



# MEMORANDUM

**To:** Rob Glass, Superintendent  
Board of Education

**Date:** January 31, 2013

**From:** Tina Kostiuk, Assistant Superintendent for Business Services

**Re:** Informational Update

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## Recommended Motion:

I move that the Board of Education adopt the Mid-Year Budget Revision for Fiscal Year 2012-13 as detailed in the attachments and summarized below:

<i>Fund</i>	<i>Revenue</i>	<i>Expenditures</i>	<i>Revenue over (under) Expenditures</i>
General Fund	\$ 80,730,860	\$ 83,436,935	(\$ 2,706,075)
Special Revenue Funds	\$ 21,716,777	\$ 21,607,348	\$ 109,429
Debt Service Fund	\$ 3,142,790	\$ 2,815,241	\$ 327,549
Endowment Fund	\$ 3,310	\$ 3,310	\$ -

## Background Information:

The attached Statement of Revenues and Expenditures for each fund show 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. The largest pending revision that will be analyzed for the final revision in the spring relates to the medical benefit plan changes that were effective November 1, 2012: Explanatory comments to the Statement of Revenues and Expenditures are attached for key changes.

Lastly, key changes from the originally adopted budget to the midyear budget include:

- Enrollment increased over projections, \$1.1M
- Staffing – net cost increase with FICA, (\$537k)
- Retirement costs, net cost decrease due to reforms and reduced contribution rate, \$503k
- Other – utilities, NWEA, Novus, rough estimate for transition, etc. (\$262k)

Bloomfield Hills Schools  
FY 2012-13 Midyear Budget Revision  
General Fund

	2012-13 Original Budget	2012-13 Midyear Budget	Variance from Original Budget	
REVENUES				
Local Sources	37,525,644	37,702,770	177,126	0.5%
Interdistrict Sources	4,016,968	4,024,533	7,565	0.2%
State Sources	34,776,953	36,103,362	1,326,409	A 3.8%
Federal Sources	2,883,583	2,900,195	16,612	0.6%
TOTAL REVENUES	<u>79,203,148</u>	<u>80,730,860</u>	<u>1,527,712</u>	1.9%
BASIC INSTRUCTION				
Elementary School	13,218,306	13,329,142	110,836	0.8%
Middle School	12,175,587	12,340,543	164,956	1.4%
High School	13,061,941	13,085,405	23,464	0.2%
Added Needs	7,770,025	7,492,114	(277,911)	B -3.6%
Other Instruction	778,199	777,855	(344)	0.0%
TOTAL BASIC INSTRUCTION	47,004,058	47,025,059	21,001	0.0%
SUPPORT SERVICE				
Pupil Services	6,163,664	6,197,599	33,935	0.6%
Instructional Services	4,033,320	4,540,420	507,100	C 12.6%
School Administration	4,676,572	4,635,931	(40,641)	-0.9%
General Administration	647,186	683,694	36,508	5.6%
Business Services	1,422,277	1,638,462	216,185	15.2%
Physical Plant Services	7,895,206	7,932,339	37,133	0.5%
Transportation	3,561,553	3,549,917	(11,636)	-0.3%
Central Services	3,433,754	3,417,751	(16,003)	-0.5%
TOTAL SUPPORT SERVICES	31,833,532	32,596,113	762,581	2.4%
Cocurricular Activities	2,182,774	2,226,746	43,972	2.0%
Community Service	1,451,154	1,320,391	(130,763)	-9.0%
Repayment of Loans	244,261	268,626	24,365	10.0%
TOTAL EXPENDITURES	<u>82,715,779</u>	<u>83,436,935</u>	<u>721,156</u>	0.9%
SURPLUS (DEFICIT)	<u>(3,512,631)</u>	<u>(2,706,075)</u>	<u>806,556</u>	

General Fund Revenue and Expenditures  
Explanatory Comments for Variances of \$250,000 or more and 3%  
Fiscal Year 2012-13 Midyear Budget Revision

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- A. State Sources:** The 3.8% rise in State Sources is primarily the result of increased enrollment.
- B. Added Needs:** The Added Needs 3.6% reduction reflects adjustments to staffing costs, federal grant supplies for special education and outgoing tuition for special needs students.
- C. Instructional Services:** The 12.6% increase in Instructional Services is primarily comprised of \$220,000 for BHHS transitional costs, approximately \$52,500 for the NWEA software, and carryover of contractual administrative growth fund dollars from 2011-12 of approximately \$58,000.

Bloomfield Hills Schools  
FY 2012-13 Midyear Budget Revision  
General Fund - By Object

	2012-13 Original Budget	2012-13 Midyear Budget	Variance from Original Budget	
REVENUES				
Local Sources	37,525,644	37,702,770	177,126	0.5%
Interdistrict Sources	4,016,968	4,024,533	7,565	0.2%
State Sources	34,776,953	36,103,362	1,326,409	3.8%
Federal Sources	<u>2,883,583</u>	<u>2,900,195</u>	<u>16,612</u>	0.6%
TOTAL REVENUES	<u>79,203,148</u>	<u>80,730,860</u>	<u>1,527,712</u>	1.9%
EXPENDITURES				
Salaries	44,241,235	44,748,366	507,131	1.1%
Fringe Benefits	23,972,628	23,499,502	(473,126)	-2.0%
Purchased Services	4,292,137	4,481,921	189,784	4.4%
Supplies and Other	4,947,783	5,369,072	421,289	8.5%
Capital Outlay	1,301,165	1,412,887	111,722	8.6%
Debt Service	244,261	268,626	24,365	10.0%
Tuition - Other Transactions	<u>3,716,570</u>	<u>3,656,561</u>	<u>(60,009)</u>	-1.6%
TOTAL EXPENDITURES	<u>82,715,779</u>	<u>83,436,935</u>	<u>721,156</u>	0.9%
SURPLUS (DEFICIT)	<u>(3,512,631)</u>	<u>(2,706,075)</u>	<u>806,556</u>	

Bloomfield Hills Schools  
FY 2012-13 Midyear Budget Revision  
Special Revenue Funds

	2012-13 Original Budget	2012-13 Midyear Budget	Variance from Original Budget	
REVENUES				
Local Sources	3,749,992	3,718,775	(31,217)	-0.8%
Interdistrict Sources	15,188,498	14,153,125	(1,035,373) A	-6.8%
State Sources	3,502,863	3,468,177	(34,686)	-1.0%
Federal Sources	367,060	367,060	-	0.0%
Transfers In	9,640	9,640	-	0.0%
<b>TOTAL REVENUES</b>	<b>22,818,053</b>	<b>21,716,777</b>	<b>(1,101,276)</b>	<b>-4.8%</b>
BASIC INSTRUCTION				
High School	3,988,335	3,736,321	(252,014) B	-6.3%
Added Needs	8,373,991	7,604,477	(769,514) C	-9.2%
<b>TOTAL BASIC INSTRUCTION</b>	<b>12,362,326</b>	<b>11,340,798</b>	<b>(1,021,528)</b>	<b>-8.3%</b>
SUPPORT SERVICE				
Pupil Services	2,679,124	2,450,052	(229,072) D	-8.6%
Instructional Services	808,176	799,530	(8,646)	-1.1%
School Administration	665,214	661,842	(3,372)	-0.5%
Physical Plant Services	2,273,989	2,150,716	(123,273) E	-5.4%
Transportation	63,292	54,918	(8,374)	-13.2%
Central Services	2,020	2,020	-	0.0%
<b>TOTAL SUPPORT SERVICES</b>	<b>6,491,815</b>	<b>6,119,078</b>	<b>(372,737)</b>	<b>-5.7%</b>
Community Service	1,408,916	1,524,183	115,267 F	8.2%
Food Service Fund	2,318,804	2,319,149	345	0.0%
Repayment of Loans	294,500	294,500	-	0.0%
Transfers Out	9,640	9,640	-	0.0%
<b>TOTAL EXPENDITURES</b>	<b>22,886,001</b>	<b>21,607,348</b>	<b>(1,278,653)</b>	<b>-5.6%</b>
<b>SURPLUS (DEFICIT)</b>	<b>(67,948)</b>	<b>109,429</b>	<b>177,377</b>	

Special Revenue Fund Revenue and Expenditures  
Explanatory Comments for Variances of \$75,000 or more and 3%  
Midyear Budget Revision For Fiscal Year 2012-13

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- A. Interdistrict Sources:** The Interdistrict Sources 6.8% decrease reflects the tuition adjustment for Center Program students based on the revised budgets due to student counts and needs. The 9.2% reduction in Added Needs and the 8.6% reduction in Pupil Services reflect the center programs reduced instructional and support staffing costs based on enrollment, which directly affects the revenues received.
- B. High School:** The 6.3% decline in High School reflects the reduction in teacher costs, fringe benefits, retirement, FICA and capital outlay for the International Academy.
- C. Added Needs:** The Added Needs 9.2% reduction includes adjustments to instructional staffing costs based on student enrollment in the center programs.
- D. Pupil Services:** The 8.6% decline in Pupil Services reflects the reduction in support staffing costs for the center programs based on enrollment and student needs. These reductions are partially offset by an increase in psychological services at the International Academy.
- E. Physical Plant Services:** This functional area decreased by 5.4%. The lower center program costs which resulted in a \$104,387 reduction in indirect costs and reduction of rent based on center programs classrooms needed were the key contributors.
- F. Community Service:** The increased costs for the International Center at the International Academy reflect Community Service's 8.2% rise.

Bloomfield Hills Schools  
FY 2012-13 Midyear Budget Revision  
Special Revenue Funds - By Object

	<u>2012-13 Original Budget</u>	<u>2012-13 Midyear Budget</u>	<u>Variance from Original Budget</u>	
REVENUES				
Local Sources	3,749,992	3,718,775	(31,217)	-0.8%
Interdistrict Sources	15,188,498	14,153,125	(1,035,373)	-6.8%
State Sources	3,502,863	3,468,177	(34,686)	-1.0%
Federal Sources	367,060	367,060	-	0.0%
Transfers In	<u>9,640</u>	<u>9,640</u>	<u>-</u>	0.0%
TOTAL REVENUES	<u><u>22,818,053</u></u>	<u><u>21,716,777</u></u>	<u><u>(1,101,276)</u></u>	-4.8%
EXPENDITURES				
Salaries	10,949,867	10,703,707	(246,160)	-2.2%
Fringe Benefits	6,836,753	5,937,017	(899,736)	-13.2%
Purchased Services	1,743,806	1,763,102	19,296	1.1%
Supplies and Other	1,779,731	1,792,019	12,288	0.7%
Capital Outlay	73,164	13,210	(59,954)	-81.9%
Indirect Costs	1,198,540	1,094,153	(104,387)	-8.7%
Debt Service	294,500	294,500	-	0.0%
Transfers Out	<u>9,640</u>	<u>9,640</u>	<u>-</u>	0.0%
TOTAL EXPENDITURES	<u><u>22,886,001</u></u>	<u><u>21,607,348</u></u>	<u><u>(1,278,653)</u></u>	-5.6%
SURPLUS (DEFICIT)	<u><u>(67,948)</u></u>	<u><u>109,429</u></u>	<u><u>177,377</u></u>	

**Bloomfield Hills Schools  
2012-13 Midyear Budget  
Special Revenue Funds**

	CENTER PROGRAMS			RECREATION/COMMUNITY SERVICES			RECREATION MILLAGE		
	2012-13 Original Budget	2012-13 Midyear Budget	Variance from Original Budget	2012-13 Original Budget	2012-13 Midyear Budget	Variance from Original Budget	2012-13 Original Budget	2012-13 Midyear Budget	Variance from Original Budget
REVENUES									
Local Sources	-	-	-	1,233,464	1,233,464	-	134	134	-
Interdistrict Sources	9,987,197	9,112,638	(874,559)	-	-	-	-	-	-
State Sources	3,428,963	3,394,277	(34,686)	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	9,640	9,640	-	-	-	-
<b>TOTAL REVENUES</b>	<b>13,416,160</b>	<b>12,506,915</b>	<b>(909,245)</b>	<b>1,243,104</b>	<b>1,243,104</b>	<b>-</b>	<b>134</b>	<b>134</b>	<b>-</b>
BASIC INSTRUCTION									
High School	-	-	-	-	-	-	-	-	-
Added Needs	8,373,991	7,604,477	(769,514)	-	-	-	-	-	-
<b>TOTAL BASIC INSTRUCTION</b>	<b>8,373,991</b>	<b>7,604,477</b>	<b>(769,514)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
SUPPORT SERVICE									
Pupil Services	2,453,176	2,217,530	(235,646)	-	-	-	-	-	-
Instructional Services	611,209	590,899	(20,310)	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-
Physical Plant Services	1,616,889	1,491,025	(125,864)	48,909	48,909	-	100,000	100,000	-
Transportation	4,000	4,000	-	-	-	-	-	-	-
Central Services	-	-	-	-	-	-	-	-	-
<b>TOTAL SUPPORT SERVICES</b>	<b>4,685,274</b>	<b>4,303,454</b>	<b>(381,820)</b>	<b>48,909</b>	<b>48,909</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>
Community Service	-	-	-	1,144,195	1,144,195	-	11,395	11,395	-
Food Service Fund	-	-	-	-	-	-	-	-	-
Repayment of Loans	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	9,640	9,640	-
<b>TOTAL EXPENDITURES</b>	<b>13,059,265</b>	<b>11,907,931</b>	<b>(1,151,334)</b>	<b>1,193,104</b>	<b>1,193,104</b>	<b>-</b>	<b>121,035</b>	<b>121,035</b>	<b>-</b>
<b>SURPLUS (DEFICIT)</b>	<b>356,895</b>	<b>598,984</b>	<b>242,089</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>(120,901)</b>	<b>(120,901)</b>	<b>-</b>



**Bloomfield Hills Schools  
2012-13 Midyear Budget  
Special Revenue Funds**

	FOOD SERVICES			INTERNATIONAL ACADEMY			TOTAL - ALL SPECIAL REVENUE FUNDS			
	2012-13 Original Budget	2012-13 Midyear Budget	Variance from Original Budget	2012-13 Original Budget	2012-13 Midyear Budget	Variance from Original Budget	Original Budget	2012-13 Midyear Budget	Variance from Original Budget	
REVENUES										
Local Sources	2,013,984	2,013,984	-	502,410	471,193	(31,217)	3,749,992	3,718,775	(31,217)	-0.8%
Interdistrict Sources	-	-	-	5,201,301	5,040,487	(160,814)	15,188,498	14,153,125	(1,035,373)	-6.8%
State Sources	73,900	73,900	-	-	-	-	3,502,863	3,468,177	(34,686)	-1.0%
Federal Sources	367,060	367,060	-	-	-	-	367,060	367,060	-	0.0%
Transfers In	-	-	-	-	-	-	9,640	9,640	-	0.0%
TOTAL REVENUES	<u>2,454,944</u>	<u>2,454,944</u>	<u>-</u>	<u>5,703,711</u>	<u>5,511,680</u>	<u>(192,031)</u>	<u>22,818,053</u>	<u>21,716,777</u>	<u>(1,101,276)</u>	-4.8%
BASIC INSTRUCTION										
High School	-	-	-	3,988,335	3,736,321	(252,014)	3,988,335	3,736,321	(252,014)	-6.3%
Added Needs	-	-	-	-	-	-	8,373,991	7,604,477	(769,514)	-9.2%
TOTAL BASIC INSTRUCTION	-	-	-	3,988,335	3,736,321	(252,014)	12,362,326	11,340,798	(1,021,528)	-8.3%
SUPPORT SERVICE										
Pupil Services	-	-	-	225,948	232,522	6,574	2,679,124	2,450,052	(229,072)	-8.6%
Instructional Services	-	-	-	196,967	208,631	11,664	808,176	799,530	(8,646)	-1.1%
School Administration	-	-	-	665,214	661,842	(3,372)	665,214	661,842	(3,372)	-0.5%
Physical Plant Services	94,421	94,421	-	413,770	416,361	2,591	2,273,989	2,150,716	(123,273)	-5.4%
Transportation	41,719	41,374	(345)	17,573	9,544	(8,029)	63,292	54,918	(8,374)	-13.2%
Central Services	-	-	-	2,020	2,020	-	2,020	2,020	-	0.0%
TOTAL SUPPORT SERVICES	136,140	135,795	(345)	1,521,492	1,530,920	9,428	6,491,815	6,119,078	(372,737)	-5.7%
Community Service	-	-	-	253,326	368,593	115,267	1,408,916	1,524,183	115,267	8.2%
Food Service Fund	2,318,804	2,319,149	345	-	-	-	2,318,804	2,319,149	345	0.0%
Repayment of Loans	-	-	-	294,500	294,500	-	294,500	294,500	-	0.0%
Transfers Out	-	-	-	-	-	-	9,640	9,640	-	0.0%
TOTAL EXPENDITURES	<u>2,454,944</u>	<u>2,454,944</u>	<u>-</u>	<u>6,057,653</u>	<u>5,930,334</u>	<u>(127,319)</u>	<u>22,886,001</u>	<u>21,607,348</u>	<u>(1,278,653)</u>	
SURPLUS (DEFICIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(353,942)</u>	<u>(418,654)</u>	<u>(64,712)</u>	<u>(67,948)</u>	<u>109,429</u>	<u>177,377</u>	

Bloomfield Hills Schools  
FY 2012-13 Midyear Budget Revision  
Debt Service Fund

	2012-13 Original Budget	2012-13 Midyear Budget	Variance from Original Budget	
<u>REVENUES</u>				
Local Sources	2,660,186	2,922,399	262,213	9.9%
State Sources	<u>220,391</u>	<u>220,391</u>	<u>-</u>	0.0%
TOTAL REVENUES	<u>2,880,577</u>	<u>3,142,790</u>	<u>262,213</u>	9.1%
<u>EXPENDITURES</u>				
Redemption of Principal	2,685,374	2,685,374	-	0.0%
Interest on Bonded Debt	73,917	73,917	-	0.0%
Taxes Written Off/Int. on Refunded Taxes	32,500	55,500	23,000	70.8%
Paying Agent Fees	<u>450</u>	<u>450</u>	<u>-</u>	0.0%
TOTAL EXPENDITURES	<u>2,792,241</u>	<u>2,815,241</u>	<u>23,000</u>	0.8%
SURPLUS/(DEFICIT)	<u>88,336</u>	<u>327,549</u>	<u>239,213</u>	

Bloomfield Hills Schools  
FY 2012-13 Midyear Budget Revision  
Endowment Fund

	2012-13 Original Budget	2012-13 Midyear Budget	Variance from Original Budget	
<u>REVENUES</u>				
Local Sources - Interest Income	3,310	3,310	-	0.0%
Local Sources - Other	-	-	-	
TOTAL REVENUES	<u>3,310</u>	<u>3,310</u>	<u>-</u>	0.0%
<u>EXPENDITURES</u>				
Other Services/Supplies	-	-	-	
Transfers Out	-	-	-	
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	
SURPLUS/(DEFICIT)	<u>3,310</u>	<u>3,310</u>	<u>-</u>	