



MEMORANDUM

To: Rob Glass, Superintendent
Board of Education

Date: February 5, 2015

From: Tina Kostiuik, Assistant Superintendent for Business Services

Re: Fiscal Year 2014/15 Midyear Budget Revision

Recommended Motion:

I move that the Board of Education adopt the Midyear Budget Revision for Fiscal Year 2014-15 as detailed in the attachments.

Below is a summary of midyear revisions:

<u>Fund</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Net Change in Fund Balance</u>
General Fund	\$ 83,094,598	\$ 86,476,660	(\$ 3,382,062)
Special Revenue Funds	\$ 19,398,067	\$ 19,289,695	\$ 108,372

Background Information:

The attached Statement of Revenues and Expenditures for each fund type shows the budget comparison by functional area, comparing the mid-year revision against the original budget adopted before the beginning of the year. In addition, a statement "by object" is provided that shows costs by type such as salaries and fringe benefits. As we know, people are our largest cost.

The budget is based on a set of assumptions that continue to be updated throughout the fiscal year. As these assumptions become known quantities, budget adjustments are required. Similar to last year, no midyear adjustments were made related to medical benefit costs. Being self-insured, we closely review actual claims and adjust our budget accordingly. Each January begins a new plan year and the staff share of costs increased. We've had significant medical plan changes over the past few years and we are monitoring our enrollment changes closely, including the impact of complying with the Patient Protection and Affordable Care Act (PPACA).

The budget detail includes last year's actuals. When comparing last year to this year's original and midyear budget, keep in mind that the MPSERS UAAL funding is reflected under State Revenue and throughout the expenditure lines to correlate with where our salaries are recorded. The net impact is zero. Last year included about \$2.7M and this year is about \$4.5M. In addition, another \$700k is recorded as a revenue and expenditure to fund one of the past reform incentives. Again, the net impact is zero. The changing funding amounts and required accounting presents an added challenge when reviewing our budgets analytically.

Bloomfield Hills Schools
Fiscal Year 2014-15 Midyear Budget Revision
General Fund

	2013-14 Audited Actual	2014-15 Original Budget	2014-15 Midyear Budget
Revenue			
Local Sources	36,626,914	36,937,747	36,540,263
Interdistrict Sources	3,983,141	4,111,915	4,003,917
State Sources	38,456,014	40,764,713	40,186,259
Federal Sources	<u>2,512,054</u>	<u>2,484,354</u>	<u>2,364,159</u>
Total revenue	81,578,123	84,298,729	83,094,598
Expenditures			
Instruction:			
Basic Programs	40,398,764	42,281,552	42,348,249
Added Needs	7,127,153	8,033,477	7,779,988
Other Instruction	<u>990,720</u>	<u>1,002,193</u>	<u>1,026,093</u>
Total instruction	48,516,637	51,317,222	51,154,330
Support services:			
Pupil Services	5,875,557	5,951,938	5,949,179
Instructional Services	4,100,579	4,258,532	4,302,611
School Administration	4,157,003	4,225,700	4,265,354
General Administration	771,172	696,181	696,181
Business Services	1,151,887	1,228,626	1,178,538
Physical Plant Services	7,339,539	6,961,917	7,045,809
Transportation	3,577,511	3,698,674	3,542,433
Central Services	<u>3,155,159</u>	<u>3,197,783</u>	<u>3,270,181</u>
Total support services	30,128,407	30,219,351	30,250,286
Cocurricular Activities	2,137,380	1,895,940	1,900,700
Community Services	<u>1,581,436</u>	<u>1,690,022</u>	<u>1,671,344</u>
Total expenditures	<u>82,363,860</u>	<u>85,122,535</u>	<u>84,976,660</u>
Excess of Expenditures Over Revenue	(785,737)	(823,806)	(1,882,062)
Other Financing Uses -			
Transfers out	<u>(1,357,843)</u>	<u>(1,500,000)</u>	<u>(1,500,000)</u>
Net Change in Fund Balance	(2,143,580)	(2,323,806)	(3,382,062)
Fund Balance - Beginning of Year (audited)	<u>24,189,972</u>	<u>22,046,392</u>	<u>22,046,392</u>
Fund Balance - End of Year (projected)	<u>22,046,392</u>	<u>19,722,586</u>	<u>18,664,330</u>

Bloomfield Hills Schools
Fiscal Year 2014-15 Midyear Budget Revision
General Fund - By Object

	2013-14 Audited Actual	2014-15 Original Budget	2014-15 Midyear Budget
Revenue			
Local Sources	36,626,914	36,937,747	36,540,263
Interdistrict Sources	3,983,141	4,111,915	4,003,917
State Sources	38,456,014	40,764,713	40,186,259
Federal Sources	<u>2,512,054</u>	<u>2,484,354</u>	<u>2,364,159</u>
Total revenue	81,578,123	84,298,729	83,094,598
Expenditures			
Salaries	44,599,340	44,866,005	44,450,749
Fringe Benefits	24,752,960	27,400,597	27,893,294
Purchased Services	4,323,709	4,615,856	4,678,099
Supplies and Other	5,024,561	4,804,321	4,838,849
Capital Outlay	296,473	13,087	-
Tuition, Transfers Out and Other	<u>4,724,660</u>	<u>4,922,669</u>	<u>4,615,669</u>
Total expenditures	<u>83,721,703</u>	<u>86,622,535</u>	<u>86,476,660</u>
Net Change in Fund Balance	(2,143,580)	(2,323,806)	(3,382,062)
Fund Balance - Beginning of Year (audited)	<u>24,189,972</u>	<u>22,046,392</u>	<u>22,046,392</u>
Fund Balance - End of Year (projected)	<u><u>22,046,392</u></u>	<u><u>19,722,586</u></u>	<u><u>18,664,330</u></u>

**Bloomfield Hills Schools
Fiscal Year 2014-15 Midyear Budget Revision
Special Revenue Funds**

	2013-14 Audited Actual	2014-2015 Original Budget	2014-2015 Midyear Budget
Revenue			
Local Sources	3,116,290	3,176,466	3,176,466
Interdistrict Sources	13,061,478	12,827,058	12,974,807
State Sources	3,243,136	3,174,835	2,946,956
Federal Sources	430,488	299,838	299,838
Total revenue	19,851,392	19,478,197	19,398,067
Expenditures			
Instruction:			
Basic Programs	3,634,149	3,839,008	3,686,914
Added Needs	7,258,634	6,700,415	6,676,522
Total instruction	10,892,783	10,539,423	10,363,436
Support services:			
Pupil Services	2,294,958	2,200,996	2,192,450
Instructional Services	773,956	803,904	775,880
School Administration	644,826	663,439	583,740
Physical Plant Services	1,774,588	1,719,150	1,913,366
Transportation	61,278	68,065	71,076
Total support services	5,549,606	5,455,554	5,536,512
Community Service	1,419,271	1,442,119	1,442,119
Food Service Fund	2,159,969	1,947,628	1,947,628
Repayment of Loans	295,000	295,000	-
Total expenditures	20,316,629	19,679,724	19,289,695
Excess of Expenditures Over Revenue	(465,237)	(201,527)	108,372
Other Financing Sources -			
Transfers in	71,488	-	-
Net Change in Fund Balance	(393,749)	(201,527)	108,372
Fund Balance - Beginning of Year (audited)	8,190,767	7,797,018	7,797,018
Fund Balance - End of Year (projected)	7,797,018	7,595,491	7,905,390

Bloomfield Hills Schools
Fiscal Year 2014-15 Midyear Budget Revision
Special Revenue Funds - By Object

	2013-14 Audited Actual	2014-15 Original Budget	2014-15 Midyear Budget
Revenue			
Local Sources	3,116,290	3,176,466	3,176,466
Interdistrict Sources	13,061,478	12,827,058	12,974,807
State Sources	3,243,136	3,174,835	2,946,956
Federal Sources	430,488	299,838	299,838
Transfers In	71,488	-	-
Total revenue	19,922,880	19,478,197	19,398,067
Expenditures			
Salaries	10,221,298	9,824,116	9,609,124
Fringe Benefits	5,389,338	5,117,034	5,032,727
Purchased Services	1,563,906	2,191,392	2,468,464
Supplies and Other	2,289,007	1,582,763	1,261,496
Capital Outlay	44,781	61,612	39,975
Indirect Costs	808,299	902,807	877,909
Total expenditures	20,316,629	19,679,724	19,289,695
Net Change in Fund Balance	(393,749)	(201,527)	108,372
Fund Balance - Beginning of Year (audited)	8,190,767	7,797,018	7,797,018
Fund Balance - End of Year (projected)	7,797,018	7,595,491	7,905,390

Bloomfield Hills Schools
FY 2014-15 Midyear Budget Revision
Special Revenue Funds

	CENTER PROGRAMS			RECREATION/COMMUNITY SERVICES		
	2014-15 Original Budget	2014-15 Midyear Budget	Variance from Original Budget	2014-15 Original Budget	2014-15 Midyear Budget	Variance from Original Budget
Revenue						
Local Sources	-	-	-	1,195,020	1,195,020	-
Interdistrict Sources	7,876,658	7,876,658	-	-	-	-
State Sources	3,050,210	2,858,401	(191,809)	-	-	-
Federal Sources	-	-	-	-	-	-
Total revenue	10,926,868	10,735,059	(191,809)	1,195,020	1,195,020	-
Expenditures						
Instruction:						
Basic Programs	-	-	-	-	-	-
Added Needs	6,700,415	6,676,522	(23,893)	-	-	-
Total instruction	6,700,415	6,676,522	(23,893)	-	-	-
Support services:						
Pupil Services	1,978,237	1,967,028	(11,209)	-	-	-
Instructional Services	589,176	570,625	(18,551)	-	-	-
School Administration	-	-	-	-	-	-
Physical Plant Services	1,278,317	1,215,932	(62,385)	53,680	53,680	-
Transportation	2,000	2,000	-	-	-	-
Total support services	3,847,730	3,755,585	(92,145)	53,680	53,680	-
Community Service	-	-	-	1,048,177	1,048,177	-
Food Service Fund	-	-	-	-	-	-
Repayment of Loans	-	-	-	-	-	-
Total expenditures	10,548,145	10,432,107	(116,038)	1,101,857	1,101,857	-
Net Change in Fund Balance	378,723	302,952	(75,771)	93,163	93,163	-
Fund Balance - Beginning of Year (audited)	5,775,232	5,775,232		368,125	368,125	
Fund Balance - End of Year (projected)	6,153,955	6,078,184		461,288	461,288	

Bloomfield Hills Schools
FY 2014-15 Midyear Budget Revision
Special Revenue Funds

	FOOD SERVICES			INTERNATIONAL ACADEMY			TOTAL ALL SPECIAL REVENUE FUNDS		
	2014-15 Original Budget	2014-15 Midyear Budget	Variance from Original Budget	2014-15 Original Budget	2014-15 Midyear Budget	Variance from Original Budget	2014-15 Original Budget	2014-15 Midyear Budget	Variance from Original Budget
Revenue									
Local Sources	1,577,504	1,577,504	-	403,942	403,942	-	3,176,466	3,176,466	-
Interdistrict Sources	-	-	-	4,950,400	5,098,149	147,749	12,827,058	12,974,807	147,749
State Sources	124,625	88,555	(36,070)	-	-	-	3,174,835	2,946,956	(227,879)
Federal Sources	299,838	299,838	-	-	-	-	299,838	299,838	-
Total revenue	2,001,967	1,965,897	(36,070)	5,354,342	5,502,091	147,749	19,478,197	19,398,067	(80,130)
Expenditures									
Instruction:									
Basic Programs	-	-	-	3,839,008	3,686,914	(152,094)	3,839,008	3,686,914	(152,094)
Added Needs	-	-	-	-	-	-	6,700,415	6,676,522	(23,893)
Total instruction	-	-	-	3,839,008	3,686,914	(152,094)	10,539,423	10,363,436	(175,987)
Support services:									
Pupil Services	-	-	-	222,759	225,422	2,663	2,200,996	2,192,450	(8,546)
Instructional Services	-	-	-	214,728	205,255	(9,473)	803,904	775,880	(28,024)
School Administration	-	-	-	663,439	583,740	(79,699)	663,439	583,740	(79,699)
Physical Plant Services	-	-	-	387,153	643,754	256,601	1,719,150	1,913,366	194,216
Transportation	54,339	54,339	-	11,726	14,737	3,011	68,065	71,076	3,011
Total support services	54,339	54,339	-	1,499,805	1,672,908	173,103	5,455,554	5,536,512	80,958
Community Service	-	-	-	393,942	393,942	-	1,442,119	1,442,119	-
Food Service Fund	1,947,628	1,947,628	-	-	-	-	1,947,628	1,947,628	-
Repayment of Loans	-	-	-	295,000	-	(295,000)	295,000	-	(295,000)
Total expenditures	2,001,967	2,001,967	-	6,027,755	5,753,764	(273,991)	19,679,724	19,289,695	(390,029)
Net Change in Fund Balance	-	(36,070)	(36,070)	(673,413)	(251,673)	421,740	(201,527)	108,372	309,899
Fund Balance - Beginning of Year (audited)	-	-		1,653,661	1,653,661		7,797,018	7,797,018	
Fund Balance - End of Year (projected)	-	(36,070)		980,248	1,401,988		7,595,491	7,905,390	