



# BUDGET

## Walled Lake Consolidated School District



FISCAL YEAR

July 1, 2014 - June 30, 2015



*Every Child, Every Day!*

850 Ladd Road - Bldg. D  
Walled Lake, MI 48390  
Phone: 248-956-2000  
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Website: [wlcsd.org](http://wlcsd.org)

**Proposed 2014-2015 Budget**  
**Walled Lake Consolidated School District**

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# Walled Lake Consolidated School District

Introductory Section



Commerce  
Elementary School  
*"Garden"*

*Every Child, Every Day!*

# Association of School Business Officials International



*This Meritorious Budget Award is presented to*

## **WALLED LAKE CONSOLIDATED SCHOOL DISTRICT**

*For excellence in the preparation and issuance of its school entity's budget  
for the Fiscal Year 2013-2014.*

The budget adheres to the principles and standards  
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in dark blue ink, reading "Ron McCulley".

Ron McCulley, CPPB, RSBO  
President

A handwritten signature in dark blue ink, reading "John D. Musso".

John D. Musso, CAE, RSBA  
Executive Director

**Walled Lake Consolidated School  
District  
Proposed 2014-2015 Budget  
Executive Summary**

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## **Board of Education**

### **Greg Janicki, President**

*Term Expires 12/31/2014*

Mr. Janicki lives in West Bloomfield with his wife Maria and children Adam and Allison, both graduates of Walled Lake Schools. He is director, Executive/Weekend MBA program for Michigan State University. Mr. Janicki is also a trustee for the Walled Lake Foundation for Excellence and a volunteer mentor for the ART of Leadership, a youth leadership development organization.

Mr. Janicki's goals for the Walled Lake Schools district are to support curriculum that creates student leaders; to deliver effective resources to ensure a safe, high-performing district; and to establish clear measures of success in all areas. He wishes to work in partnership with the board, administration and community, to achieve our mission to be "the best educational system in America."

### **Denise Bither, Vice President**

*Term Expires 12/31/2016*

Mrs. Denise Bither and her husband, Richard, have lived in Commerce Township and the Walled Lake Consolidated School District for the past 15 years. Their two children; daughter, Maria, graduated from Walled Lake Central High School and son, Nicholas, currently attends Walled Lake Central High School.

Mrs. Bither has been an active PTA member and leader in the District, formerly at Glengary Elementary School and currently at Banks Middle School. She also served as the President of the Walled Lake School's PTSA Council.

### **Nancy van Leuwen, Treasurer**

*Term Expires 12/31/2016*

Ms. van Leuwen is a retired teacher from Walled Lake Consolidated Schools. She taught elementary students for 29 years and served on a wide variety of District committees.

She also served as the Walled Lake Schools' Education Association president, an invaluable experience that gave her a greater perspective on the issues across the District.



Ms. van Leuwen has been a resident of West Bloomfield for more than 40 years.

**Kathy Lyall, Secretary**

*Term Expires 12/31/2014*

Mrs. Kathy Lyall and her husband, Brant, have lived in Commerce Township and the Walled Lake School District since 1999. Their two children attend Walled Lake Central High School and Sarah Banks Middle School. Mrs. Lyall works as a Marketing Manager for a senior PACE (Program for All Inclusive Care of Elderly) program in Wayne County.

Mrs. Lyall earned a Bachelor of Arts in Political Science, Business and Communications from the University of Michigan-Dearborn. She served as the PTA Legislative Representative and PTA President at Loon Lake Elementary for several years prior to joining the Board of Education.

**Peggy Casagrande, Trustee**

*Term Expires 12/31/2018*

Mrs. Peggy Casagrande was elected to the School Board in November 2008. She and her husband, Ken, live in West Bloomfield, and she has been a resident of the School District since 1998. Two of their sons graduated from Walled Lake Central High School, and their two other sons currently attend Walnut Creek Middle School and Pleasant Lake Elementary.

Mrs. Casagrande earned a Bachelor of Arts in Journalism from Michigan State University and currently works for BAE Systems in technical publications. She has been a PTA/PTSA volunteer for many years and also served as the legislative representative for the District's PTSA Council.

**Marc Siegler, Trustee**

*Term Expires 12/31/2018*

Mr. Marc Siegler and his wife, Linda, have two children who graduated from Walled Lake Schools. A resident of the District for over 30 years and is in his 20<sup>th</sup> year as a member of the Walled Lake Consolidated School District Board of Education. Mr. Siegler is also the treasurer for the OCSBA Board of Directors, Secretary of the Foundation for Excellence and has strong involvement in legislative communications with our representatives in Lansing. He works as a director of quality assurance with Sherwood Foods.

**Christopher Titus, Trustee**

*Term Expires 12/31/2014*

Mr. Christopher Titus and his wife, Christine, have lived in Commerce Township for the last 21 years. They have four children who are graduates of Walled Lake Central High School. Mr. Titus has served as a PTA president, served on the District's Facilities Committee, and volunteered his time with several parent booster groups.

Mr. Titus is a graduate of Central Michigan University with a degree in Business Management and a minor in Economics. He has owned many local businesses.

## **Superintendent's Administrative Team**

Kenneth Gutman, *Superintendent*

Christopher Delgado, *Deputy Superintendent*

Margaret Hazlett, *Assistant Superintendent, Human Resources*

Teri Les, *Assistant Superintendent, Business Services*

Mark Hess, *Executive Director of Instruction, Technology and  
Assessment*

William Chatfield, *Director of Operations*

Judy Evola, *Director of Community Relations and Marketing*



**Kenneth Gutman**  
Superintendent of Schools

## Walled Lake Consolidated Schools

**Educational Services Center**  
850 Ladd Road, Building D  
Walled Lake, MI 48390  
Phone: 248/956-2000  
Fax: 248/956-2124

June 5, 2014

Dear Board of Education Members:

I recommend approval of the budget for fiscal year 2014/2015 for Walled Lake Consolidated School District that includes budgeted allocations for 2014/2015 and final amended budgeted allocations for 2013/2014. The document represents months of work by budget managers, administration and the Board of Education. The budget has been prepared in accordance with the requirements of the Association of School Business Officials' Meritorious Budget Award.

After numerous years of bleak economic forecasts, signs are showing that the State and County have moved into a period of recovery. As you drive through our school district, you can again see building happening. The housing market has begun to rebound and home values are seeing improvement. Unemployment has declined and help wanted signs are once again a familiar sight. All of these indicators create optimism as we look to the future.

Recovery, however, will take time. Modest increases in funding pale in comparison to reductions made and will be slow to provide any significant relief. After reducing budgets by nearly \$50 million and district staff by 26%, balancing the budget becomes more and more difficult, even as funding sources begin to increase.

Early projections for 2014/2015 predict a gap in funding of \$5 million. With fund balance no longer available to ease the burden, Administration was once again faced with the disheartening task of considering reductions. After years of going through this process, it is no longer possible to make reductions that do not affect kids and the classroom.

We will be meeting with each of our bargaining units and expect that our employees will once again come to the table willing to be a part of the solution.

Administration recognizes that recovery will take time and that funding challenges may continue for years to come. We will continue to work together, in coordination with our community to ensure that we meet the needs of Every Child, Every Day.

Respectfully,

A handwritten signature in blue ink that reads 'Kenneth Gutman'.

Kenneth Gutman  
Superintendent of Schools

## **BUDGET PROCESS**

The development of the District's budget is under the supervision and direction of the Superintendent. The budget process begins in November of each year. The Assistant Superintendent of Business Services develops a timeline and prepares a preliminary financial forecast as well as a detailed budget document for the Board of Education and Budget Managers. Each Budget Manager is asked to review the information and make suggestions and requests. This may include cost saving ideas, suggested changes and/or a list of staff or other needs.

The information, when completed, is presented as a budget package to the Superintendent's administrative team for review. During the months of March and April, the budget is presented and discussed with parent groups, buildings and union leadership. Comments and suggestions are submitted to the Board of Education for consideration. In addition, the Community can address the Board of Education at any of the Board of Education meetings until the budget is adopted.

Once this process is complete, a preliminary budget is prepared and presented in a study session to the Board of Education for discussion and decisions. This study session is typically held in March or April. The preliminary budget information, including any budget reductions being considered, is then presented at public Board meetings held in April and May.

All information is also shared with the Community through the District's semi-annual newsletter, as well as individual school building newsletters and organized community meetings. District staff is kept informed through updates included in the weekly employee newsletter. They are also welcome to attend Community meetings. The Public Hearing on the budget is typically held in June. As required by State law, the budget for the following fiscal year must be adopted by June 30 of the prior year.

No significant changes were made to the budget process or policies for 2014/2015.

## **GENERAL FUND BUDGET**

The General Fund is the School District's primary operating fund. It is used to account for all of the day-to-day operating expenses of the District. These include the teachers, support staff and administrators as well as their respective fringe benefits. It also includes such items as supplies, purchased services and capital outlay.

## **School Funding**

On December 24, 1993, the Michigan Legislature passed legislation to establish a new method for distribution of state aid through a foundation system. The funding of the foundation system was determined in March of 1994 when voters overwhelmingly approved Proposal A. The goal of the proposal was to reform the financing of Michigan's public schools and provide property tax relief.

Prior to Proposal A, 92% of the revenue received by Walled Lake Consolidated Schools was generated through local property taxes and 2% came from State sources. In 2013/2014, 19% of Walled Lake Consolidated Schools revenue is generated by local property tax and 69% comes from State sources.

With the passage of Proposal A and related legislation, operating millage rates for Walled Lake Consolidated Schools homeowners' homestead property dropped from 36.8866 mills in 1994 to 3.8106 mills in 1995, a 90% reduction. The millage remaining is not part of the foundation system, but was authorized by the State so districts generating revenue in 1993/1994 greater than the \$6,500 set by the new foundation system would not experience a decrease in funding. The millage is called a "Hold Harmless" millage and remains in place today. The amount for Walled Lake Consolidated Schools was set at \$437 per pupil. The millage rate is determined each year and is set at a rate which will generate no more than \$437 per pupil for Walled Lake Consolidated Schools. Therefore, as homestead taxable values change, the amount of this hold harmless millage levied changes.

The operating millage rate for non-homesteads dropped from 36.8866 mills in 1994 to 18 mills in 1995, a 51% reduction. Non-homesteads have typically included businesses, commercial and industrial property and any home that is not used as the primary homestead for a taxpayer. Beginning in 2008/2009, classification of property by the State was changed. Both commercial personal property and industrial personal property are now included in the homestead group of properties.

In 2008, in an effort to provide personal property tax relief to businesses, the State of Michigan created the Michigan Business Tax (MBT) which provided reductions in the personal property tax paid by businesses. Industrial personal property became exempt from the local school district operating levy (18 mills) with the exception of the District's hold harmless levy. In addition, commercial personal property became exempt from 12 of the 18 mills levied for school operating purposes with the exception of the District's hold harmless levy.

To offset these reductions, a portion of the MBT collections were earmarked for the School Aid Fund. These funds were then distributed to local school districts through the foundation system discussed below. In 2011, the Legislature approved the elimination of the Michigan Business Tax, replacing it with a flat corporate tax of 6% effective January 1, 2012. The revenue generated from this new tax does not go into the School Aid Fund.

In addition to the mills levied by the local school district on all homestead and non-homestead property owners, the State also levies and collects 6 mills on all property owners with the exception of industrial personal property, which beginning in 2008/2009 became exempt from this levy. Monies collected go directly to the State and become part of the distribution allocated to school districts through the foundation system.

The foundation system distribution formula is allocated based on the number of students in a district multiplied by the foundation grant. The student number is determined by a blend of students attending on various count days, the specifics of which have changed over time. For 2014/2015, the blend will be calculated using 90% of the October 2014 count and 10% of the February 2015 count.

The foundation grant is determined annually by the State of Michigan through their annual budgeting process. The grant is expected to be \$8,278 for the 2014/2015 fiscal year. The following chart demonstrates the impact of the blended student count on Walled Lake Consolidated Schools since the implementation of the new foundation distribution system.

Fiscal Year	Blend Percentage	Feb Count	Sept/Oct Count	Blended Count	Difference	Foundation Grant	Money Not Received **
94-95*	50/50	10,914	11,729	11,322	408	6,952	2,832,940
95-96	50/50	11,683	12,245	11,964	281	7,106	1,996,786
96-97	50/50	12,161	12,788	12,475	314	7,245	2,271,308
97-98	40/60	12,681	13,136	12,954	182	7,399	1,346,618
98-99	40/60	13,147	13,563	13,397	166	7,399	1,231,194
99-00	25/75	13,510	14,018	13,891	127	7,637	969,899
00-01	20/80	14,033	14,438	14,357	81	7,937	642,897
01-02	20/80	14,324	14,599	14,544	55	8,237	453,035
02-03	20/80	14,500	14,892	14,814	78	8,437	661,461
03-04	20/80	14,838	15,158	15,094	64	8,437	539,968
04-05	25/75	15,141	15,466	15,385	81	8,437	683,397
05-06	25/75	15,448	15,725	15,657	68	8,612	585,616
06-07	25/75	15,636	15,799	15,758	41	8,822	361,702
07-08	25/75	15,692	15,640	15,653	(13)	8,870	(115,310)
08-09	25/75	15,627	15,739	15,711	28	8,926	249,928
09-10	25/75	15,682	15,601	15,621	(20)	8,635	(174,859)
10-11	25/75	15,546	15,464	15,485	21	8,635	177,018
11-12	10/90	15,466	15,553	15,544	(9)	8,165	(70,676)
12-13	10/90	15,521	15,238	15,266	(28)	8,165	(231,070)
13-14	10/90	14,962	15,018	15,013	6	8,195	45,802
14-15	10/90	14,756	14,806	14,801	5	8,278	41,390
TOTAL						14,499,043	

\* 1994-95 was the first year of Proposal A

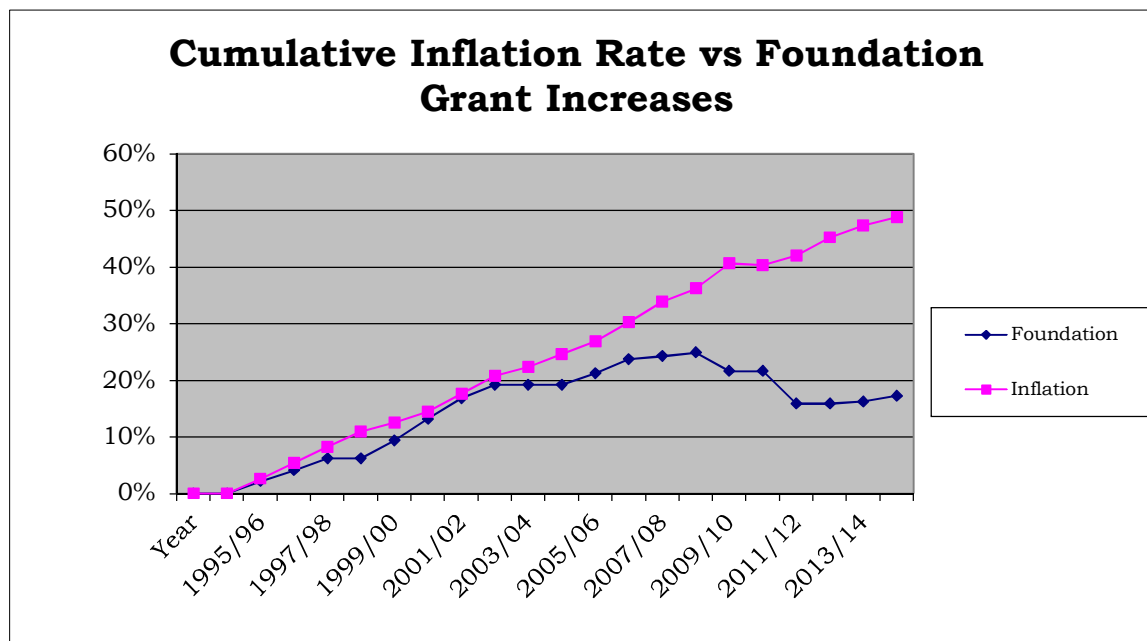
\*\* This represents additional money the District would have received if the Foundation was paid on 100% of the Fall count rather than a blended count.

As the following table and graph indicate, since the inception of Proposal A, revenue increases in the per pupil foundation have not kept pace with the inflation rate overall. As this funding source represents 88% of our total revenues, it is imperative that the District continue its cost containment strategies and expand its revenue sources to the extent possible. Prioritizing District expenditures is especially important.

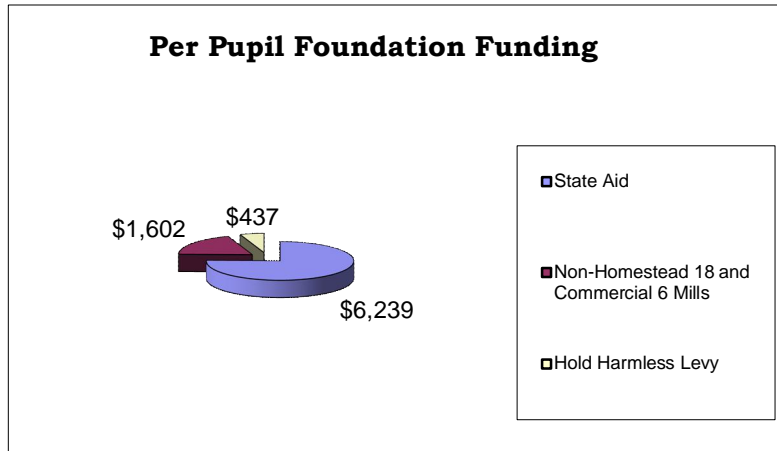
The foundation amounts that are included in the following graphs have not been adjusted down to account for the mid-year prorations of \$50 and \$74 per student that occurred during 2002/2003 and 2003/2004 or the mid-year proration of \$165 that occurred during 2009/2010 and 2010/2011.



			Percentage	Inflation
Year	Foundation	Increase(Decrease)	Increase	Increase
1994/1995	6,952	-	-	-
1995/1996	7,106	154	2.22%	2.60%
1996/1997	7,245	139	1.96%	2.80%
1997/1998	7,399	154	2.13%	2.80%
1998/1999	7,399	-	0.00%	2.70%
1999/2000	7,637	238	3.22%	1.60%
2000/2001	7,937	300	3.93%	1.90%
2001/2002	8,237	300	3.78%	3.20%
2002/2003	8,437	200	2.43%	3.20%
2003/2004	8,437	-	0.00%	1.50%
2004/2005	8,437	-	0.00%	2.30%
2005/2006	8,612	175	2.07%	2.30%
2006/2007	8,822	210	2.44%	3.30%
2007/2008	8,870	48	0.54%	3.70%
2008/2009	8,926	56	0.63%	2.30%
2009/2010	8,635	(291)	-3.26%	4.40%
2010/2011	8,635	-	0.00%	-0.30%
2011/2012	8,165	(470)	-5.76%	1.70%
2012/2013	8,165	-	0.00%	3.20%
2013/2014	8,195	30	0.37%	2.10%
2014/2015	8,278	83	1.00%	1.50%



The breakdown of the \$8,278 per pupil foundation is shown below.



For 2014/2015, the District's estimated per pupil foundation of \$8,278 is projected to be generated as shown above with \$1,602 resulting from the 18 mills levied by the District on non-homestead properties and the 6 mills levied on commercial personal property. State Aid provides an amount equaling \$6,239 per pupil.

The balance of \$437 will be generated by the hold harmless levy of 2.1971 mills on homesteads, industrial personal property and commercial personal property. The District's blended pupil count for 2014/2015 is projected to be 14,801. A rate of 2.1971 mills is the proposed levy for July 2014.

The following chart provides the historical tax base and tax rates of the District. The chart does not include the 6 mills collected by the State.

School Year		Tax Rates	
		Operating	
		Homestead	Non-Homestead
Taxable Value			
2000/2001	3,319,133,291	2.99820	18.00000
2001/2002	3,643,686,005	2.85380	18.00000
2002/2003	3,958,139,927	2.37280	17.88840
2003/2004	4,230,559,002	2.42480	18.00000
2004/2005	4,543,111,451	2.26480	18.00000
2005/2006	4,869,092,200	2.10750	18.00000
2006/2007	5,201,603,630	1.99410	18.00000
2007/2008	5,441,003,299	1.88000	18.00000

Beginning in 2008/2009, classification of property by the State changed. The next chart shows the rates under the new classification for all years since the change was made.

		<b>Operating</b>		
		<b>Princ. Res.,</b>		
		<b>Qual. Agric.,</b>		
		<b>Qual. Forest &amp;</b>	<b>Commercial</b>	
	<b>Taxable</b>	<b>Ind. Pers.</b>	<b>Personal</b>	<b>Non-</b>
<b>School Year</b>	<b>Value</b>	<b>Homestead</b>		<b>Homestead</b>
2008/2009	5,383,371,340	1.78220	7.78220	18.00000
2009/2010	5,114,937,450	1.97930	7.97930	18.00000
2010/2011	4,485,550,500	2.25080	8.25080	18.00000
2011/2012	4,183,368,560	2.38120	8.38120	18.00000
2012/2013	4,047,149,340	2.46540	8.46540	18.00000
2013/2014	4,062,974,500	2.32850	8.32850	18.00000
2014/2015	4,145,505,640	2.19710	8.19710	18.00000

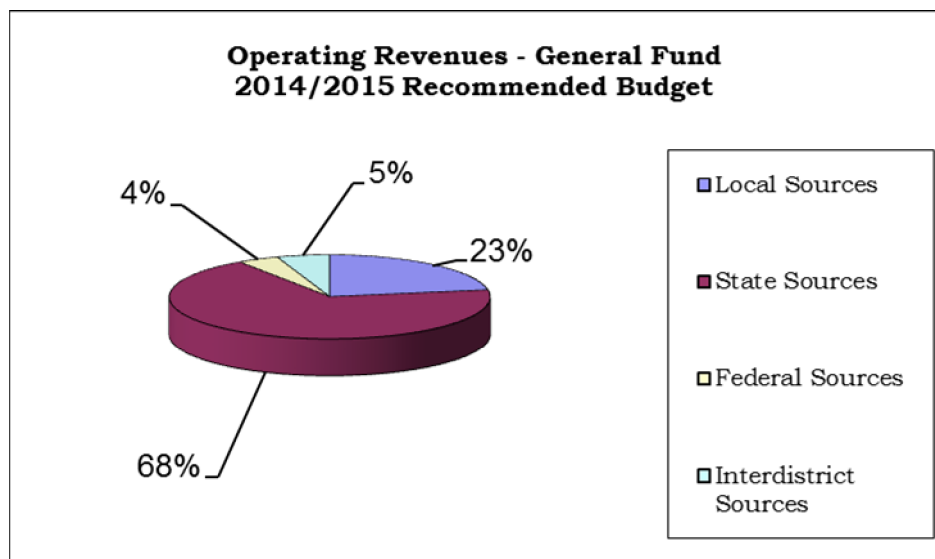
The Debt and Sinking fund millages are levied on all properties. This did not change with the classification change. See below for historical and current rates.

		<b>Tax Rates</b>	
	<b>Taxable</b>	<b>Sinking Fund</b>	<b>Debt</b>
<b>School Year</b>	<b>Value</b>	<b>All Properties</b>	
2000/2001	3,319,133,291	0.00000	5.10000
2001/2002	3,643,686,005	0.00000	5.10000
2002/2003	3,958,139,927	0.00000	5.10000
2003/2004	4,230,559,002	0.00000	5.10000
2004/2005	4,543,111,451	0.50000	4.29000
2005/2006	4,869,092,200	0.50000	4.29000
2006/2007	5,201,603,630	0.50000	4.29000
2007/2008	5,441,003,299	0.50000	4.29000
2008/2009	5,383,371,340	0.50000	4.29000
2009/2010	5,114,937,450	0.50000	4.00000
2010/2011	4,485,550,500	0.50000	4.00000
2011/2012	4,183,368,560	0.50000	4.00000
2012/2013	4,047,149,340	0.50000	4.06000
2013/2014	4,062,974,500	0.50000	4.64450
2014/2015	4,145,505,640	0.50000	4.98720

## Operating Revenue – General Fund

The table that follows details the sources of funds while the graph depicts the relative importance of each source.

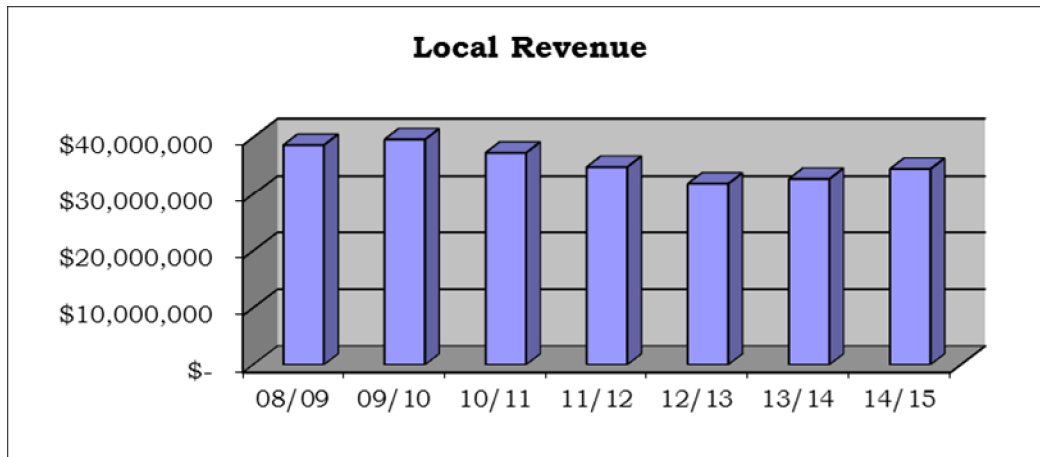
	2013/2014		2014/2015	
	Amended	2013/2014	Recommended	2014/2015
	Budget	% of Total	Budget	% of Total
<b>Revenue</b>				
Local Sources	\$ 32,733,782	21.31%	\$ 34,478,161	22.40%
State Sources	106,716,213	69.46%	104,853,347	68.12%
Federal Sources	6,460,399	4.20%	6,426,920	4.18%
Interdistrict Sources	7,728,002	5.03%	8,166,700	5.31%
<b>TOTAL REVENUE</b>	\$ 153,638,396	100.00%	\$ 153,925,128	100.00%



## Local Revenue

Local property taxes account for 87% of local revenue and make up 25% of the foundation grant. The remaining local revenue consists of parking fees, earnings on investments and other miscellaneous revenue such as rental of the Outdoor Education Center and other buildings and athletic fields.

The bar graph below shows the five year history of actual local revenue through 2012/2013 as well as the amended budget for 2013/2014 and the recommended budget for 2014/2015.



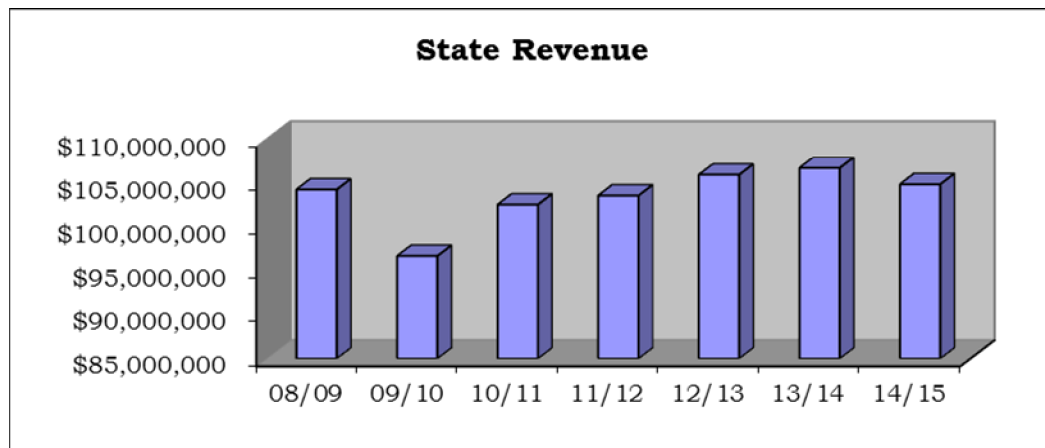
### State Revenue

State revenue consists of the foundation grant and categorical funding. The majority is from the per pupil foundation, of which 75% will come from state aid. The expected per pupil foundation of \$8,278 will be generated on 14,801 pupils for day-to-day operations.

The balance of state aid received is categorical aid, which includes allocations for special education as well as for various other categories of programs such as vocational, special education transportation and bilingual. Until 1997/1998, districts received the same unrestricted per pupil foundation for regular education and special education students. With the settlement of the Durant lawsuit, the State reclassified the per pupil foundation dollars for special education students as categorical aid. This was done to meet the requirement that the State pay 28.6138 percent of the cost of special education as required by the State constitution as a result of the Headlee amendment. Therefore, the amount of special education categorical funding is derived by multiplying eligible costs by 28.6138 percent and subtracting \$7,841 (State per pupil foundation less \$437 hold harmless revenue) per special education student. Voters approved a County special education millage during 2001/2002 which helps to cover a larger portion of the costs. Even with this additional funding, however, ensuring the special needs of the student population are met requires considerably more as evidenced by the following chart.

	<b>Blended Special Education</b>			
<b>Year</b>	<b>Student FTE</b>	<b>Revenue</b>	<b>Expenditures</b>	<b>Deficit</b>
2001/2002	335.26	\$ 8,625,530	\$ 14,104,317	\$ 5,478,787
2002/2003	336.16	\$ 9,785,462	\$ 14,382,749	\$ 4,597,287
2003/2004	347.89	\$ 13,498,831	\$ 16,208,496	\$ 2,709,665
2004/2005	374.90	\$ 14,080,473	\$ 17,429,243	\$ 3,348,770
2005/2006	381.34	\$ 13,447,047	\$ 18,385,261	\$ 4,938,214
2006/2007	404.74	\$ 14,385,364	\$ 20,544,980	\$ 6,159,616
2007/2008	372.95	\$ 16,634,127	\$ 21,749,708	\$ 5,115,581
2008/2009	375.99	\$ 17,120,325	\$ 23,010,072	\$ 5,889,747
2009/2010	382.48	\$ 17,073,898	\$ 22,817,710	\$ 5,743,812
2010/2011	405.66	\$ 15,845,252	\$ 21,745,356	\$ 5,900,104
2011/2012	403.06	\$ 14,924,556	\$ 21,995,628	\$ 7,071,072
2012/2013	394.78	\$ 14,418,315	\$ 22,739,859	\$ 8,321,544
2013/2014	401.81	\$ 14,618,711	\$ 23,220,495	\$ 8,601,784

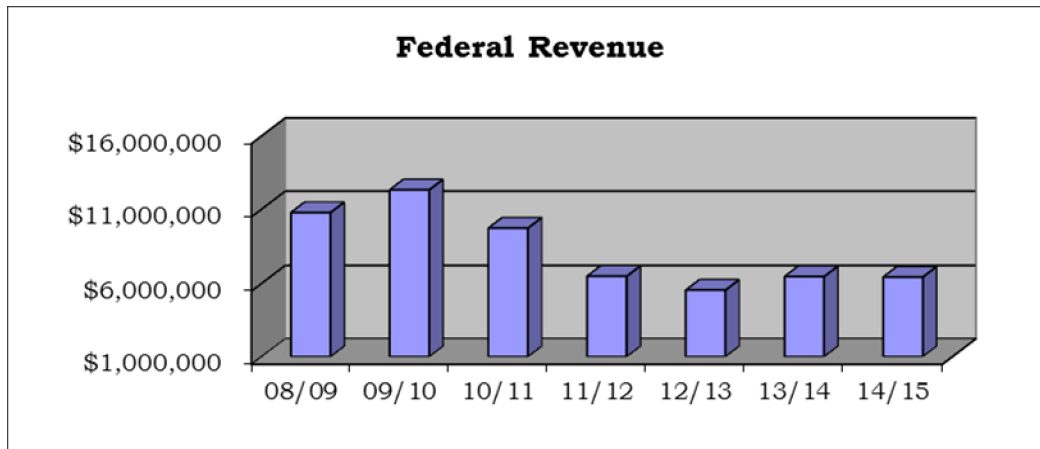
For reference purposes, the following bar graph shows the funding levels of State revenue over the past five years as well as the amended budget for 2013/2014 and the recommended budget for 2014/2015.



## Federal Revenue

We expect Federal funding to remain fairly stable for 2014/2015.

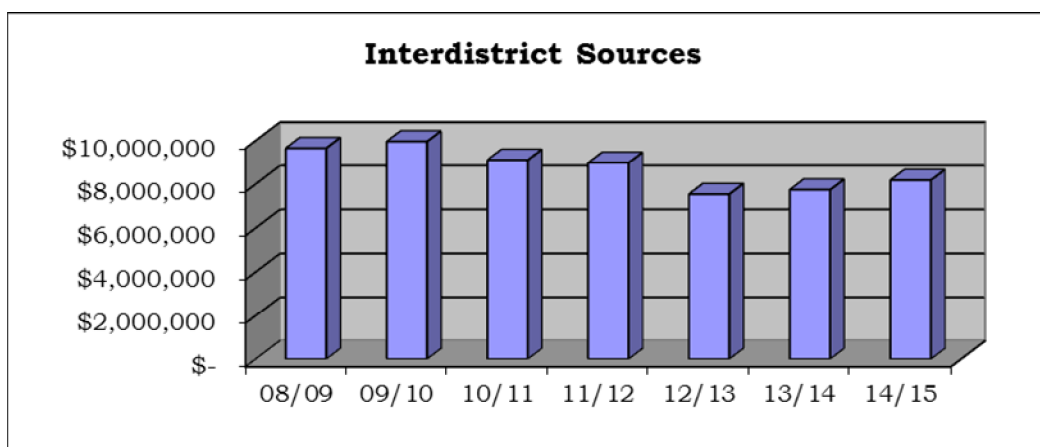
The following bar graph provides the five year history of Federal revenue as well as the amended budget for 2013/2014 and the recommended budget for 2014/2015.



### Interdistrict Revenue

Interdistrict revenue consists of PA 18 funds and Medicaid Outreach monies. PA 18 funds, which make up the majority of this revenue category, originate through a special education millage that was passed in September 2001, as mentioned earlier. The millage is levied by the Oakland Intermediate School District and passed on to qualifying districts through a distribution formula. Medicaid Outreach funds also flow through the Oakland ISD and represent a reimbursement for administrative activities associated with Medicaid.

The bar graph that follows shows the five year history of interdistrict revenue as well as the amended budget for 2013/2014 and the recommended budget for 2014/2015.



## **Revenue Budget Assumptions**

The following are the assumptions used to arrive at local property tax and State per pupil foundation revenues:

1. Property taxes are based on taxable values provided by the local community assessors in May of each year.
2. Millage on homesteads and industrial personal property will be 2.1971 for operations. Millage on commercial personal property will be 8.1971 for operations. Millage on non-homesteads will be 18 mills for operations.
3. The total per pupil foundation grant is expected to be \$8,278 for 2014/2015. This represents an \$83 increase from 2013/2014.
4. Additional funding has been received from the State over the last couple of years to assist districts with increasing retirement costs. This allocation is expected to continue at a reduced rate.
5. The State will continue funding an allocation known as Best Practices. Districts can qualify for this additional funding if they are able to accomplish a certain number of defined best practices. Walled Lake Consolidated Schools has qualified for this funding for the last three years and is expected to qualify for the funding again in 2014/2015. This allocation equals \$52 per pupil.
6. A new allocation was added by the State for 2013/2014 known as Hold Harmless funding. This funding is expected to continue for Walled Lake Consolidated Schools at the same level for 2014/2015.
7. The number of pupils for 2014/2015, based on a blended count of 90/10, will be 14,801, representing a decrease of 212 students compared to 2013/2014.
8. District owned land is currently listed on the market and a purchase offer has been received and accepted by the Board of Education. This sale is expected to close during 2014/2015 and will generate revenue of \$640,000.
9. Pay to participate fees were introduced several years ago to assist with the cost of the District's athletic program. All District athletes are charged a fee to participate, with scholarships available for those in need. This fee will be increased in 2014/2015 at the high school level.

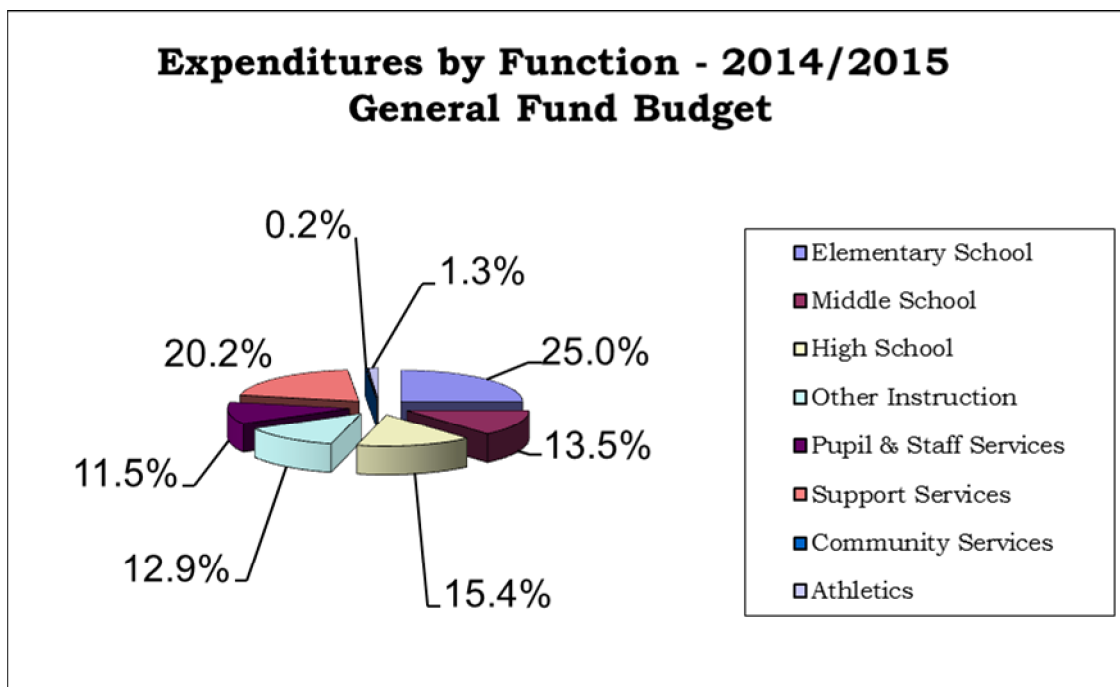
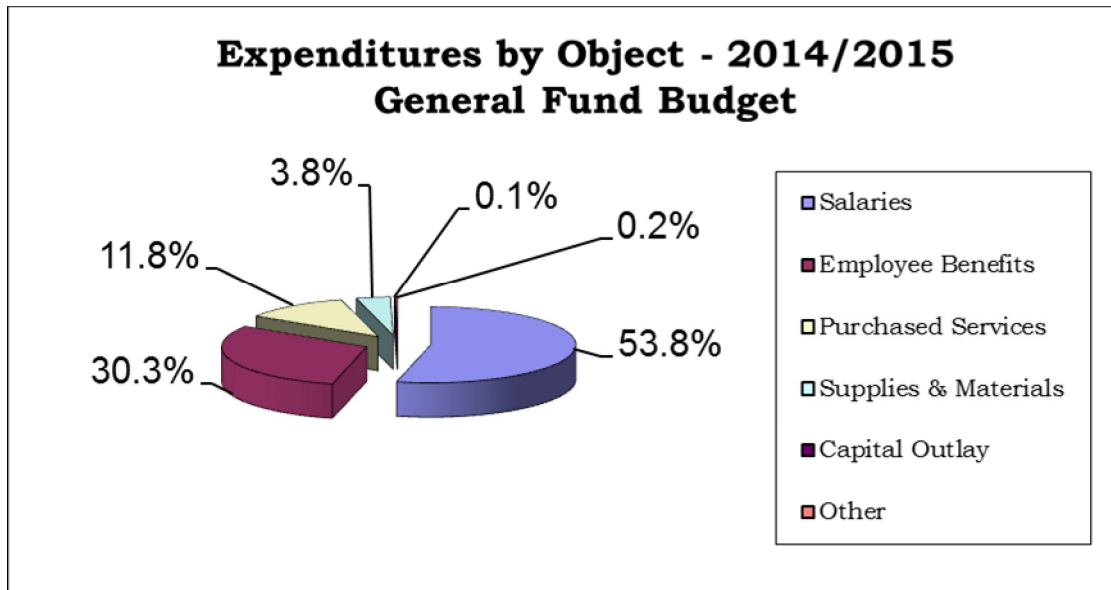


## Operating Expenditures – General Fund

The following table and graph show the makeup of expenditures and the proposed General Fund expenditure budget for 2014/2015.

	2013/2014		2014/2015	
	Amended	2013/2014	Recommended	2014/2015
	Budget	% of Total	Budget	% of Total
<b>Revenue</b>				
Local Revenue	\$ 33,395,322	21.64%	\$ 34,478,161	22.40%
State Revenue	106,716,213	69.16%	104,853,347	68.12%
Federal Revenue	6,460,399	4.19%	6,426,920	4.18%
Transfers and Other	7,728,002	5.01%	8,166,700	5.31%
<b>TOTAL REVENUE</b>	<b>\$ 154,299,936</b>	<b>100.00%</b>	<b>\$ 153,925,128</b>	<b>100.00%</b>
<b>Expenditures</b>				
Basic Programs	86,714,180	54.98%	83,424,498	54.28%
Added Needs	19,040,098	12.07%	19,268,690	12.54%
Total Instruction	105,754,278	67.05%	102,693,188	66.82%
Pupil Services	12,746,713	8.08%	12,792,632	8.32%
Instructional Staff Services	4,915,763	3.12%	4,822,880	3.14%
General Administration	737,153	0.47%	624,765	0.41%
School Administration	8,576,561	5.44%	8,602,450	5.60%
Business Services	2,297,126	1.46%	2,011,997	1.31%
Operation and Maintenance	9,932,034	6.30%	9,867,386	6.42%
Pupil Transportation	6,397,943	4.06%	6,136,125	3.99%
Central Services	4,020,801	2.55%	3,823,805	2.49%
Athletics	2,115,195	1.34%	2,010,770	1.31%
Total Support Services	51,739,289	32.80%	50,692,810	32.99%
Community Services	225,796	0.14%	293,370	0.19%
<b>TOTAL EXPENDITURES</b>	<b>157,719,363</b>	<b>100.00%</b>	<b>153,679,368</b>	<b>100.00%</b>
Excess Revenue over (under)				
Expenditures	(3,419,427)		245,760	
Beginning Fund Balance	11,218,172		7,798,745	
Ending Fund Balance	<b>\$ 7,798,745</b>		<b>\$ 8,044,505</b>	

As with any service organization, the majority of expenses are for salaries and employee benefits at approximately 84%. The graphs below show the distribution of expenditures in a couple of ways. The first gives a view of the District expenditures by object, which is basically a description of the actual cost. The second graph distributes the costs by function, which includes the various levels of instruction as well as other purposes.



The following are some of the assumptions used to arrive at budgeted expenditures:

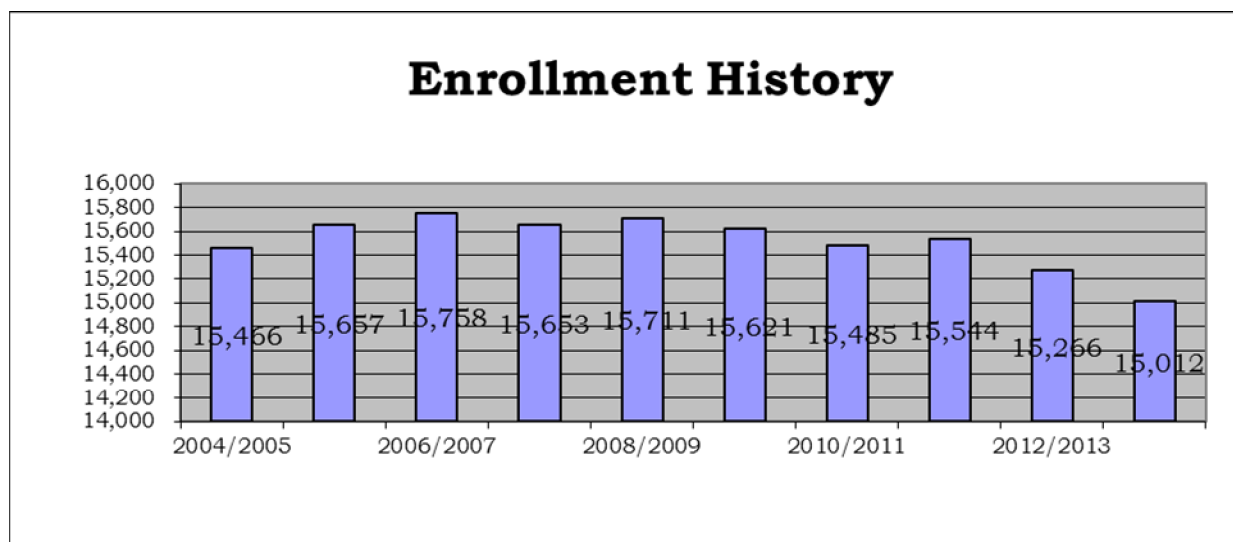
1. Many employee groups have agreed to concessionary agreements for the next year, while we continue to negotiate with others. The details of concessions already negotiated vary by group, however, concessions for each are comparable and include such items as wage concessions and furlough days.
2. Retirement reform has resulted in a system where rates charged against employee payroll differ depending on which plan employees are covered by. There are currently eight different plans. For purposes of budgeting, a blended rate based on enrollment per plan is used. That rate for 2014/2015 is calculated to be 25.53%, which is .98 percentage points higher than 2013/2014.
3. Public Act 152, which was first effective for Walled Lake Schools during 2012/2013, placed limits on how much a district can spend toward the cost of health insurance for employees. These caps were increased by 2.9% for 2014/2015. As a result, the District's cost for health insurance for employees will increase by 2.9%. The increase in insurance premiums no longer has a direct impact on districts.
4. Utility rates are expected to increase 2% for 2014/2015.
5. Teachers will be reduced by 10 full time equivalents (FTEs) as a result of enrollment decline.
6. Other staff reductions due to budget reductions include:
  - a. Para-educators (10 FTEs)
  - b. Head teachers (3 FTE)
  - c. Secretarial position (1 FTE)
7. Other reductions approved by the Board of Education include:
  - a. Increase in class size resulting in the reduction of 23 teachers
  - b. Various athletic reductions and increase in fees charged
  - c. Elimination of intervention program at high schools resulting in the reduction of 3 teachers

## Student Enrollment Trends

Class size is a significant guiding factor in the budget assumptions. The following average class sizes by grade are projected for the 2014/2015 school year.

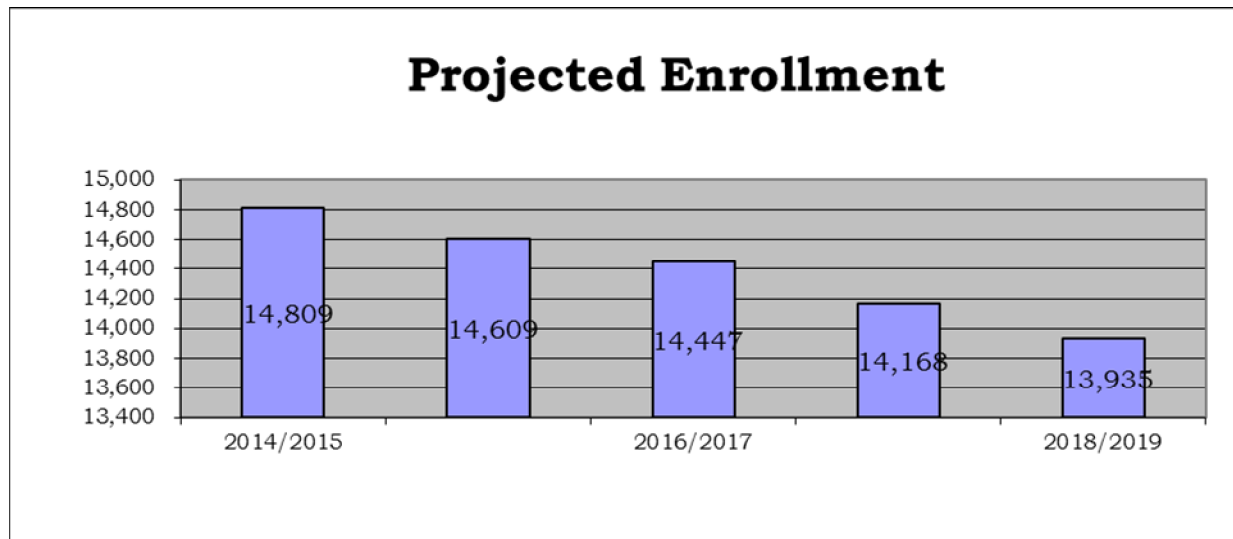
Grade	Enrollment	Sections	Average Class Size
Kindergarten	1013 Students	45 Sections	22.5
First Grade	1082 Students	42 Sections	25.8
Second Grade	1015 Students	42 Sections	24.2
Third Grade	1109 Students	43 Sections	25.8
Fourth Grade	1012 Students	37 Sections	27.4
Fifth Grade	1066 Students	38 Sections	28.1
Sixth - Eighth Grades	3533 Students	-	35.0
Ninth - Twelfth Grades	4857 Students	-	35.0

The graph that follows shows the changes in student blended count enrollment over the last ten years.



In 2007/2008, for the first time since 1986, enrollment declined for Walled Lake Consolidated Schools and has continued on a downward trend with a minor recovery in only one of the last five years. Michigan's economy has suffered for several years now, but there are many indicators that a recovery is underway. After numerous years of declines, employment has risen for the last three consecutive years. The unemployment rate has dropped from a peak of 14.2% in August 2009 to 8.1% for 2013. The U.S. economy is now expanding, the local housing sector is recovering and vehicle sales are increasing.

The extended recession certainly had an impact on Michigan residents. Job losses caused many families to leave Michigan. In addition, incoming kindergarten classes are smaller than graduating seniors. These two factors, supported by enrollment studies performed, lead us to believe that we will continue to experience declining enrollment for the next several years. The following graph provides projected enrollment over the next five years assuming a 90/10 blended count.



As a result of declining enrollment and in one of many efforts to meet the current fiscal challenges, the District hired a contractor to perform a complex facility study during the 2010/2011 school year. Each building was evaluated to determine optimal utilization, building condition and layout, as well as educational and operational adequacy. Once the study was complete and recommendations were provided, the Board of Education approved the closure of two elementary buildings after the 2011/2012 school year.

Prior to closure, building utilization among the elementary buildings was approximately 84% and projected to be 76% within five years. During 2012/2013, following the closure of two buildings, utilization among the elementary buildings was approximately 95%. Even with enrollment declines, utilization for 2013/2014 remained high at over 92%.

## **Personnel Trends**

As of June 2014, Walled Lake Consolidated Schools has approximately 1,366 employees. The following chart illustrates the changes in District personnel and the drastic reductions that have been made.

	<b>2010/ 2011</b>	<b>2011/ 2012</b>	<b>2012/ 2013</b>	<b>2013/ 2014</b>	<b>Projected 2014/2015</b>
<b>Instructional</b>					
Building Administrators & Secretaries	77.50	79.00	78.63	74.62	74.62
Teachers	793.30	786.39	775.86	769.56	745.56
Other Instructional Staff	135.56	147.58	161.98	154.53	129.53
Guidance Staff	30.30	30.20	31.41	29.40	29.40
Psychological Staff	7.60	7.60	7.60	7.20	7.20
Speech and Audiology	19.80	19.30	18.30	18.30	18.30
Social Workers	13.50	13.50	14.36	14.00	14.00
Special Ed. Teacher Consultants	15.00	13.00	13.00	13.00	13.00
Other Pupil Services Staff	52.00	39.08	63.09	40.37	40.37
Library Personnel	19.62	11.96	12.96	9.62	9.62
Computer Assisted Instruction	2.12	2.52	2.41	2.69	2.69
Other Instructional Supervisors	14.23	11.71	12.58	12.00	12.00
Other Staff Services Personnel	4.79	4.34	3.48	1.42	1.42
<b>Total Instructional Staff</b>	<b>1,185.32</b>	<b>1,166.18</b>	<b>1,195.66</b>	<b>1,146.71</b>	<b>1,097.71</b>
<b>Non-Instructional</b>					
Executive Administration	2.00	2.00	2.00	2.00	2.00
Business Services	10.05	9.25	9.25	9.25	9.25
Food Services Staff	75.49	82.15	81.24	81.58	81.58
Operations and Maintenance	27.36	24.42	25.42	24.60	24.60
Transportation Staff	117.27	113.49	126.39	1.00	1.00
Central Support Services	24.67	21.09	21.21	21.21	21.21
Other Support Staff	2.00	2.00	2.00	2.00	2.00
Community Services	50.24	51.09	57.89	77.88	77.88
<b>Total Non-Instructional Staff</b>	<b>309.08</b>	<b>305.49</b>	<b>325.40</b>	<b>219.52</b>	<b>219.52</b>
<b>Total Staff</b>	<b>1,494.40</b>	<b>1,471.67</b>	<b>1,521.06</b>	<b>1,366.23</b>	<b>1,317.23</b>

As a result of budget constraints, in addition to restructuring many of our departments, privatizing our Custodial and Transportation departments, making cuts in all possible areas and using a large portion of the District fund balance, the District has had to make significant reductions in staff. All employee groups agreed to significant concessions for the 2011/2012 school year which resulted in less reductions required and allowed for some stability heading into 2012/2013. All groups again agreed to concessions for the 2013/2014 school year. Heading into 2014/2015, we have settled contracts with our Teachers, Administrators, Secretaries and Kitchen Managers. We are still in negotiations with the remaining groups. Each of our settled contracts once again include concessions.

## **Operating Expenditures per Pupil**

The Board of Education and Administration prioritize expenditures around District goals. It is not surprising that the primary goal of Walled Lake Schools has been and continues to be student achievement.

In order to support the goal, each expenditure area is carefully scrutinized and evaluated to ensure that impact on student achievement is maximized. Funds are earmarked for items like instructional technology, which assist teachers and administrators in identifying the needs of students. Mastery Manager is one example and is used to house all assessment data. This software is a powerful tool that guides the need for interventions and other instructional decisions. Resources are then provided, when possible, to ensure that these interventions are available.

Programs such as supplemental summer classes and online learning are also provided in an effort to reach those students that may be struggling or who may function better in alternative environments.

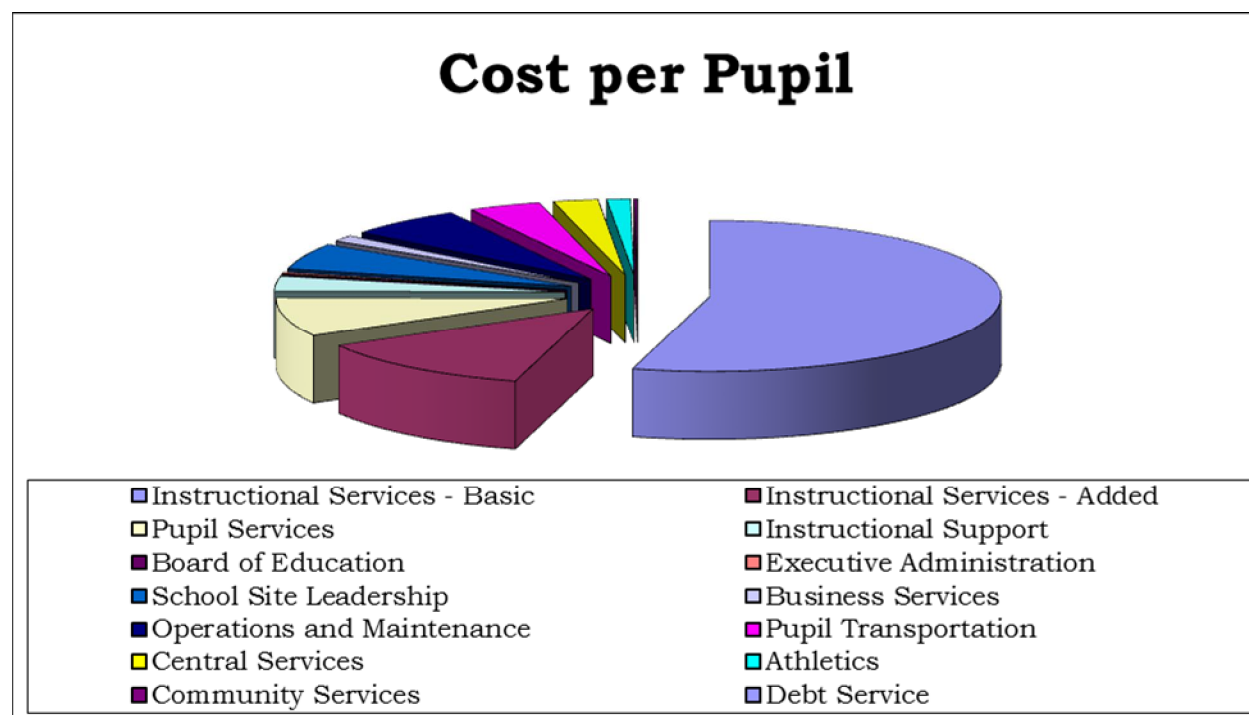
Professional development of both teachers and administrators is another area that impacts student achievement. It is, therefore, valued and financially supported to ensure that our students are benefiting from current best practices.

The District's operating expense per pupil is based on total general fund expenses divided by student count. The chart on the following page shows the total expenses by function for 2012/2013 as well as the budgets for 2013/2014 and 2014/2015.

	Actual 2012/13		Amended Budget 2013/14		Recommended Budget 2014/15	
<b>Instructional Services - Basic Instruction</b>	\$	84,795,703	\$	86,714,180	\$	83,424,498
Classroom instruction, textbooks and supplies						
<b>Instructional Services - Added Needs</b>		18,023,539		19,040,098		19,268,690
Classroom instruction, textbooks and supplies						
<b>Pupil Services</b>		12,773,095		12,746,713		12,792,632
Guidance, health, speech, social worker, teacher consultants						
<b>Instructional Support</b>		5,369,084		4,915,763		4,822,880
Assistant superintendents, program development, computer assistance						
<b>Board of Education</b>		149,843		240,650		146,650
School Board, clerical staff						
<b>Executive Administration</b>		474,363		496,503		478,115
Superintendent, clerical and support staff						
<b>Office of Principal</b>		8,639,107		8,576,561		8,602,450
Principals, assistant principals, clerical and support staff, related materials						
<b>Business Services</b>		2,007,110		2,297,126		2,011,997
Assistant Superintendent, Finance, Purchasing						
<b>Operations and Maintenance</b>		9,950,398		9,932,034		9,867,386
Staff, equipment and supplies for care, upkeep and operation of facilities						
<b>Pupil Transportation</b>		7,715,862		6,397,943		6,136,125
<b>Central Services</b>		3,636,323		4,020,801		3,823,805
Personnel, Community Relations, Data Processing						
<b>Athletics</b>		2,072,854		2,115,195		2,010,770
<b>Community Services</b>		189,988		225,796		293,370
<b>Transfers Out</b>	-		-		-	
<b>Total Expenditures</b>	\$	155,797,269	\$	157,719,363	\$	153,679,368
<b>Pupil Count</b>		15,266		15,013		14,806
<b>Operating Expense per Pupil</b>	\$	10,206	\$	10,506	\$	10,380



Although the total cost of each category will change based on the assumptions discussed previously, the relative distribution per pupil is expected to remain fairly constant. The following graph and chart illustrate the breakdown of cost per pupil for the 2014/2015 school year.



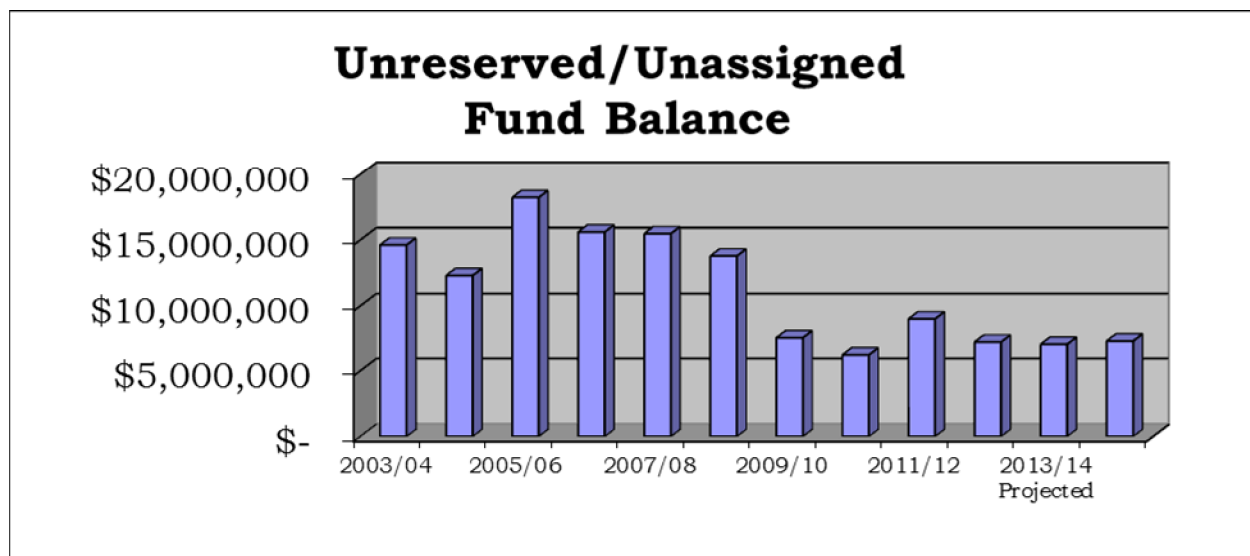
Category of Expense	2014/2015 Cost per Pupil	Percent of Total
Instructional Services - Basic	\$ 5,635	54.28%
Instructional Services - Added	1,301	12.54%
Pupil Services	864	8.32%
Instructional Support	326	3.14%
Board of Education	10	0.10%
Executive Administration	32	0.31%
School Site Leadership	581	5.60%
Business Services	136	1.31%
Operations and Maintenance	666	6.42%
Pupil Transportation	414	3.99%
Central Services	258	2.49%
Athletics	136	1.31%
Community Services	20	0.19%
<b>Total Expenditures</b>	<b>\$ 10,380</b>	<b>100.00%</b>

## Fund Balance

The District's fund balance is a cumulative figure that is a result of all prior year revenues over (under) expenditures. The ten year history of the District's General Fund fund balance including the percentage of each year's respective expenses follows. Also included are projected balances for 2013/2014 and 2014/2015.

Year	Total Fund Balance	Reserved Fund Balance	Unreserved		Unreserved as a Percentage of Expenditures
			Designated Fund Balance	Undesignated Fund Balance	
2003/2004	21,719,874	7,112,679	4,115,899	10,491,296	10.17%
2004/2005	23,318,025	11,029,963	5,424,304	6,863,758	8.34%
2005/2006 ***	19,264,966	1,048,385	14,491,542	3,725,039	11.52%
2006/2007	16,453,413	863,997	6,342,278	9,247,138	9.57%
2007/2008	16,371,645	910,337	6,028,129	9,433,179	9.54%
2008/2009	15,424,506	1,652,623	5,712,668	8,059,215	8.35%
2009/2010	8,348,346	854,323	3,097,769	4,396,254	4.52%
** - In 2005/2006 the treatment of appropriations for the following year were moved to designated rather than reserved.					

Year	Total Fund Balance	Nonspendable	Assigned	Unassigned	Unassigned as a Percentage of Expenditures
2010/2011***	\$ 12,813,637	\$ 1,257,309	\$ 5,364,337	\$ 6,191,991	4.02%
2011/2012	16,031,359	729,684	6,301,054	9,000,621	5.97%
2012/2013	11,218,172	501,003	3,548,618	7,168,551	4.60%
2013/14 Projected	7,798,745	800,000	-	6,998,745	4.44%
2014/15 Projected	8,044,505	800,000	-	7,244,505	4.71%
**** - In 2010/2011 Governmental Accounting Standards Board (GASB) 54 was implemented which changed fund balance categories.					



In a typical school year, the cash inflows generated from revenues do not match the outflows caused by expenses. The District receives State Aid payments from October through August, with no payment in September. In addition, tax receipts vary tremendously from month to month. Having an undesignated/unassigned fund balance available allows the District to cover day-to-day operating expenses without the need to borrow. In the past, as part of the annual budget process, the Superintendent has recommended, and the Board has approved, a desired fund balance level. Given the current economic climate and the severe financial cuts that the District is facing, the Board decided to use a portion of the fund balance in order to assist with balancing the budget for 2013/2014. Administration and the Board of Education would like to maintain this minimum fund balance and has set out to balance the budget without the use of additional fund balance.

## **Debt**

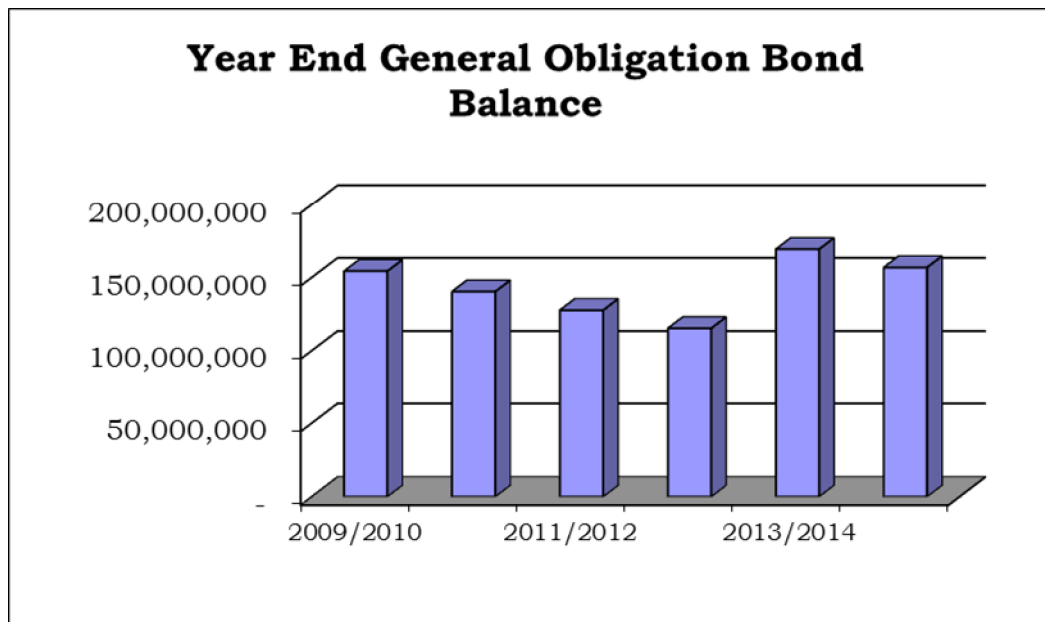
At the end of 2013/2014, the School District has \$169.3 million in General Obligation Bonds outstanding versus \$115.3 million at the end of 2012/2013.

During the year, the citizens in the Walled Lake Consolidated School District approved a \$67.5 million bond for safety, security and technology improvements. While this bond adds to the District debt, it will provide the necessary funds to significantly enhance the security of all buildings and allow for many technological updates and improvements.

The 2004 Bond was paid off during the year which also had an impact on the year-end balance.

The following chart and graph show the changes in General Obligation Bonds for the District over the last five years as well as the projected 2014/2015 activity.

School Year	Beginning Balance	Additions	Reductions	Ending Balance
2009/2010	\$ 166,105,000	\$ -	\$ 11,820,000	\$ 154,285,000
2010/2011	\$ 154,285,000	\$ 49,485,000	\$ 63,425,000	\$ 140,345,000
2011/2012	\$ 140,345,000	\$ -	\$ 12,655,000	\$ 127,690,000
2012/2013	\$ 127,690,000	\$ 145,000	\$ 12,510,000	\$ 115,325,000
2013/2014	\$ 115,325,000	\$ 65,760,000	\$ 11,800,000	\$ 169,285,000
Projected 2014/2015	\$ 169,285,000	\$ -	\$ 12,385,000	\$ 156,900,000



## ALL FUNDS

The following includes a summary by object of the 2014/2015 proposed budget for each additional fund type maintained by the District.

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Project Funds</b>
<b>Revenue</b>			
Local Sources	\$5,241,300	\$20,779,415	\$2,100,000
State Sources	263,403	-	-
Federal Sources	1,650,000	-	-
Interdistrict Sources	-	-	-
Total Revenue	7,154,703	20,779,415	2,100,000
<b>Expenditures</b>			
Salaries	2,847,255	-	-
Benefits	1,439,152	-	-
Purchased Services	489,209	-	-
Supplies and Materials	2,099,399	-	-
Capital Outlay	35,200	-	-
Other	299,317	-	-
Capital Projects/Land	-	-	8,968,985
Debt Service	-	20,282,094	-
Total Expenditures	7,209,532	20,282,094	8,968,985
<b>Other Financing Uses - Transfers Out</b>	(325,000)	-	-
<b>Net Change in Fund Balances</b>	(379,829)	497,321	(6,868,985)
<b>Fund Balances - Beginning of year</b>	1,179,203	1,521,296	62,965,421
<b>Fund Balances - End of year</b>	\$799,374	\$2,018,617	\$56,096,436

The Cafeteria fund accounts for all monies generated from the cafeteria operations throughout the various buildings of the District.

The Community Education fund is used to account for all monies originating from educational programs run by the District other than preschool and kindergarten through 12<sup>th</sup> grade programs.

The Preschool fund accounts for all monies originating from and spent on behalf of the preschool programs run by the District.

The Enrichment/Prime Time Care fund accounts for all monies originating from and spent on behalf of the District's Enrichment and Prime Time Care (Latchkey) programs.

The Debt Retirement funds were created for various school building and site improvements as well as the advance refunding of some previous bond issues. The District currently has five debt retirement funds. The full debt of each is recorded in the General Long-Term Debt Account Group. Revenues for each are generated from tax levies and expenditures are made for current principal and interest. The 2004 Bond was paid in full during 2013/2014 and a new Debt Service fund was created to account for the 2014 Safety, Security and Technology Bond.

The Capital Projects funds were created to account for the proceeds from bond issues as well as the expenditures incurred to acquire, construct or renovate various District facilities and buildings. In November 2013, the Walled Lake School community approved a \$67.5 million bond to be used for safety, security and technology improvements, as referenced above. The new 2014 Bond Fund accounts for the various projects related to this bond.

The tables included below include the budgeted revenues and expenditures for each fund of the District.

### Revenues

	<div>2013/2014</div> <div>Amended Budget</div>		<div>2014/2015</div> <div>Proposed Budget</div>		<div>Percent Change</div> <div>from Prior Year</div>
General Fund	\$	154,299,936	\$	153,925,128	-0.24%
Special Revenue Funds					
Cafeteria Fund		4,484,924		4,404,903	-1.78%
Community Education		657,262		691,262	5.17%
Preschool		452,558		462,558	2.21%
Enrichment/Prime Time Care		1,569,523		1,595,980	1.69%
Debt Retirement Funds		20,284,787		20,779,415	2.44%
Capital Projects Funds		69,560,306		2,100,000	-96.98%
TOTAL	\$	251,309,296	\$	183,959,246	-26.80%

## Expenses

	2013/2014		2014/2015		Percent Change from Prior Year
	Amended Budget		Proposed Budget		
<b>General Fund</b>	\$	157,719,363	\$	153,679,368	-2.56%
<b>Special Revenue Funds</b>					
Cafeteria Fund		4,630,694		4,657,314	0.57%
Community Education		703,106		702,996	-0.02%
Preschool		432,092		430,434	-0.38%
Enrichment/Prime Time Care		1,834,631		1,743,788	-4.95%
<b>Debt Retirement Funds</b>		18,783,492		20,282,094	7.98%
<b>Capital Projects Funds</b>		9,112,921		8,968,985	-1.58%
<b>TOTAL</b>	\$	193,216,299	\$	190,464,979	-1.42%

Revenue and expenditures in the General Fund are expected to remain fairly flat. Budget reductions were made to decrease expenses and ensure that fund balance can remain.

Food sales are expected to be impacted by recent legislative changes that govern the makeup of allowable lunches and snacks in schools. We have experienced a decrease in lunch sales as a result and expect that to continue.

The Community Education, Preschool and Enrichment/Prime Time Care funds are budgeted so that expenses generally follow anticipated revenues.

Revenues for the Prime Time Care program are expected to increase due to the expansion of the new middle school program. During 2013/2014, The Prime Time Care Program made a contribution to the General Fund. A smaller contribution is expected for 2014/2015 which will reduce expenditures in this fund.

The Debt levy has been set to allow revenues in the Debt funds to fully support the principal and interest payments.

In the Capital Projects Funds, revenues in 2013/2014 included the bond proceeds related to the 2014 Safety, Security and Technology Bond.

The charts that follow show projected revenues and expenditures in each of the District's funds for the next three years.

### Revenues

	2015/2016 Budget Projected	2016/2017 Budget Projected	2017/2018 Budget Projected
<b>General Fund</b>	\$ 154,736,879	\$ 156,283,948	\$ 157,846,488
<b>Special Revenue Funds</b>			
Cafeteria Fund	4,448,952	4,493,442	4,538,376
Community Education	698,175	705,156	712,208
Preschool	467,184	471,855	476,574
Enrichment/Prime Time Care	1,611,940	1,628,059	1,644,340
<b>Debt Retirement Funds</b>	20,258,386	20,268,649	19,863,969
<b>Capital Projects Funds</b>	2,120,800	\$ 2,131,808	\$ 2,153,026
<b>TOTAL</b>	<u>\$ 184,342,315</u>	<u>\$ 185,982,918</u>	<u>\$ 187,234,980</u>

### Expenses

	2015/2016 Budget Projected	2016/2017 Budget Projected	2017/2018 Budget Projected
<b>General Fund</b>	\$ 154,971,723	\$ 156,277,001	\$ 157,595,331
<b>Special Revenue Funds</b>			
Cafeteria Fund	4,682,137	4,707,207	4,732,529
Community Education	680,343	682,714	685,108
Preschool	434,240	438,084	441,966
Enrichment/Prime Time Care	1,655,677	1,667,684	1,579,812
<b>Debt Retirement Funds</b>	20,251,819	20,267,119	19,900,619
<b>Capital Projects Funds</b>	23,622,499	31,438,218	5,749,560
<b>TOTAL</b>	<u>\$ 206,298,437</u>	<u>\$ 215,478,026</u>	<u>\$ 190,684,925</u>



## **STUDENT PERFORMANCE**

As mentioned previously, the District has had to make some difficult decisions regarding programs and staff over the last several years as we have faced significant budget constraints. Student achievement has always been our guiding force in those decisions and in spite of numerous cuts and restructuring efforts by Walled Lake Schools, all schools in the District meet or exceed State accountability standards.

In the summer of 2012, Michigan was approved for flexibility from the Elementary and Secondary Education Act of 1965. The approved flexibility will mean a change in the method of measuring school accountability in the State of Michigan. Beginning with the 2012/2013 school year, the Michigan Department of Education will release scorecards as an indicator of school and district compliance, assessment participation and assessment performance requirements.

### **MEAP**

Walled Lake Schools' Michigan Educational Assessment Program (MEAP) test results show improvement from year to year and scores continue to surpass State and County averages.

2013-2014 marked the final year Michigan administered the MEAP assessments. Students were tested in Reading (in grades 3, 4, 5, 6, 7, 8 and 11), Mathematics (in grades 3, 4, 5, 6, 7, 8 and 11), Science (in grades 5, 8, and 11), Social Studies (in grades 6, 9, and 11), and Writing (in grades 4, 7 and 11). MEAP tests had evolved significantly in scope and complexity, and were aligned with the Michigan K-8 Grade Level and High School Content Expectations. Furthermore, plans have been underway for transition to the new state assessments, which will be aligned to the new Common Core State standards (CCSS). The District began integrating the new Common Core State Standards in unit designs, summative assessments and curricular objectives for the past three years, with full implementation of the CCSS finalized during the 2013-2014 school year.

The District Improvement Plan, submitted annually in compliance with AdvancED Accreditation, focuses on three main student achievement goals: a) growth in literacy, b) growth in numeracy, and c) aligned and measureable indicators of effective instruction. The test scores are one indication of the student success that the District is proud of.

Walled Lake Consolidated Schools received full District Accreditation in 2012. The Informational Section of this document includes a three

year history of the District's scores along with County and State comparisons. In each of those three years, the District has enjoyed scores that are significantly higher than State and County averages.

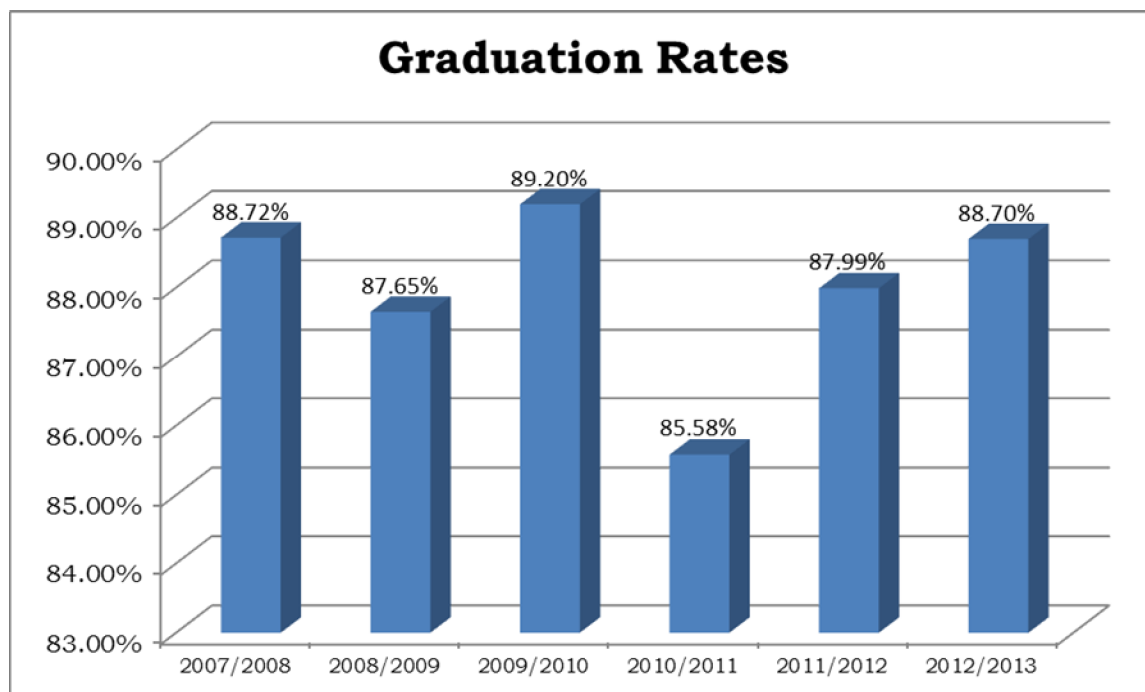
### **ACT Scores**

ACT scores are a measure used to predict student success in college. The ACT composite scores, compiled from college-bound students tested in Walled Lake, in Michigan and the nation are also presented in the Informational section of this document. The scores provide a national perspective on test results. District scores have consistently been at or above the national level.

### **Graduation Rates**

As important as student performance, are the rates of retention and graduation that are achieved.

Graduation rate is defined as the estimated four-year completion rate. The rate indicates, with no change in future retention rates, the percentage of ninth grade students who will complete their senior year of school and graduate. This rate is therefore influenced by movement of students into and out of the District, and does not necessarily correspond to the drop out rate. The following graph shows the history of graduation rates for the District.



## DISTRICT GOALS

Administration and the Board of Education have developed four areas of focus that shall be considered District goals. These goals are revisited frequently by Administration and are key considerations when discussing budget recommendations. The following describes each goal and is followed by a summary of just some of the financial and personnel resources allocated to ensure our success.

**Student Success:** Ensure that every student is able to reach his/her potential by focusing on:

- ✓ Academic and personal success;
- ✓ Ensuring instructional strategies and practices are research-based and meet the needs of all learners;
- ✓ Collaboration and innovation among all members of our school community;
- ✓ The needs of all learners, and developing action plans to help support those needs;
- ✓ Using data as a means to help drive instruction and planning; and
- ✓ Supporting best practices, proven interventions and the professional development of our teachers and administrators.

Supporting resources include monetary support for:

- Assessment tools
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- ✓ Continuing efficiency and collaboration efforts.

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- Ensure purchases are made as frugally as possible through available consortiums and cooperatives
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- ✓ Involving parents and the community in decisions that affect and benefit the Walled Lake Consolidated School District;
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- ✓ Creating a culture of safety and social well-being;
- ✓ Promoting “no tolerance” standards for bullying, harassment and other unacceptable behaviors;
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- ✓ Expecting students, staff and the entire school community to communicate, model and reinforce standards of ethical conduct and responsible global citizenship; and
- ✓ Continuing to ensure our schools are safe learning environments by annually reviewing Safety Plans; collaborating with local law enforcement officials and cultivating an overall culture of “safety first.”

Supporting resources include personnel and monetary support to:

- Conduct numerous emergency drills
- Operate surveillance cameras
- Inspect and improve health and cleanliness of schools
- Provide additional hall monitors
- Provide police officers that rotate through the District

The 2014 Safety, Security and Technology Bond will also provide many upgrades to the safety and security of each District building.

# Walled Lake Consolidated School District

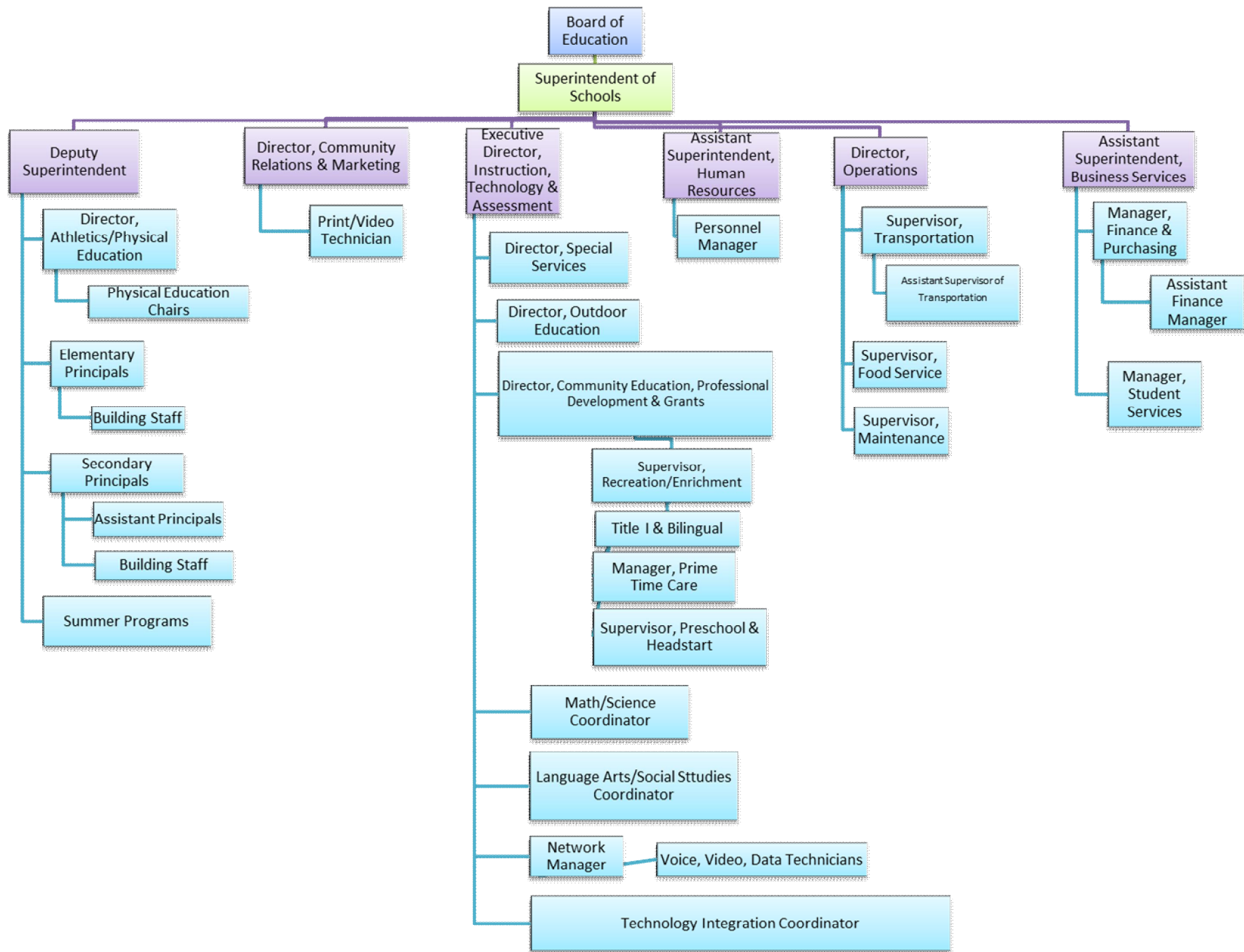
## Organizational Section



Walled Lake Western  
High School

*"Shrek"*

*Every Child, Every Day!*



## **Board of Education**

The Walled Lake Consolidated School District is governed by an elected seven member Board of Education. This Board is a separate legal entity and fiscally independent from other surrounding municipalities. It is the responsibility of the Board of Education to set policy and appoint a Superintendent to ensure policy implementation. Act 451 of 1976 established the Michigan School Code along with applicable laws of the State of Michigan which set forth the parameters within which the Board of Education operates.

The following are the current members and terms of the Walled Lake Consolidated School District Board of Education.

**Greg Janicki, President**

*Term Expires 12/31/2014*

**Denise Bither, Vice President**

*Term Expires 12/31/2016*

**Nancy van Leuwen, Treasurer**

*Term Expires 12/31/2016*

**Kathy Lyall, Secretary**

*Term Expires 12/31/2014*

**Peggy Casagrande, Trustee**

*Term Expires 12/31/2018*

**Marc Siegler, Trustee**

*Term Expires 12/31/2018*

**Christopher Titus, Trustee**

*Term Expires 12/31/2014*



# **THE DISTRICT ENTITY**

## **Community Overview**

The District, located in southwestern Oakland County, encompasses more than 55 square miles and includes all or part of nine governmental units: the Cities of Farmington Hills, Novi, Orchard Lake, Walled Lake and Wixom, the Townships of Commerce, West Bloomfield and White Lake and the Village of Wolverine Lake.

The District has 12 elementary schools (K-5), four middle schools (6-8), three high schools (9-12), an educational services center, a maintenance/transportation building, a community education building, and an outdoor education center. There are currently 15,013 students as of the 2013/2014 school year. The District is legally autonomous and is fiscally independent. The legal name of the school district is Walled Lake Consolidated Schools.

The following pages include maps of our District by building attendance area.

## **District Maps**

All attendance maps can be found on the District website at <http://www.wlcsd.org/district.cfm?subpage=331110>.

## FUND STRUCTURE

The budget of Walled Lake Consolidated Schools is separated by a number of different funds. Funds are legal, fiscal and accounting entities segregated to carry on a specific activity. Each fund has its own revenues, expenditures and fund balance. Both the Generally Accepted Accounting Principals (national standards) and the State of Michigan 1022 manual (state standards) require that school districts use funds. Walled Lake Consolidated Schools uses two different fund types: Governmental Funds and Fiduciary Funds.

**Governmental Funds** contain the majority of the District's financial activity. Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use and balances of a school district's expendable financial resources and the related current assets and liabilities are accounted for through governmental funds. Within the category of Governmental funds, there are four major fund types: a General Fund, Special Revenue Funds, Capital Project Funds and Debt Funds.

The **General Fund** is by far the largest fund and contains most of the financial activity of the District. When people speak in terms of the District's Budget, they are usually referring to the General Fund. The General Fund accounts for all of the major activity of the K-12 operations of the District. This would include all salaries and operating costs related to instruction (teachers), library services, special education, custodial, maintenance, grounds, transportation, athletics and building and central administration.

Within the **Special Revenue** fund type, the District has four (4) separate funds. The Cafeteria Fund accounts for all monies generated from cafeteria operations of the District. The Community Education Fund accounts for all monies originating from educational programs run by the District other than preschool and kindergarten through 12th grade programs. The Enrichment/Prime Time Care Fund is used to account for monies originating from the District's Enrichment and Prime Time Care (Latch Key) Programs. The Preschool Fund accounts for all monies generated from the preschool programs run by the District.

The **Debt Service Funds** are set up to account for the repayment of debt obligations of the District. In all cases, these funds are associated with previous bond issues for Capital Projects of the District. Much like a home mortgage, the funds repay obligations associated with major construction projects. Since bond issues can be for lengths up to 30 years, these debt service funds account for some projects that have long since been completed. The district currently has six (6) debt funds.

The 2004 Debt Retirement Fund was created for school building and site improvements. The 2005 Debt Retirement Fund was created for the advance refunding of a portion of the 2000 bond issue. The 2006 Debt Retirement Fund was created for the advance refunding of a portion of the 2004 bond issue. The 2011 Debt Retirement Fund was created for the advance refunding of a portion of the 2001 bond issue. The 2012 Debt Retirement Fund was created for the advance refunding of a portion of the 2004 bond issue. The 2014 Debt Retirement Fund was created for school building and site improvements.

**Capital Project Funds** are used to separate out activities associated with major construction, remodeling, capital purchases, or major repairs, especially when funded through bond issues. When bond issues are approved by the voters, after the bonds are sold, the money is placed in a capital project fund. After the project is completed and all costs are paid, the related capital project fund is closed.

The District currently has two (2) Capital Project Funds. The 2014 Bond Issue Project Funds contains the proceeds and accounts for the capital outlay of the bond issue. The Sinking Fund contains the related tax revenue and accounts for the expenditures of approved sinking fund projects. A Sinking Fund cannot be used for operational or maintenance type expenditures. Instead, Sinking Fund revenue must be used for major repairs, remodeling or construction.

In addition to Governmental Funds, the District has a **Fiduciary Fund** to account for all of the Student Activity Accounts that the District maintains accounting records for. Specifically, the District acts as a fiscal agent for a number of school groups. Student Activity Accounts are not presented in this document, since there is no requirement to adopt budgets for them.

## **SYSTEM OF REVENUE AND EXPENDITURE CLASSIFICATION**

Revenues of the District are grouped by fund into four main areas; Local Sources, State Sources, Interdistrict Sources and Federal Sources. Local Sources include property taxes, fees charged for facility and athletic field rentals, use of the Outdoor Education Center, parking fees at the high schools, athletic pay to participate fees, as well as fees charged for programs such as community education and preschool programs. Also included are earnings on investments and other miscellaneous revenue. State Sources include the Per Pupil Foundation, State categorical aid and some grants. Interdistrict Sources include PA 18 funds and Medicaid Outreach money. Federal Sources include grants such as National School Lunch, Title I, Title II and IDEA.

Expenditures are classified not only by Fund, but also by Function, Program, Location and Object. They are categorized into six general areas as follows:

1. **Salaries** – includes all wage classifications such as regular and overtime wages as well as termination pay upon retirement.
2. **Benefits** – includes all employee benefits such as health insurance, FICA and Medicaid contributions and retirement contributions.
3. **Purchased Services** – includes all work performed by an outside company. Examples include contracted substitutes as well as auditor and attorney fees.
4. **Supplies and Materials** – includes teaching, office and custodial supplies.
5. **Capital Outlay** – includes all fixed asset items such as furniture, equipment and vehicles.
6. **Other** – includes any item that would not appropriately be charged to any of the other five categories.

Since all of the Governmental Funds of the District are computerized, the District has the ability to sort financial information in a variety of ways. Account numbers are also grouped into Programs or Appropriation Units. These serve the same purpose as cost centers. For example, although there may be many accounts associated with a high school (location), the principal is only responsible for certain costs. Therefore, any costs associated with this appropriation unit will be approved by the principal, and he/she will be held responsible for the budget for those accounts.

## **BASIS OF ACCOUNTING**

Governmental funds utilize the modified-accrual basis of accounting. The word accrual means that an expenditure must be recognized in the year in which the event took place regardless of when payment is made. The reason for the term modified-accrual is that revenues are accounted for on a cash basis. Exceptions to these rules are as follows:

1. Property taxes and other revenue that are both measurable and available for use are recorded as revenues when earned. Revenues are considered available if they are received within 60 days of year end.
2. Principal and interest on general long-term debt are not recorded as expenditures until their due dates.

The budget has been prepared in accordance with generally accepted accounting principals. Unexpended appropriations lapse at year end. Encumbrances are not included as expenditures.

## **LEGAL POLICIES AND PROCEDURES RELATED TO THE BUDGET**

### **Audit**

An annual audit performed in compliance with Generally Accepted Accounting Principles (GAAP) by a certified public accountant and appointed by the Board of Education, is required at year end. All funds are required to be audited, even though fiduciary funds are not budgeted. Single audit requirements for federal programs must be met. State compliance audits are also performed on federal program operations.

### **Budget**

The State of Michigan requires all school districts to comply with Public Act 43 of 1963, Budget Hearings of Local Governments and Public Act 2 of 1968, Uniform Budget and Accounting Act. These acts require all school districts to prepare budgets for their funds, which account for the day-to-day operations of the school district; however capital project funds, debt funds and fiduciary funds are not required to be budgeted. The budgets are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and a specific uniform chart of accounts established by the State. Budgets must be approved no later than June 30 for the fiscal year beginning July 1, and ending June 30 of the subsequent year. Prior to adoption, the Board must conduct a

public hearing and make the budget available for review as well as provide notice of the hearing in a newspaper of general circulation at least six days prior to the hearing. Formal adoption of the budget is accomplished through a general appropriations resolution approved by the Board which sets forth the amounts to defray the expenditures and meet the liabilities of the school district as well as a statement of estimated revenues, by major class in each fund. Once approved, expenditures cannot exceed the budget by function during the fiscal year without Board approval of revisions.

### **Investments**

The School District is authorized by Michigan Public Act 132 of 1986 to invest surplus monies in U.S. Bond and notes, certain commercial paper, U.S. government repurchase agreements, bankers' acceptances and mutual funds and investment pools that are composed of authorized investment vehicles. The District manages cash flow constantly in order to assure that surplus funds are invested to maximize the earnings on investments and supplement the revenues of its funds. On an annual basis, the Board designates the depositories in which District funds may be deposited.

### **Tax Levy**

The law also requires the District to determine the amount of money to be raised by taxation to defray the expenditures and meet the liabilities of the District. The District levies a hold harmless millage on homesteads of 2.1971 mills, 18 mills on non-homesteads, 4.9872 mills for debt on all properties, and 0.50 mills for the District sinking fund, which is also levied on all properties. Industrial personal property is exempt from the 18 mills operating levy. Commercial personal property is exempt from 12 of the 18 mills operating levy. 100% of the millages are collected in July.

## **Policies and Procedures**

### **Fund Balance Policy**

On an annual basis, as part of the budget process, the Superintendent recommends, and the Board approves, a desired fund balance level. While a formal minimum fund balance policy does not exist, it is the goal of Administration and the Board to maintain a fund balance of no less than \$8 million. Current projections indicate that fund balance will fall below that mark at the end of 2013/2014 but will again exceed \$8 million at the end of 2014/2015.

Fund balance may be used to supplement possible shortfalls in state, federal and local revenues, used as a reserve for possible emergency expenditures or

for other reasons deemed necessary by the Board. Emergency expenditures may not be taken from the fund balance unless possible surpluses in the existing school budget have been appraised. Emergency expenditures may be recommended by the Superintendent and approved by the Board. Fund balance may not be transferred to expenditure accounts without Board approval.

### **Budget Development**

The budget is a formalized statement of anticipated revenues and expenditures of the District needed to carry out the District's educational mission and goals and includes all but fiduciary funds.

In accordance with Board policy, development of the District's budgets lies with the Superintendent and the administration. Annually, a budget calendar is established and reviewed with the Board. The calendar sets forth in detail a timeline for budget development. The budget calendar below outlines significant duties and responsibilities that were completed to present a budget to the Board of Education by June 30, 2014.

### **Budget Development Timeline**

November 2013	Superintendent and Assistant Superintendent of Business Services meet to discuss budget process
December 2013	Standardized costs for staffing requests developed
December 2013	Review timeline and parameters with Cabinet team
December 2013	Budget calendar available
December 2013	Resolution sent to local municipalities for summer tax collection agreements
January 2014	Preliminary budget projections available
January 2014	Cabinet study session(s)
January 2014	Preliminary budget report at Leadership Team meeting
Jan-Feb-March	Board study sessions as needed
Feb-March	2014-15 preliminary budget review & updates
February 2014	Discussion regarding layoffs within all groups
February 2014	2014-15 student projections & preliminary staffing needs identified
March 2014	Layoff Notices, Unaffiliated Administrators, staff



March 2014	Budget update at Leadership Team meeting
March-April	Staff & community meetings held at buildings
March-Apr-May	Budget email address active for staff/community feedback
April 2014	Additional Board study sessions as needed
April 2014	Discussion regarding layoffs with WLEA, WLSAA
April 2014	Budget update at Leadership Team
April 2014	Layoff Notices WLEA, WLSAA
May 2014	Preliminary budget changes completed
May 2014	Preliminary budget presented to Board of Education in study session
05/21/14	Publish notice for budget hearing
06/05/14	Preliminary budget available for review
06/05/14	Board conducts public hearing on Budget for 2014-2015
06/05/14	Board establishes 2014-15 debt and general fund millage rates
06/05/14	Board adopts 2014-15 budget
June 2014	Layoff notices, WLSSA, Para Educators, WLESP, WLTA, Foreman and Kitchen Managers

Prior to adoption, Board policy requires copies of the proposed budget be available for the community to review. A notice of a public hearing on the budget, published in a newspaper of local circulation, advertises the date, time and place of the public budget hearing. As part of the budget adopting process, the Board sets the total number of mills of property taxes to be levied by the District and purpose for which that millage is levied.

### **Budget Formulation**

The process for budget formulation this year was similar to past years. The business office projected student enrollment and revenues. Broad expenditure categories for salaries, health benefits and retirement were projected based upon negotiated labor agreements, and estimates for health benefits and the Michigan Public Schools Employee Retirement System rate on salaries. Purchased services and supplies, with the exception of utilities and insurance, were maintained at the same level or decreased. This process resulted in expenditures exceeding revenues by over \$6 million. It was agreed that the potential solutions to the budget deficit should involve three considerations:

**Negotiated Concessions** – All employee groups agreed to wage concessions of various sorts. While the parameters of the agreements vary by group, the concessions received were comparable among them.

**Cost reductions** – The District is committed to taking action to reduce costs that would least impact changes in the level of services provided. After years of reductions, this is becoming more and more difficult to accomplish. Class sizes will be increased this year, a secondary intervention program will be eliminated, classroom paraeducators will be reduced and athletic programs will be impacted.

**Use of fund balance** – Administration and the Board of Education are committed to maintaining a minimum fund balance of \$8 million, if at all possible. As a result, no fund balance is left to assist with balancing the budget.

### **Key Factors in the Development of the 2014/2015 Budget**

Budget parameters are developed with the Superintendent's Cabinet Team and reviewed with the District's Leadership Team, which includes all administrators. They are then presented to and discussed with the Board of Education at a regular public meeting. Input received at the Board meeting is incorporated. These parameters become the basis for the ensuing year's budget development. The parameters for 2014/2015 are as follows:

- Support for instruction, co-curricular and staff development programs and support operations will be funded.
- Competitive wages and negotiated concessions. Social security and Medicare costs will be budgeted as necessary. Retirement will be budgeted using a blended MPERS rate of 25.53 percent. Healthcare will be budgeted appropriately to account for PA 152 which places a cap on the total amount a district can pay for health insurance annually for its employees. The cap increased by 2.9% for 2014/2015.
- The number of employees expected to retire will be budgeted at 20 and the average rate for new and replacement teachers will be budgeted at the MA-3 salary level.
- Revenues from adult and community education will continue to cover direct program costs.
- Revenues from the nutritional services program will continue to cover direct program expenditures.
- Student enrollment is expected to decrease by 212 students.
- An \$83 per pupil increase to the foundation allowance from The State of Michigan is anticipated for 2014/2015. Additional funds are budgeted

to be received as assistance with retirement costs as well as best practice funding. A district must qualify for this funding by meeting seven of nine defined best practices.

- Additional funding from the State known as Performance Funding is also budgeted. A district is eligible for up to \$100 per pupil if test scores compare favorably from one year to the next in specified areas. \$40 per pupil has been budgeted in this area.
- Federal Funds are expected to flat level for 2014/2015.
- The District will continue to explore and implement cost savings and cost containment measures.
- A total of 49 positions were eliminated as a result of budget constraints.
- Other budget reductions included changes in athletic participation fees and the sale of property.
- Budget and financial reports will be prepared in accordance with excellence award standards.

### **Capital Budget**

A master project list is maintained by the District maintenance department based on the needs identified at the various buildings. Each project is reviewed and categorized under the following priority codes: health/safety, code compliance, end of useful life, curriculum improvement, energy conservation and operational need. During the budget process the master list is reviewed and a tentative list is prepared of projects to be completed in the following fiscal year. This list is adjusted as necessary due to emergencies and other unforeseen needs. Over the last several years the District has been able to use a combination of bond funds and sinking fund monies to fund necessary capital expenditures. The District's Sinking fund millage was renewed in November 2012 and will be in place for an additional ten years. These funds provide the resources required to improve and maintain our buildings. Without this alternative funding source, these projects would need to be financed by the General Fund.

In November 2013, the Walled Lake Schools community approved a \$67.5 million Safety, Security and Technology Bond. These funds will allow the District to improve safety and security in every building and upgrade the classroom technology district wide.

### **Budget Management**

The budget is managed by persons responsible for various program accounts and expenditures. Each office is equipped with an on-line processing capability which enables access to current information by account number and appropriation. Budget managers are able to make adjustments within specific budget lines, however, their total appropriation cannot be exceeded.

### **Budget Amendments**

After the start of the school year and the official October student count, on which the largest portion of the per pupil foundation revenue is based, the District prepares an amendment to the budget. This allows adjustments based upon actual student enrollment, staffing ratios, actual year-end expenditures and fund balance from the previous fiscal year, to be considered.

In addition, the budget is reviewed regularly and formal budget amendments are prepared and approved periodically to better reflect actual revenues and expenditures. During the 2013/2014 school year, amendments were made in December 2013 and March 2014. The final amendment was in June 2014.

# DISTRICT MISSION STATEMENT AND GOALS

## Mission Statement

The District Mission Statement was developed in the initial strategic planning process, which began in 1990. In 1995, the mission statement was updated, and it remains the same today. The issues of primary focus are written in **bold:** partnership, best educational system, caring, responsible and knowledgeable citizens.

The mission of the Walled Lake Consolidated Schools, in **partnership** with parents and community, is to become the **best educational system in America** so all students demonstrate they are **caring, responsible** and **knowledgeable citizens**.

## District Goals

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# Walled Lake Consolidated School District

Financial Section



**C. H. Smart Middle School**  
*“Homeless Shelter Challenge”*

*Every Child, Every Day!*



2014-2015 Recommended Budget					
All Fund Summary					
Revenues By Source and Expenditures By Object					
	General	Special	Debt	Capital	
	Fund	Revenue	Service	Project	
	Fund	Funds	Funds	Funds	Total
<b>Revenue</b>					
Local Sources	\$34,153,161	\$5,241,300	\$20,779,415	\$2,100,000	\$62,273,876
State Sources	104,853,347	263,403	-	-	105,116,750
Federal Sources	6,426,920	1,650,000	-	-	8,076,920
Interdistrict Sources	8,166,700	-	-	-	8,166,700
Total Revenue	153,600,128	7,154,703	20,779,415	\$2,100,000	183,634,246
<b>Expenditures</b>					
Salaries	82,658,222	2,847,255	-	-	85,505,477
Benefits	46,577,232	1,439,152	-	-	48,016,384
Purchased Services	18,147,667	489,209	-	-	18,636,876
Supplies and Materials	5,816,923	2,099,399	-	-	7,916,322
Capital Outlay	110,196	35,200	-	-	145,396
Other	369,128	299,317	-	-	668,445
Capital Projects/Land	-	-	-	8,968,985	8,968,985
Debt Service	-	-	20,282,094	-	20,282,094
Total Expenditures	153,679,368	7,209,532	20,282,094	8,968,985	190,139,979
<b>Other Financing Sources (Uses)</b>					
Transfers In	325,000	-	-	-	325,000
Transfers Out	-	(325,000)	-	-	(325,000)
<b>Total Other Financing Sources (Uses)</b>	325,000	(325,000)	-	-	-
					-
<b>Net Change in Fund Balances</b>	245,760	(379,829)	497,321	(6,868,985)	(6,505,733)
<b>Fund Balances</b> - Beginning of year	7,798,745	1,179,203	1,521,296	62,965,421	73,464,665
<b>Fund Balances</b> - End of year	\$8,044,505	\$799,374	\$2,018,617	\$56,096,436	\$66,958,932



### Revenues By Source and Expenditures By Object

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b>								
Local Sources	\$42,416,068	\$40,277,457	\$37,300,328	\$37,633,125	\$38,644,461	\$ 39,159,156	\$ 39,552,747	\$ 40,050,275
State Sources	102,745,056	103,794,824	106,149,289	106,981,137	105,116,750	106,167,918	107,229,597	108,301,893
Federal Sources	11,229,618	8,159,222	7,144,990	8,060,399	8,076,920	8,157,689	8,239,266	8,321,659
Interdistrict Sources	9,103,625	8,972,263	7,529,134	7,728,002	8,166,700	8,248,367	8,330,851	8,414,159
Total Revenue	165,494,367	161,203,766	\$158,123,741	160,402,663	160,004,831	161,733,130	163,352,461	165,087,985
<b>Expenditures</b>								
Salaries	93,427,163	89,374,220	92,718,141	89,041,790	85,505,477	86,366,242	87,229,904	88,102,203
Benefits	45,265,168	45,796,509	46,678,697	47,888,449	48,016,384	48,496,548	48,981,513	49,471,328
Purchased Services	12,877,020	13,094,871	13,288,579	18,866,863	18,636,876	18,636,876	18,636,876	18,636,876
Supplies and Materials	8,313,702	8,580,393	9,143,996	8,111,264	7,916,322	7,916,322	7,916,322	7,916,322
Capital Outlay	225,605	730,453	694,282	338,514	145,396	145,396	145,396	145,396
Other	674,353	547,696	634,701	673,006	668,445	668,445	668,445	668,445
Total Expenditures	160,783,011	158,124,142	163,158,396	164,919,886	160,888,900	162,229,828	163,578,456	164,940,570
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	200,000	-	400,000	325,000	200,000	200,000	100,000
Transfers Out	-	(200,000)		(400,000)	(325,000)	(200,000)	(200,000)	(100,000)
Proceeds from sale of fixed assets	30,324	-	72,030	661,540	750,000	30,000	30,000	30,000
Total Other Fin. Sources (Uses)	30,324	-	72,030	661,540	750,000	30,000	30,000	30,000
<b>Net Change in Fund Balance</b>	4,741,680	3,079,624	(4,962,625)	(3,855,683)	(134,069)	(466,699)	(195,996)	177,415
<b>Fund Balances</b> - Beginning of year	9,974,952	\$14,716,632	\$17,796,256	12,833,631	8,977,948	\$8,843,879	\$8,377,180	\$8,181,185
<b>Fund Balances</b> - End of year	\$14,716,632	\$17,796,256	\$12,833,631	\$8,977,948	\$8,843,879	\$8,377,180	\$8,181,185	\$8,358,599
<b>Note: Operating Funds include the District General Fund and Special Revenue Funds</b>								

**Operating Funds Summary  
2010-11 Through 2017-18  
Expenditures by Function**

				2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	2010/2011 Actual	2011/2012 Actual	2012/2013 Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Instruction</b>								
Elementary	\$ 37,730,446	\$ 38,392,014	\$ 38,498,969	\$ 39,584,761	\$ 38,470,229	\$ 38,839,812	\$ 39,213,090	\$ 39,590,101
Middle School	20,000,136	19,979,886	21,395,643	21,512,083	20,759,254	20,958,379	21,159,496	21,362,624
High School	23,022,225	23,099,280	24,295,466	24,877,971	23,615,442	23,831,581	24,049,881	24,270,364
Other Basic Programs	397,703	433,561	605,625	739,365	579,573	584,982	590,446	595,964
Special Education	13,905,947	13,956,048	14,098,276	14,480,053	14,614,831	14,752,878	14,892,306	15,033,128
Vocational Education	1,048,202	847,783	1,118,389	1,125,716	1,120,888	1,131,458	1,142,135	1,152,917
Other Added Needs and Adult Ed	2,968,648	2,736,352	2,806,874	3,434,329	3,532,971	3,562,556	3,592,437	3,622,616
Total Instruction	99,073,307	99,444,924	102,819,242	105,754,278	102,693,188	103,661,647	104,639,790	105,627,715
<b>Supporting Services</b>								
Guidance Services	3,627,069	3,608,900	3,833,277	3,718,625	3,751,322	3,788,645	3,826,341	3,864,414
Health Services	628,270	719,796	796,566	877,959	873,848	875,600	877,370	879,157
Psychological Services	972,042	970,317	1,014,517	994,656	995,871	1,005,710	1,015,647	1,025,683
Speech Services	2,314,783	2,285,964	2,273,607	2,392,147	2,388,627	2,412,413	2,436,436	2,460,700
Social Work	1,540,790	1,556,811	1,670,987	1,711,390	1,679,275	1,696,036	1,712,964	1,730,062
T/C Special Education	1,956,750	1,705,803	1,725,220	1,744,922	1,760,827	1,778,183	1,795,712	1,813,417
Other Pupil Services	1,577,138	1,057,573	1,458,921	1,307,014	1,342,862	1,354,041	1,365,332	1,376,736
Improvement of Instruction	1,854,694	1,874,938	1,711,024	1,508,020	1,479,107	1,490,933	1,502,877	1,514,941
Library Services	1,966,966	1,181,065	1,221,236	958,442	973,275	982,502	991,821	1,001,234
Audio/Visual	336,397	285,506	330,058	338,866	353,644	356,961	360,310	363,694
Instructional Staff Supervision	2,181,087	1,678,640	1,973,245	1,994,468	1,867,480	1,885,338	1,903,374	1,921,591
Media Services	75,098	91,443	88,174	85,486	74,134	74,293	74,454	74,616
Other Instruction Staff	58,947	47,268	45,347	30,481	75,240	75,868	76,502	77,142
Board of Education	115,831	72,878	149,843	240,650	146,650	146,650	146,650	146,650
Executive Administration	507,821	465,986	474,363	496,503	478,115	482,368	486,664	491,002
Office of Principal	9,117,246	8,802,979	8,639,107	8,576,561	8,602,450	8,687,106	8,772,608	8,858,966
Fiscal Services	1,985,158	1,627,896	1,323,538	1,574,163	1,309,261	1,319,803	1,330,451	1,341,205
Other Business Services	710,516	743,802	683,572	722,963	702,736	706,316	709,931	713,583
Custodial/Maintenance	10,206,911	9,604,040	9,950,398	9,932,034	9,867,386	9,889,132	9,911,096	9,933,279
Transportation	6,973,184	6,639,593	7,715,862	6,397,943	6,136,125	6,137,836	6,139,563	6,141,308
Testing/Community Relations	403,550	446,609	447,876	493,485	486,137	489,641	493,180	496,754
Personnel	866,863	992,797	904,373	936,594	964,280	978,602	987,358	996,201
Pupil Accounting	239,398	298,534	296,940	315,179	332,161	335,405	338,682	341,991
Data Processing	2,501,726	2,457,500	1,987,134	2,275,543	2,041,227	2,051,420	2,061,714	2,072,111
Athletics	2,278,273	2,035,880	2,072,854	2,115,195	2,010,770	2,019,757	2,028,834	2,038,002
Total Supporting Services	54,996,508	51,252,518	52,788,039	51,739,289	50,692,810	51,020,557	51,345,872	51,674,439
<b>Community Services</b>	136,618	123,969	189,988	225,796	293,370	295,228	297,106	299,001
<b>Cafeteria</b>	4,249,872	4,916,724	4,764,522	4,630,694	4,657,314	4,682,137	4,707,207	4,732,529
<b>Community Education</b>	764,265	771,663	806,091	703,106	677,996	680,343	682,714	685,108
<b>Preschool</b>	419,138	442,535	453,848	432,092	430,434	434,240	438,084	441,966
<b>Enrichment/Prime Time Care</b>	1,143,303	1,371,809	1,336,666	1,834,631	1,768,788	1,655,677	1,667,684	1,579,812
<b>Total Expenditures and Other Uses</b>	\$160,783,011	\$158,324,142	\$163,158,396	\$165,319,886	\$161,213,900	\$162,429,828	\$163,778,456	\$165,040,570
<b>Note: Operating Funds include the District General Fund and Special Revenue Funds</b>								

<p align="center"><b>General Fund 2010-11 Through 2017-18</b></p> <p align="center"><b>Revenues By Source and Expenditures By Object</b></p>									
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**General Fund 2010-11 Through 2017-18**

**Expenditures by Function**

				2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	2010/2011	2011/2012	2012/2013	Amended	Recommended	Projected	Projected	Projected
	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget
<b>Instruction</b>								
Elementary	\$ 37,730,446	\$ 38,392,014	\$ 38,498,969	\$ 39,584,761	\$ 38,470,229	\$ 38,839,812	\$ 39,213,090	\$ 39,590,101
Middle School	20,000,136	19,979,886	21,395,643	21,512,083	20,759,254	20,958,379	21,159,496	21,362,624
High School	23,022,225	23,099,280	24,295,466	24,877,971	23,615,442	23,831,581	24,049,881	24,270,364
Other Basic Programs	397,703	433,561	605,625	739,365	579,573	584,982	590,446	595,964
Special Education	13,905,947	13,956,048	14,098,276	14,480,053	14,614,831	14,752,878	14,892,306	15,033,128
Vocational Education	1,048,202	847,783	1,118,389	1,125,716	1,120,888	1,131,458	1,142,135	1,152,917
Other Added Needs and Adult Ed	2,968,648	2,736,352	2,806,874	3,434,329	3,532,971	3,562,556	3,592,437	3,622,616
Total Instruction	99,073,307	99,444,924	102,819,242	105,754,278	102,693,188	103,661,647	104,639,790	105,627,715
<b>Supporting Services</b>								
Guidance Services	3,627,069	3,608,900	3,833,277	3,718,625	3,751,322	3,788,645	3,826,341	3,864,414
Health Services	628,270	719,796	796,566	877,959	873,848	875,600	877,370	879,157
Psychological Services	972,042	970,317	1,014,517	994,656	995,871	1,005,710	1,015,647	1,025,683
Speech Services	2,314,783	2,285,964	2,273,607	2,392,147	2,388,627	2,412,413	2,436,436	2,460,700
Social Work	1,540,790	1,556,811	1,670,987	1,711,390	1,679,275	1,696,036	1,712,964	1,730,062
T/C Special Education	1,956,750	1,705,803	1,725,220	1,744,922	1,760,827	1,778,183	1,795,712	1,813,417
Other Pupil Services	1,577,138	1,057,573	1,458,921	1,307,014	1,342,862	1,354,041	1,365,332	1,376,736
Improvement of Instruction	1,854,694	1,874,938	1,711,024	1,508,020	1,479,107	1,490,933	1,502,877	1,514,941
Library Services	1,966,966	1,181,065	1,221,236	958,442	973,275	982,502	991,821	1,001,234
Audio/Visual	336,397	285,506	330,058	338,866	353,644	356,961	360,310	363,694
Instructional Staff Supervision	2,181,087	1,678,640	1,973,245	1,994,468	1,867,480	1,885,338	1,903,374	1,921,591
Media Services	75,098	91,443	88,174	85,486	74,134	74,293	74,454	74,616
Other Instruction Staff	58,947	47,268	45,347	30,481	75,240	75,868	76,502	77,142
Board of Education	115,831	72,878	149,843	240,650	146,650	146,650	146,650	146,650
Executive Administration	507,821	465,986	474,363	496,503	478,115	482,368	486,664	491,002
Office of Principal	9,117,246	8,802,979	8,639,107	8,576,561	8,602,450	8,687,106	8,772,608	8,858,966
Fiscal Services	1,985,158	1,627,896	1,323,538	1,574,163	1,309,261	1,319,803	1,330,451	1,341,205
Other Business Services	710,516	743,802	683,572	722,963	702,736	706,316	709,931	713,583
Custodial/ Maintenance	10,206,911	9,604,040	9,950,398	9,932,034	9,867,386	9,889,132	9,911,096	9,933,279
Transportation	6,973,184	6,639,593	7,715,862	6,397,943	6,136,125	6,137,836	6,139,563	6,141,308
Testing/ Community Relations	403,550	446,609	447,876	493,485	486,137	489,641	493,180	496,754
Personnel	866,863	992,797	904,373	936,594	964,280	978,602	987,358	996,201
Pupil Accounting	239,398	298,534	296,940	315,179	332,161	335,405	338,682	341,991
Data Processing	2,501,726	2,457,500	1,987,134	2,275,543	2,041,227	2,051,420	2,061,714	2,072,111
Athletics	2,278,273	2,035,880	2,072,854	2,115,195	2,010,770	2,019,757	2,028,834	2,038,002
Total Supporting Services	54,996,508	51,252,518	52,788,039	51,739,289	50,692,810	51,020,557	51,345,872	51,674,439
<b>Community Services</b>	136,618	123,969	189,988	225,796	293,370	295,228	297,106	299,001
<b>Transfers Out</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures and Other Uses</b>	\$154,206,433	\$150,821,411	\$155,797,269	\$157,719,363	\$153,679,368	\$ 154,977,432	\$ 156,282,767	\$ 157,601,156

**Walled Lake Consolidated Schools**

**Cafeteria Fund**

**2010/2011 Through 2017/2018**

**Revenues By Source and Expenditures By Object**

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b>								
Local Sources	\$ 2,683,055	\$ 2,785,577	\$ 2,586,801	\$ 2,620,000	\$ 2,491,500	\$ 2,516,415	\$ 2,541,579	\$ 2,566,995
State Sources	195,598	222,751	214,397	264,924	263,403	266,037	268,697	271,384
Federal Sources	1,503,299	1,677,027	1,596,923	1,600,000	1,650,000	1,666,500	1,683,165	1,699,997
Total Revenue	4,381,952	4,685,355	4,398,121	4,484,924	4,404,903	4,448,952	4,493,442	4,538,376
<b>Expenditures</b>								
Salaries	1,569,972	1,629,055	1,686,343	1,615,307	1,612,731	1,628,858	1,645,147	1,661,598
Benefits	706,532	881,983	795,551	840,327	869,523	878,218	887,000	895,870
Purchased Services	56,682	60,502	57,252	71,450	71,450	71,450	71,450	71,450
Supplies and Materials	1,749,138	2,060,889	1,911,005	1,893,200	1,893,200	1,893,200	1,893,200	1,893,200
Capital Outlay	24,401	174,824	152,104	35,200	35,200	35,200	35,200	35,200
Other	143,147	109,471	162,267	175,210	175,210	175,210	175,210	175,210
Total Expenditures	4,249,872	4,916,724	4,764,522	4,630,694	4,657,314	4,682,137	4,707,207	4,732,529
<b>Net Change in Fund Balance</b>	132,080	(231,369)	(366,401)	(145,770)	(252,411)	(233,185)	(213,766)	(194,153)
<b>Fund Balances</b> - Beginning of year	1,102,410	1,234,490	1,003,121	636,720	490,950	238,539	5,354	-208,411
<b>Fund Balances</b> - End of year	\$ 1,234,490	\$ 1,003,121	\$ 636,720	\$ 490,950	\$ 238,539	\$ 5,354	\$ (208,411)	\$ (402,564)

**Notes:**

All revenue categories are expected to increase slightly.

It is noted that the forecast shows the fund balance in the negative. The District's budget planning policy requires that all fund budgets adopted by the Board reflect a fund balance that is positive. Therefore the forecast as shown would not become a reality. The District will be taking steps to bring expenditures in line with revenue on an annual basis.

**Walled Lake Consolidated Schools**  
**Community Education Fund**  
**2010/2011 Through 2017/2018**  
**Revenues By Source and Expenditures By Object**

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b>								
Local Sources	\$ 821,171	\$ 772,383	\$ 857,861	\$ 657,262	\$ 691,262	\$ 698,175	\$ 705,156	\$ 712,208
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	821,171	772,383	857,861	657,262	691,262	698,175	705,156	712,208
<b>Expenditures</b>								
Salaries	142,155	141,989	143,957	150,674	149,776	151,274	152,786	154,314
Benefits	73,177	79,418	71,269	82,224	84,930	85,779	86,637	87,503
Purchased Services	455,911	458,302	485,792	322,538	322,538	322,538	322,538	322,538
Supplies and Materials	60,677	61,937	68,477	76,500	76,500	76,500	76,500	76,500
Capital Outlay	-	-	46	-	-	-	-	-
Other	32,345	30,017	36,550	71,170	44,252	44,252	44,252	44,252
Total Expenditures	764,265	771,663	806,091	703,106	677,996	680,343	682,714	685,108
<b>Other Financing Sources</b>								
Transfers Out	-	-	-	-	(25,000)	-	-	-
<b>Total Other Financing Sources</b>	-	-	-	-	(25,000)	-	-	-
<b>Net Change in Fund Balance</b>	56,906	720	51,770	(45,844)	(11,734)	17,832	22,443	27,100
<b>Fund Balances</b> - Beginning of year	48,657	105,563	106,283	158,053	112,209	100,475	118,307	140,749
<b>Fund Balances</b> - End of year	\$ 105,563	\$ 106,283	\$ 158,053	\$ 112,209	\$ 100,475	\$ 118,307	\$ 140,749	\$ 167,849



**Walled Lake Consolidated Schools**  
**Preschool Fund**  
**2010/2011 Through 2017/2018**  
**Revenues By Source and Expenditures By Object**

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b>								
Local Sources	\$ 387,109	\$ 463,716	\$ 456,158	\$ 452,558	\$ 462,558	\$ 467,184	\$ 471,855	\$ 476,574
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	387,109	463,716	456,158	452,558	462,558	467,184	471,855	476,574
<b>Expenditures</b>								
Salaries	255,937	275,681	266,825	244,587	235,194	237,546	239,921	242,321
Benefits	123,395	130,592	130,377	141,579	145,385	146,839	148,307	149,790
Purchased Services	14,377	10,428	19,705	20,100	23,300	23,300	23,300	23,300
Supplies and Materials	9,545	10,711	20,930	10,500	11,500	11,500	11,500	11,500
Capital Outlay	-	-	-	-	-	-	-	-
Other	15,884	15,123	16,011	15,326	15,055	15,055	15,055	15,055
Total Expenditures	419,138	442,535	453,848	432,092	430,434	434,240	438,084	441,966
<b>Other Financing Uses - Transfers Out</b>	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balance</b>	(32,029)	21,181	2,310	20,466	32,124	32,944	33,772	34,608
<b>Fund Balances - Beginning of year</b>	194,186	162,157	183,338	185,648	206,114	238,238	271,182	304,954
<b>Fund Balances - End of year</b>	\$ 162,157	\$ 183,338	\$ 185,648	\$ 206,114	\$ 238,238	\$ 271,182	\$ 304,954	\$ 339,562

**Walled Lake Consolidated Schools**  
**Enrichment/Prime Time Care Fund**  
**2010/2011 Through 2017/2018**  
**Revenues By Source and Expenditures By Object**

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	2010/2011	2011/2012	2012/2013	Amended	Recommended	Projected	Projected	Projected
	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget
<b>Revenue</b>								
Local Sources	\$ 1,262,735	\$ 1,443,179	\$ 1,499,549	\$ 1,569,523	\$ 1,595,980	\$ 1,611,940	\$ 1,628,059	\$ 1,644,340
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	1,262,735	1,443,179	1,499,549	1,569,523	1,595,980	1,611,940	1,628,059	1,644,340
<b>Expenditures</b>								
Salaries	696,323	696,024	807,369	850,833	849,554	858,050	866,630	875,296
Benefits	223,855	246,693	284,733	329,478	339,314	342,707	346,134	349,596
Purchased Services	69,693	68,334	65,442	71,921	71,921	71,921	71,921	71,921
Supplies and Materials	103,672	118,152	121,879	118,199	118,199	118,199	118,199	118,199
Capital Outlay	-	-	-	-	-	-	-	-
Other	49,760	42,606	57,243	64,200	64,800	64,800	64,800	64,800
Total Expenditures	1,143,303	1,171,809	1,336,666	1,434,631	1,443,788	1,455,677	1,467,684	1,479,812
<b>Other Financing Uses</b> - Transfers Out	-	(200,000)	-	(400,000)	(300,000)	(200,000)	(200,000)	(100,000)
<b>Net Change in Fund Balance</b>	119,432	71,370	162,883	(265,108)	(147,808)	(43,737)	(39,625)	64,528
<b>Fund Balances</b> - Beginning of year	281,353	400,785	472,155	635,038	369,930	222,122	178,385	138,760
<b>Fund Balances</b> - End of year	\$ 400,785	\$ 472,155	\$ 635,038	\$ 369,930	\$ 222,122	\$ 178,385	\$ 138,760	\$ 203,288

**Walled Lake Consolidated Schools**  
**2004 Debt Fund**  
**2010/2011 Through 2017/2018**

	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended Budget</b>	<b>Recommended Budget</b>	<b>Projected Budget</b>	<b>Projected Budget</b>	<b>Projected Budget</b>
<b>Revenue</b> - Local Sources	\$2,226,879	\$1,305,296	\$1,240,703	\$2,476,755	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>								
Principal Payments	1,550,000	1,600,000	1,625,000	1,625,000	-	-	-	-
Interest and Other	649,615	585,767	134,724	71,690	-	-	-	-
Total Expenditures	2,199,615	2,185,767	1,759,724	1,696,690	-	-	-	-
<b>Excess of Revenue Over (Under) Expenditures</b>	27,264	(880,471)	(519,021)	780,065	-	-	-	-
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	652,000	-	-	-	-	-
Transfers Out	-	-	(205,000)	(785,065)	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	447,000	(785,065)	-	-	-	-
<b>Net Change in Fund Balances</b>	27,264	(880,471)	(72,021)	(5,000)	-	-	-	-
<b>Fund Balances</b> - Beginning of year	930,228	\$957,492	\$77,021	\$5,000	-	-	-	-
<b>Fund Balances</b> - End of year	\$957,492	\$77,021	\$5,000	\$ -	\$ -	\$ -	\$ -	\$ -

Walled Lake Consolidated Schools								
2005 Debt Fund								
2010/2011 Through 2017/2018								
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$8,287,641	\$7,954,146	\$8,246,752	\$8,489,761	\$8,877,775	\$7,822,219	\$7,553,375	\$7,259,500
Expenditures								
Principal Payments	5,140,000	5,575,000	5,800,000	5,800,000	5,800,000	5,800,000	5,825,000	5,825,000
Interest and Other	3,461,409	3,201,211	2,923,895	2,631,143	2,334,250	2,044,875	1,754,875	1,463,625
Total Expenditures	8,601,409	8,776,211	8,723,895	8,431,143	8,134,250	7,844,875	7,579,875	7,288,625
Excess of Revenue Over (Under) Expenditures	(313,768)	(822,065)	(477,143)	58,618	743,525	(22,657)	(26,500)	(29,125)
Other Financing Sources (Uses)								
Transfers In	-	1,660,000	43,127	-	-	-	-	-
Transfers Out	-	-	(1,360,000)	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	1,660,000	(1,316,873)	-	-	-	-	-
Net Change in Fund Balances	(313,768)	837,935	(1,794,016)	58,618	743,525	(22,657)	(26,500)	(29,125)
Fund Balances - Beginning of year	1,274,850	\$961,082	\$1,799,017	\$5,001	63,619	807,144	784,488	757,988
Fund Balances - End of year	\$961,082	\$1,799,017	\$5,001	\$63,619	\$807,144	\$784,488	\$757,988	\$728,863

<b>Walled Lake Consolidated Schools</b> <b>2006 Debt Fund</b> <b>2010/2011 Through 2017/2018</b>								
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b> - Local Sources	\$42	\$ -	\$ -	\$ 461,400	\$ 476,667	\$ 450,316	\$ 452,235	\$ 449,115
<b>Expenditures</b>								
Principal Payments	50,000	55,000	55,000	60,000	60,000	60,000	65,000	65,000
Interest and Other	393,566	391,521	389,346	387,920	391,150	389,375	386,975	384,375
Total Expenditures	443,566	446,521	444,346	447,920	451,150	449,375	451,975	449,375
<b>Excess of Revenue Over (Under) Expenditures</b>	(443,524)	(446,521)	(444,346)	13,480	25,517	941	260	(260)
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(1,000,000)	(1,660,000)	(17,852)	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,000,000)	(1,660,000)	(17,852)	-	-	-	-	-
<b>Net Change in Fund Balances</b>	(1,443,524)	(2,106,521)	(462,198)	13,480	25,517	941	260	(260)
<b>Fund Balances</b> - Beginning of year	4,017,243	\$2,573,719	\$467,198	\$5,000	18,480	43,997	44,938	45,198
<b>Fund Balances</b> - End of year	\$2,573,719	\$467,198	\$5,000	\$18,480	\$43,997	\$44,938	\$45,198	\$44,938

<b>Walled Lake Consolidated Schools</b> <b>2011 Debt Fund</b> <b>2010/2011 Through 2017/2018</b>								
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b> - Local Sources	\$449,533	\$1,346,086	\$6,188,161	\$7,670,700	\$6,158,545	\$7,138,658	\$6,529,075	\$6,254,725
<b>Expenditures</b>								
Principal Payments	-	-	5,030,000	4,315,000	4,875,000	5,385,000	5,135,000	5,075,000
Interest and Other	713,058	2,187,352	2,197,626	2,098,390	1,875,750	1,713,875	1,445,875	1,209,375
Total Expenditures	713,058	2,187,352	7,227,626	6,413,390	6,750,750	7,098,875	6,580,875	6,284,375
<b>Excess of Revenue Over (Under) Expenditures</b>	(263,525)	(841,266)	(1,039,465)	1,257,310	(592,205)	39,783	(51,800)	(29,650)
<b>Other Financing Sources (Uses)</b>								
Transfers In	1,863,000	76,374	708,000	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	52,042,866	-	-	-	-	-	-	-
Payments to Bond Escrow	(52,540,984)	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,364,882	76,374	708,000	-	-	-	-	-
<b>Net Change in Fund Balances</b>	1,101,357	(764,892)	(331,465)	1,257,310	(592,205)	39,783	(51,800)	(29,650)
<b>Fund Balances</b> - Beginning of year	-	\$1,101,357	\$336,465	\$5,000	1,262,310	670,105	709,888	658,088
<b>Fund Balances</b> - End of year	\$1,101,357	\$336,465	\$5,000	\$1,262,310	\$670,105	\$709,888	\$658,088	\$628,438

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<b>Walled Lake Consolidated Schools</b> <b>2014 Debt Fund</b> <b>2010/2011 Through 2017/2018</b>								
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b> - Local Sources	\$ -	\$ -	\$ -	\$0	\$3,254,538	\$3,063,282	\$3,898,069	\$4,164,069
<b>Expenditures</b>								
Principal Payments	-	-	-	-	-	-	750,000	1,075,000
Interest and Other	-	-	-	791,971	3,072,444	3,073,069	3,073,069	3,058,069
Total Expenditures	-	-	-	791,971	3,072,444	3,073,069	3,823,069	4,133,069
<b>Excess of Revenue Over (Under) Expenditures</b>	-	-	-	(791,971)	182,094	(9,787)	75,000	31,000
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	-	926,971	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	926,971	-	-	-	-
<b>Net Change in Fund Balances</b>	-	-	-	135,000	182,094	(9,787)	75,000	31,000
<b>Fund Balances</b> - Beginning of year	-	-	-	-	135,000	317,094	307,307	382,307
<b>Fund Balances</b> - End of year	\$ -	\$ -	\$ -	\$135,000	\$317,094	\$307,307	\$382,307	\$413,307



	<b>Walled Lake Consolidated Schools 2000 Bond Fund 2010/2011 Through 2017/2018</b>							
	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended Budget</b>	<b>Recommended Budget</b>	<b>Projected Budget</b>	<b>Projected Budget</b>	<b>Projected Budget</b>
<b>Revenue - Local Sources</b>	\$1,206	\$65	\$12	\$-	\$-	\$-	\$-	\$-
<b>Expenditures - Capital Outlay</b>	1,642,767	43,549	21,380	-	-	-	-	-
<b>Net Change in Fund Balance</b>	(1,641,561)	(43,484)	(21,368)	-	-	-	-	-
<b>Fund Balances - Beginning of year</b>	1,706,413	64,852	21,368	-	-	-	-	-
<b>Fund Balances - End of year</b>	\$64,852	\$21,368	\$-	\$-	\$-	\$-	\$-	\$-

**Walled Lake Consolidated Schools**  
**2014 Bond Fund**  
**2010/2011 Through 2017/2018**

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b> - Local Sources	\$ -	\$ -	\$ -	\$ 67,517,306	\$ 20,000	\$ 20,000	\$ 10,000	\$ 10,000
<b>Expenditures</b> - Capital Outlay	-	-	-	6,781,041	7,943,031	20,996,499	28,785,958	3,070,777
<b>Net Change in Fund Balance</b>	-	-	-	60,736,265	(7,923,031)	(20,976,499)	(28,775,958)	(3,060,777)
<b>Fund Balances</b> - Beginning of year	-	-	-	-	60,736,265	52,813,234	31,836,735	3,060,777
<b>Fund Balances</b> - End of year	\$ -	\$ -	\$ -	\$ 60,736,265	\$ 52,813,234	\$ 31,836,735	\$ 3,060,777	\$ -

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## **Descriptions and Assumptions**

### **Major Revenue Sources and Expenditure Categories**

#### **Revenue Sources**

<b><i>Local Sources</i></b>
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**Description** – This revenue source consists almost entirely of property tax revenue which makes up a portion of the foundation grant funding. The remainder is generated through fees associated with facility and athletic field rentals, parking and other items.

**Assumption and Significant Trends** – Property taxes are based on taxable values provided by the local community assessors. After declining taxable values for the five year period, 2008 – 2012, values have begun to increase. Oakland County values increased 1.16% in 2013. Projected increases of 2%, 3% and 4% respectively, are budgeted for 2014, 2015 and 2016.

Revenue generated from fees is budgeted based on historical revenue. This revenue category is expected to increase for 2014/2015 due to some rate increases and is expected to remain flat for the next few years.

<b><i>State Sources</i></b>
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**Description** - State revenue includes the foundation grant as well as categorical funding. Categorical aid includes allocations of funds for specific purposes such as special education, bilingual and vocational education.

**Assumption and Significant Trends** – State revenue is budgeted based on the anticipated State budget for 2014/2015, including a \$83 per pupil increase to the foundation grant. This grant has been applied to our projected student count to calculate our projected foundation revenue. Additional components of the State budget were also included in our District budget. These include special allocations for Best Practice and Hold Harmless funding as well as funds provided to assist districts with the rising cost of the Michigan Public Schools Employee Retirement System.

There have been many signs in the State of Michigan that the economy continues to be recovering. Unemployment is down, taxable values are increasing and vehicle and home sales have been strong. Additional revenue is expected to flow into the State School Aid Fund. Recent history has shown, however, that additional funds in the School Aid Fund, does not necessarily mean additional funds will be allocated to local school districts for use in classrooms. The budget reflects a modest one percent increase in this funding source for the next couple of years.

### ***Federal Sources***

**Description** – Federal revenue comes to the district in the form of grants. Each grant has requirements and restrictions on how the allocations can be spent. Examples include Title I and IDEA.

**Assumption and Significant Trends** – Federal revenue is budgeted based on estimated allocations provided to the district as well as historical grant information. Federal revenue is expected to remain flat over the next several years.

### ***Interdistrict Sources***

**Description** - Interdistrict revenue consists of PA 18 funds and Medicaid Outreach monies. PA 18 funds originate through a special education millage that is levied by the Oakland Intermediate School District and passed on to qualifying districts through a distribution formula. Medicaid Outreach funds also flow through the Oakland ISD and represent a reimbursement for administrative activities associated with Medicaid.

**Assumption and Significant Trends** – PA 18 funds are budgeted based on projected taxable values and estimates prepared by the Oakland ISD. Projected increases of 2%, 3% and 4% respectively, are budgeted for 2014, 2015 and 2016.

Medicaid Outreach funds are budgeted using historical figures and are expected to remain flat over the next several years.

## **Expenditure Categories**

### ***Salaries***

**Description** – Salaries include all wage classifications. Examples are regular and overtime wages as well as termination pay upon retirement.

**Assumption and Significant Trends** – Salaries are budgeted based on negotiated concessions and projections where negotiations were not yet complete for 2014/2015. Modest increases of one percent were budgeted for each of the next three years based on projected revenue increases.

### ***Benefits***

**Description** – Employee benefits consist of health insurance and required FICA and Medicaid contributions. The State of Michigan requires that all Michigan public school employees belong to the Michigan Public School Employee Retirement System. Employers must contribute a designated percentage of wages to the system each year on behalf of employees. Those costs are also categorized here.

**Assumption and Significant Trends** – Health insurance costs were budgeted based on the parameters established with PA 152 which limits the amount a district can spend toward the cost of medical insurance. For 2014/2015 those limits have increased by 2.9% and will be \$5,857.58 for single person coverage, \$12,250 for two-person coverage and \$15,975.23 for family coverage. The caps are adjusted annually by the change in the medical care component of the United States consumer price index. The medical care component has historically ranged from 3% - 5%. This trend is expected to continue and has been budgeted accordingly.

FICA and Medicaid costs are based on known percentages. Retirement costs are based on the rates established by the Michigan retirement system. Reforms to the system over the years have resulted in nine different rates to apply to employee wages. The blended rate for 2014/2015 for our district is calculated to be 25.53 percent. Modest increases are budgeted for the following few years.

#### ***Purchased Services***

**Description** – Contracted substitutes and custodians are charged to purchased services along with utilities. Other items include work that the school district pays an outside company to complete. This may include auditor and attorney fees, lawn maintenance and software support.

**Assumption and Significant Trends** – Purchased service expenditures are budgeted based on negotiated contracts and historical usage information. Utilities are projected to increase 2% in 2014/2015 compared to 2013/2014.

#### ***Supplies and Materials***

**Description** – Teaching supplies, office supplies and custodial supplies are all charged to supplies and materials.

**Assumption and Significant Trends** – Supply costs are estimated based on projected student counts and historical usage information.

#### ***Capital Outlay***

**Description** – All fixed assets items are charged to capital outlay accounts. Examples include furniture, computers, equipment and vehicles.

**Assumption and Significant Trends** – Capital outlay costs are estimated based on conservative purchase plans. This is an area that has been consistently reduced as a cost saving measure and is expected to continue as such.

<b><i>Other</i></b>
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**Description** – Other expenditures include any item that would not be appropriately charged to any of the five categories above.

**Assumption and Significant Trends** – Other items are projected based on historical costs and are expected to remain flat over the next several years.

## **Fund Balance Description and Discussion**

<b><i>Fund Balance – General Fund</i></b>
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**Description** – Fund balance is a cumulative figure that is the result of all prior year revenues over (under) expenditures. Maintaining a minimum fund balance allows the District to cover day-to-day operating expenses throughout the year without the need to borrow. A fund balance also provides some security for unforeseen expenditures or emergencies.

**Assumption and Significant Trends** – The state of the economy over the last several years has made it increasingly difficult to balance the District budget without severe reductions in staff and programs. As a result, the Board of Education has approved the use of a portion of fund balance to assist in this process. As a part of the annual budget process, the Superintendent has recommended, and the Board has approved, a desired fund balance level. It is the goal of Administration and the Board of Education to maintain a fund balance of \$8 million or more. The District general fund budget for future years has been built with that goal in mind.

**Classifications per GASB 54** – A portion of fund balance in the general fund is classified as nonspendable. Nonspendable dollars include the asset categories of inventory and prepaid costs.

No portions of fund balance in the general fund are classified as restricted, committed or assigned.

<b><i>Fund Balance – Special Revenue Funds</i></b>
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**Assumption and Significant Trends** – Special Revenue funds are structured with the intent that revenues will equal or exceed the costs associated with each respective program. As a result, it is budgeted that each of our Special Revenue funds will maintain a fund balance into the future that will ensure stability of the program.

The Cafeteria Fund is the exception to this assumption. Projections for 2016/2017 and 2017/2018 show the fund balance in the negative. These projections will allow the District to begin planning and making adjustments so that these forecasts do not become reality. Plans may include increasing fees, adjusting choices or other expense reductions.

**Classifications per GASB 54** – Fund balance for the Cafeteria Fund is restricted and must be used for Cafeteria operations.



Fund balance for Community Education, Enrichment/Prime Time Care and Preschool are committed for these purposes.

<b><i>Fund Balance – Debt Funds</i></b>
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**Assumption and Significant Trends** – Millage rates for bonds are established each year based on the principal and interest payments scheduled the following year as well as funds necessary to maintain a level of fund balance. Fund balance in Debt Funds allow for stability of rates as taxable values change and is expected to remain fairly level.

**Classifications per GASB 54** – Fund balance for all debt funds is restricted for the payment of debt principal and interest payments.

<b><i>Fund Balance – Bond Funds</i></b>
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**Assumption and Significant Trends** – Fund balance in the 2014 Bond Fund is currently large. This is a result of the upfront sale of the bonds, while expenditures are scheduled to occur over a period of five years. Fund balance will continue to decline as projects are complete and expenditures occur.

**Classifications per GASB 54** – Fund balance in the Capital Project Funds is restricted for capital project work at District buildings.

# **CAPITAL IMPROVEMENTS**

## **Sinking Fund**

In 2004, the District passed a .50 mill Building & Site Improvement Fund, or sinking fund, that is used to ensure that repairs and replacements of systems such as roofs, boilers, mechanical systems, site lighting, fencing, tennis and track surfaces, parking lots, fire sprinkler systems and other large-scale, contracted building repairs are done to preserve District facilities. This millage was set to expire in 2014. In November, 2012, the District passed a 10 year renewal of this millage. The renewal will assist us in long-range planning for capital improvement needs.

The sinking fund allows the District to keep the more than 2.5 million square feet of educational space and 780 acres of grounds and property in optimal condition without relying on general fund dollars. Annually, the sinking fund provides \$2 - \$3 million which would otherwise need to be spent from the general fund.

A master project list is maintained by the District operations department and revised annually based on the needs identified at the various buildings. Each project is categorized under the following priority codes.

- CC – Code compliance
- CI – Curriculum improvement
- EC – Energy conservation
- HS – Health safety
- OP – Operational need
- UL – End of useful life

During the budget process the master list is reviewed and a list of projects is identified, based on priority needs, to be completed in the following fiscal year. This list is adjusted as necessary due to emergencies and other unforeseen needs. The following represents the preliminary list of projects scheduled to be completed during the 2014/2015 school year.

<b>BUILDING</b>	<b>PROJECT DESCRIPTION</b>	<b>PRIORITY CODE</b>	<b>ESTIMATED COST</b>
Community Ed Building	Renovate GSRP Space	HS/OP	\$100,000
District	Replace deteriorated sidewalks	UL	50,000
District	Replace deteriorated doors	UL	100,000
District	Replace deteriorated fencing	UL	25,000
District	Repair pavement and parking lots	UL	50,000
Geisler Middle School	Replace deteriorated parking lot	UL	550,000
Geisler Middle School	Remove modular classrooms	OP	50,000
Keith Elementary	Replace deteriorated carpet	UL	300,000
Meadowbrook Elementary	Replace deteriorated gutter heaters	UL/HS	60,000
Pleasant Lake Elementary	Replace chillers	UL	300,000
Smart Middle School	Replace deteriorated boilers	UL	400,000
Walled Lake Elementary	Replace playground asphalt	UL/HS	50,000
Western High School	Renovate baseball and softball dugouts	UL	200,000

## **2014 Capital Project Fund**

In November 2013, the Walled Lake Consolidated School District communities approved a \$67.5 million Safety, Security and Technology Bond. The sale of the bonds took place in January 2014 and project plans began immediately. Projects will include:

- Comprehensive video surveillance systems.
- Entrance and office modifications in all District school buildings.
- Keyless entry throughout the District.
- Upgraded fire alarms and mass notification systems.
- Emergency backup generators and emergency lighting upgrades.
- Emergency responder signage.
- Replacement of the District phone system and master clock systems.
- Essential technology upgrades in all of the schools and classrooms to ensure equitable facilities that the entire community can enjoy.
- Buses.
- Other much needed specific repair and renovation projects.

As a result of a declining general operating budget, Walled Lake Schools would be otherwise unable to make these upgrades with the current budget. The sale of the bonds will ensure that the burden of these expenses does not impact the General Fund of the District.

While some projects will be ongoing, the majority will occur during summer breaks when buildings can be shut down. A four year schedule has been developed which identifies projects and building closures for each summer with the final construction to occur during the summer of 2017. Construction will begin as soon as school is out at the end of June 2014 and will include work at six buildings.

<b>SCHEDULE OF BONDED INDEBTEDNESS</b>					
<b>Principal Payments</b>					
<b>June 30</b>	<b>2005 Debt Principal</b>	<b>2006 Debt Principal</b>	<b>2011 Debt Principal</b>	<b>2012 Debt Principal</b>	<b>2014 Debt Principal</b>
2015	5,800,000	60,000	4,875,000	1,650,000	-
2016	5,800,000	60,000	5,385,000	1,610,000	-
2017	5,825,000	65,000	5,135,000	1,705,000	750,000
2018	5,825,000	65,000	5,075,000	1,670,000	1,075,000
2019	5,825,000	1,115,000	5,000,000	590,000	1,155,000
2020	5,825,000	1,685,000	4,935,000	-	1,305,000
2021	5,825,000	1,665,000	4,890,000	-	1,430,000
2022	5,825,000	1,650,000	4,845,000	-	1,555,000
2023	-	1,630,000	-	-	1,680,000
2024	-	1,615,000	-	-	1,805,000
2025	-	-	-	-	1,890,000
2026	-	-	-	-	1,980,000
2027	-	-	-	-	2,075,000
2028	-	-	-	-	2,175,000
2029	-	-	-	-	2,280,000
2030	-	-	-	-	2,385,000
2031	-	-	-	-	2,480,000
2032	-	-	-	-	2,580,000
2033	-	-	-	-	2,690,000
2034	-	-	-	-	2,800,000
2035	-	-	-	-	2,925,000
2036	-	-	-	-	3,050,000
2037	-	-	-	-	3,200,000
2038	-	-	-	-	3,350,000
2039	-	-	-	-	3,500,000
2040	-	-	-	-	3,670,000
2041	-	-	-	-	3,820,000
2042	-	-	-	-	3,995,000
2043	-	-	-	-	4,160,000
	<b><u>\$46,550,000</u></b>	<b><u>\$9,610,000</u></b>	<b><u>\$40,140,000</u></b>	<b><u>\$7,225,000</u></b>	<b><u>\$65,760,000</u></b>
<b>** - These bonds are not part of the general fund and therefore have no impact on current or future operating budgets</b>					

<b>COMPUTATION OF LEGAL DEBT MARGIN</b>		
<b>June 30, 2014</b>		
Taxable Value - 2013-2014	<b>\$ 4,062,974,500</b>	
Statutory Bonding Limit*	\$ 609,446,175	
General Obligation Bonds Outstanding - June 30, 2014	65,760,000	
<b>Legal Debt Margin</b>	<b>\$ 543,686,175</b>	
* - Public Act No. 451 of Michigan 1976, Sec. 1351 provides debt limits as follows:		
The bonded indebtedness of a school district shall not exceed 15 percent of all		
assessed valuation of the district. Bonds not included in the computation of the		
legal debt margin are:		
1. Refunding bonds		
2. Any bond qualified under Article IX, Sec. 16 of the 1963 Michigan Constitution		
3. Deficit budget bonds as authorized by Sec. 1356		

# Walled Lake Consolidated School District

Informational Section



Walled Lake Western  
High School

*"Warriors for Warriors"*

*Every Child, Every Day!*

# **PROPERTY TAX INFORMATION FOR SCHOOL YEARS 2011-2014 AND PROJECTED INFORMATION FOR SCHOOL YEARS 2015 – 2018**

## **Assessed Value of Taxable Property**

Prior to 1994, property in Michigan was assessed at half of its market value for the determination of a property's assessed value. This was changed with the approval of Proposal A, which established a limit or "cap" for annual property tax increases. Under Proposal A, a property's taxable value cannot increase by more than the annual increase in CPI or 5 percent, whichever is less.

## **Tax Rates and Tax Bills**

The property tax rate in Michigan is called a millage, and its value is in "mills". One mill is the equivalent of one one-thousandth of a dollar. As a result, property tax is \$1 for every \$1,000 of a property's taxable value. For example, if the millage rate for a given purpose is 5, property taxes on a home with a taxable value of \$100,000 would be \$500. The calculation is  $5/1000 \times \$100,000 = \$500$ .

## **Taxable Values and Collections**

<b>School Year</b>	<b>Taxable Value</b>	<b>Total Adjusted Tax Levy *</b>	<b>Tax Collections</b>
2011	4,485,550,500	\$55,470,573	\$53,612,828
2012	4,183,368,560	\$50,821,838	\$50,059,831
2013	4,047,149,340	\$49,255,252	\$48,339,305
2014	4,062,974,500	\$50,792,720	\$49,776,866
Projected 2015	4,145,505,640	\$52,886,331	\$51,828,604
Projected 2016	4,311,325,866	\$55,001,784	\$53,901,749
Projected 2017	4,440,665,642	\$56,651,838	\$55,518,801
Projected 2018	4,573,885,611	\$58,351,393	\$57,184,365

\* - Amounts include all tax levies that apply (operating, debt, sinking fund).

Amounts exclude LDFA's and are after Board of Review adjustments.

#### Four Years Actual and Forecasted 2014/2015

Other Homestead includes Principal Residences, Qualified Agricultural and Qualified Forest properties.

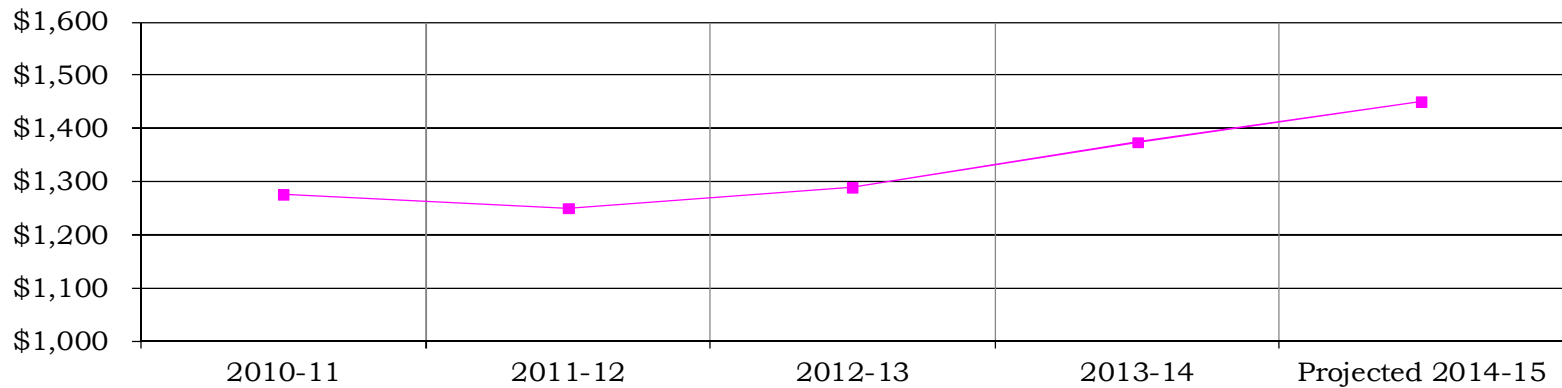


Summary of Property Tax Rates Levied on Property within the School District								
Direct and Overlapping Governments								
(Per \$1,000 Assessed Value)								
Four Years Actual and Forecasted 2014/2015 - Continued								
	2013/2014				Projected 2014/2015			
	Homestead				Homestead			
	Non-	Commerical	Industrial		Non-	Commerical	Industrial	
	Homestead	Personal	Personal	Other***	Homestead	Personal	Personal	Other***
School District:								
Operating	18.0000	8.3285	2.3285	2.3285	18.0000	8.1971	2.1971	2.1971
Sinking Fund	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Debt	4.6445	4.6445	4.6445	4.6445	4.9872	4.9872	4.9872	4.9872
Total Levied	23.1445	13.4730	7.4730	7.4730	23.4872	13.6843	7.6843	7.6843
State Education Tax	6.0000	6.0000	0.0000	6.0000	6.0000	6.0000	0.0000	6.0000
Oakland County Operating	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900
Parks & Recreation	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415
Huron-Clinton Authority	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146
Oakland I.S.D.	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690	3.3690
Oakland Community College	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844	1.5844
OCPTA	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900
City of Walled Lake*	17.7347	17.7347	17.7347	17.7347	17.7347	17.7347	17.7347	17.7347
City of Farmington Hills*	13.9362	13.9362	13.9362	13.9362	13.9362	13.9362	13.9362	13.9394
City of Novi*	10.2000	10.2000	10.2000	10.2000	10.2000	10.2000	10.2000	10.2000
City of Orchard Lake*	8.8200	8.8200	8.8200	8.8200	8.8200	8.8200	8.8200	7.3600
City of Wixom*	13.3259	13.3259	13.3259	13.3259	13.3259	13.3259	13.3259	16.7929
Village of Wolverine Lake*	9.5730	9.5730	9.5730	9.5730	9.5730	9.5730	9.5730	9.5730
Commerce Township*	3.4873	3.4873	3.4873	3.4873	3.4873	3.4873	3.4873	3.4873
West Bloomfield Township*	12.2537	12.2537	12.2537	12.2537	12.2537	12.2537	12.2537	12.2550
White Lake Township*	8.8590	8.8590	8.8590	8.8590	8.8590	8.8590	8.8590	8.8590
<b>Totals:</b>								
City of Walled Lake	57.0687	47.3972	35.3972	41.3972	57.4114	47.6085	35.6085	41.6085
City of Farmington Hills	53.2702	43.5987	31.5987	37.5987	53.6129	43.8100	31.8100	37.8132
City of Novi	49.5340	39.8625	27.8625	33.8625	49.8767	40.0738	28.0738	34.0738
City of Orchard Lake	48.1540	38.4825	26.4825	32.4825	48.4967	38.6938	26.6938	31.2338
City of Wixom	52.6599	42.9884	30.9884	36.9884	53.0026	43.1997	31.1997	40.6667
Village of Wolverine Lake	48.9070	39.2355	27.2355	33.2355	49.2497	39.4468	27.4468	33.4468
Commerce Township	42.8213	33.1498	21.1498	27.1498	43.1640	33.3611	21.3611	27.3611
West Bloomfield Township	51.5877	41.9162	29.9162	35.9162	51.9304	42.1275	30.1275	36.1288
White Lake Township	48.1930	38.5215	26.5215	32.5215	48.5357	38.7328	26.7328	32.7328
*All municipalities in the district, Treasurers' Offices.								
***Beginning in 08/09, classification of property by the State was changed.								
Other Homestead includes Principal Residences, Qualified Agricultural and Qualfied Forest properties.								



# Impact of School Millage Rate on Homeowners

## 2010/2011 - 2013/2014 and Projected 2014/2015



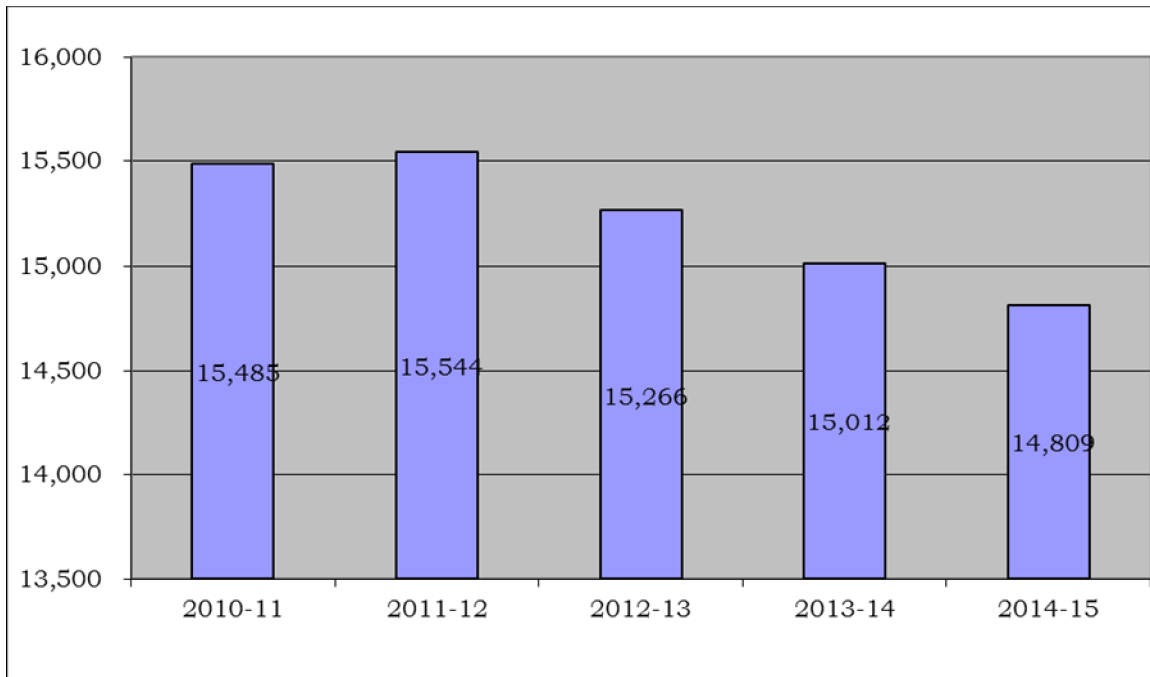
	2010-11	2011-12	2012-13	2013-14	Projected 2014-15
Market value of a home (1)	\$ 200,000	\$ 194,000	\$ 195,940	\$ 207,696	\$ 220,158
Taxable Value (2)	\$ 100,000	\$ 97,000	\$ 98,940	\$ 101,908	\$ 105,985
WLCS + State Education Property Tax levied - mills (3)	12.7508	12.8812	13.0254	13.473	13.6843
Property Tax \$ Paid to Schools	\$ 1,275	\$ 1,249	\$ 1,289	\$ 1,373	\$ 1,450
Property Tax \$ Increase (Decrease) from prior year	\$ (126)	\$ (26)	\$ 39	\$ 84	\$ 77

(1) Assumes the market value and SEV of this home declined 3% for 2011-12 and increased 1% in 2012-2013, 6% in 2013-2014 and is projected to increase 6% in 2014-2015.

(2) In Michigan, the taxable value is capped at the rate of inflation, or 5 percent, whichever is less. The rate of inflation to be used for each fiscal year is -3%, 2%, 3% for 2011-12, 2012-13 and 2013-14 and is projected to be 4% for 2014-15. The taxable value typically begins at approximately 50% of the market value.

(3) Six mills of the total shown is levied by the state with the remaining mills levied by the school district.

## ENROLLMENT HISTORY AND PROJECTED ENROLLMENT FOR 2014/2015



The actual numbers for years 2010-11 through 2013-14 represent full-time equivalent students including all special education students in the fall for each school year. The forecasted enrollment 2014-15 was prepared using multiple-year cohort survival analysis. This means that students enrolled are projected to remain in the district, but are moved up in grade as they become older. Each year, historical information is kept relative to the number of students who leave the school district and the number of students who enter the schools in each age group. From this data, implied estimates of immigration and outmigration are made. The number of live births for the past 12 years in the county is also gathered. The live births are used to project by proportion the number of children born in the county that will become pupils in our district, allowing an estimate of kindergarten enrollment. Proposed and under construction housing development information is also gathered from the communities as part of the projection in an effort to predict new students joining our district. The projection shown above is the most likely projection of enrollment.

## Enrollment History and Projections by Building 2010/2011 - 2014/2015

	Actual				Projected
	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015
<b>Elementary Buildings</b>					
Commerce	538	555	572	586	583
Mary Helen Guest	410	402	432	441	435
Dublin	515	507	539	569	582
Glengary	435	416	406	390	392
Hickory Woods	594	596	609	627	627
Keith	600	603	676	682	683
Loon Lake	457	486	522	540	552
Maple	454	440	-	-	-
Meadowbrook	483	464	560	589	589
Oakley Park	362	353	415	401	392
Pleasant Lake	533	571	696	657	648
Twin Beach	299	295	-	-	-
Walled Lake	423	454	485	436	434
Wixom	571	573	553	522	529
<b>Middle School Buildings</b>					
Clifford Smart	945	995	1,009	1,013	1,019
Sarah Banks	897	911	860	840	846
Walnut Creek	903	966	979	920	921
Geisler	831	817	805	742	744
<b>High School Buildings</b>					
Central	1,832	1,871	1,800	1,846	1,774
Western	1,524	1,571	1,509	1,481	1,398
Northern	1,623	1,612	1,557	1,618	1,579
<b>Total Fall Enrollment</b>	15,229	15,458	14,984	14,900	14,727

**Note:** Students not assigned to buildings are not included in the numbers above. This would include Adult Education students, various Oakland County program students and some Special Education students.

<b>Walled Lake Consolidated Schools</b>					
<b>Personnel Allocations</b>					
<b>Actual for 2010-2011 through 2013-2014 and Projected 2014-2015</b>					
	<b>2010/ 2011</b>	<b>2011/ 2012</b>	<b>2012/ 2013</b>	<b>2013/ 2014</b>	<b>Projected 2014/2015</b>
<b>Instructional</b>					
Building Administrators & Secretaries	77.50	79.00	78.63	74.62	74.62
Teachers	793.30	786.39	775.86	769.56	745.56
Other Instructional Staff	135.56	147.58	161.98	154.53	129.53
Guidance Staff	30.30	30.20	31.41	29.40	29.40
Psychological Staff	7.60	7.60	7.60	7.20	7.20
Speech and Audiology	19.80	19.30	18.30	18.30	18.30
Social Workers	13.50	13.50	14.36	14.00	14.00
Special Ed. Teacher Consultants	15.00	13.00	13.00	13.00	13.00
Other Pupil Services Staff	52.00	39.08	63.09	40.37	40.37
Library Personnel	19.62	11.96	12.96	9.62	9.62
Computer Assisted Instruction	2.12	2.52	2.41	2.69	2.69
Other Instructional Supervisors	14.23	11.71	12.58	12.00	12.00
Other Staff Services Personnel	4.79	4.34	3.48	1.42	1.42
<b>Total Instructional Staff</b>	<b>1,185.32</b>	<b>1,166.18</b>	<b>1,195.66</b>	<b>1,146.71</b>	<b>1,097.71</b>
<b>Non-Instructional</b>					
Executive Administration	2.00	2.00	2.00	2.00	2.00
Business Services	10.05	9.25	9.25	9.25	9.25
Food Services Staff	75.49	82.15	81.24	81.58	81.58
Operations and Maintenance	27.36	24.42	25.42	24.60	24.60
Transportation Staff	117.27	113.49	126.39	1.00	1.00
Central Support Services	24.67	21.09	21.21	21.21	21.21
Other Support Staff	2.00	2.00	2.00	2.00	2.00
Community Services	50.24	51.09	57.89	77.88	77.88
<b>Total Non-Instructional Staff</b>	<b>309.08</b>	<b>305.49</b>	<b>325.40</b>	<b>219.52</b>	<b>219.52</b>
<b>Total Staff</b>	<b>1,494.40</b>	<b>1,471.67</b>	<b>1,521.06</b>	<b>1,366.23</b>	<b>1,317.23</b>
<b>Notes</b>					
As a result of budget restraints and declining enrollment, two buildings were closed after 11/12.					
This allowed for more efficient use of teachers but higher class sizes required support in the form of additional classroom para-educators.					
As declining enrollment and budget limitations continued, further program and staff reductions have been necessary for both 2013/2014 and 2014/2015. A large portion of the reductions occurred with non-instructional staff during 2013/2014 when the Transportation department was privatized.					

## **OUTSTANDING BOND ISSUES AND AMORTIZATION SCHEDULE**

### **Current Projects**

Last fall, the Walled Lake Consolidated School District communities approved a \$67.5 million Safety, Security and Technology Bond. The sale of the bonds took place in January 2014 and work began. Ongoing projects will include the following:

- Comprehensive video surveillance systems.
- Entrance and office modifications in all District school buildings.
- Keyless entry throughout the District.
- Upgraded fire alarms and mass notification systems.
- Emergency backup generators and emergency lighting upgrades.
- Emergency responder signage.
- Replacement of the District phone system and master clock systems.
- Essential technology upgrades in all of the schools and classrooms to ensure equitable facilities that the entire community can enjoy.
- Buses.
- Other much needed specific repair and renovation projects.

The other debt issues represent refunding bonds of prior issues and were not directly used to pay for projects.

### **Amortization Schedule of Outstanding Bonds**

<b>Principal Payments</b>					
<b>June 30</b>	<b>2005 Debt Principal</b>	<b>2006 Debt Principal</b>	<b>2011 Debt Principal</b>	<b>2012 Debt Principal</b>	<b>2014 Debt Principal</b>
2015	5,800,000	60,000	4,875,000	1,650,000	-
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2017	5,825,000	65,000	5,135,000	1,705,000	750,000
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2023	-	1,630,000	-	-	1,680,000
2024	-	1,615,000	-	-	1,805,000
2025	-	-	-	-	1,890,000
2026	-	-	-	-	1,980,000
2027	-	-	-	-	2,075,000
2028	-	-	-	-	2,175,000
2029	-	-	-	-	2,280,000
2030	-	-	-	-	2,385,000
2031	-	-	-	-	2,480,000
2032	-	-	-	-	2,580,000
2033	-	-	-	-	2,690,000
2034	-	-	-	-	2,800,000
2035	-	-	-	-	2,925,000
2036	-	-	-	-	3,050,000
2037	-	-	-	-	3,200,000
2038	-	-	-	-	3,350,000
2039	-	-	-	-	3,500,000
2040	-	-	-	-	3,670,000
2041	-	-	-	-	3,820,000
2042	-	-	-	-	3,995,000
2043	-	-	-	-	4,160,000
	<b><u>\$46,550,000</u></b>	<b><u>\$9,610,000</u></b>	<b><u>\$40,140,000</u></b>	<b><u>\$7,225,000</u></b>	<b><u>\$65,760,000</u></b>



## **STUDENT PERFORMANCE**

As mentioned previously, the District has had to make some difficult decisions regarding programs and staff over the last several years as we have faced significant budget constraints. Student achievement has always been our guiding force in those decisions and in spite of numerous cuts and restructuring efforts by Walled Lake Schools, all schools in the district meet or exceed state accountability standards.

In the summer of 2012, Michigan was approved for flexibility from the Elementary and Secondary Education Act of 1965. The approved flexibility will mean a change in the method of measuring school accountability in the State of Michigan. Beginning with the 2012/2013 school year, the Michigan Department of Education will release scorecards as an indicator of school and district compliance, assessment participation and assessment performance requirements.

### **MEAP**

Walled Lake Schools' Michigan Educational Assessment Program (MEAP) test results show improvement from year to year and scores continue to surpass State and County averages.

2013-2014 marked the final year Michigan administered the MEAP assessments. Students were tested in reading (in grades 3, 4, 5, 6, 7, 8 and 11), Mathematics (in grades 3, 4, 5, 6, 7, 8 and 11), Science (in grades 5, 8, and 11), Social Studies (in grades 6, 9, and 11), and Writing (in grades 4, 7 and 11). MEAP tests had evolved significantly in scope and complexity, and were aligned with the Michigan K-8 Grade Level and High School Content Expectations. Furthermore, plans have been underway for transition to the new state assessments, which will be aligned to the new Common Core State Standards. The district began integrating the new Common Core State Standards (CCSS) in unit designs, summative assessments, and curricular objectives for the past three years, with full implementation of the CCSS finalized during the 2013-2014 school year.

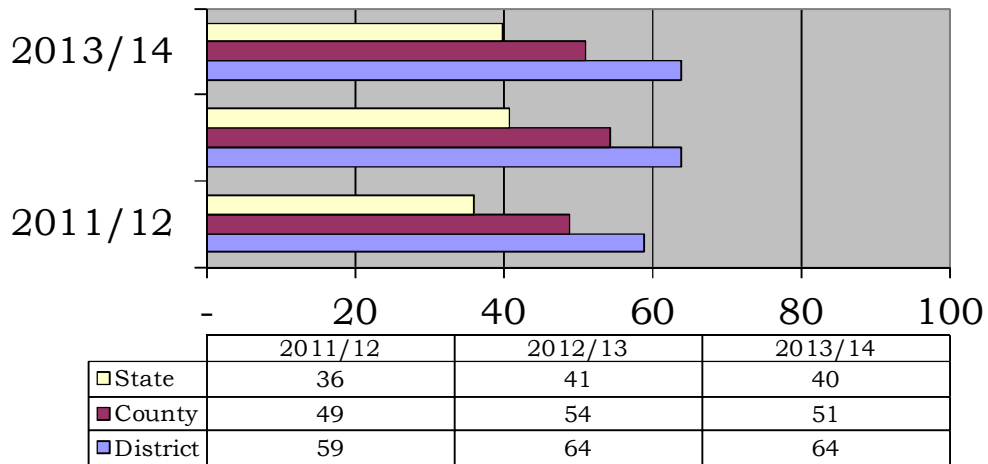
The District Improvement Plan, submitted annually in compliance with AdvancED Accreditation, focuses on three main student achievement goals: a) growth in literacy, b) growth in numeracy, and c) aligned and measureable indicators of effective instruction. The test scores are one indication of the student success that the District is proud of.

Walled Lake Consolidated Schools received full District Accreditation in 2012. The following charts provide a three year history of the District's scores along with County and State comparisons. In each of those three years, the

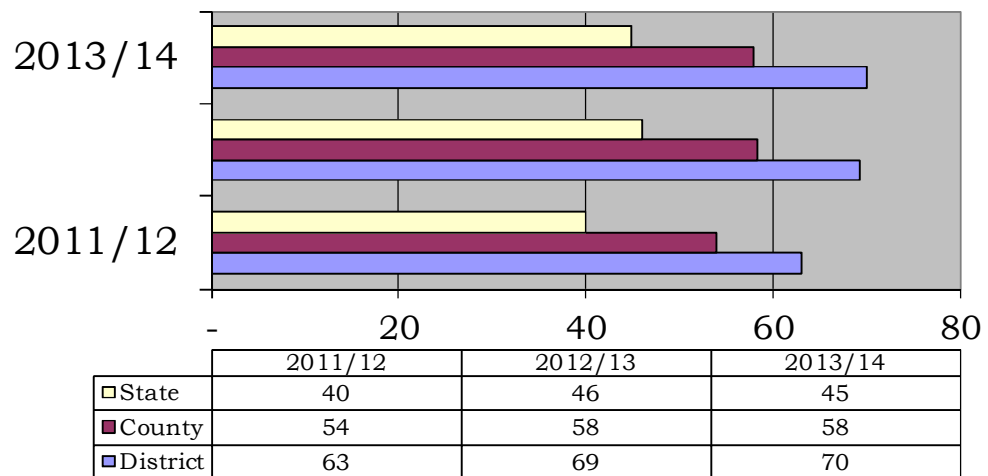
District has enjoyed scores that are significantly higher than State and County averages.

## MEAP SCORES

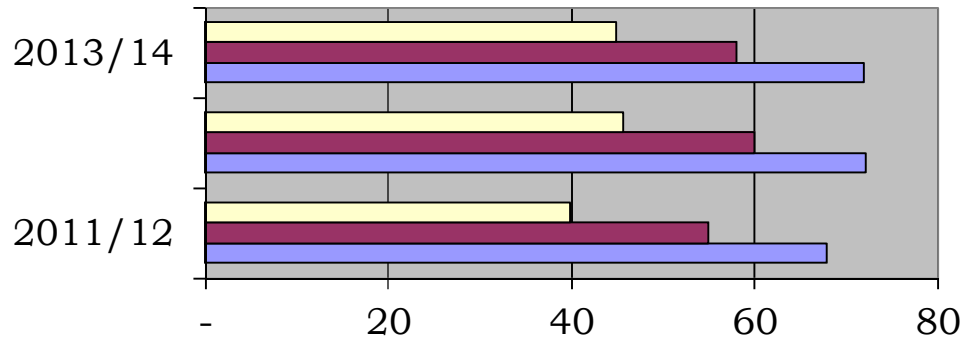
### 3rd Grade Math



### 4th Grade Math

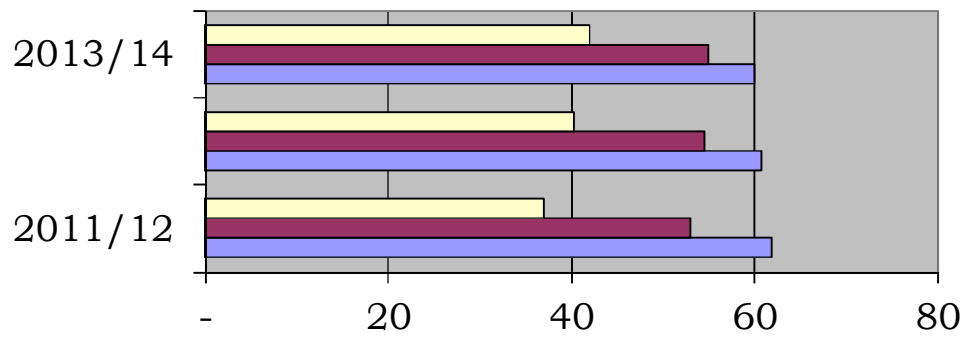


## 5th Grade Math



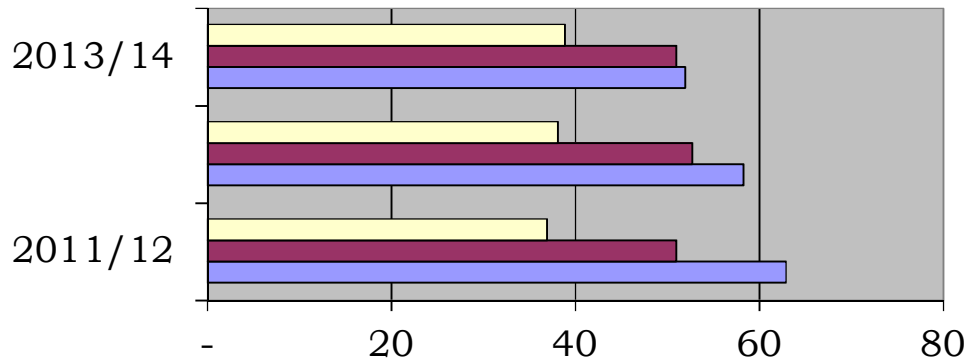
	2011/12	2012/13	2013/14
State	40	46	45
County	55	60	58
District	68	72	72

## 6th Grade Math



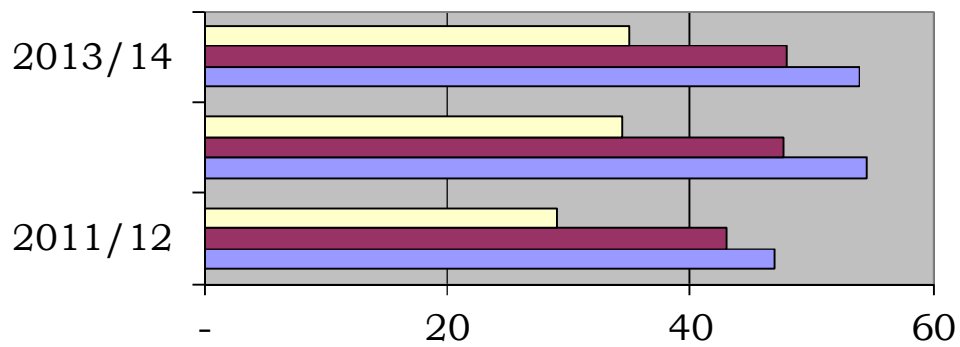
	2011/12	2012/13	2013/14
State	37	40	42
County	53	55	55
District	62	61	60

## 7th Grade Math



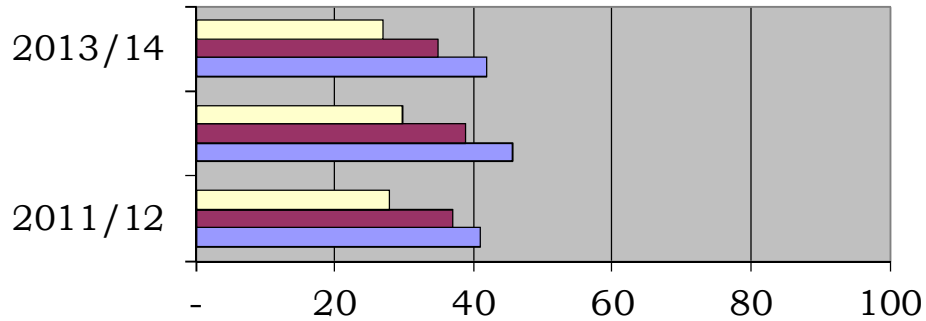
	2011/12	2012/13	2013/14
State	37	38	39
County	51	53	51
District	63	58	52

## 8th Grade Math



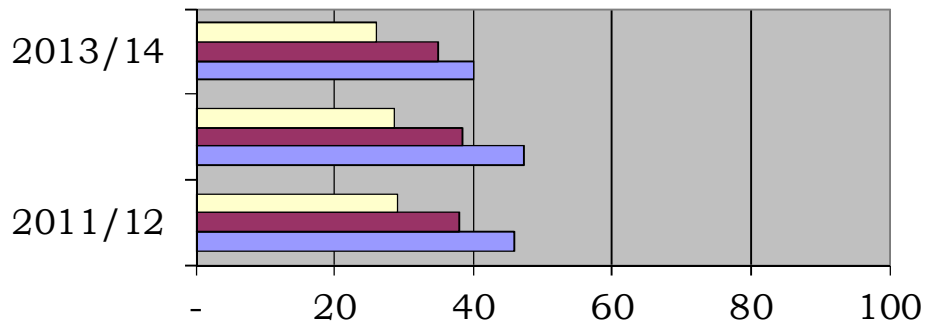
	2011/12	2012/13	2013/14
State	29	35	35
County	43	48	48
District	47	55	54

## 6th Grade Social Studies



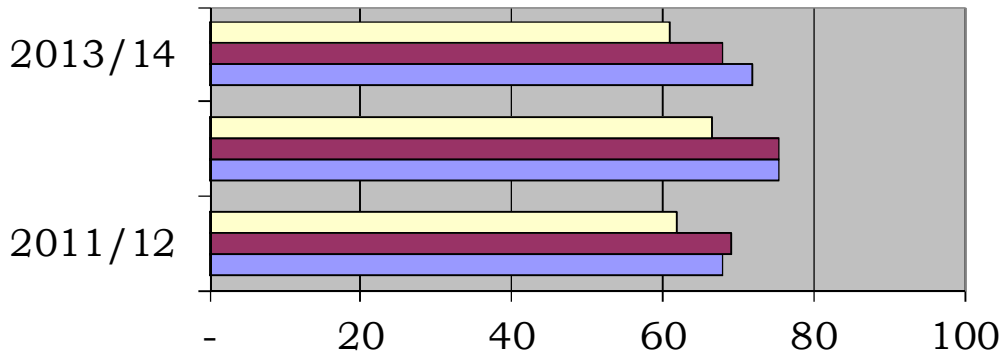
	2011/12	2012/13	2013/14
State	28	30	27
County	37	39	35
District	41	46	42

## 9th Grade Social Studies



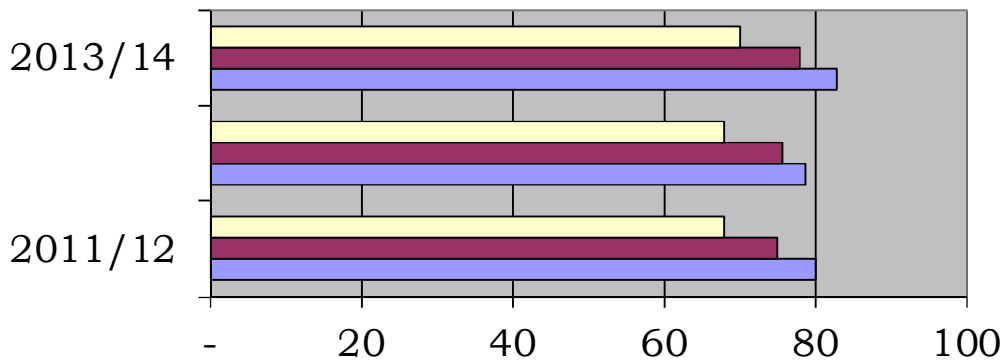
	2011/12	2012/13	2013/14
State	29	29	26
County	38	38	35
District	46	47	40

### 3rd Grade Reading



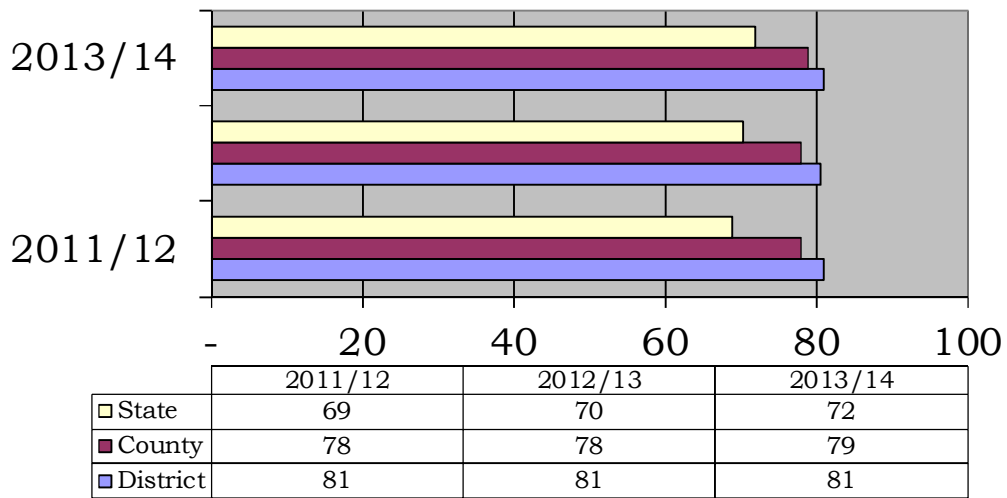
	2011/12	2012/13	2013/14
State	62	67	61
County	69	76	68
District	68	75	72

### 4th Grade Reading

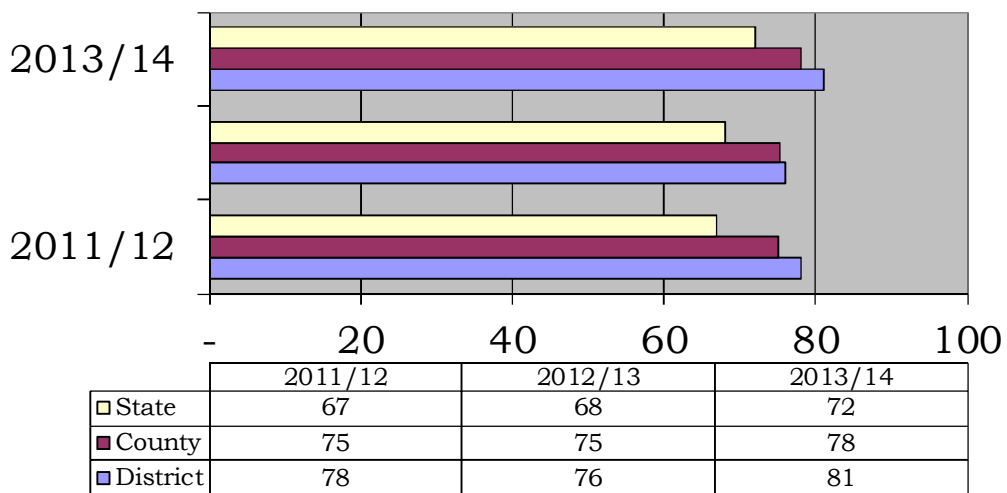


	2011/12	2012/13	2013/14
State	68	68	70
County	75	76	78
District	80	79	83

## 5th Grade Reading

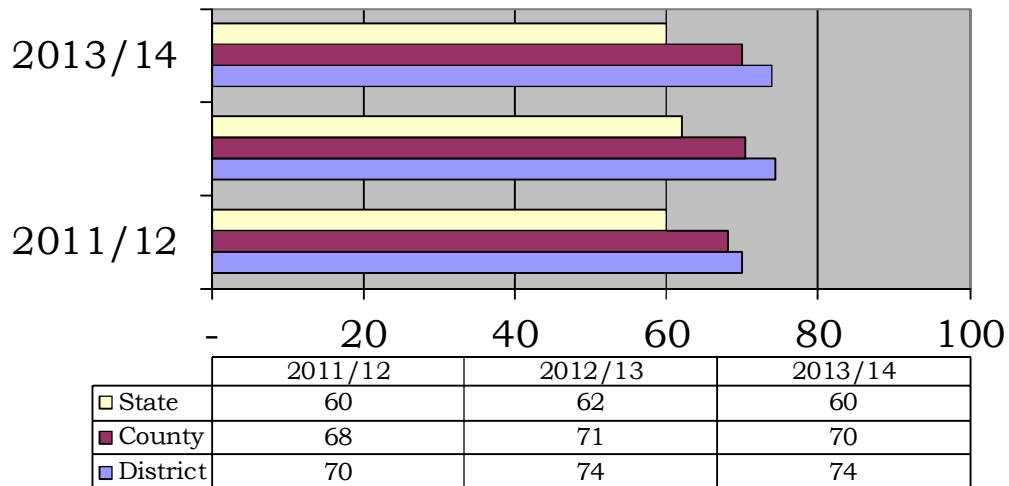


## 6th Grade Reading

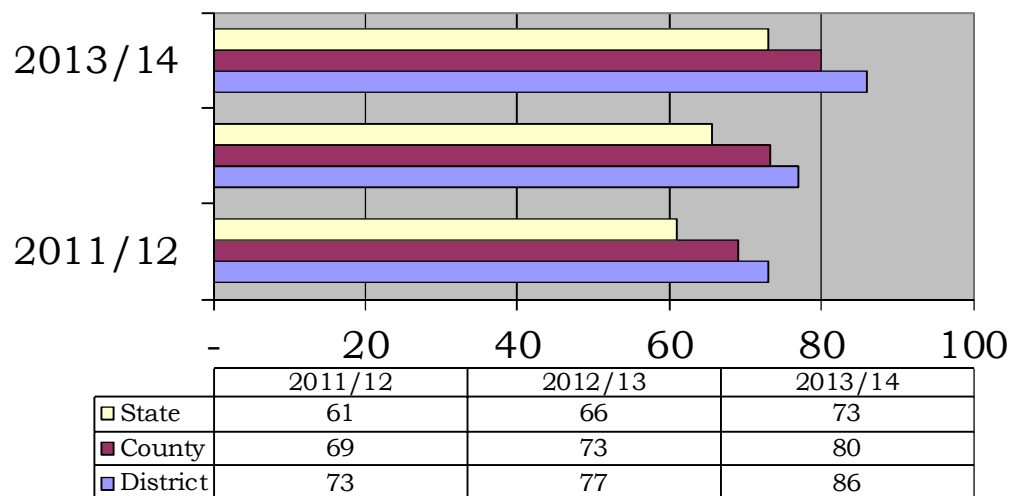




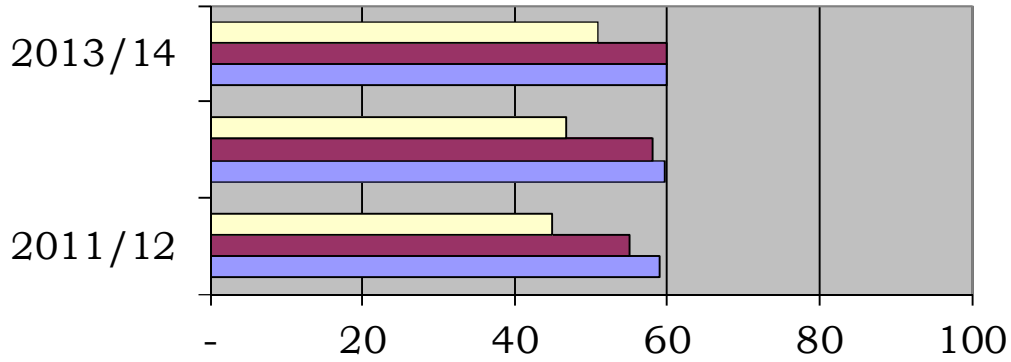
## 7th Grade Reading



## 8th Grade Reading

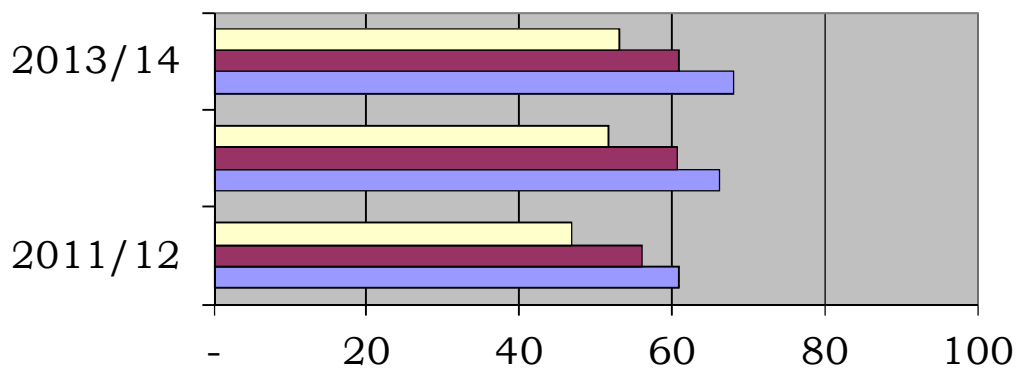


## 4th Grade Writing



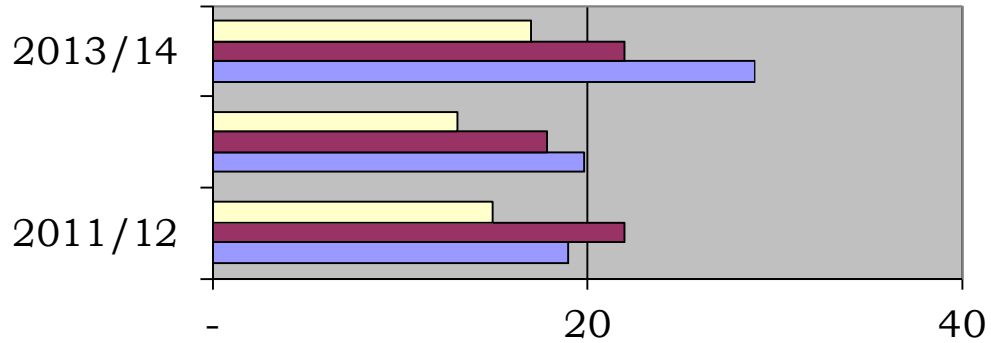
	2011/12	2012/13	2013/14
State	45	47	51
County	55	58	60
District	59	60	60

## 7th Grade Writing



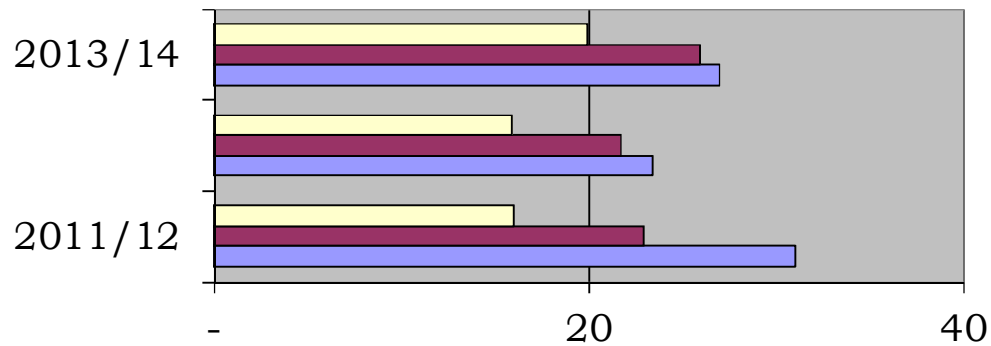
	2011/12	2012/13	2013/14
State	47	52	53
County	56	61	61
District	61	66	68

## 5th Grade Science



	2011/12	2012/13	2013/14
State	15	13	17
County	22	18	22
District	19	20	29

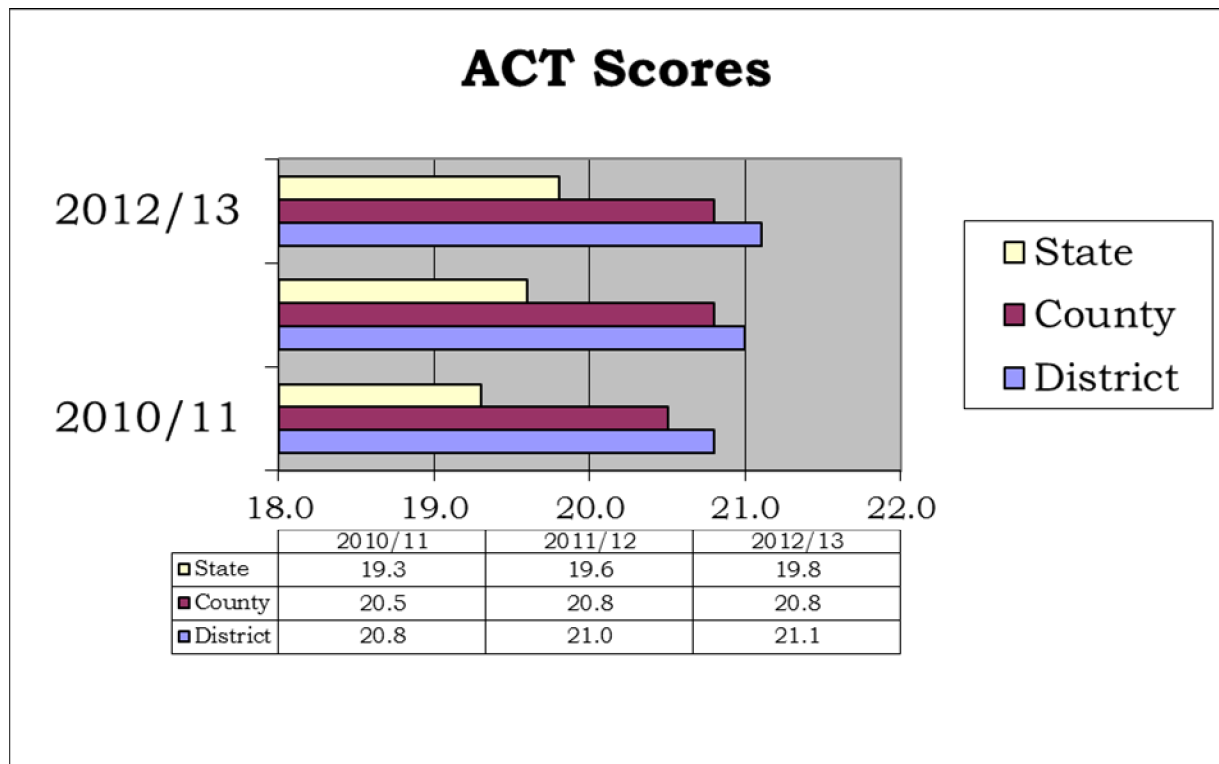
## 8th Grade Science



	2011/12	2012/13	2013/14
State	16	16	20
County	23	22	26
District	31	23	27

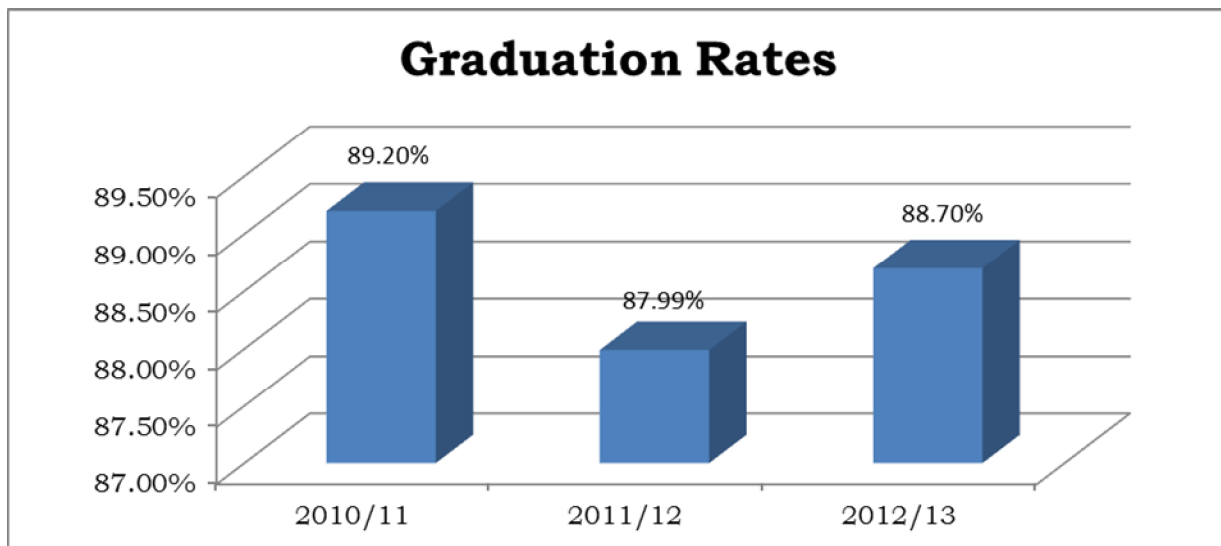
## **ACT Scores**

ACT scores are a measure used to predict student success in college. The ACT composite scores, compiled from college-bound students tested in Walled Lake, in Michigan and the County are presented below. District scores have consistently been above the State and County level.



## **Graduation Rates**

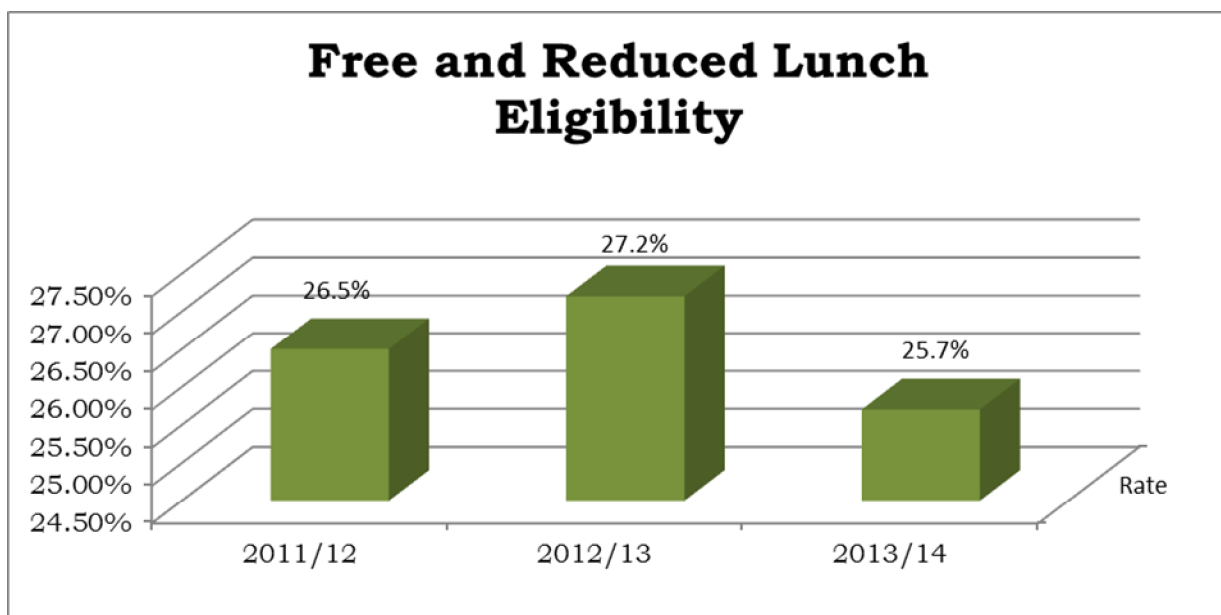
As important as student performance is the rate of graduation that is achieved. Graduation rate is defined as the estimated four-year completion rate. The rate indicates, with no change in future retention rates, the percentage of ninth grade students who will complete their senior year of school and graduate. This rate is therefore influenced by movement of students into and out of the District, and does not necessarily correspond to the drop-out rate. The District drop-out rate has been less than 5% for the last several years. The following graph shows the history of graduation rates for the District.



In addition, 93% of the District's high school graduates go on to higher education.

### **Free and Reduced Price Lunches**

One of the most difficult struggles to learning is poverty. The percentage of students in a district that are eligible for free and reduced price lunches is one indicator of poverty. The following graph shows the eligible percentage in Walled Lake Schools during the last three years.



## **GLOSSARY OF TERMS**

**ACCRUAL BASIS** - basis of accounting under which revenues are recorded when levies are made and expenditures are recorded as soon as they result in liabilities regardless of when the revenue is actually received or payment is actually made.

**AdvancEd** - the District's Accreditation Model, formerly known as North Central Association (NCA).

**ADVANCED PLACEMENT PROGRAM** - is a cooperative venture between secondary schools, colleges and universities offering students an opportunity to earn college-level credit while still in high school by performing successfully on advanced placement exams. The program is sponsored by the College Board and administered by Educational Testing Services.

**AMERICAN COLLEGE TEST (ACT)** - a test of educational development in the areas of English, math, reading and science reasoning aimed to measure how much a student has already learned. It is aligned closely with most high school curricula.

**APPROPRIATION** - money set aside by formal action for a specific purpose. The Board passes a resolution when it adopts the budget in June appropriating funds.

**ASSESSED VALUATION** – A valuation set upon real estate or other property by a government as a basis for levying taxes. The assessed value is supposed to represent 50% of a property's fair market value. However, with the passage of Proposal A, the basis for levying taxes is now "Taxable Value".

**BLENDED PUPIL COUNT** – currently calculated at 90% of the fall official pupil count and 10% of the previous year's February official pupil counts as mandated by the State.

**BOARD OF EDUCATION** - seven member elected board, created according to State law and vested with responsibilities for educational activities in a given geographical area, which establishes policy, hires a superintendent and governs the operations of the district.

**BONDS** - an obligation by the district to repay funds borrowed for capital improvement projects.

**BUDGET** - an estimate of the district's plans for revenue and expenditures during the fiscal year.

**CAPITAL OUTLAY** - includes, but is not limited to, new and replacement equipment such as furnishing additional classrooms, replacement of classroom and media furniture, additional computers, replacement band uniforms, purchase of buses and maintenance vehicles.

**CAPITAL PROJECTS FUND** - used to account for financial resources for the acquisition, construction or major renovation of district facilities and technology.

**CATEGORICAL STATE AID** - revenue allocated by the State for various categories of programs administered by the local district. Examples of categorical State Aid include monies for special education, special education transportation, bilingual education, gifted education, early childhood development to name a few. These funds do not cover the entire program cost and must be supplemented by other district revenue.

**CUSTODIAL/MAINTENANCE EXPENDITURES** - includes costs associated with maintenance of all district buildings including custodians, maintenance personnel and supervision including related salaries, benefits, purchased services, supplies and capital outlay.

**DEBT SERVICE FUND** - used to record tax and interest revenue and the payment of interest, principal and other expenditures on long-term debt for prior school construction and renovation.

**DEBT SERVICE MILLAGE (LEVY)** – The amount of millage necessary to make the bond principal and interest payments in a given fiscal year. It is calculated by dividing the annual debt by the total “taxable value” of all properties within a school district.

**DIRECT DEBT** - the dollar amount of general obligation bonds owed by the school district.

**EARNINGS ON INVESTMENTS** - revenue received from the investment of school district monies not needed at the time to meet current expenditures.

**EMPLOYEE BENEFITS** - may include health, dental, optical, life and long term disability insurance as well as FICA and retirement payments to Michigan Public School Employees Retirement System and workers' compensation insurance.

**ENCUMBRANCES** - purchase orders, contracts for salary or other commitments, which are chargeable to an appropriation and to which part of the appropriation is reserved. They cease to be encumbrances when paid or when the actual goods or services are delivered to the school district.

**EXPENDITURES BY FUNCTION** - includes expenditures by program type including, but not limited to, basic instruction by level, added needs, adult education, general administration, and transportation.

**EXPENDITURES BY OBJECT** - include expenditures for certain types of costs such as salaries, fringe benefits, supplies, purchased services and capital outlay.

**FEDERAL REVENUE** - funds received from the federal government for federally funded programs.

**FICA** - Federal Insurance Contributions Act is a tax required by the federal government on all wages paid by the district.

**FIDUCIARY FUND** - is used to account for assets held by the school district in a trustee capacity or as an agent for student groups. This fund is custodial in nature and does not involve the measurement of results of operations.

**FISCAL YEAR** - for schools in Michigan is July 1 through June 30. It is also the period for which the district determines its financial position and the result of its operations.

**FOUNDATION ALLOWANCE** - also known as per pupil amount or per pupil membership, is the amount determined by the State that a district can generate per pupil from a total of local taxes and State Aid, not including categorical aid.

**FULL TIME EQUIVALENT STUDENTS** - the sum of full time and part time students counted by the district for pupil accounting purposes.

**FUNCTION** - a group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible.

**FUND** - a means to account for resources set aside for specific activities of the school district. All of the financial transactions for a fund are recorded within the fund.

**FUND BALANCE** - the excess of assets of a fund over its liabilities and reserves. During the fiscal year prior to closing, it represents the excess of the



fund's assets and estimated revenue for the period over its liabilities, reserves and appropriations for the period.

**GENERAL FUND** - is used to record the general operations of the district pertaining to education and those operations not provided for in other funds.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)** - accounting principles promulgated by the Accounting Standards Board for use in preparation of district budgets or financial statements.

**HEADLEE AMENDMENT** - Formally a State constitutional amendment, this amendment requires a calculation be performed annually to ascertain a millage rollback fraction (MRF). The formula is as follows:

$$\frac{(2001 \text{ taxable value (TV) less TV losses) times } (1+\text{CPI})}{(2002 \text{ taxable value (TV) less TV adds})} = \text{MRF}$$

If the MRF is less than one, the MRF must be multiplied by the authorized millage rate resulting in the amount that can be levied.

**HIGH SCHOOL PROFICIENCY TEST** - a test formulated by the State of Michigan given to high school juniors to measure competencies the passing of which determines whether a student receives a State endorsed graduation diploma.

**HOLD HARMLESS MILLAGE** - the number of mills levied on homesteads and qualified agricultural property for operations in order for the district to receive its full foundation allowance.

**INSTRUCTIONAL STAFF SERVICES EXPENDITURES** - includes staff development and curriculum coordinators, media specialists, audiovisual services and supervision of staff including related salaries, benefits, purchased services, supplies and capital outlay.

**INTERDISTRICT REVENUE** - revenue received from Oakland Intermediate School District as grants and as a pass-through from the federal government for Medicaid reimbursement for services rendered to students.

**INTERGOVERNMENTAL PAYMENTS** - payments to other school districts for tuition charges for resident students attending their school district.

**INTERMEDIATE SCHOOL DISTRICT** - a legal school district entity in Michigan that exists to serve, enhance and support the local districts in its area. It provides such services as data processing, printing, tax collections,

special education supervision and programming, fiscal agent for State and/or federal funds, staff development or pupil accounting.

**LEVY** - see Tax Levy

**MAJOR CLASS** – a group of revenues identified by source of funds.

**MEDICAID** - federal dollars administered through the state as reimbursement for covered services provided to children with disabilities as part of their individual education plan.

**MICHIGAN EDUCATION ASSESSMENT PROGRAM (MEAP)** - is a statewide testing program initiated by the State Board of Education, supported by the Governor and funded by the Legislature.

**MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPERS)** - is a cost sharing, multiple public employer retirement system managed and required by State of Michigan statute.

**MILL** - as used in this report represents one dollar of tax per one thousand dollars of taxable value.

**MILLAGE RATE** - the number of mills levied by the district for operations on homesteads and non-homesteads as well as on all properties for repayment of debt.

**NON-HOMESTEAD PROPERTY** - all remaining properties that are not homesteads or qualified agricultural properties.

**OBJECT**- see Expenditures by Object.

**OPERATING TRANSFERS** – an incoming transfer is an amount received from another fund and represents a revenue. An outgoing transfer is an amount given to another fund and represents an expense.

**OTHER LOCAL REVENUE** - includes revenue collected locally other than taxes such as building use fees, parking lot and field trip fees and other miscellaneous receipts.

**OVERLAPPING DEBT** - the total amount of debt owed in dollars by Walled Lake Public School residents that has been incurred by all taxing units including township, cities, county, community college, intermediate school district and school district.

**P.A. 18 FUNDS** - see Public Act 18.

**PER PUPIL FOUNDATION** - the total amount of dollars allowed by the State that a district may receive per pupil to be generated by State revenue and local taxes.

**PER PUPIL MEMBERSHIP** - this is the same as Per Pupil Foundation.

**PROPOSAL A** - a ballot proposal approved by Michigan voters in March 1994. This proposal changed how schools are financed by shifting funding responsibility from the local to the State level as well as a shifting from the property tax as the major revenue source to various other taxes including the sales tax.

**PUBLIC ACT 18** - a Michigan public law permitting intermediate school districts to levy a voted millage to be used for county special education funding.

**PUBLIC HEARING** - an open, usually advertised meeting of the Board of Education whereby citizens of the community are encouraged to comment and/or voice their concerns about the topic for which the hearing is being held.

**PUPIL SERVICES EXPENDITURES** - direct services provided to students in support of their classroom instruction including school counselors, occupational and physical therapists, nurses, psychologists, speech and audiological therapists, social workers, teacher consultants and playground/lunchroom supervisors including salaries, benefits, purchased services, supplies and capital outlay.

**PURCHASED SERVICES** - includes such items as conference fees, mileage paid, consultant fees, fees of subcontractors, utilities including electricity, telephone, water, refuse and gas, liability, property and fleet insurance.

**RETIREMENT** - the amount required by law that is to be remitted to the Michigan Public School Employees Retirement System based upon wages paid by the district in order to provide funds for the employees retirement.

**REVENUE** - the various sources of income for the school district.

**STATE AID** - the amount of money provided by the State School Aid Fund to defray the cost of education in the district.

**STATE CATEGORICAL REVENUE** - revenue received from the State that is restricted for specific purposes such as for special education, vocational education, transportation, bilingual education, adult education and gifted programs.

**STATE EDUCATION TAX** - the six mills levied on homesteads and non-homesteads on behalf of the State that are deposited into the School Aid Fund and distributed to districts as part of State Aid.

**STATE EQUALIZED VALUE** - it is one-half of the market value determined by the local municipal assessor.

**STATE MEMBERSHIP REVENUE** - revenue from the State based on a per pupil amount times the number of blended pupils less the tax levy for operations.

**STEP INCREASES** - the increase received by employees from year-to-year based upon years of service/experience over and above the negotiated overall wage increase. The steps differ between union groups.

**STRATEGIC PLANNING** - the process employed by the district to chart a course for the future including preparation of a mission statement, district beliefs, goal setting, learner outcomes and student profile.

**SUPERINTENDENT'S ADMINISTRATIVE TEAM** – consists of Deputy Superintendent, Assistant Superintendent, Human Resources, Assistant Superintendent, Business Services, Executive Director of Instruction, Technology and Assessment, Director of Operations and Director of Community Relations and Marketing.

**SUPPLIES** - classroom and office supplies as well as supplies used by maintenance and transportation for repairs.

**TAX LEVY** - the product of multiplying the taxable value for homesteads times the number of hold harmless mills plus the product of multiplying the taxable value of non-homesteads times the number of non-homesteads mills for operations and the product of multiplying the total taxable value of property in the district by the number of mills levied for debt. These amounts in total signify a total amount of taxes in dollars to be collected.

**TRANSPORTATION EXPENDITURES** - costs associated with transporting resident pupils to and from school and field trips including related salaries, benefits, purchased services, supplies and capital outlay.

**TUITION** - the amount paid by resident and non-resident students for instruction in a district program. Amounts of tuition will vary by program and length of instruction.