



Bloomfield Hills Schools
FY2013/14 Midyear Budget
and Forecast Preview
February 6, 2014



Overview:
General Fund
Special Revenue Funds



Mid-Year Budget Update Fiscal Year 2013/14

General Fund - Fund balance as of July 1, 2013 (audited)		\$ 24,189,972
Revenue	\$ 82,110,877	
Expenditures	(\$84,391,938)	
Expenditures over (under) revenue		(\$2,281,061)
General Fund - Fund balance as of June 30, 2014 (projected)		\$ 21,908,911




Mid-Year Budget Update Fiscal Year 2013/14

Special Revenue Funds - Fund balance as of July 1, 2013 (audited)		\$ 8,190,768
Revenue	\$ 20,144,289	
Expenditures	(\$ 20,463,216)	
Revenue over (under) expenditures		(\$ 318,927)
Special Revenue Funds - Fund balance as of June 30, 2014 (projected)		\$ 7,871,841

Special revenue funds include: Center Programs, International Academy, Recreation/Community Service, Recreation Millage, and Food Service.




Mid-Year Budget Update Fiscal Year 2013/14 General Fund – A Closer Look



General Fund Current Year Budget Progression

Fiscal Year 2013/14	Revenue	Expenditures	Revenue over (under) Expenditures	Projected Fund Balance
Original Budget	\$ 82,630,753	\$ 84,436,130	(\$ 1,805,377)	\$ 22,384,595
Mid-Year Budget	\$ 82,110,877	\$ 84,391,938	(\$ 2,281,061)	\$ 21,908,911
<i>Better or (Worse) from Original Budget</i>	(\$ 519,876)	\$ 44,192	(\$ 475,684)	(\$ 475,684)



Projected amounts are subject to future changes

Fiscal Year 2013/14 - General Fund Summary of Revenue & Expenditure Changes

Description	Impact on Fund Balance Better (Worse)
Original Budget - Expenditures over Revenue	(\$ 1,805,377)
Local Revenue	
<ul style="list-style-type: none"> • Property tax revenue increased with increasing taxable values • Incoming non-resident tuition decreased 	221,959
State Revenue	
<ul style="list-style-type: none"> • Foundation per pupil <ul style="list-style-type: none"> • \$11,884 - same • Enrollment - fall estimate approximates actual; winter count is next week • Best practices - \$52 per pupil additional funding • Special education funding - prior year adjustment based on lower than projected spending due to medical plan changes/lower costs (timing difference between last year & this year) • Hold harmless guarantee - \$43 pre pupil to net a \$5 increase per pupil; prorated and we are receiving a net \$2 per pupil 	(884,336)
BHHS transition	
<ul style="list-style-type: none"> • Co-curricular - athletics, band, choir, etc. additional uniform/apparel costs offset by athletics savings beyond original estimates • Professional development • Technology devices and related items (RFPs, etc.) 	(74,882)



Fiscal Year 2013/14 - General Fund Summary of Revenue & Expenditure Changes - continued

Description	Impact on Fund Balance Better (Worse)
Federal revenue increased \$207,648, offset by an expenditure increase of \$207,648	-
Staffing - salaries/wages, fringe benefit costs (excluding federal grant changes)	
<ul style="list-style-type: none"> • Transportation, including overtime due to significant changes for the high school and middle schools • Decreases in paraprofessionals, custodial and technicians • Retirement/MPERS - actual costs to date exceed original budget estimates, • Health insurance - costs decreased, offsetting the retirement increase. The remaining employee groups began new plan coverage January 2014. • FICA/other 	(84,947)
Outgoing tuition - primarily related to center programs for our students, including our center programs and other districts that our students attend	342,043
Other adjustments - net	4,479
Midyear Budget - Expenditures over Revenue	(\$ 2,281,061)



Current Year Revenue Update




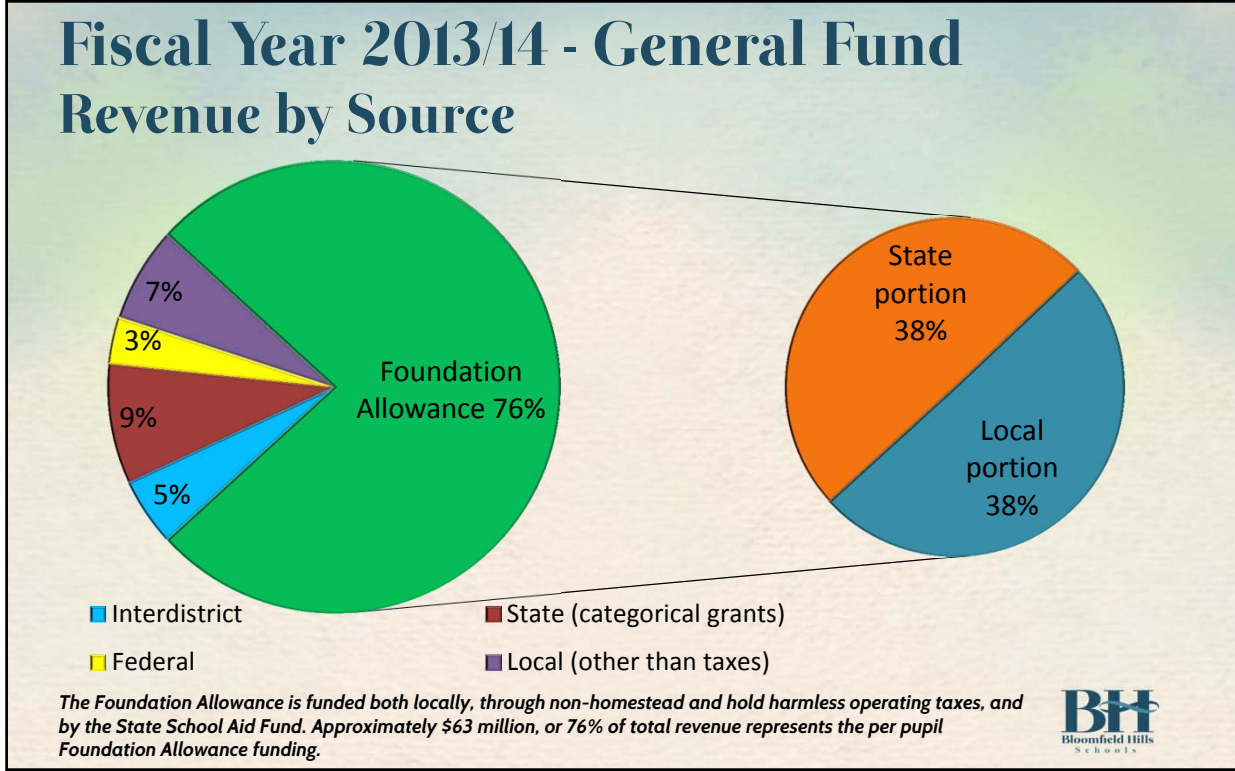
Fiscal Year 2013/14 - General Fund Largest Revenue Source

Our largest source of revenue is the foundation allowance totaling about **\$63 million**, which comprises around 76% of our total General Fund revenue:

Foundation per pupil x BHS General Fund blended membership
\$11,884 x 5,280

Blended BHS membership is a weighted average of the fall & winter counts – 90% of fall 2013 & 10% winter 2014 (next week)





Blended Enrollment History

School Year:	General Fund	Center Programs Fund	State Aid Membership (all funds)	Fall	Winter*	Blend:
2013/14	5280	+ 196	= 5476	5476	5476 (est'd)	90% / 10%
2012/13	5316	+ 201	= 5517	5523	5462	90% / 10%
2011/12	5252	+ 207	= 5459	5455	5492	90% / 10%
2010/11	5259	+ 218	= 5477	5459	5532	75% / 25%
2009/10	5302	+ 218	= 5520	5498	5583	75% / 25%

* Beginning 2013/14, the blended count is 90% of the fall and 10% of the winter within the same school year. For 2012/13 and prior years, the State Aid Membership is a blended count of the preceding school year's winter count and the current school year's fall count.

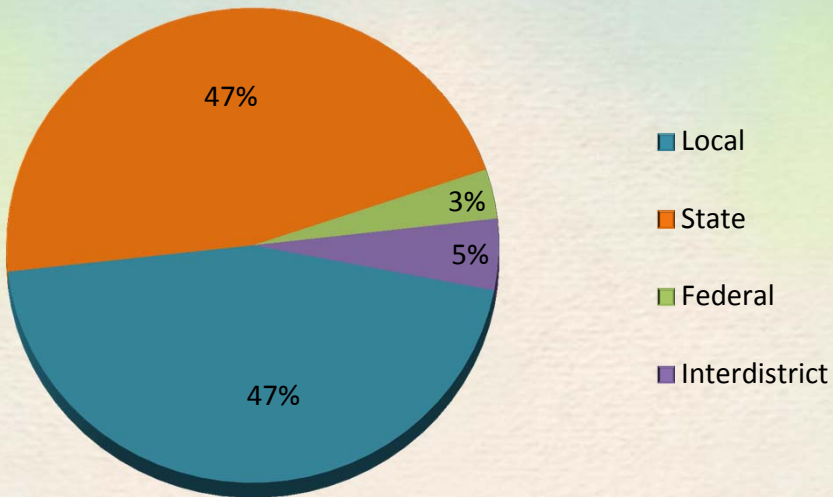
Note: The foundation allowance per pupil multiplied by the blended State Aid Membership determines the Foundation revenue amount for the fiscal year, including general education, center & non-center special education students.

Fiscal Year 2013/14 General Fund Key Revenue Factors

- Foundation Allowance \$11,884 per pupil (+\$30 per pupil)
- Blended enrollment, 5280 (5476 total with 196 in the Center Program Fund)
- One-time State revenue items:
 - MPSERS offset, \$725,682 (\$330k less or -\$60 per pupil)
 - Hold harmless guarantee - \$174,592 or +\$32 per pupil; should be \$35, but this section prorated...*at least for now*
 - Performance incentive, \$547,127 or \$100 per pupil (only 18 districts/charters met 100%, including Bloomfield!)
 - Best practices - \$284,730
- Federal & state grants based on award estimates



Fiscal Year 2013/14 - General Fund Revenue by Source



Best Practices State School Aid Act, Section 22f

Criteria	Do we comply?
Policyholder for medical benefit plans	Yes
Obtain competitive bids for a non-instructional service	Yes
School of choice	No
Monitor individual pupil academic growth in each subject area using online assessments	Yes
Supports post secondary credits opportunities	Yes
Offer online courses or blended learning opportunities	Yes
Provides a dashboard/report card with required financial information	Yes
Provide physical education or health education	Yes



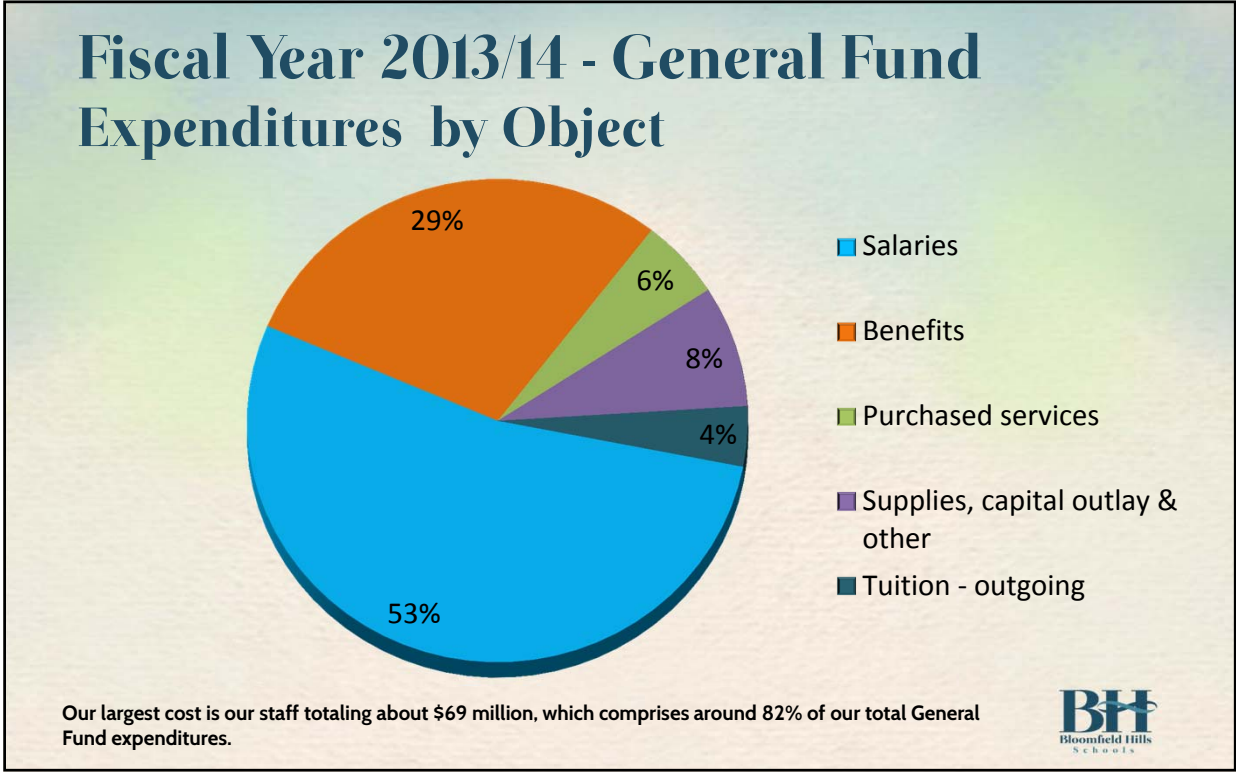
Foundation Allowance History Cumulative Change compared to CPI

Foundation allowance history	Fiscal Yrs:							Cumulative
	1994/95	2007/08	2008/09	2009/10*	2010/11*	2011/12	2012/13	
Minimum foundation allowance	\$ 4,200	\$ 7,204	\$ 7,316	\$ 7,162	\$ 7,146	\$ 6,846	\$ 6,966	
Increase (decrease)		119	112	(154)	(16)	(300)	120	
Percent change		1.68%	1.55%	-2.10%	-0.22%	-4.20%	1.75%	65.86%
Basic foundation allowance	\$ 5,000	\$ 7,204	\$ 7,316	\$ 7,162	\$ 7,146	\$ 6,846	\$ 6,966	
Increase (decrease)		119	112	(154)	(16)	(300)	120	
Percent change		1.68%	1.55%	-2.10%	-0.22%	-4.20%	1.75%	39.32%
Maximum (Hold-harmless) foundation	\$ 6,500	\$ 8,433	\$ 8,489	\$ 8,335	\$ 8,319	\$ 8,019	\$ 8,019	
Increase (decrease)		48	56	(154)	(16)	(300)	-	
Percent change		0.57%	0.66%	-1.81%	-0.19%	-3.61%	0.00%	23.37%
Bloomfield Hills Schools	\$ 10,454	\$ 12,387	\$ 12,443	\$ 12,170	\$ 12,154	\$ 11,854	\$ 11,854	
Increase (decrease)		48	56	(273)	(16)	(300)	-	
Percent change		0.39%	0.45%	-2.19%	-0.13%	-2.47%	0.00%	13.39%
Consumer Price Index (CPI)	144.5	201.6	207.3	215.3	214.4	218.1	224.9	
Percent change		3.20%	2.80%	3.80%	-0.40%	1.68%	3.20%	55.64%

*Fiscal yrs 2009/10 & 2010/11 are based on the effective foundation allowance, which is less than the published nominal foundation per pupil due to State budget actions.



Current Year Expenditures Update

Projected amounts are subject to future changes

Fiscal Year 2013/14

Key Expenditure Factors

- Updated salaries/wages based upon first semester staffing information
- Salary/wages in accordance with contracts
- Retirement rate varies by employee elections, the average rate used for projections is 24.5%
- Health care costs – no change from original budget; we continue to watch actual claims, especially with all groups now being part of the new plan design
- Federal & state grant spending is equal to award estimates



General Fund Forecast Preview



Forecast Preview for 2014/15 General Fund

	Midyear Budget 2013-14	Forecast Preview 2014-15
Fund balance, beginning of year	\$ 24,189,972	\$ 21,908,911
Revenue	82,110,877	78,744,331
Expenditures	84,391,938	81,345,389
Annual surplus (deficit)	(2,281,061)	(2,601,058)
Fund balance, end of year	\$ 21,908,911	\$ 19,307,853
<i>Fund balance, as a percent of expenditures</i>	26%	24%



General Fund Forecast

Key Variables, including State Budget Decisions in Process

Revenue

- Enrollment – historical trend review and projection report that will be presented soon
- Foundation Allowance – part of State’s budget process

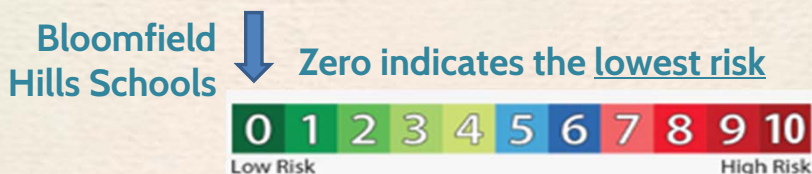
Expenditures

- Salary/wages in accordance with contracts
- Retirement rate – portion of the rate is capped in accordance with recent reform law; balance has been increasing and expected to peak next year.
- Health care cost projections will be continue to be updated based on claims trends. All groups are now part of the new plan design.



Munetrix Financial Indicators

- Enrollment changes
 - Current year
 - One year ago
 - Two years ago
- General Fund revenue over(under) expenditures
 - Current year
 - One year ago
 - Two years ago
- General Fund – Fund balance as a percent of total expenditures
- General Fund – Fund balance as a percent of operating expenditures
- Fund balance or fund deficit
- Foundation allowance change



Munetrix Summary

Fiscal Years 2007 through 2013

Multi-year General Fund Data for the Bloomfield Hills Schools

Year	Data Status	Scenario	Indicator Score	Enrollment	Foundation Allowance	Revenues	Expenditures	Fund Balance	Taxable Value
2013	Audited	Baseline	0	5,517	\$11,854	\$80,672,816	\$81,237,621	\$24,189,972	\$3,045,708,261
2012	Historic	Baseline	1	5,459	\$11,854	\$81,984,514	\$81,207,213	\$24,754,777	\$3,117,643,360
2011	Historic	Baseline	0	5,477	\$12,324	\$80,621,083	\$78,820,793	\$23,977,477	\$3,362,400,524
2010	Historic	Baseline	0	5,588	\$12,324	\$80,780,980	\$80,164,665	\$22,177,183	\$3,779,368,503
2009	Historic	Baseline	0	5,680	\$12,324	\$82,528,716	\$83,353,900	\$21,560,869	\$3,917,327,013
2008	Historic	Baseline	0	5,809	\$12,268	\$85,326,017	\$85,619,831	\$22,386,049	\$3,896,642,326
2007	Historic	Baseline	0	5,934	\$12,220	\$85,714,281	\$83,881,483	\$22,679,858	\$3,737,320,408



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