



Bloomfield Hills Board of Education

Memo

To: Rob Glass and Board of Education
From: Tina Kostiuk, Business Services
Date: February 18, 2016
Re: 2015-16 Mid-Year Budget Revision

Recommended Motion:

I move that the Board of Education adopt the Midyear Budget Revision for Fiscal year 2015-16 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	\$ 84,709,712	\$ 86,408,246	(\$ 1,698,534)
Special Revenue Funds	\$ 18,841,025	\$ 18,437,588	\$403,437

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 for the General Fund 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. We typically do not make midyear adjustments for medical benefit costs. Based upon staff enrollment elections in December, we budgeted the hard cap amounts, which is the maximum amount we are allowed to fund by law.

The budget detail includes last year's actual financial results. When comparing last year to this year's original and midyear budget, keep in mind that the Michigan Public School Employee

Retirement System Unfunded Accrued Actuarial Liability (UAAL) funding is reflected under State Revenue and within the expenditure lines. The new system allows us to account for the UAAL by employee. This impacts the comparability to last year's data, but will give us a more accurate analysis going forward. The net impact of the increased UAAL amount is zero. Last year included about \$4.5M and this year is about \$6.0M. The increased amount and required accounting presents an added challenge when reviewing our budget trends.

ATTACHMENTS:

File Name	Description
2-18-16_BOE_FY16_Midyear_Budget_pkg_v2.pdf	Fiscal Year 2015-16 Midyear Budget Details

Bloomfield Hills Schools
Fiscal Year 2015-16 Midyear Budget Revision
General Fund

	2014-15 Audited Actual	2015-16 Original Budget	2015-16 Midyear Budget
Revenue			
Local Sources	36,424,319	36,679,090	37,703,460
State Sources	39,715,519	40,096,374	41,041,461
Federal Sources	2,259,034	2,197,215	2,037,816
Interdistrict Sources	<u>3,812,912</u>	<u>3,835,525</u>	<u>3,866,975</u>
Total revenue	82,211,784	82,808,204	84,649,712
Expenditures			
Instruction:			
Basic Programs	42,050,748	41,402,948	41,288,122
Added Needs	7,382,650	7,858,176	7,728,401
Other Instruction	<u>1,001,613</u>	<u>1,074,876</u>	<u>1,203,179</u>
Total instruction	50,435,011	50,336,000	50,219,701
Support services:			
Pupil Services	5,992,101	5,960,592	6,421,588
Instructional Services	3,940,372	4,100,787	4,222,195
General Administration	638,980	683,791	646,872
School Administration	4,138,265	3,984,488	4,641,584
Business Services	923,399	920,323	1,205,216
Physical Plant Services	6,844,595	7,062,268	7,233,649
Transportation	3,552,639	3,339,459	3,505,146
Central Services	<u>3,304,103</u>	<u>2,976,368</u>	<u>3,207,514</u>
Total support services	29,334,454	29,028,076	31,083,766
Cocurricular Activities	1,954,263	1,906,960	2,142,409
Community Services	<u>1,683,023</u>	<u>1,740,106</u>	<u>1,883,720</u>
Total expenditures	<u>83,406,751</u>	<u>83,011,142</u>	<u>85,329,596</u>
Excess of Expenditures Over Revenue	(1,194,967)	(202,938)	(679,884)
Other Financing Source (Uses)			
Proceeds from sale of capital assets	20,264	-	-
Transfers in	-	-	60,000
Transfers out	<u>(1,500,000)</u>	<u>(1,000,000)</u>	<u>(1,078,650)</u>
Net Change in Fund Balance	(2,674,703)	(1,202,938)	(1,698,534)
Fund Balance - Beginning of Year (audited)	<u>22,046,392</u>	<u>19,371,689</u>	<u>19,371,689</u>
Fund Balance - End of Year	<u><u>19,371,689</u></u>	<u><u>18,168,751</u></u>	<u><u>17,673,155</u></u>

Bloomfield Hills Schools
Fiscal Year 2015-16 Midyear Budget Revision
General Fund - By Object

	2014-15 Audited Actual	2015-16 Original Budget	2015-16 Midyear Budget
Revenue			
Local Sources	36,444,583	36,679,090	37,703,460
State Sources	39,715,519	40,096,374	41,041,461
Federal Sources	2,259,034	2,197,215	2,037,816
Interdistrict Sources	3,812,912	3,835,525	3,866,975
Transfers In	-	-	60,000
Total revenue	<u>82,232,048</u>	<u>82,808,204</u>	<u>84,709,712</u>
Expenditures			
Salaries	44,459,966	43,832,816	43,871,433
Fringe Benefits	27,148,127	27,033,320	28,369,609
Purchased Services	4,502,561	4,309,222	5,220,381
Supplies and Other	4,082,616	4,419,611	4,510,419
Outgoing Tuition	3,213,481	3,416,173	3,357,754
Transfers Out	1,500,000	1,000,000	1,078,650
Total expenditures	<u>84,906,751</u>	<u>84,011,142</u>	<u>86,408,246</u>
Net Change in Fund Balance	(2,674,703)	(1,202,938)	(1,698,534)
Fund Balance - Beginning of Year (audited)	<u>22,046,392</u>	<u>19,371,689</u>	<u>19,371,689</u>
Fund Balance - End of Year	<u><u>19,371,689</u></u>	<u><u>18,168,751</u></u>	<u><u>17,673,155</u></u>

Bloomfield Hills Schools
Fiscal Year 2015-16 Midyear Budget Revision
Special Revenue Funds

	2014-15 Audited Actual	2015-16 Original Budget	2015-16 Midyear Budget
Revenue			
Local Sources	2,901,281	3,032,181	2,959,934
State Sources	2,934,407	2,745,327	3,118,990
Federal Sources	351,046	291,510	282,295
Interdistrict Sources	<u>12,916,404</u>	<u>12,559,820</u>	<u>12,401,156</u>
Total revenue	19,103,138	18,628,838	18,762,375
Expenditures			
Instruction:			
Basic Programs	3,580,762	3,741,075	3,687,910
Added Needs	<u>6,517,054</u>	<u>6,025,744</u>	<u>6,190,480</u>
Total instruction	10,097,816	9,766,819	9,878,390
Support services:			
Pupil Services	2,157,297	2,124,937	2,030,331
Instructional Services	785,263	776,066	794,838
School Administration	642,168	598,023	652,770
Physical Plant Services	1,851,200	1,832,916	1,762,198
Transportation	<u>59,788</u>	<u>72,105</u>	<u>67,084</u>
Total support services	5,495,716	5,404,047	5,307,221
Community Service	1,318,092	1,468,000	1,439,073
Food Service Fund	1,997,282	1,815,691	1,812,904
Capital Outlay	<u>4,596</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>18,913,502</u>	<u>18,454,557</u>	<u>18,437,588</u>
Excess of Revenue Over Expenditures	189,636	174,281	324,787
Other Financing Sources -			
Transfers in	<u>-</u>	<u>-</u>	<u>78,650</u>
Net Change in Fund Balance	189,636	174,281	403,437
Fund Balance - Beginning of Year (audited)	<u>7,797,019</u>	<u>7,986,655</u>	<u>7,986,655</u>
Fund Balance - End of Year	<u><u>7,986,655</u></u>	<u><u>8,160,936</u></u>	<u><u>8,390,092</u></u>

Bloomfield Hills Schools
Fiscal Year 2015-16 Midyear Budget Revision
Special Revenue Funds

	CENTER PROGRAMS		INTERNATIONAL ACADEMY	
	2015-16 Original Budget	2015-16 Midyear Budget	2015-16 Original Budget	2015-16 Midyear Budget
Revenue				
Local Sources	-	-	400,000	300,000
State Sources	2,673,327	3,037,775	-	-
Federal Sources	-	-	-	-
Interdistrict Sources	7,516,364	7,206,946	5,043,456	5,194,210
Total revenue	10,189,691	10,244,721	5,443,456	5,494,210
Expenditures				
Instruction:				
Basic Programs	-	-	3,741,075	3,687,910
Added Needs	6,025,744	6,190,480	-	-
Total instruction	6,025,744	6,190,480	3,741,075	3,687,910
Support services:				
Pupil Services	1,878,773	1,777,474	246,164	252,857
Instructional Services	562,901	581,548	213,165	213,290
School Administration	-	-	598,023	652,770
Physical Plant Services	1,127,555	1,094,753	651,361	613,765
Transportation	2,000	2,000	15,105	10,745
Total support services	3,571,229	3,455,775	1,723,818	1,743,427
Community Service	-	-	398,000	290,000
Food Service Fund	-	-	-	-
Total expenditures	9,596,973	9,646,255	5,862,893	5,721,337
Excess of Revenue Over (Under)				
Expenditures	592,718	598,466	(419,437)	(227,127)
Other Financing Sources -				
Transfers in	-	-	-	-
Net Change in Fund Balance	592,718	598,466	(419,437)	(227,127)
Fund Balance - Beginning of Year (audited)	6,228,541	6,228,541	1,493,228	1,493,228
Fund Balance - End of Year (projected)	6,821,259	6,827,007	1,073,791	1,266,101

Bloomfield Hills Schools
Fiscal Year 2015-16 Midyear Budget Revision
Special Revenue Funds

	RECREATION/ COMMUNITY SERVICES		FOOD SERVICES		TOTAL ALL SPECIAL REVENUE FUNDS	
	2015-16 Original Budget	2015-16 Midyear Budget	2015-16 Original Budget	2015-16 Midyear Budget	2015-16 Original Budget	2015-16 Midyear Budget
Revenue						
Local Sources	1,175,000	1,202,753	1,457,181	1,457,181	3,032,181	2,959,934
State Sources	-	-	72,000	81,215	2,745,327	3,118,990
Federal Sources	-	-	291,510	282,295	291,510	282,295
Interdistrict Sources	-	-	-	-	12,559,820	12,401,156
Total revenue	1,175,000	1,202,753	1,820,691	1,820,691	18,628,838	18,762,375
Expenditures						
Instruction:						
Basic Programs	-	-	-	-	3,741,075	3,687,910
Added Needs	-	-	-	-	6,025,744	6,190,480
Total instruction	-	-	-	-	9,766,819	9,878,390
Support services:						
Pupil Services	-	-	-	-	2,124,937	2,030,331
Instructional Services	-	-	-	-	776,066	794,838
School Administration	-	-	-	-	598,023	652,770
Physical Plant Services	54,000	53,680	-	-	1,832,916	1,762,198
Transportation	-	-	55,000	54,339	72,105	67,084
Total support services	54,000	53,680	55,000	54,339	5,404,047	5,307,221
Community Service	1,121,000	1,149,073	-	-	1,519,000	1,439,073
Food Service Fund	-	-	1,815,691	1,812,904	1,815,691	1,812,904
Total expenditures	1,175,000	1,202,753	1,870,691	1,867,243	18,505,557	18,437,588
Excess of Revenue Over (Under)						
Expenditures	-	-	(50,000)	(46,552)	123,281	324,787
Other Financing Sources -						
Transfers in	-	-	-	78,650	-	78,650
Net Change in Fund Balance	-	-	(50,000)	32,098	123,281	403,437
Fund Balance - Beginning of Year (audited)						
	296,984	296,984	(32,098)	(32,098)	7,986,655	7,986,655
Fund Balance - End of Year (projected)						
	296,984	296,984	(82,098)	-	8,109,936	8,390,092