, tax anticipation notes and other debt issuances sold to parties other than the MFA.
3. The State Treasurer is hereby authorized to execute on behalf of the Local Emergency Financial Assistance Loan Board any such agreements or documents as deemed necessary or appropriate to evidence the subordination approved herein.
4. This Order shall have immediate effect.

IN WITNESS WHEREOF, the members of the Board, or their designees, have signed and executed this Order of Approval.

LOCAL EMERGENCY FINANCIAL ASSISTANCE
LOAN BOARD

By 
Eric Scorsone, Deputy Treasurer for Finance
As Designee for Nick A. Khouri, State Treasurer

By 
John J. Walsh, State Budget Director,
As Designee for David L. DeVries, Director
Department of Technology, Management, and Budget

By 
Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs

Date: 4-9-18
Lansing, Michigan

Exhibit A

Twp/City/Vil/Cty/School	Date of Loan	Loan Balance	
		Original Loan Amount	As of 12/31/2017
Highland Park, City of	5/19/2003	1,000,000.00	500,000.00
Highland Park, City of	9/19/2006	1,000,000.00	800,000.00
Highland Park, City of	4/8/2008	3,000,000.00	3,000,000.00
Ecorse, City of	2/19/2010	3,000,000.00	3,000,000.00
Ecorse, City of	12/15/2010	2,000,000.00	2,000,000.00
Inkster, City of	3/19/2012	3,000,000.00	3,000,000.00
Highland Park, School District of the City of	8/16/2012	4,410,000.00	3,850,000.00
Highland Park, School District of the City of	1/18/2013	3,000,000.00	2,615,000.00
Benton Harbor, City of	2/4/2014	2,300,000.00	1,750,000.00
Hamtramck, City of	9/23/2014	2,070,027.29	1,487,135.36
Allen Park, City of	9/23/2014	2,600,000.00	1,865,000.00
Highland Park, City of	9/25/2014	3,000,000.00	2,710,000.00
Flint, City of	4/29/2015	7,000,000.00	6,200,000.00

Prepared by Michigan Department of Treasury

Twp/City/Vil/Cty/School	Date of Loan	Loan Balance	
		Original Loan Amount	As of 12/31/2017
Benton Harbor Area Schools	5/18/2016	3,300,000.00	3,300,000.00
Inkster, School District of the City of	5/25/2016	12,474,336.65	11,877,000.00
Benton Harbor Area Schools	7/11/2016	2,000,000.00	515,000.00
Benton Harbor Area Schools	7/11/2016	2,000,000.00	1,230,000.00
Benton Harbor Area Schools	7/11/2016	1,400,000.00	1,400,000.00
Benton Harbor Area Schools	7/11/2016	4,400,000.00	4,400,000.00



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: April 9, 2018
TO: Local Emergency Financial Assistance Loan Board (ELB)
FROM: Paul G. Connors, Michigan Department of Treasury
SUBJECT: Highland Park School District Loan Compliance

Executive Summary

With the Highland Park School District (the District) to be removed from PA 436 receivership in April 2018, the Emergency Loan Board (ELB) wants to assure District compliance with the terms of the 2012 and 2013 emergency loans.

Financial Background

In 2012, Governor Snyder declared the District was in a financial emergency. On March 12, 2012, the District's first emergency manager was appointed. At the end of FY 2011, the District's general fund deficit had increased from \$7.5M to \$11.3M. Moreover, pupil enrollment had decreased from 3,179 in 2006 to 1,331 in 2011.

In July 2012, the emergency manager established a new public school academy (PSA) system to provide educational services to District students. The District entered into a five-year contract with the PSA that expired in June 2017 and has subsequently be renewed through June 2018. Despite the creation of the charter system student enrollment continued to decline. By 2015, high school enrollment had fallen to 160 students. That year, the emergency manager announced that the high school would close and grades 9-12 educational programs and services would be provided by Detroit Public Schools. Currently, the District educates no students and serves as the authorizer for the Highland Park Public School Academy (Pre K-8), whose pupil count is 365.

In August 2012, the ELB approved a request from the District for a \$4.4M emergency loan. The 2012 loan will be repaid over 30 years at a fixed interest rate of 2.35%.

In January 2013, the ELB approved a request from the District for a second emergency loan of \$3M. The 2013 loan will be repaid over 30 years at a fixed interest rate of 2.30%.

Progress and Accomplishments

In April 2018, Emergency Manager Kevin Smith's 18-month gubernatorial appointment expires. The Governor decided that another emergency manager will not be appointed and the District shall be governed by its elected board of education. Prior to departing, Mr. Smith will issue a number of Emergency Orders that include extending the PSA contract through 2018-2019; restating its high school services agreement with Detroit Public Schools Community District; and

adopting a two-year budget. Moreover, Mr. Smith has entered into repayment agreements with all known creditors. State aid will be intercepted by a trustee, who will ensure compliance with all repayment agreements.

Rationale for Emergency Loan Board Order

To ensure District compliance with the terms of the 2012 and 2013 emergency loans, the ELB orders the following:

- District shall not directly operate schools until loans are repaid.
- District shall contract with one of more school districts, intermediate school districts, PSA, or universities to provide public education until emergency loans are repaid.
- State Treasurer shall withhold District's portion of the revenue generated by the Local Community Stabilization Authority Act (2014 PA 86) in case District is delinquent in its emergency loan payments.
- State Treasurer shall supervise the District's compliance with this order.
- ELB may waive a provision of this order if the District demonstrates good cause for the waiver.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD

ORDER 2018-9

ORDER OF APPROVAL OF EMERGENCY LOAN

**THE LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN BOARD,
ACTING IN RELATION TO LOANS MADE TO**

**THE SCHOOL DISTRICT OF THE CITY OF HIGHLAND PARK
COUNTY OF WAYNE
STATE OF MICHIGAN**

A local fiscal emergency exists within The School District of the City of Highland Park (the “**District**”).

In response to the local fiscal emergency, on August 16, 2012, the District, with the approval of the Local Emergency Financial Assistance Loan Board (the “**Board**”) under Order 2012-7, borrowed the original principal amount of \$4,410,000.00 for the purpose of enabling the District to meet its financial obligations (the “**2012 Loan**”).

On January 18, 2013, the District, with the approval of the Board under Order 2013-3, borrowed an additional \$3,000,000.00 for the purpose of enabling the District meet its financial obligations (the “**2013 Loan**”).

To repay these obligations of the District to the State of Michigan, the District has pledged revenue from school operating taxes levied by the District under Section 1211 of the Revised School Code, 1976 PA 451, as amended, MCL 380.1211. While that revenue is used to repay the 2012 Loan and the 2013 Loan, it is not available to pay for the direct operation of schools by the District.

As a result, to assure the continued provision of educational services to District residents while the 2012 Loan and the 2013 Loan are repaid, the District does not directly operate schools on its own and instead contracts for the provision of public educational services to District residents in Kindergarten to 8th Grade with the Highland Park Public School Academy System and with the Detroit Public Schools Community District for the provision of educational services to District residents in 9th to 12th Grade.

The District lacks the financial resources to directly educate students on its own while also satisfying its obligation to repay the principal and interest owed on the 2012 Loan and the 2013 Loan.

The Board wants to assure compliance with the terms of the 2012 Loan and the 2013 Loan.

The Board therefore orders the following:

1. No Direct Operation of Schools. For any school year in which any principal or interest on the 2012 Loan or the 2013 Loan remains unpaid, the District shall not operate a public school directly on its own and may not use revenue from school operating taxes levied under Section 1211 of the Revised School Code, 1976 PA 451, as amended, MCL 380.1211, for the purpose of operating a public school directly on its own.

2. Provision of Public Educational Services. For each school year in which paragraph 1 applies, the District shall contract with one or more other school districts, intermediate school districts, public school academies, or universities to provide public educational services to the residents of the District.

4. Additional Security. As additional security for the repayment of the 2012 Loan and the 2013 Loan, the District shall pledge and assign to the repayment of principal or interest on the 2012 Loan and the 2013 Loan the State Treasurer's right to withhold delinquent payments due on the Emergency Loan from the District's portion of the revenue generated by the local community stabilization share tax levied under the Use Tax Act, 1937 PA 94, as amended, MCL 205.91 to 205.111, and payable by the Michigan Department of Treasury to the Local Community Stabilization Authority created under the Local Community Stabilization Authority Act, 2014 PA 86, MCL 123.1341 to 123.1362, for distribution to the District and other governmental entities.

5. Supervision. The State Treasurer shall supervise the District's compliance with this order.


6. Waiver. The Board may waive a provision of this order if the District demonstrates good cause for the waiver to the satisfaction of the Board, and if permitted under applicable law. No waiver will be effective unless approved by the Board and in writing.

The Board has approved this order at a properly-noticed open meeting and the members of the Board are signing the order on the date indicated.

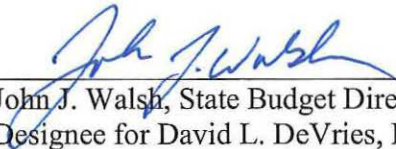
[signatures on following page]

LOCAL EMERGENCY FINANCIAL ASSISTANCE
LOAN BOARD

Date: April 9, 2018

By: 
Eric Scorsone, Deputy Treasurer for Finance as
Designee for Nick A. Khouri, State Treasurer

Date: April 9, 2018

By: 
John J. Walsh, State Budget Director as
Designee for David L. DeVries, Director
Department of Technology, Management, and
Budget

Date: April 9, 2018

By: 
Shelly Edgerton, Director
Department of Licensing and Regulatory Affairs