Bloomfield Hills Schools
Notes to Statement of Revenue and Expenditures (unaudited)
For the period July 1, 2025 to February 28, 2026

Revenue

- Local revenue consists of property tax collections, tuition, interest earnings and fees.
    - Property taxes are billed in July and December. Collections to date are consistent with expectation. The budget will be amended in June to reflect changes in property values since December that may impact operating collections. An adjustment to operating property tax revenue will be offset by an adjust to state aid and should have no impact on fund balance.
    - Tuition and fees relate to tuition revenue for K-12 programs, preschool, after school care and pay to participate fees. Collections to date are consistent with expectation.
    - Interest earnings continue to be strong. The budget includes interest earnings from CDs not yet recognized.

- State source revenue is primarily state aid payments, which are paid from October, 2025 through August, 2026. As of February, we have received 5 of 11 payments or 45%. As of February, we have received and recorded the entire $1.6 million allocation of Section 27I funds and $470,000 of 35m literacy funds.

- In February, our 25-26 31aa Mental Health Grant allocation was increased by $1,027,000. The increased allocation will allow us to move an additional $450,000 of eligible general fund expenses to the grant in 2025-26, reducing our 2025-26 budget by $450,000. This adjustment will be recognized in the final June amendment. The remaining grant funds will be recognized in 2026-27.

- Federal programs are reimbursed after expenditures have been incurred, and there is often a delay in the timing before revenue is received.

- Interdistrict source revenue primarily consists to PA18 special education millage revenue passed through Oakland County ISD. As of December, we have recorded 2 of 4 payments. Other receipts passed through the ISD are received in June.

Expenditures

- Most teachers have received 14 of 26 pays related to the 2025-26 contract. Therefore, we would expect instructional areas (instruction, pupil support and instructional services) to be at approximately 54% through February. Other contract employees have received 18 of 26 pays for the 2025-26 year or 69%. Most school-year hourly employees have received 13 of 22 pays or 59%. Based on review of salary and wage accounts, expenditures are consistent with budget. Two areas of note related to salaries:
    - The budget for salaries includes approximately $675,000 of educator compensation funds that will not be paid until the spring.
    - Central Services includes $323,000 of MPSERS employee healthcare reimbursements. We are currently holding all expenses in a human resources payroll account, but the budget is spread across various functions and will be allocated in March.

- The budget for benefits includes payroll taxes and retirement, which follow salaries. Salaries and related benefits are continuously monitored through the year and are adjusted in June with the final amendment.

- The district is self-insured for health-related insurance benefits. Illustrative rates follow each employee and are spread over 20 pays during each fiscal year. Through February, we have recorded 13 of 20 insurance payments or 65% of health insurance illustrative premiums. Under a self-insured plan, claims are paid as incurred. The activity is recorded in an internal service fund and reconciled to the governmental fund activity after all claims close out at June 30. The internal service fund activity is monitored regularly. We have partnered with our third-party administrator, too, to provide claims projections that allow us to be more precise in our budget forecasts. Per review of fringe benefit accounts, expenditures are consistent with budget.

- Purchased services includes budgets for third-party contracts, including substitute services, other professional services, software licenses and costs related to professional learning. Activity for services paid through the Edustaff contract (primarily subs) recorded for services performed through February 21 as of February 28. Most purchases of software licenses to support the 2025-26 year have been incurred as of February 28.

- The repairs and maintenance services budget includes the budget for our third-party custodial contract ($3.4 million in the General Fund) as well as costs related to repairs and maintenance costs not eligible from sinking fund dollars. Custodial costs are recorded through January at February 28.

- The supplies budget includes budgets for supplies, capital outlay and certain utilities, including electricity and natural gas. Supplies purchased on p-cards have been recorded through November, while other payments are more current through December. The supplies budget also incudes $584,000 of grant related supplies with $450,000 unspent at February 28.

- Outgoing tuition primarily includes tuition paid to center based programs and the tuition due to the International Academy fund for Bloomfield students attending the program that is recognized annually in June. Expenditures are within budget expectation.