

Walled Lake Consolidated School District

2015



BUDGET

FISCAL YEAR

July 1, 2015—June 30, 2016

850 Ladd Road, Building D
Walled Lake, MI 48390

Every Child, Every Day!

Proposed 2015-2016 Budget
Walled Lake Consolidated School District

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Walled Lake Consolidated School District Introductory Section



Hickory Woods Elementary
%Garden Dedication+

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 2014-2015.

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



A handwritten signature in brown ink, reading 'Terrie S. Simmons', written over a horizontal line.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in brown ink, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

**Walled Lake Consolidated
School District
Proposed 2015-2016 Budget
Executive Summary**

Board of Education

Denise Bither, 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 18 years. Their two children; daughter, Maria, graduated from Walled Lake Central High School and son, Nicholas, graduated from Clonlara School.

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

Marc Siegler, Vice President

Term Expires 12/31/2018

Mr. Marc Siegler and his family have been residents of the District for over 35 years. He is in his 22nd year as a member of the Walled Lake Consolidated School District Board of Education. Mr. Siegler is also the Secretary 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 Facility Operations with Sherwood Food Distributors in Detroit.

Peggy Casagrande, Treasurer

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 Walled Lake Central High School and Walnut Creek Middle School.

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.

Christopher Titus, Secretary

Term Expires 12/31/2016

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.

Greg Janicki, Trustee

Term Expires 12/31/2020

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 MBA program for Michigan State University. Mr. Janicki is also a trustee for the Walled Lake Foundation for Excellence.

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."

Nancy van Leuwen, Trustee

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, Trustee

Term Expires 12/31/2020

Mrs. Kathy Lyall and her husband, Brant, have lived in Commerce Township and the Walled School district since 1999. Their two children attend Walled Lake Central High School and Sarah Banks Middle School.

Mrs. Lyall works in Vendor Management and Oversight at Fidelis SecureCare of Michigan, a wholly owned subsidiary of Centene Corporation. Mrs. Lyall earned a Bachelor of Arts in Political Science, Business and Communications from the University of Michigan-Dearborn. She is currently working on her Masters of Science degree in Health Service Administration from Central Michigan University. She served as the PTA Legislative Representative and PTA President at Loon Lake Elementary for several years prior to joining the Board of Education.

She would like to apply her life experiences in order to make Walled Lake Schools superior in both Michigan and our country by working to secure long term resources, developing sophisticated curriculum, providing safe learning environments, and maintaining open lines of communication throughout our community.

Superintendent's Administrative Team

Kenneth Gutman, *Superintendent **of Schools***

Christopher Delgado, *Deputy Superintendent **of Schools***

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 4, 2015

Dear Board of Education Members:

I recommend approval of the budget for fiscal year 2015/2016 for Walled Lake Consolidated School District that includes budgeted allocations for 2015/2016 and final amended budgeted allocations for 2014/2015. 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.

The State and County continue in a period of economic recovery but that recovery is slow and weak. Job growth is slowing and, although the unemployment rate continues to fall, much of that reflects people leaving the labor force. Property values are growing but are limited to inflation or 5%, whichever is less, for purposes of tax collection.

Each of these items is important as they impact the amount of available dollars to be distributed to School Districts in the State of Michigan through the School Aid Fund.

Three taxes make up 83% of the School Aid Fund revenue. 16% is generated through a property tax millage, 21% comes from income tax revenue, and 46% is produced through sales tax revenue. As a result, personal income and property values are directly connected to revenue levels.

In addition to limited growth of available dollars, expanded pressures on how to use those dollars further dilute revenue for K-12 schools. The outcome is continued modest increases which do not begin to make up for recent reductions and do not cover inflationary increases in expenditures.

Projections for 2015/2016 indicate a gap in funding of \$5 million. We have once again met with each of our bargaining units and are fortunate that their leadership and members recognize the need to be collaborative in our approach to making up this gap. Each group has agreed to concessions again for the 2015/2016 school year. The remaining deficit will be eliminated through various revenue enhancements as well as through some budget reductions.

Recovery will take time and funding challenges will likely 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 black ink that reads "Kenneth Gutman".

Kenneth Gutman
Superintendent of Schools

We're making tomorrow!

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 detailed budget documents for the Board of Education.

The information is also presented as a budget package to the Superintendent's administrative team, who are asked to provide feedback and suggestions. During the months of March and April, the budget is presented and discussed with parent groups, buildings and union leadership. Comments and ideas are submitted to the Board of Education for consideration. The Community can also 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. This study session is typically held in March or April. The preliminary budget information, including any budget reductions being considered, is discussed in a budget video that is released to the Community.

The information is also shared 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 2015/2016. The following is a summary calendar of the process.

November 2014	Budget process begins
January 2015	Preliminary budget projections
February 2015	Projections shared with Leadership
March/April 2015	Board study sessions held
March/April 2015	Budget video released
June 2015	Final budget presented to the Board

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 2014/2015, 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 2015/2016, the blend will be calculated using 90% of the October 2015 count and 10% of the February 2015 count. Allowing districts to count a portion of the previous year's count is helpful when a district is experiencing declining enrollment as Walled Lake Schools is currently.

The foundation grant is determined annually by the State of Michigan through their annual budgeting process. The grant is expected to be \$8,315 for the 2015/2016 fiscal year.

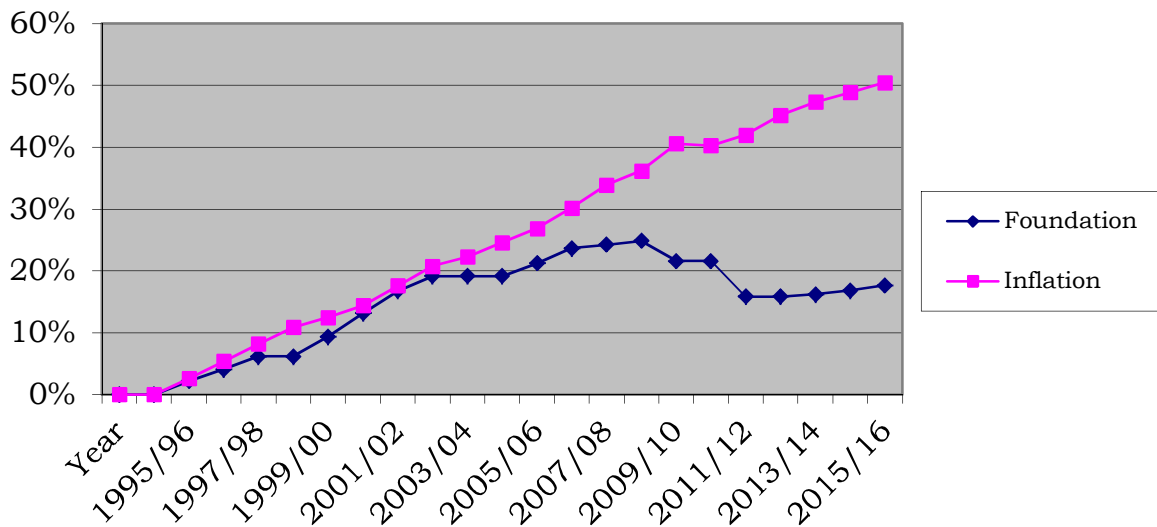
As the following table and graph indicate, since the inception of Proposal A, revenue increases in the per pupil foundation have not kept pace with the inflation rate overall. As this funding source represents 76% of our total revenues, it is imperative that the District continue its cost containment 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

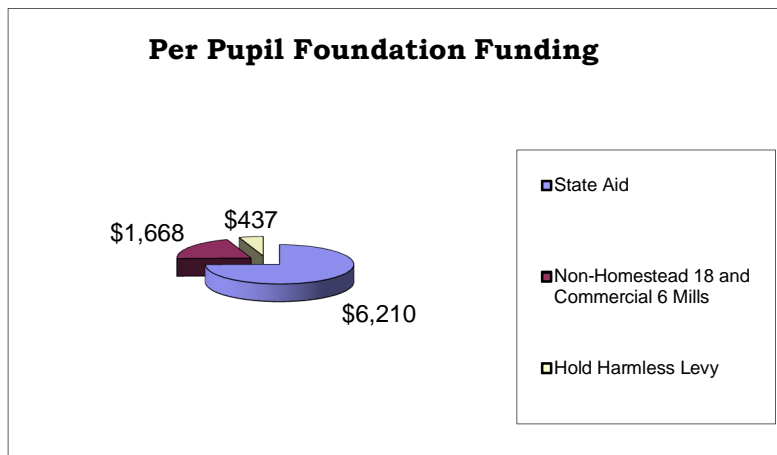
student that occurred during 2002/2003 and 2003/2004 or the mid-year proration of \$165 that occurred during 2009/2010 and 2010/2011.

			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	8,245	50	0.61%	1.50%
2015/2016	8,315	70	0.85%	1.60%

Cumulative Inflation Rate vs Foundation Grant Increases



The breakdown of the \$8,315 per pupil foundation is shown below.



For 2015/2016, the District's estimated per pupil foundation of \$8,315 is projected to be generated as shown above with \$1,668 resulting from the 17.9604 mills levied by the District on non-homestead properties and the 5.9604 mills levied on commercial personal property. State Aid provides an amount equaling \$6,210 per pupil.

The balance of \$437 will be generated by the hold harmless levy of 2.1265 mills on homesteads, industrial personal property and commercial personal

property. The District's blended pupil count for 2015/2016 is projected to be 14,743. A rate of 2.1265 mills is the proposed levy for July 2015.

This is the first year that tax rates for Walled Lake Schools will be impacted by the Headlee Amendment. In 1963, the Headlee Amendment changed the State of Michigan Constitution. Headlee requires a local unit of government, including school districts, to reduce its millage when annual growth on existing property is greater than the rate of inflation. As a result, the millage rate is "rolled back" so that the growth in property tax revenue is no more than the rate of inflation.

The largest impact will be the reduction to the 18 mills typically levied on all non-homestead properties. This millage will be reduced to 17.9604 mills for 2015/2016. Under Michigan's funding formula for public school districts, all school districts are expected to levy the full 18 mills and are not reimbursed for any part of the amount that is not collected. This rollback will cost Walled Lake Schools approximately \$57,000 in lost tax revenue for purposes of operations.

The Sinking fund levy is also subject to a rollback and will be reduced from .5 mills to .4985 mills. This will result in a loss of approximately \$5,300.

These rollbacks are permanent and cumulative which means that they will impact our revenues for years to come.

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	2.9982	18.0000
2001/2002	3,643,686,005	2.8538	18.0000
2002/2003	3,958,139,927	2.3728	17.8884
2003/2004	4,230,559,002	2.4248	18.0000
2004/2005	4,543,111,451	2.2648	18.0000
2005/2006	4,869,092,200	2.1075	18.0000
2006/2007	5,201,603,630	1.9941	18.0000
2007/2008	5,441,003,299	1.8800	18.0000

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.

School Year Taxable Value		Operating		
		Princ. Res., Qual. Agric., Qual. Forest & Ind. Pers.	Commercial Personal	Non-
		Homestead		Homestead
2008/2009	5,383,371,340	1.7822	7.7822	18.0000
2009/2010	5,114,937,450	1.9793	7.9793	18.0000
2010/2011	4,485,550,500	2.2508	8.2508	18.0000
2011/2012	4,183,368,560	2.3812	8.3812	18.0000
2012/2013	4,047,149,340	2.4654	8.4654	18.0000
2013/2014	4,062,974,500	2.3285	8.3285	18.0000
2014/2015	4,145,505,640	2.1971	8.1971	18.0000
2015/2016	4,304,481,830	2.1265	8.0869	17.9604

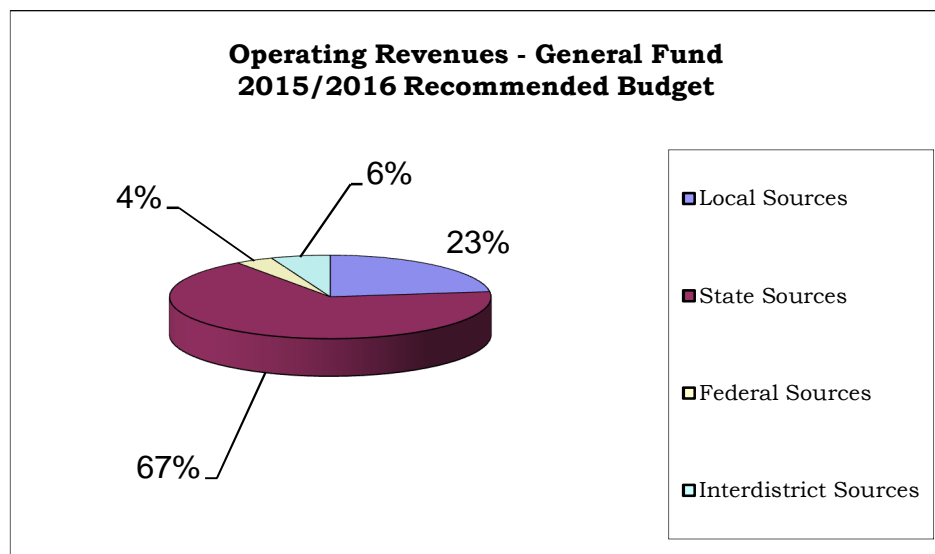
The Debt and Sinking fund millages are levied on all properties. This did not change with the classification change. See below for historical and current rates.

School Year	Taxable Value	Tax Rates	
		Sinking Fund	Debt
		All Properties	
2000/2001	3,319,133,291	0.0000	5.1000
2001/2002	3,643,686,005	0.0000	5.1000
2002/2003	3,958,139,927	0.0000	5.1000
2003/2004	4,230,559,002	0.0000	5.1000
2004/2005	4,543,111,451	0.5000	4.2900
2005/2006	4,869,092,200	0.5000	4.2900
2006/2007	5,201,603,630	0.5000	4.2900
2007/2008	5,441,003,299	0.5000	4.2900
2008/2009	5,383,371,340	0.5000	4.2900
2009/2010	5,114,937,450	0.5000	4.0000
2010/2011	4,485,550,500	0.5000	4.0000
2011/2012	4,183,368,560	0.5000	4.0000
2012/2013	4,047,149,340	0.5000	4.0600
2013/2014	4,062,974,500	0.5000	4.6445
2014/2015	4,145,505,640	0.5000	4.9872
2015/2016	4,304,481,830	0.4985	4.6591

Operating Revenue – General Fund

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

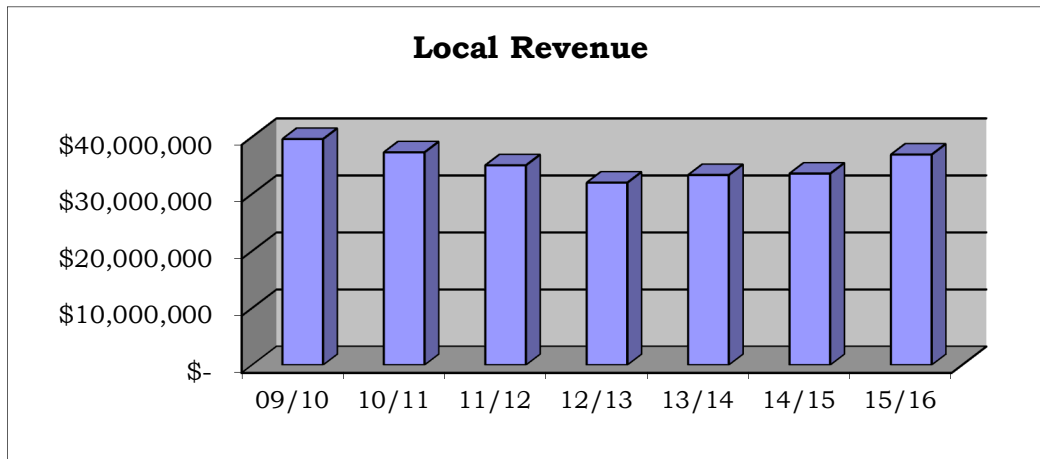
	2014/2015		2015/2016	
	Amended Budget	2014/2015 % of Total	Recommended Budget	2015/2016 % of Total
Revenue				
Local Sources	\$ 33,559,899	21.38%	\$ 36,894,467	23.05%
State Sources	107,696,039	68.62%	107,472,534	67.15%
Federal Sources	6,141,317	3.91%	6,111,992	3.82%
Interdistrict Sources	9,553,161	6.09%	9,568,089	5.98%
TOTAL REVENUE	\$ 156,950,416	100.00%	\$ 160,047,082	100.00%



Local Revenue

Local property taxes account for 83% 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 2013/2014 as well as the amended budget for 2014/2015 and the recommended budget for 2015/2016.



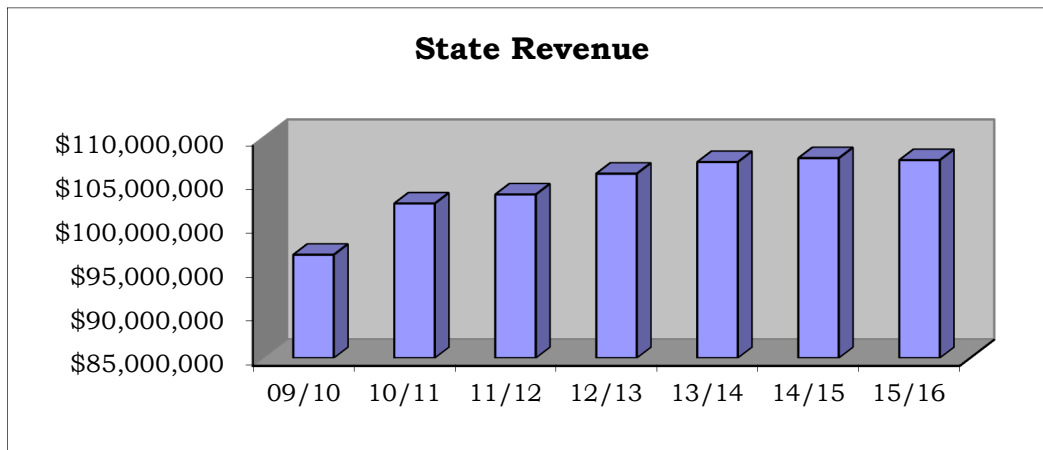
State Revenue

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 \$8,315 will be generated on 14,743 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 \$7,878 (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.

Year	Blended Special Education Student FTE	Revenue	Expenditures	Deficit
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
2014/2015	423.80	\$ 15,399,339	\$ 23,268,187	\$ 7,868,848

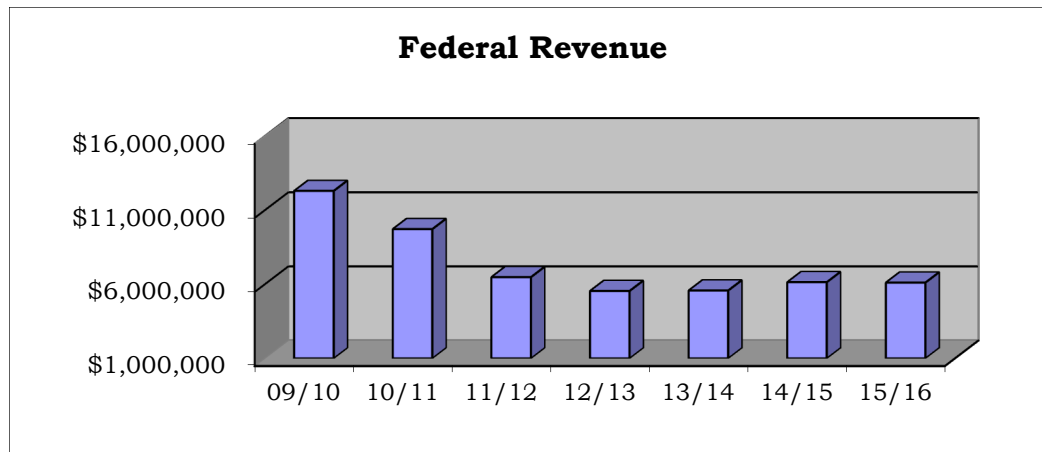
For reference purposes, the following bar graph shows the funding levels of State revenue over the past five years as well as the amended budget for 2014/2015 and the recommended budget for 2015/2016.



Federal Revenue

We expect Federal funding to remain fairly stable for 2015/2016.

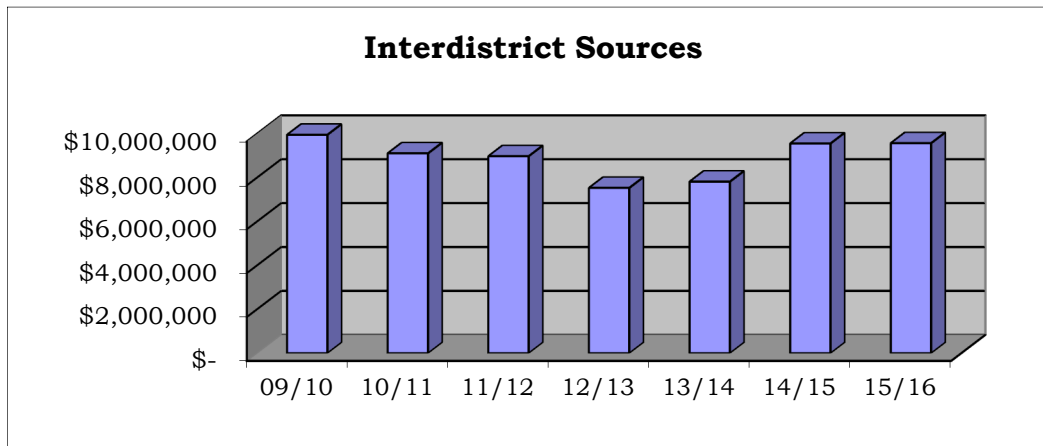
The following bar graph provides the five year history of Federal revenue as well as the amended budget for 2014/2015 and the recommended budget for 2015/2016.



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 2014/2015 and the recommended budget for 2015/2016.



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 2.1265 for operations. Millage on commercial personal property will be 8.0869 for operations. Millage on non-homesteads will be 17.9604 mills for operations.
3. The total per pupil foundation grant is expected to be \$8,315 for 2015/2016. This represents a \$70 increase from 2014/2015.
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.
5. The State is not expected to continue to fund two previous allocations known as Best Practices and Performance Funding. Walled Lake Consolidated Schools has qualified for this funding for the last three years and as a result will experience a decrease in this area equal to \$90 per pupil.
6. An additional State allocation known as Hold Harmless funding is expected to continue for 2015/2016. This allocation is meant to ensure that after all changes occur to the various categories of per pupil funding, that no district in the State would receive less than a \$25 per pupil net increase.

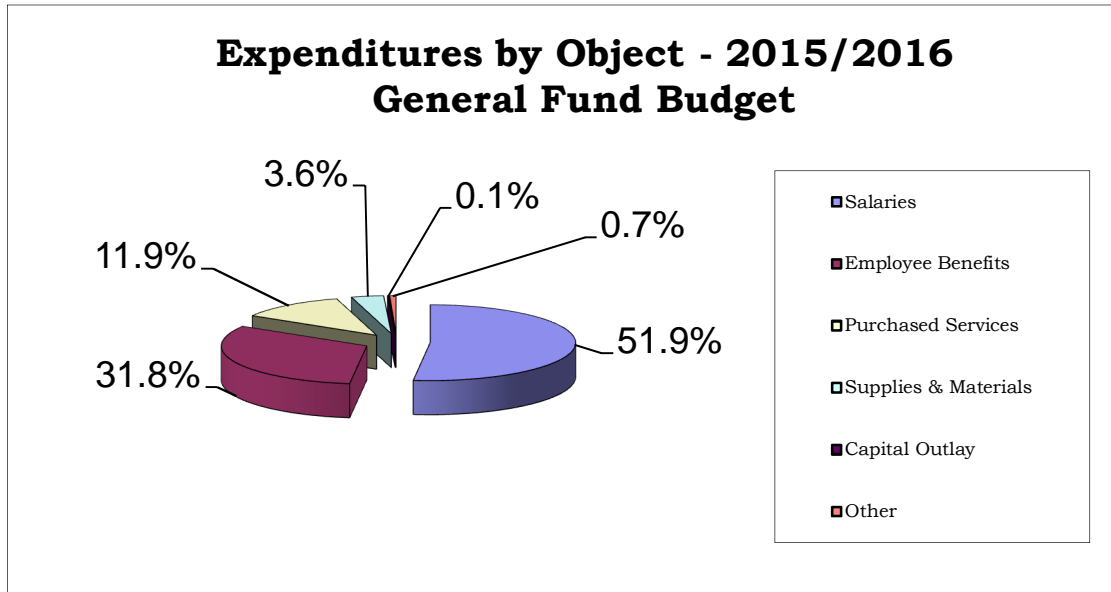
7. The number of pupils for 2015/2016, based on a blended count of 90/10, will be 14,743, representing a decrease of 64 students compared to 2014/2015. While the blend will still be based on 90% of the Fall 2015 count, 10% will be based on the Spring 2015 count rather than Spring 2016. This is a change proposed by the Legislature and is expected to pass. This provides much needed relief to school districts experiencing declining enrollment like Walled Lake Schools. Projections show that this change will result in a count of 91 additional students over the prior method.
8. The Board of Education approved a limited expansion of School of Choice that is expected to bring in 44 additional students, which are included in the total expected count of 14,743.
9. The sale of three pieces of District-owned property, is expected to finalize during 2015/2016. We have purchase agreements approved by the Board of Education on two of these parcels which together will generate \$1,980,000 during 2015/2016. A third parcel will be going on the market, which has an appraised value of \$500,000.
10. Walled Lake Consolidated Schools has been working collaboratively with a school located in Guiyang, China to develop and host a Chinese exchange program. Several high school students are expected to live with host parents and attend our three high schools. This arrangement is planned to begin with the 2015/2016 school year and is expected to raise approximately \$100,000 through tuition that will be paid directly to the District.

Operating Expenditures – General Fund

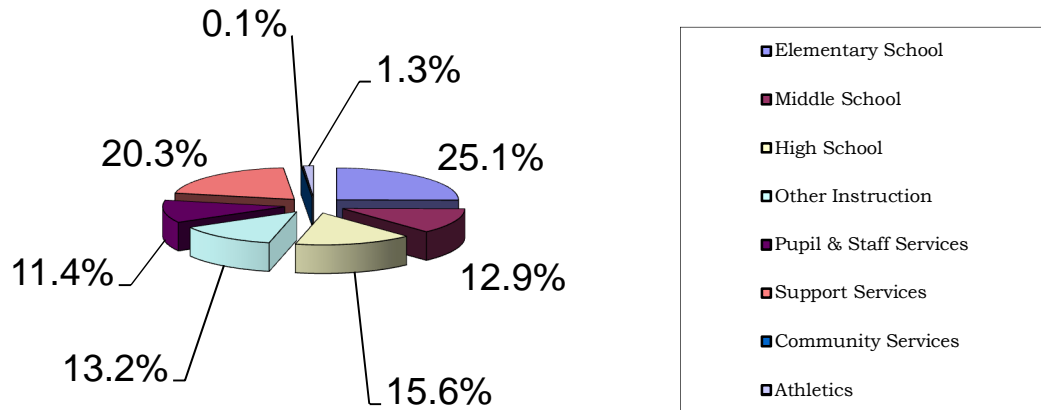
The following table and graph show the makeup of expenditures and the proposed General Fund expenditure budget for 2015/2016.

	2014/2015		2015/2016	
	Amended	2014/2015	Recommended	2015/2016
	Budget	% of Total	Budget	% of Total
Expenditures				
Basic Programs	\$ 84,889,488	54.14%	\$ 85,937,471	54.15%
Added Needs	20,143,481	12.85%	20,060,282	12.64%
Total Instruction	105,032,969	66.99%	105,997,753	66.79%
Pupil Services	12,689,686	8.09%	13,098,005	8.25%
Instructional Staff Services	4,926,203	3.14%	5,065,292	3.19%
General Administration	670,405	0.43%	676,192	0.43%
School Administration	8,764,607	5.59%	8,830,165	5.56%
Business Services	2,395,626	1.53%	2,472,805	1.56%
Operation and Maintenance	9,793,250	6.25%	10,148,851	6.39%
Pupil Transportation	5,875,590	3.75%	5,892,915	3.71%
Central Services	4,222,817	2.69%	4,220,405	2.66%
Athletics	2,108,436	1.34%	2,116,217	1.33%
Total Support Services	51,446,620	32.81%	52,520,847	33.09%
Community Services	305,262	0.19%	190,164	0.12%
TOTAL EXPENDITURES	156,784,851	<u>100.00%</u>	158,708,764	<u>100.00%</u>
Excess Revenue over Expenditures	165,565		1,338,318	
Beginning Fund Balance	<u>8,383,329</u>		<u>8,548,894</u>	
Ending Fund Balance	<u>\$ 8,548,894</u>		<u>\$ 9,887,212</u>	

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.



Expenditures by Function - 2015/2016 General Fund Budget



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

1. Most employee groups have agreed to concessionary agreements for the next year, while we continue to negotiate with one. 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 2015/2016 is calculated to be 25.78%, which is .25 percentage points higher than 2014/2015.
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 2.3% for 2015/2016. As a result, the District's cost for health insurance for employees will increase by 2.3%. The increase in insurance premiums no longer has a direct impact on districts.
4. Utility rates are expected to remain flat for 2015/2016 given current utility contracts.

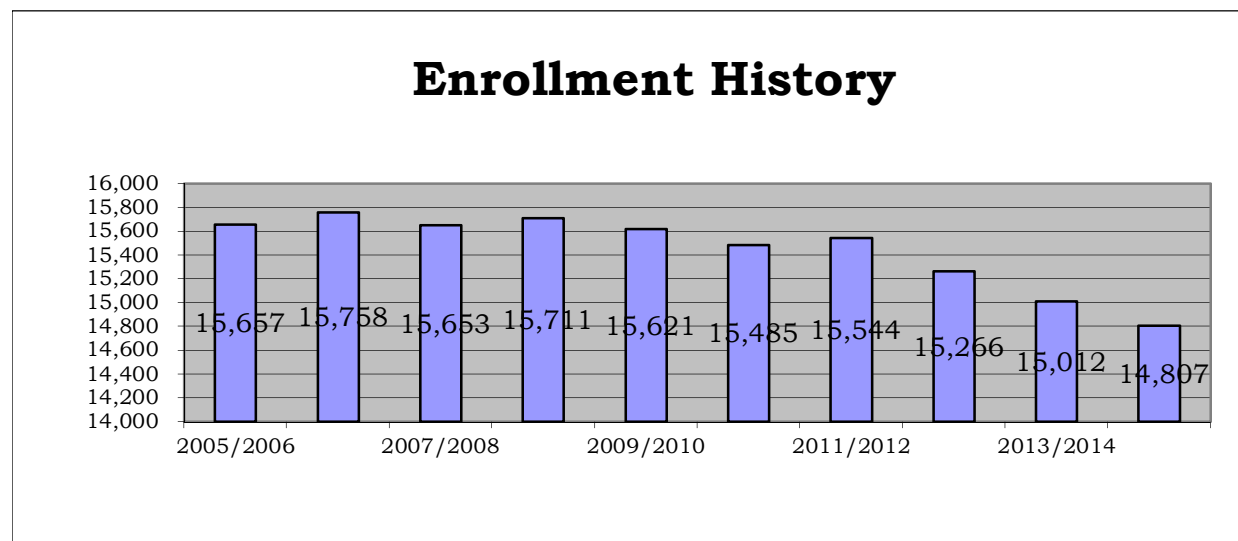
5. A change in the Middle School schedule has been negotiated with the Teachers which will result in a reduction of 14 full time equivalents (FTEs).
6. Other staff reductions due to budget reductions include:
 - a. Para-educators (3 FTEs)
 - b. Permanent Building Support (3 FTE)
 - c. Secretarial position (1 FTE)

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 2015/2016 school year.

Grade	Enrollment	Sections	Average Class Size
Kindergarten	990 Students	42 Sections	23.6
First Grade	1009 Students	41 Sections	24.6
Second Grade	1081 Students	41 Sections	26.4
Third Grade	1025 Students	40 Sections	25.6
Fourth Grade	1113 Students	41 Sections	27.1
Fifth Grade	1039 Students	39 Sections	26.6
Sixth - Eighth Grades	3356 Students	-	34.0
Ninth - Twelfth Grades	4786 Students	-	35.0

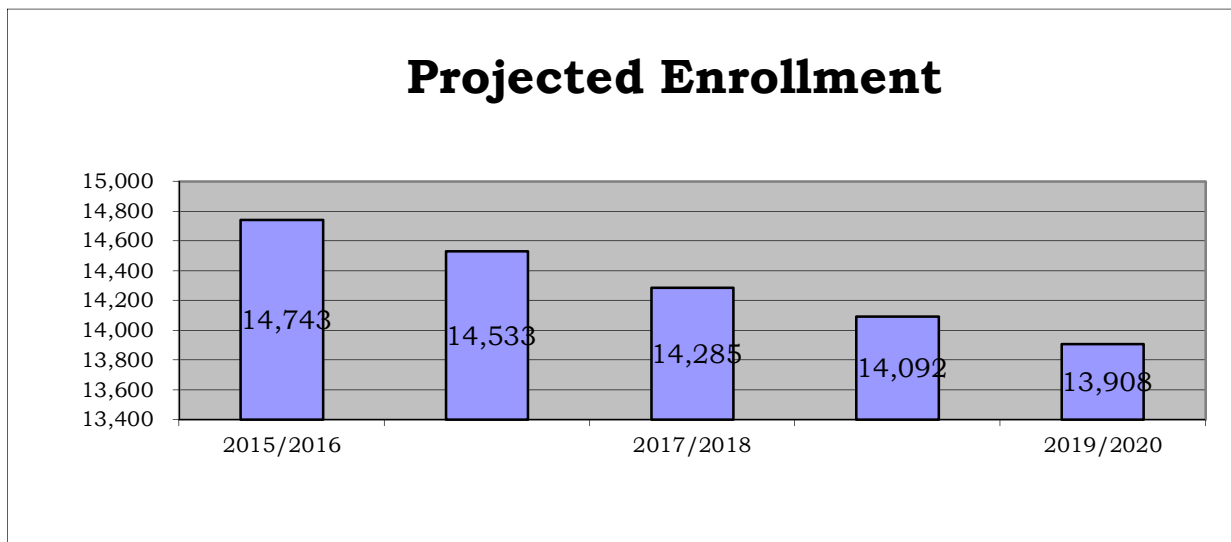
The graph that follows shows the changes in student blended count enrollment over the last ten years.



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. According to the Oakland County Economic Outlook report, Oakland County is in its 6th year of recovery from the Great Recession and the County's job growth between 2009 and 2014 (12.8%), has outpaced the Nation's (6.0%) and the State's (8.0%). The report also predicts that in 2015, the unemployment rate for Oakland County will equal the Nation's at 5.3%. Not only is this considerable improvement but is also only slightly above the 5% that many economists consider the point of full employment.

The U.S. economy is also 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, with 10% based on the *previous* school year's February 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 remains high at approximately 92%.

Personnel Trends

As of June 2015, Walled Lake Consolidated Schools has approximately 1,355 employees. The following chart illustrates the changes in District personnel and the drastic reductions that have been made.

	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	Projected 2015/2016
Instructional					
Building Administrators & Secretaries	79.00	78.63	74.62	76.55	76.55
Teachers	786.39	775.86	769.56	755.45	741.45
Other Instructional Staff	147.58	161.98	154.53	163.02	160.02
Guidance Staff	30.20	31.41	29.40	30.00	30.00
Psychological Staff	7.60	7.60	7.20	7.20	7.20
Speech and Audiology	19.30	18.30	18.30	18.64	18.64
Social Workers	13.50	14.36	14.00	14.60	14.60
Special Ed. Teacher Consultants	13.00	13.00	13.00	13.57	13.57
Other Pupil Services Staff	39.08	63.09	40.37	39.83	39.83
Library Personnel	11.96	12.96	9.62	10.62	10.62
Computer Assisted Instruction	2.52	2.41	2.69	2.49	2.49
Other Instructional Supervisors	11.71	12.58	12.00	11.64	11.64
Other Staff Services Personnel	4.34	3.48	1.42	0.00	0.00
Total Instructional Staff	1,166.18	1,195.66	1,146.71	1,143.61	1,126.61
Non-Instructional					
Executive Administration	2.00	2.00	2.00	2.00	2.00
Business Services	9.25	9.25	9.25	9.25	9.25
Food Services Staff	82.15	81.24	81.58	79.11	79.11
Operations and Maintenance	24.42	25.42	24.60	24.24	24.24
Transportation Staff	113.49	126.39	1.00	1.00	1.00
Central Support Services	21.09	21.21	21.21	22.21	21.21
Other Support Staff	2.00	2.00	2.00	2.00	2.00
Community Services	51.09	57.89	77.88	71.45	71.45
Total Non-Instructional Staff	305.49	325.40	219.52	211.26	210.26
Total Staff	1,471.67	1,521.06	1,366.23	1,354.87	1,336.87

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 four of the last five years. Additional concessions have been negotiated with all groups for 2015/2016.

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.

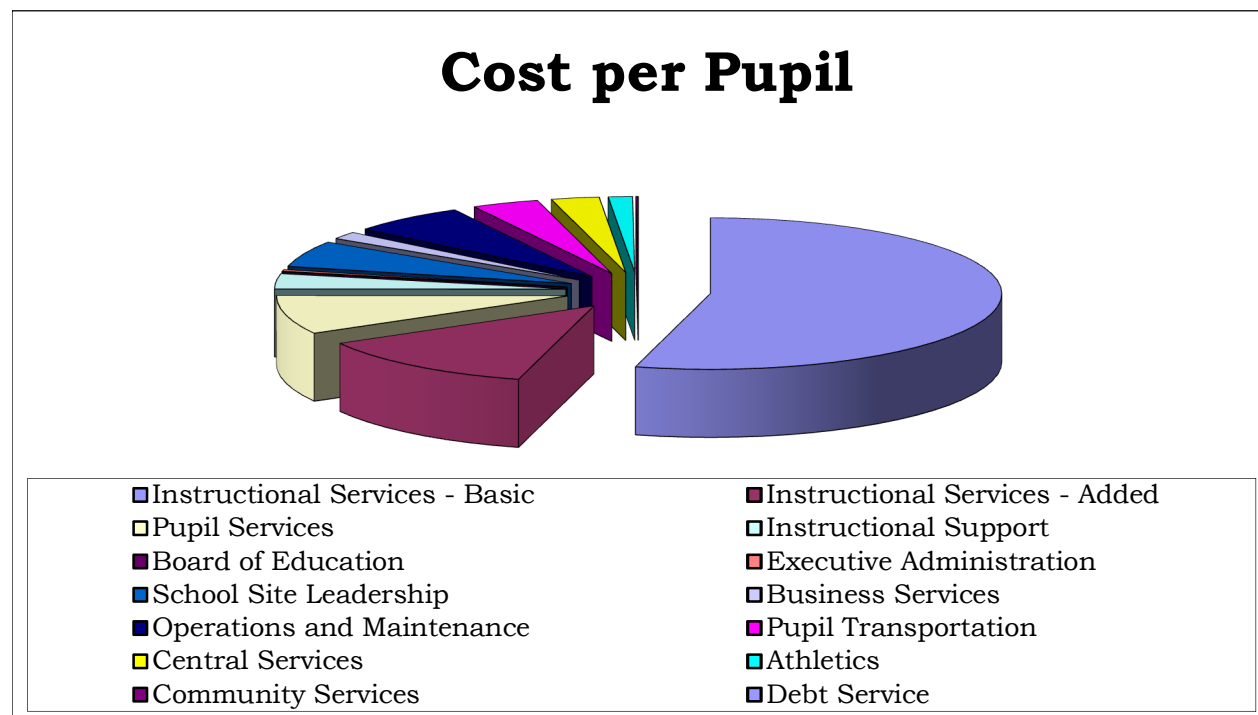
Programs such as supplemental summer classes and online learning are also provided in an effort to reach those students that may be struggling or who may function better in alternative environments.

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 2013/2014 as well as the budgets for 2014/2015 and 2015/2016.

	Actual 2013/14	Amended Budget 2014/15	Recommended Budget 2015/16
Instructional Services - Basic Instruction	\$ 86,242,709	\$ 84,889,488	\$ 85,937,471
Classroom instruction, textbooks and supplies			
Instructional Services - Added Needs	18,757,273	20,143,481	20,060,282
Classroom instruction, textbooks and supplies			
Pupil Services	12,887,516	12,689,686	13,098,005
Guidance, health, speech, social worker, teacher consultants			
Instructional Support	4,822,412	4,926,203	5,065,292
Assistant superintendents, program development, computer assistance			
Board of Education	236,896	136,650	156,650
School Board, clerical staff			
Executive Administration	502,157	533,755	519,542
Superintendent, clerical and support staff			
Office of Principal	8,656,528	8,764,607	8,830,165
Principals, assistant principals, clerical and support staff, related materials			
Business Services	2,246,559	2,395,626	2,472,805
Assistant Superintendent, Finance, Purchasing			
Operations and Maintenance	10,081,398	9,793,250	10,148,851
Staff, equipment and supplies for care, upkeep and operation of facilities			
Pupil Transportation	6,148,167	5,875,590	5,892,915
Central Services	4,007,014	4,222,817	4,220,405
Personnel, Community Relations, Data Processing			
Athletics	2,062,920	2,108,436	2,116,217
Community Services	137,955	305,262	190,164
Transfers Out	-	-	-
Total Expenditures	\$ 156,789,504	\$ 156,784,851	\$ 158,708,764
Pupil Count	15,012	14,807	14,743
Operating Expense per Pupil	\$ 10,444	\$ 10,589	\$ 10,765

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 2015/2016 school year.



Category of Expense	2015/2016 Cost per Pupil	Percent of Total
Instructional Services - Basic	\$ 5,829	54.15%
Instructional Services - Added	1,361	12.64%
Pupil Services	888	8.25%
Instructional Support	344	3.19%
Board of Education	11	0.10%
Executive Administration	35	0.33%
School Site Leadership	599	5.56%
Business Services	168	1.56%
Operations and Maintenance	688	6.39%
Pupil Transportation	400	3.71%
Central Services	286	2.66%
Athletics	144	1.33%
Community Services	13	0.12%
Total Expenditures	\$ 10,765	100.00%

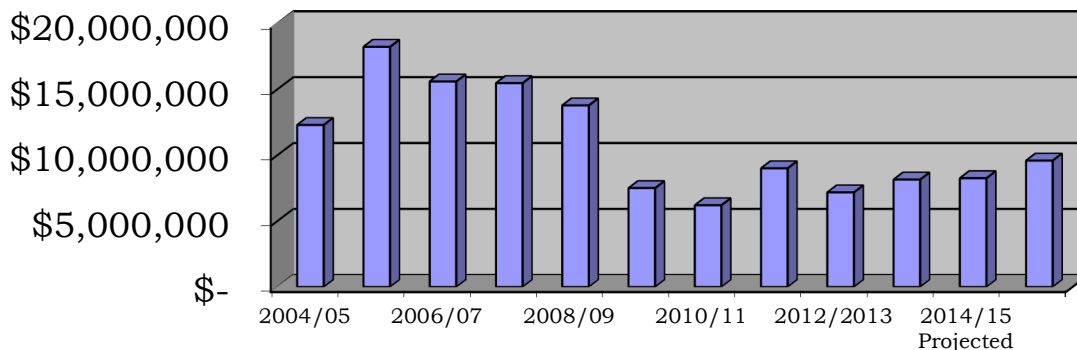
Fund Balance

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 2014/2015 and 2015/2016.

Year	Total Fund Balance	Reserved Fund Balance	Unreserved		Unreserved as a Percentage of Expenditures
			Designated Fund Balance	Undesignated Fund Balance	
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%
2013/2014	8,383,329	239,162	-	8,144,167	5.19%
2014/15 Projected	8,548,894	300,000	-	8,248,894	5.26%
2015/16 Projected	9,887,212	300,000	-	9,587,212	6.04%
**** - In 2010/2011 Governmental Accounting Standards Board (GASB) 54 was implemented which changed fund balance categories.					

Unreserved/Unassigned Fund Balance



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 economic climate and the severe financial cuts that the District has faced over the last several years, the Board decided to use a portion of the fund balance in order to assist with balancing the budget for both 2012/2013 and 2013/2014. Administration and the Board of Education would like to maintain and increase this minimum fund balance and has set out to balance the budget without the use of additional fund balance.

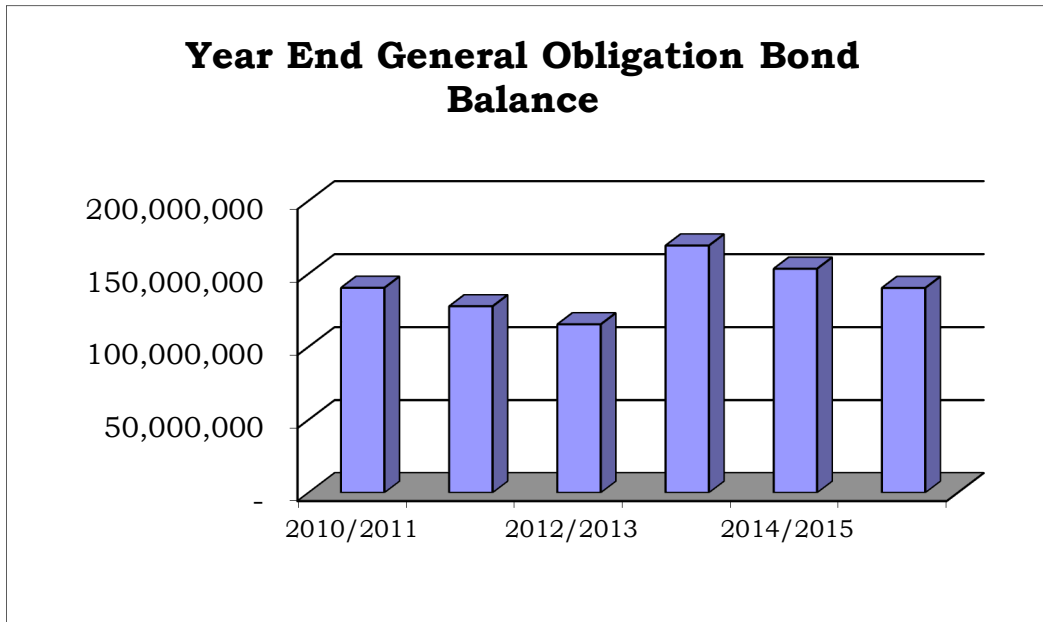
Debt

At the end of 2014/2015, the School District has \$153.4 million in General Obligation Bonds outstanding versus \$169.3 million at the end of 2013/2014.

During the year, the 2005 Bond was refunded, saving the taxpayers in the community over \$4.3 million in interest over the course of the Bond.

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 2015/2016 activity.

School Year	Beginning Balance	Additions	Reductions	Ending Balance
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
2014/2015	\$ 169,285,000	\$ 37,280,000	\$ 53,135,000	\$ 153,430,000
Projected 2015/2016	\$ 153,430,000	\$ -	\$ 13,145,000	\$ 140,285,000



ALL FUNDS

The following includes a summary by object of the 2015/2016 proposed budget for each additional fund type maintained by the District.

	Special Revenue Funds	Debt Service Funds	Capital Project Funds
Revenue			
Local Sources	\$5,588,772	\$20,115,186	\$2,272,000
State Sources	440,760	-	-
Federal Sources	1,615,000	-	-
Interdistrict Sources	-	-	-
Total Revenue	7,644,532	20,115,186	2,272,000
Expenditures			
Salaries	2,841,806	-	-
Benefits	1,585,783	-	-
Purchased Services	538,835	-	-
Supplies and Materials	2,167,354	-	-
Capital Outlay	36,075	-	-
Other	186,226	-	-
Capital Projects/Land	-	-	25,473,076
Debt Service	-	20,243,344	-
Total Expenditures	7,356,079	20,243,344	25,473,076
Other Financing Uses - Transfers Out	(300,000)	-	-
Net Change in Fund Balances	(11,547)	(128,158)	(23,201,076)
Fund Balances - Beginning of year	1,277,831	2,187,665	39,677,860
Fund Balances - End of year	\$1,266,284	\$2,059,507	\$16,476,784

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 12th 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 2005 Bond was refunded during 2014/2015.

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.

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

Revenues

	<div>2014/2015</div> <div>Amended Budget</div>		<div>2015/2016</div> <div>Proposed Budget</div>	<div>Percent Change</div> <div>from Prior Year</div>	
General Fund	\$	156,950,416	\$	160,047,082	1.97%
Special Revenue Funds					
Cafeteria Fund		4,412,926		4,563,820	3.42%
Community Education		752,883		754,850	0.26%
Preschool		422,151		424,990	0.67%
Enrichment/Prime Time Care		1,846,520		1,900,872	2.94%
Debt Retirement Funds		64,154,000		20,115,186	-68.65%
Capital Projects Funds		2,272,000		2,272,000	0.00%
TOTAL	\$	230,810,896	\$	190,078,800	-17.65%

Expenses

	2014/2015	2015/2016	Percent Change from Prior Year
	Amended Budget	Proposed Budget	
General Fund	\$ 156,784,851	\$ 158,708,764	1.23%
Special Revenue Funds			
Cafeteria Fund	4,566,096	4,675,693	2.40%
Community Education	774,483	776,470	0.26%
Preschool	376,388	404,195	7.39%
Enrichment/Prime Time Care	1,812,291	1,799,721	-0.69%
Debt Retirement Funds	63,627,171	20,243,344	-68.18%
Capital Projects Funds	25,647,061	25,473,076	-0.68%
TOTAL	<u>\$ 253,588,341</u>	<u>\$ 212,081,263</u>	<u>-16.37%</u>

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 now expected to stabilize after experiencing a large decrease in lunch sales following legislative changes that govern the makeup of allowable lunches and snacks in schools.

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 middle school program.

The Debt levy has been set to allow revenues in the Debt funds to fully support the principal and interest payments. The refunding of the 2005 Bonds resulted in large revenue and expenditures for 2014/2015 which would not continue in 2015/2016.

Expenditures will be large for the next couple of years in the Capital Projects funds as work is done in all of our buildings relating 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

	2016/2017 Budget Projected	2017/2018 Budget Projected	2018/2019 Budget Projected
General Fund	\$ 159,134,403	\$ 160,722,447	\$ 162,326,371
Special Revenue Funds			
Cafeteria Fund	4,609,458	4,655,553	4,702,108
Community Education	762,399	770,022	777,723
Preschool	429,240	433,532	437,868
Enrichment/Prime Time Care	1,919,881	1,939,080	1,958,470
Debt Retirement Funds	20,227,834	19,856,997	17,160,849
Capital Projects Funds	2,112,720	\$ 2,113,647	\$ 2,134,784
TOTAL	<u>\$ 189,195,934</u>	<u>\$ 190,491,278</u>	<u>\$ 189,498,173</u>

Expenses

	2016/2017 Budget Projected	2017/2018 Budget Projected	2018/2019 Budget Projected
General Fund	\$ 160,028,694	\$ 161,370,034	\$ 162,724,787
Special Revenue Funds			
Cafeteria Fund	4,700,846	4,726,250	4,751,908
Community Education	753,904	756,362	758,844
Preschool	382,554	385,946	389,372
Enrichment/Prime Time Care	1,863,052	1,876,517	1,890,116
Debt Retirement Funds	20,261,219	19,893,744	17,409,294
Capital Projects Funds	21,261,496	2,642,059	2,668,480
TOTAL	<u>\$ 209,251,764</u>	<u>\$ 191,650,911</u>	<u>\$ 190,592,800</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 waiver from the U.S. Department of Education, change the method and formula of measuring school accountability in the State of Michigan. Beginning with the 2012/2013 school year, the Michigan Department of Education released Accountability Scorecards as an indicator of school and district compliance factors, assessment participation, and assessment performance requirements.

MEAP & M-STEP: State Assessment System

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 2014-2015 school year marked the first time schools in Michigan were required to administer the M-STEP, which replaced the MEAP. M-STEP results will not be known until September 2015.

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.

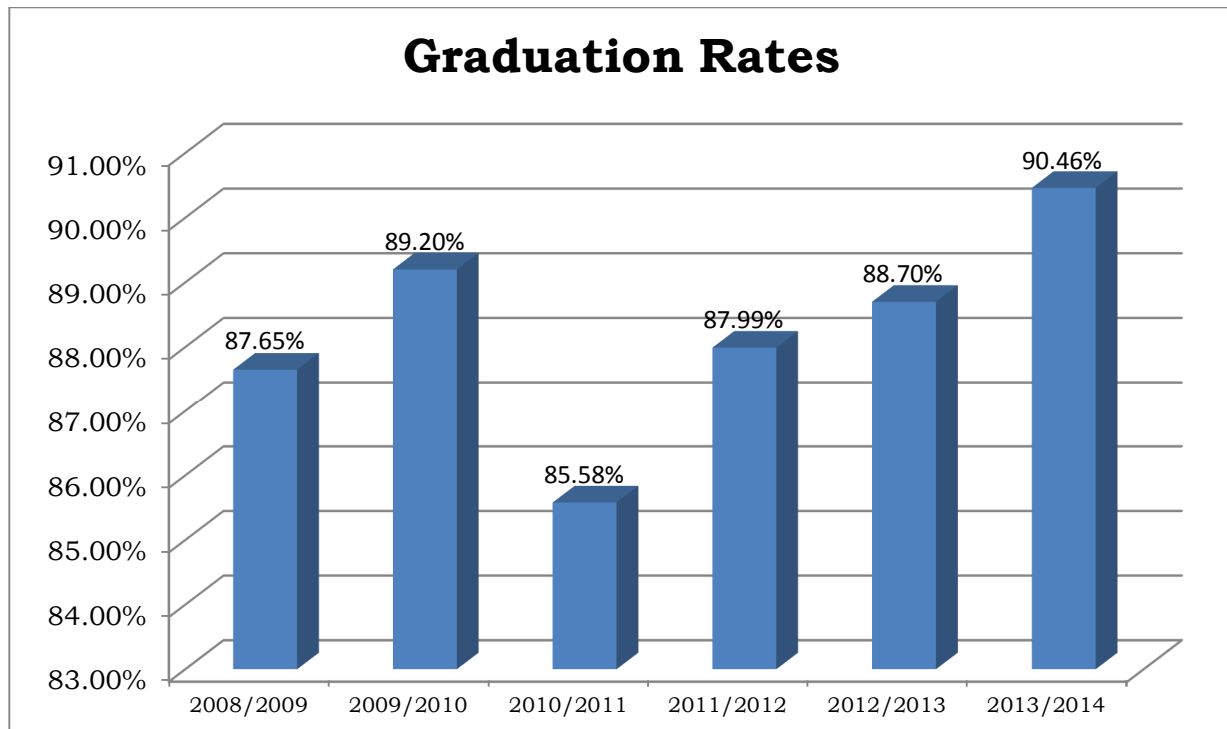
ACT Scores

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 MISSION STATEMENT AND GOALS

Mission Statement

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

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
- Teacher release time for Professional Learning Community work
- Professional development opportunities aimed at increasing student achievement
- Paraprofessional support at the elementary level in an effort to contain class sizes

- Targeted assistance provided to Focus schools to help close the achievement gap
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Fiscal Responsibility: Ensure long-term fiscal health of the District while maximizing dollars available for the classroom and encouraging innovation and the implementation of proven strategies and programs by:

- ✓ Developing budgets that are focused and centered on student achievement goals; and
- ✓ Continuing efficiency and collaboration efforts.

Supporting resources include personnel provided to:

- Ensure purchases are made as frugally as possible through available consortiums and cooperatives
- Develop and maintain an energy management program
- Work collaboratively with all bargaining groups

Community Outreach: In partnership with parents and the community, students and staff continually demonstrate they are caring, responsible and knowledgeable citizens by:

- ✓ Including the community in school and District events, activities, and efforts;
- ✓ Involving parents and the community in decisions that affect and benefit the Walled Lake Consolidated School District;
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- ✓ Building partnerships with diverse organizations to mutually strengthen the District and the communities we serve.

Supporting resources include personnel and monetary support to:

- Collaborate with Parent Teacher Associations
- Organize Superintendent coffees
- Host numerous community events
- Solicit feedback
- Track and review website activity
- Share information with parents and the community

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- ✓ Promoting “no tolerance” standards for bullying, harassment and other unacceptable behaviors;
- ✓ Ensuring that schools and facilities are maintained to the highest degree;
- ✓ Expecting students, staff and the entire school community to demonstrate respect for one another;
- ✓ 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:

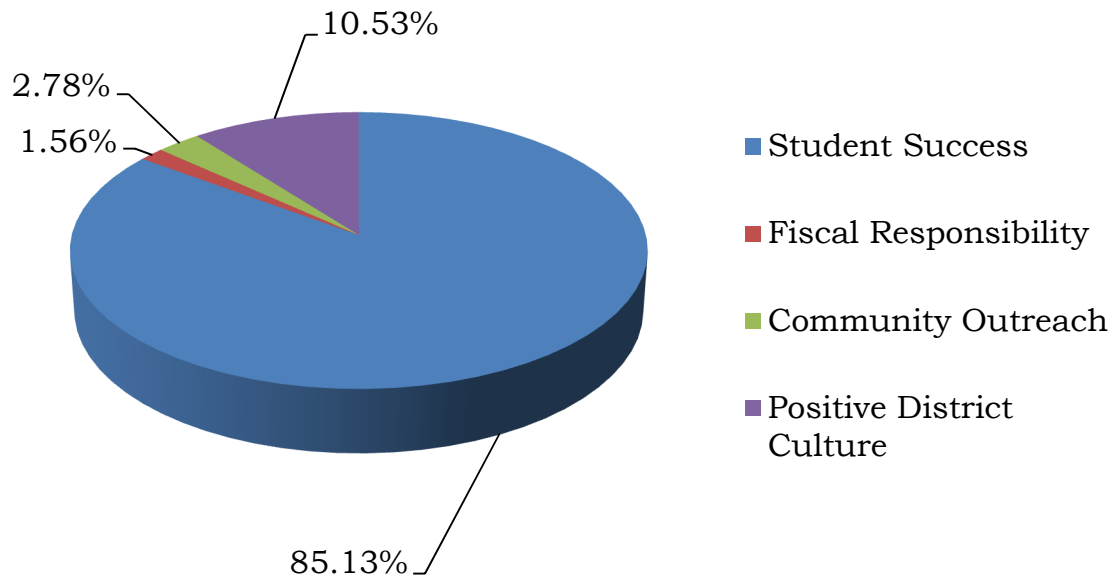
- Conduct numerous emergency drills
- Operate surveillance cameras
- Inspect and improve health and cleanliness of schools
- Provide additional hall monitors
- Provide police officers that rotate through the District

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

Expenditures by District Goal

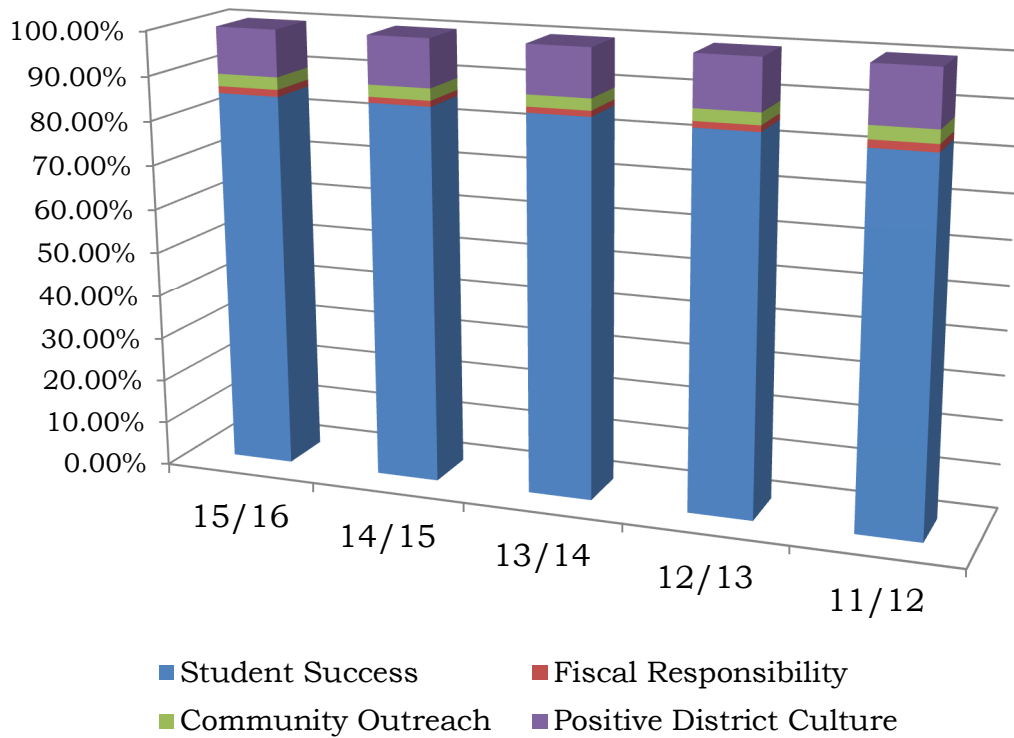
Expenditures are not typically tracked or categorized by goal. Many expenses accomplish more than one goal simultaneously, while the categorization of others is not always clear. With that in mind, the following shows the breakdown of expenses organized by goal to the best of our ability.

Expenditures by District Goal



The following chart displays the history of expenses categorized by goal and demonstrates the consistency at which the goals have been funded.

History of Expenses Categorized by Goal



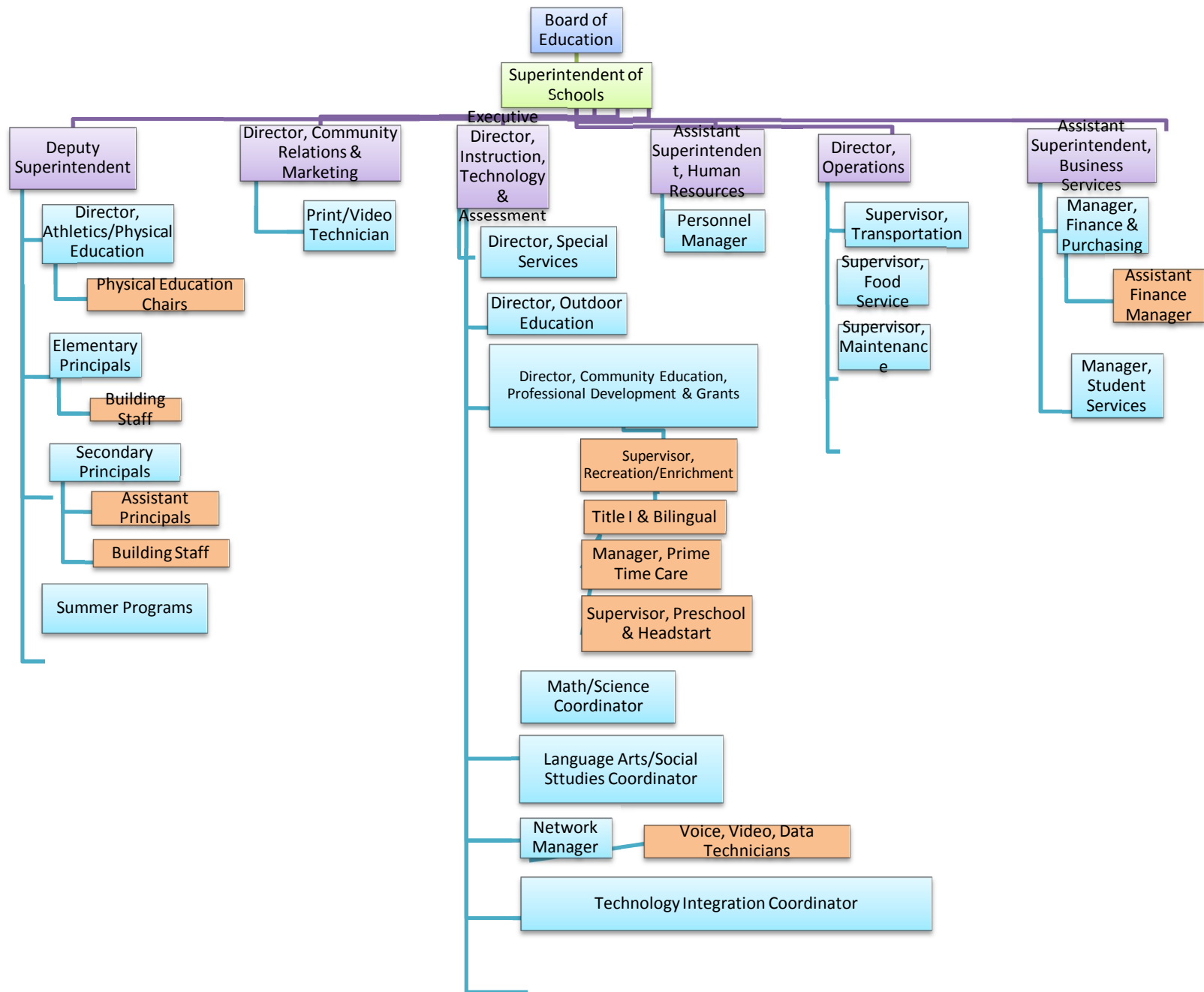
Walled Lake Consolidated School District Organizational Section



C. H. Smart Middle school

“Pink Out Ribbon”

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.

Denise Bither, President

Term Expires 12/31/2016

Marc Siegler, Vice President

Term Expires 12/31/2018

Peggy Casagrande, Treasurer

Term Expires 12/31/2018

Christopher Titus, Secretary

Term Expires 12/31/2016

Greg Janicki, Trustee

Term Expires 12/31/2020

Nancy van Leuwen, Trustee

Term Expires 12/31/2016

Kathy Lyall, Trustee

Term Expires 12/31/2020

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 14,806 students as of the 2014/2015 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 five (5) debt funds.

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. The 2015 Debt Retirement Fund was created for the advance refunding of the 2005 bond issue which was refunded during 2014/2015.

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 2.1265 mills, 17.9604 mills on non-homesteads, 4.6591 mills for debt on all properties, and 0.4985 mills for the District sinking fund, which is also levied on all properties. Industrial personal property is exempt from the 17.9604 mills operating levy. Commercial personal property is exempt from 12 of the 17.9604 mills operating levy. 100% of the millages are collected in July.

2015/2016 is the first year that tax rates for Walled Lake Schools will be impacted by the Headlee Amendment. In 1963, the Headlee Amendment changed the State of Michigan Constitution. Headlee requires a local unit of government, including school districts, to reduce its millage when annual growth on existing property is greater than the rate of inflation. As a result, the millage rate is "rolled back" so that the growth in property tax revenue is no more than the rate of inflation.

The largest impact is the reduction to the 18 mills typically levied on all non-homestead properties. This millage will be reduced by .0396 mills to 17.9604 mills. Under Michigan's funding formula for public school districts, all school districts are expected to levy the full 18 mills and are not reimbursed for any part of the amount that is not collected. This rollback will cost Walled Lake Schools approximately \$57,000 in lost tax revenue for purposes for operations.

The Hold Harmless maximum allowed millage will also be reduced from 3.9 mills to 3.8875 mills. This will not have a financial impact on our district this year since we only need to levy 2.1265 mills.

The Sinking fund levy is also subject to a rollback and will be reduced from .5 mills as approved by the community to .4985 mills. This will result in a loss of approximately \$5,300.

These rollbacks are permanent and cumulative which means that they will impact district revenues for years to come.

Some districts have asked their communities to approve an extra millage known as a Headlee Override Millage. This is something that Administration and the Board of Education could consider in the future if the losses continue to grow.

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. Net increases in fund balance are planned for both 2014/2015 and 2015/2016.

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, 2015.

Budget Development Timeline

November 2014	Superintendent and Assistant Superintendent of Business Services meet to discuss budget process
December 2014	Standardized costs for staffing requests developed
December 2014	Review timeline and parameters with Cabinet team
December 2014	Budget calendar available
December 2014	Resolution sent to local municipalities for summer tax collection agreements
January 2015	Preliminary budget projections available
January 2015	Cabinet study session(s)
January 2015	Preliminary budget report at Leadership Team meeting
Jan-Feb-March	Board study sessions as needed
Feb-March	2015-16 preliminary budget review & updates
February 2015	Discussion regarding layoffs within all groups
February 2015	2015-16 student projections & preliminary staffing needs identified
March 2015	Layoff Notices, Unaffiliated Administrators, staff
March 2015	Budget update at Leadership Team meeting
April-May	Budget video made available for staff/community
April-May	Budget email address active for staff/community feedback
April 2015	Additional Board study sessions as needed
April 2015	Discussion regarding layoffs with WLEA, WLSAA
April 2015	Budget update at Leadership Team
April 2015	Layoff Notices WLEA, WLSAA
May 2015	Preliminary budget changes completed
May 2015	Preliminary budget presented to Board of Education in study session

05/20/15	Publish notice for budget hearing
06/04/15	Preliminary budget available for review
06/04/15	Board conducts public hearing on Budget for 2015-2016
06/04/15	Board establishes 2015-16 debt and general fund millage rates
06/04/15	Board adopts 2015-16 budget
June 2015	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 adoption 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 \$5 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 again for 2015/2016. 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. For 2015/2016, the Middle School structure will be changed so that teachers at this level will be teaching one additional class each day in lieu of a team planning time. Several other changes will be incorporated to allow for team planning alternatives.

A secretarial position was also eliminated along with para-professional positions.

Increased revenues – All district owned property has been reviewed to determine if property exists that is not currently being used and that will not likely meet the future land needs of the District. Properties that meet these criteria have been considered for possible sale.

The Board of Education also approved an increase in School of Choice applications to allow for additional out of district students to attend Walled Lake Schools.

In addition, one of our high schools has been working with a school in Guiyang, China for the last couple of years in an effort to set up an exchange program through our district. 2015/2016 will be the first year that we host students from China, charging the families tuition to attend.

Key Factors in the Development of the 2015/2016 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 2015/2016 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 25.78 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 2.3% for 2015/2016.
- 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.
- The number of pupils for 2015/2016, based on a blended count of 90/10, will be 14,743, representing a decrease of 64 students compared to 2014/2015. While the blend will still be based on 90% of the Fall 2015 count, 10% will be based on the Spring 2015 count rather than Spring 2016.

- A \$70 per pupil increase to the foundation allowance from The State of Michigan is anticipated for 2015/2016. Additional funds are budgeted to be received as assistance with retirement costs.
- Additional funding sources from the State known as Best Practices and Performance funding are expected to be discontinued resulting in a decrease of \$90 per student.
- Another State allocation known as Hold Harmless funding is expected to continue for 2015/2016. This allocation is meant to ensure that after all changes occur to the various categories of per pupil funding, that no district in the State would receive less than a \$25 per pupil net increase.
- Federal Funds are expected to remain level for 2015/2016.
- The District will continue to explore and implement cost savings and cost containment measures.
- A total of 21 positions were eliminated as a result of budget constraints.
- The Board of Education approved a limited expansion of School of Choice that is expected to bring in 44 additional students, which are included in the total expected count of 14,743.
- The sale of three pieces of District owned property, are expected to finalize during 2015/2016. We have purchase agreements approved by the Board of Education on two of these parcels which together will generate \$1,980,000 during 2015/2016. A third parcel will be going on the market, which has an appraised value of \$500,000.
- Walled Lake Consolidated Schools has been working collaboratively with a school located in Guiyang, China to develop and host a Chinese exchange program. Several high school students are expected to live with host parents and attend our three high schools. This arrangement is planned to begin with the 2015/2016 school year and is expected to raise approximately \$100,000 through tuition that will be paid directly to the District.
- The purchase of five maintenance vehicles is budgeted for.
- 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 2014/2015 school year, amendments were made in December 2014 and March 2015. The final amendment was in June 2015.

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**.

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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
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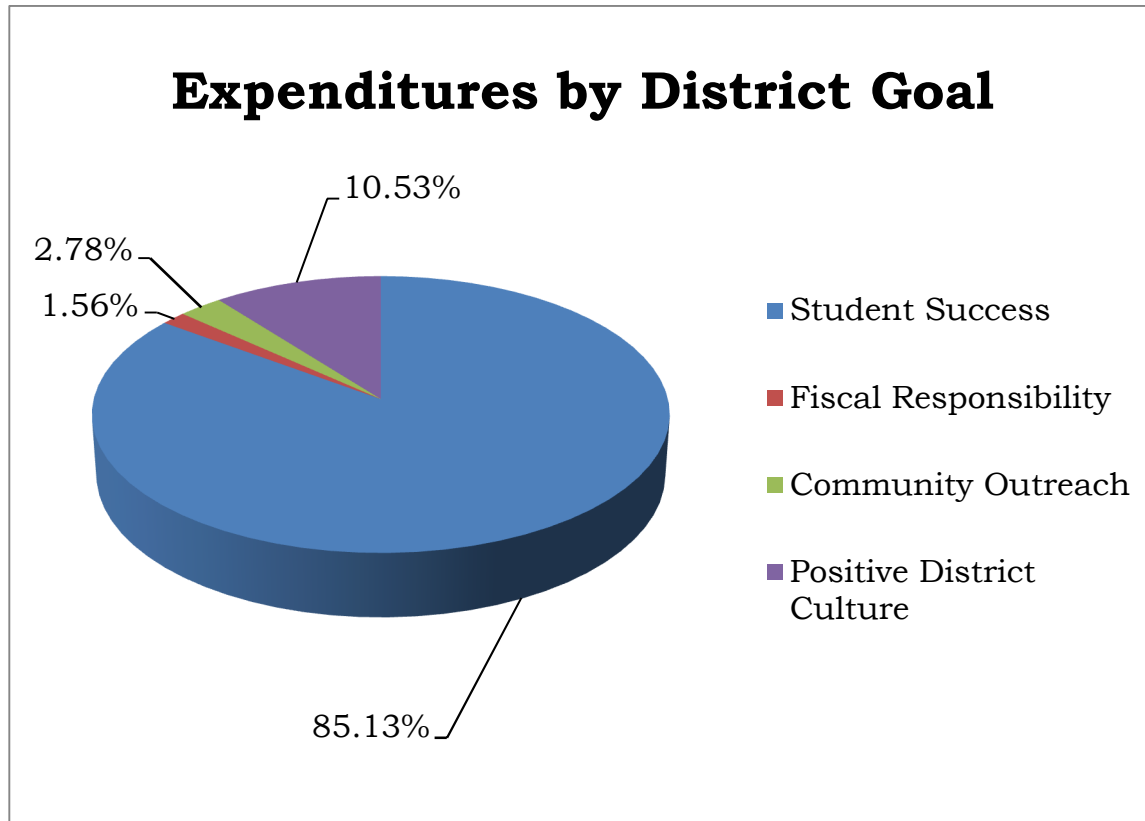
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Expenditures by District Goal

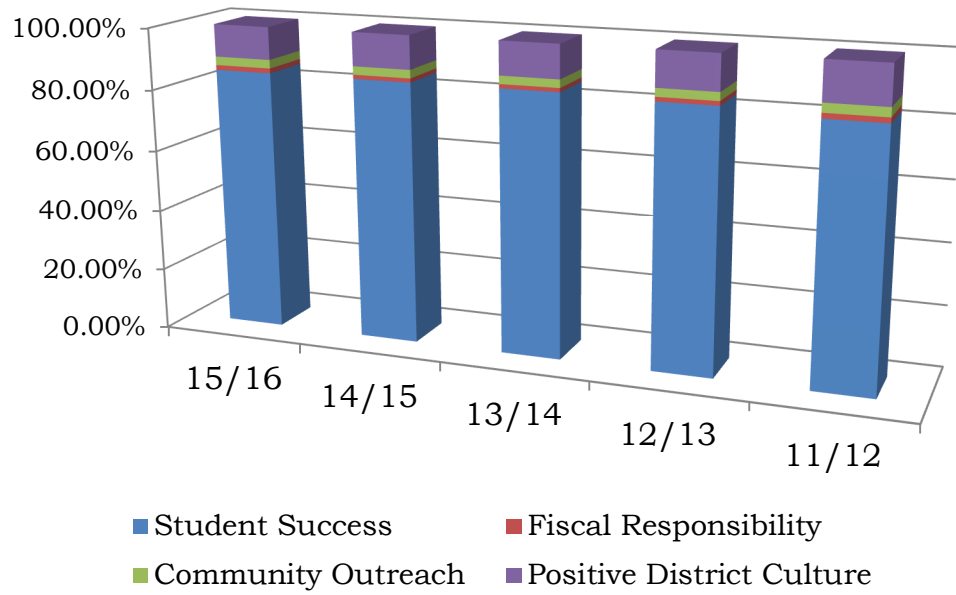
Expenditures are not typically tracked or categorized by goal. Many expenses accomplish more than one goal simultaneously, while the categorization of

others is not always clear. With that in mind, the following shows the breakdown of expenses organized by goal to the best of our ability.



The following chart displays the history of expenses categorized by goal and demonstrates the consistency at which the goals have been funded.

History of Expenses Categorized by Goal



Walled Lake Consolidated School District Financial Section



Walled Lake Central High School
%Students from China Visit+

2015-2016 Recommended Budget					
All Fund Summary					
Revenues By Source and Expenditures By Object					
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
Revenue					
Local Sources	\$36,594,467	\$5,588,772	\$20,115,186	\$2,272,000	\$64,570,425
State Sources	107,472,534	440,760	-	-	107,913,294
Federal Sources	6,111,992	1,615,000	-	-	7,726,992
Interdistrict Sources	9,568,089	-	-	-	9,568,089
Total Revenue	159,747,082	7,644,532	20,115,186	\$2,272,000	189,778,800
Expenditures					
Salaries	82,312,610	2,841,806	-	-	85,154,416
Benefits	50,488,038	1,585,783	-	-	52,073,821
Purchased Services	18,897,657	538,835	-	-	19,436,492
Supplies and Materials	5,674,309	2,167,354	-	-	7,841,663
Capital Outlay	212,062	36,075	-	-	248,137
Other	1,124,088	186,226	-	-	1,310,314
Capital Projects/Land	-	-	-	25,473,076	25,473,076
Debt Service	-	-	20,243,344	-	20,243,344
Total Expenditures	158,708,764	7,356,079	20,243,344	25,473,076	211,781,263
Other Financing Sources (Uses)					
Transfers In	300,000	-	-	-	300,000
Transfers Out	-	(300,000)	-	-	(300,000)
Total Other Financing Sources (Uses)	300,000	(300,000)	-	-	-
					-
Net Change in Fund Balances	1,338,318	(11,547)	(128,158)	(23,201,076)	(22,002,463)
Fund Balances - Beginning of year	8,548,894	1,277,831	2,187,665	39,677,860	51,692,250
Fund Balances - End of year	\$9,887,212	\$1,266,284	\$2,059,507	\$16,476,784	\$29,689,787

Operating Funds Summary
2011-12 Through 2018-19
Revenues By Source and Expenditures By Object

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$40,277,457	\$37,300,328	\$37,611,561	\$38,479,338	\$39,668,239	\$ 40,064,921	\$ 40,465,571	\$ 40,870,226
State Sources	103,794,824	106,149,289	107,558,674	108,092,267	107,913,294	108,992,427	110,082,351	111,183,175
Federal Sources	8,159,222	7,144,990	7,230,850	7,711,317	7,726,992	7,804,262	7,882,305	7,961,128
Interdistrict Sources	8,972,263	7,529,134	7,812,806	9,553,161	9,568,089	9,663,770	9,760,408	9,858,012
Total Revenue	161,203,766	\$158,123,741	\$160,213,891	\$163,836,083	164,876,614	166,525,380	168,190,634	169,872,540
Expenditures								
Salaries	89,374,220	92,718,141	88,673,746	85,050,896	85,154,416	86,011,284.12	86,871,397	87,740,111
Benefits	45,796,509	46,678,697	47,913,749	49,924,505	52,073,821	52,594,559	53,120,505	53,651,710
Purchased Services	13,094,871	13,288,579	18,298,360	19,197,916	19,436,492	19,421,592	19,421,592	19,421,592
Supplies and Materials	8,580,393	9,143,996	8,031,992	7,885,645	7,841,663	7,841,663	7,841,663	7,841,663
Capital Outlay	730,453	694,282	388,504	314,089	248,137	248,137	248,137	248,137
Other	547,696	634,701	646,773	1,616,058	1,310,314	1,311,814	1,311,814	1,311,814
Total Expenditures	158,124,142	163,158,396	163,953,124	163,989,109	166,064,843	167,429,049	168,815,108	170,215,027
Other Financing Sources (Uses)								
Transfers In	200,000	-	400,000	325,000	300,000	300,000	300,000	300,000
Transfers Out	(200,000)		(400,000)	(325,000)	(300,000)	(300,000)	(300,000)	(300,000)
Proceeds from sale of fixed assets	-	72,030	661,540	223,813	2,515,000	30,000	30,000	30,000
Total Other Fin. Sources (Uses)	-	72,030	661,540	223,813	2,515,000	30,000	30,000	30,000
Net Change in Fund Balance	3,079,624	(4,962,625)	(3,077,693)	70,787	1,326,771	(873,670)	(594,473)	(312,487)
Fund Balances - Beginning of year	14,716,632	\$17,796,256	\$12,833,631	\$9,755,938	9,826,725	\$11,153,496	\$10,279,826	\$9,685,353
Fund Balances - End of year	\$17,796,256	\$12,833,631	\$9,755,938	\$9,826,725	\$11,153,496	\$10,279,826	\$9,685,353	\$9,372,866
Note: Operating Funds include the District General Fund and Special Revenue Funds								

Operating Funds Summary								
2011-12 Through 2018-19								
Expenditures by Function								
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2017/2018
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Instruction								
Elementary	\$ 38,392,014	\$ 38,498,969	\$ 39,529,489	\$ 39,004,878	\$ 39,908,628	\$ 40,292,639	\$ 40,680,489	\$ 41,072,219
Middle School	19,979,886	21,395,643	21,396,331	20,488,094	20,402,443	20,598,268	20,796,051	20,995,812
High School	23,099,280	24,295,466	24,773,707	24,367,964	24,761,607	24,988,236	25,217,132	25,448,317
Other Basic Programs	433,561	605,625	543,182	1,028,552	864,793	871,429	878,131	884,901
Special Education	13,956,048	14,098,276	14,437,474	15,627,940	15,829,530	15,971,858	16,115,609	16,260,798
Vocational Education	847,783	1,118,389	1,116,578	1,160,077	1,155,491	1,166,254	1,177,125	1,188,105
Other Added Needs and Adult Ed	2,736,352	2,806,874	3,203,221	3,355,464	3,075,261	3,105,634	3,136,312	3,167,296
Total Instruction	99,444,924	102,819,242	104,999,982	105,032,969	105,997,753	106,994,319	108,000,850	109,017,446
Supporting Services								
Guidance Services	3,608,900	3,833,277	3,780,132	3,609,680	3,629,680	3,665,644	3,701,968	3,738,656
Health Services	719,796	796,566	877,995	679,984	765,713	765,951	766,191	766,433
Psychological Services	970,317	1,014,517	984,268	1,003,340	1,025,950	1,036,040	1,046,230	1,056,522
Speech Services	2,285,964	2,273,607	2,371,917	2,438,248	2,526,736	2,551,753	2,577,019	2,602,539
Social Work	1,556,811	1,670,987	1,661,343	1,749,802	1,736,401	1,753,733	1,771,239	1,788,919
T/C Special Education	1,705,803	1,725,220	1,764,233	1,794,860	1,836,254	1,854,466	1,872,859	1,891,437
Other Pupil Services	1,057,573	1,458,921	1,447,628	1,413,772	1,577,271	1,589,729	1,602,311	1,615,018
Improvement of Instruction	1,874,938	1,711,024	1,488,875	1,533,364	1,808,302	1,823,810	1,839,473	1,855,292
Library Services	1,181,065	1,221,236	965,251	942,711	951,712	960,767	969,912	979,149
Audio/Visual	285,506	330,058	321,196	344,624	353,134	356,570	360,041	363,546
Instructional Staff Supervision	1,678,640	1,973,245	1,916,666	1,967,743	1,869,578	1,887,610	1,905,822	1,924,216
Media Services	91,443	88,174	77,159	126,652	75,493	75,692	75,893	76,095
Other Instruction Staff	47,268	45,347	53,265	11,109	7,073	7,073	7,073	7,073
Board of Education	72,878	149,843	236,896	136,650	156,650	146,650	146,650	146,650
Executive Administration	465,986	474,363	502,157	533,755	519,542	519,260	523,925	528,636
Office of Principal	8,802,979	8,639,107	8,656,528	8,764,607	8,830,165	8,915,792	9,002,274	9,089,622
Fiscal Services	1,627,896	1,323,538	1,555,269	1,616,610	1,699,438	1,710,781	1,722,238	1,733,810
Other Business Services	743,802	683,572	691,290	779,016	773,367	777,665	782,005	786,389
Custodial/Maintenance	9,604,040	9,950,398	10,081,398	9,793,250	10,148,851	10,170,721	10,192,810	10,215,120
Transportation	6,639,593	7,715,862	6,148,167	5,875,590	5,892,915	5,894,188	5,895,473	5,896,771
Testing/Community Relations	446,609	447,876	469,525	559,917	553,170	558,428	562,223	566,056
Personnel	992,797	904,373	935,683	911,015	941,934	955,734	964,347	973,047
Pupil Accounting	298,534	296,940	329,681	345,151	336,416	339,652	342,921	346,222
Data Processing	2,457,500	1,987,134	2,272,125	2,406,734	2,388,885	2,399,323	2,409,865	2,420,513
Athletics	2,035,880	2,072,854	2,062,920	2,108,436	2,116,217	2,125,820	2,135,518	2,145,314
Total Supporting Services	51,252,518	52,788,039	51,651,567	51,446,620	52,520,847	52,842,849	53,176,280	53,513,046
Community Services	123,969	189,988	137,955	305,262	190,164	191,527	192,904	194,295
Cafeteria	4,916,724	4,764,522	4,569,045	4,566,096	4,675,693	4,700,846	4,726,250	4,751,908
Community Education	771,663	806,091	708,668	774,483	776,470	753,904	756,362	758,844
Preschool	442,535	453,848	415,343	376,388	404,195	382,554	385,946	389,372
Enrichment/Prime Time Care	1,371,809	1,336,666	1,870,564	1,812,291	1,799,721	1,863,052	1,876,517	1,890,116
Total Expenditures and Other Uses	\$158,324,142	\$163,158,396	\$164,353,124	\$164,314,109	\$166,364,843	\$167,729,049	\$169,115,108	\$170,515,027

General Fund 2011-12 Through 2018-19
Revenues By Source and Expenditures By Object

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$34,812,602	\$31,899,959	\$32,248,259	\$33,011,086	\$34,079,467	\$ 34,420,262	\$ 34,764,464	\$ 35,112,109
State Sources	103,572,073	105,934,892	107,254,499	107,696,039	107,472,534	108,547,259	109,632,732	110,729,059
Federal Sources	6,482,195	5,548,067	5,577,557	6,141,317	6,111,992	6,173,112	6,234,843	6,297,191
Interdistrict Sources	8,972,263	7,529,134	7,812,806	9,553,161	9,568,089	9,663,770	9,760,408	9,858,012
Total Revenue	153,839,133	\$150,912,052	152,893,121	156,401,603	157,232,082	158,804,403	160,392,447	161,996,371
Expenditures								
Salaries	86,631,471	89,813,647	85,840,539	82,262,185	82,312,610	83,141,060.06	83,972,471	84,812,195
Benefits	44,457,823	45,396,767	46,522,179	48,405,836	50,488,038	50,992,918	51,502,848	52,017,876
Purchased Services	12,497,305	12,660,388	17,806,348	18,659,081	18,897,657	18,882,757	18,882,757	18,882,757
Supplies and Materials	6,328,704	7,021,705	5,912,327	5,748,291	5,674,309	5,674,309	5,674,309	5,674,309
Capital Outlay	555,629	542,132	358,904	278,014	212,062	212,062	212,062	212,062
Other	350,479	362,630	349,207	1,431,444	1,124,088	1,125,588	1,125,588	1,125,588
Total Expenditures	150,821,411	155,797,269	156,789,504	156,784,851	158,708,764	160,028,694	161,370,034	162,724,787
Other Financing Sources (Uses)								
Transfers In	200,000	-	400,000	325,000	300,000	300,000	300,000	300,000
Proceeds from sale of fixed assets	-	72,030	661,540	223,813	2,515,000	30,000	30,000	30,000
Total Other Fin. Sources (Uses)	200,000	72,030	1,061,540	548,813	2,815,000	330,000	330,000	330,000
Net Change in Fund Balance	3,217,722	(4,813,187)	(2,834,843)	165,565	1,338,318	(894,292)	(647,587)	(398,416)
Fund Balances - Beginning of year	12,813,637	\$16,031,359	11,218,172	8,383,329	8,548,894	\$9,887,212	\$8,992,920	\$8,345,333
Fund Balances - End of year	\$16,031,359	\$11,218,172	\$8,383,329	\$8,548,894	\$9,887,212	\$8,992,920	\$8,345,333	\$7,946,917

General Fund 2010-11 Through 2017-18								
Expenditures by Function								
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Instruction								
Elementary	\$ 38,392,014	\$ 38,498,969	\$ 39,529,489	\$ 39,004,878	\$ 39,908,628	\$ 40,292,639	\$ 40,680,489	\$ 41,072,219
Middle School	19,979,886	21,395,643	21,396,331	20,488,094	20,402,443	20,598,268	20,796,051	20,995,812
High School	23,099,280	24,295,466	24,773,707	24,367,964	24,761,607	24,988,236	25,217,132	25,448,317
Other Basic Programs	433,561	605,625	543,182	1,028,552	864,793	871,429	878,131	884,901
Special Education	13,956,048	14,098,276	14,437,474	15,627,940	15,829,530	15,971,858	16,115,609	16,260,798
Vocational Education	847,783	1,118,389	1,116,578	1,160,077	1,155,491	1,166,254	1,177,125	1,188,105
Other Added Needs and Adult Ed	2,736,352	2,806,874	3,203,221	3,355,464	3,075,261	3,105,634	3,136,312	3,167,296
Total Instruction	99,444,924	102,819,242	104,999,982	105,032,969	105,997,753	106,994,319	108,000,850	109,017,446
Supporting Services								
Guidance Services	3,608,900	3,833,277	3,780,132	3,609,680	3,629,680	3,665,644	3,701,968	3,738,656
Health Services	719,796	796,566	877,995	679,984	765,713	765,951	766,191	766,433
Psychological Services	970,317	1,014,517	984,268	1,003,340	1,025,950	1,036,040	1,046,230	1,056,522
Speech Services	2,285,964	2,273,607	2,371,917	2,438,248	2,526,736	2,551,753	2,577,019	2,602,539
Social Work	1,556,811	1,670,987	1,661,343	1,749,802	1,736,401	1,753,733	1,771,239	1,788,919
T/C Special Education	1,705,803	1,725,220	1,764,233	1,794,860	1,836,254	1,854,466	1,872,859	1,891,437
Other Pupil Services	1,057,573	1,458,921	1,447,628	1,413,772	1,577,271	1,589,729	1,602,311	1,615,018
Improvement of Instruction	1,874,938	1,711,024	1,488,875	1,533,364	1,808,302	1,823,810	1,839,473	1,855,292
Library Services	1,181,065	1,221,236	965,251	942,711	951,712	960,767	969,912	979,149
Audio/Visual	285,506	330,058	321,196	344,624	353,134	356,570	360,041	363,546
Instructional Staff Supervision	1,678,640	1,973,245	1,916,666	1,967,743	1,869,578	1,887,610	1,905,822	1,924,216
Media Services	91,443	88,174	77,159	126,652	75,493	75,692	75,893	76,095
Other Instruction Staff	47,268	45,347	53,265	11,109	7,073	7,073	7,073	7,073
Board of Education	72,878	149,843	236,896	136,650	156,650	146,650	146,650	146,650
Executive Administration	465,986	474,363	502,157	533,755	519,542	519,260	523,925	528,636
Office of Principal	8,802,979	8,639,107	8,656,528	8,764,607	8,830,165	8,915,792	9,002,274	9,089,622
Fiscal Services	1,627,896	1,323,538	1,555,269	1,616,610	1,699,438	1,710,781	1,722,238	1,733,810
Other Business Services	743,802	683,572	691,290	779,016	773,367	777,665	782,005	786,389
Custodial/Maintenance	9,604,040	9,950,398	10,081,398	9,793,250	10,148,851	10,170,721	10,192,810	10,215,120
Transportation	6,639,593	7,715,862	6,148,167	5,875,590	5,892,915	5,894,188	5,895,473	5,896,771
Testing/Community Relations	446,609	447,876	469,525	559,917	553,170	558,428	562,223	566,056
Personnel	992,797	904,373	935,683	911,015	941,934	955,734	964,347	973,047
Pupil Accounting	298,534	296,940	329,681	345,151	336,416	339,652	342,921	346,222
Data Processing	2,457,500	1,987,134	2,272,125	2,406,734	2,388,885	2,399,323	2,409,865	2,420,513
Athletics	2,035,880	2,072,854	2,062,920	2,108,436	2,116,217	2,125,820	2,135,518	2,145,314
Total Supporting Services	51,252,518	52,788,039	51,651,567	51,446,620	52,520,847	52,842,849	53,176,280	53,513,046
Community Services	123,969	189,988	137,955	305,262	190,164	191,527	192,904	194,295
Transfers Out	-	-	-	-	-	-	-	-
Total Expenditures and Other Uses	\$150,821,411	\$155,797,269	\$156,789,504	\$156,784,851	\$158,708,764	\$ 160,028,694	\$ 161,370,034	\$ 162,724,787

Revenues By Source and Expenditures By Object

Notes:					
All revenue categories are expected to increase slightly.					
Salary and benefit costs are expected to increase annually.					

Walled Lake Consolidated Schools
Community Education Fund
2011/2012 Through 2018/2019
Revenues By Source and Expenditures By Object

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$ 772,383	\$ 857,861	\$ 756,993	\$ 740,000	\$ 740,000	\$ 747,400	\$ 754,874	\$ 762,423
State Sources	-	-	7,237	12,883	14,850	14,999	15,148	15,300
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	772,383	857,861	764,230	752,883	754,850	762,399	770,022	777,723
Expenditures								
Salaries	141,989	143,957	145,975	141,591	141,591	143,007	144,437	145,881
Benefits	79,418	71,269	82,288	99,015	101,779	102,797	103,825	104,863
Purchased Services	458,302	485,792	334,045	410,764	410,764	410,764	410,764	410,764
Supplies and Materials	61,937	68,477	77,202	71,626	71,626	71,626	71,626	71,626
Capital Outlay	-	46	-	-	-	-	-	-
Other	30,017	36,550	69,158	26,487	25,710	25,710	25,710	25,710
Total Expenditures	771,663	806,091	708,668	749,483	751,470	753,904	756,362	758,844
Other Financing Sources								
Transfers Out	-	-	-	(25,000)	(25,000)	-	-	-
Total Other Financing Sources	-	-	-	(25,000)	(25,000)	-	-	-
Net Change in Fund Balance	720	51,770	55,562	(21,600)	(21,620)	8,495	13,661	18,878
Fund Balances - Beginning of year	105,563	106,283	158,053	213,615	192,015	170,395	178,890	192,551
Fund Balances - End of year	\$ 106,283	\$ 158,053	\$ 213,615	\$ 192,015	\$ 170,395	\$ 178,890	\$ 192,551	\$ 211,429

<div>Walled Lake Consolidated Schools</div> <div>Preschool Fund</div> <div>2011/2012 Through 2018/2019</div> <div>Revenues By Source and Expenditures By Object</div>								
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$ 463,716	\$ 456,158	\$ 443,522	\$ 404,000	\$ 404,000	\$ 408,040	\$ 412,120	\$ 416,242
State Sources	-	-	11,573	18,151	20,990	21,200	21,412	21,626
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	463,716	456,158	455,095	422,151	424,990	429,240	433,532	437,868
Expenditures								
Salaries	275,681	266,825	236,419	211,626	211,626	213,742	215,880	218,038
Benefits	130,592	130,377	137,528	121,420	124,229	125,471	126,726	127,993
Purchased Services	10,428	19,705	16,143	20,700	20,700	20,700	20,700	20,700
Supplies and Materials	10,711	20,930	10,771	11,500	11,500	11,500	11,500	11,500
Capital Outlay	-	-	-	-	-	-	-	-
Other	15,123	16,011	14,482	11,142	11,140	11,140	11,140	11,140
Total Expenditures	442,535	453,848	415,343	376,388	379,195	382,554	385,946	389,372
Other Financing Uses - Transfers Out	-	-	-	-	(25,000)	-	-	-
Net Change in Fund Balance	21,181	2,310	39,752	45,763	20,795	46,686	47,587	48,496
Fund Balances - Beginning of year	162,157	183,338	185,648	225,400	271,163	291,958	338,644	386,231
Fund Balances - End of year	\$ 183,338	\$ 185,648	\$ 225,400	\$ 271,163	\$ 291,958	\$ 338,644	\$ 386,231	\$ 434,727

Revenues By Source and Expenditures By Object

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$ 1,443,179	\$ 1,499,549	\$ 1,612,252	\$ 1,768,752	\$ 1,809,272	\$ 1,827,365	\$ 1,845,638	\$ 1,864,095
State Sources	-	-	42,028	77,768	91,600	92,516	93,441	94,376
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	1,443,179	1,499,549	1,654,280	1,846,520	1,900,872	1,919,881	1,939,080	1,958,470
Expenditures								
Salaries	696,024	807,369	864,488	889,841	905,381	914,435	923,579	932,815
Benefits	246,693	284,733	354,539	406,564	427,733	432,010	436,330	440,694
Purchased Services	68,334	65,442	77,847	39,621	39,621	39,621	39,621	39,621
Supplies and Materials	118,152	121,879	120,997	119,028	119,028	119,028	119,028	119,028
Capital Outlay	-	-	-	-	-	-	-	-
Other	42,606	57,243	52,693	57,237	57,958	57,958	57,958	57,958
Total Expenditures	1,171,809	1,336,666	1,470,564	1,512,291	1,549,721	1,563,052	1,576,517	1,590,116
Other Financing Uses - Transfers Out	(200,000)	-	(400,000)	(300,000)	(250,000)	(300,000)	(300,000)	(300,000)
Net Change in Fund Balance	71,370	162,883	(216,284)	34,229	101,151	56,829	62,563	68,355
Fund Balances - Beginning of year	400,785	472,155	635,038	418,754	452,983	554,134	610,963	673,526
Fund Balances - End of year	\$ 472,155	\$ 635,038	\$ 418,754	\$ 452,983	\$ 554,134	\$ 610,963	\$ 673,526	\$ 741,880

Walled Lake Consolidated Schools
2004 Debt Fund
2011/2012 Through 2018/2019

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$1,305,296	\$1,240,703	\$2,494,738	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures								
Principal Payments	1,600,000	1,625,000	1,625,000	-	-	-	-	-
Interest and Other	585,767	134,724	71,332	-	-	-	-	-
Total Expenditures	2,185,767	1,759,724	1,696,332	-	-	-	-	-
Excess of Revenue Over (Under) Expenditures	(880,471)	(519,021)	798,406	-	-	-	-	-
Other Financing Sources (Uses)								
Transfers In	-	652,000	-	-	-	-	-	-
Transfers Out	-	(205,000)	(803,406)	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	447,000	(803,406)	-	-	-	-	-
Net Change in Fund Balances	(880,471)	(72,021)	(5,000)	-	-	-	-	-
Fund Balances - Beginning of year	957,492	77,021	5,000	-	-	-	-	-
Fund Balances - End of year	\$77,021	\$5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Walled Lake Consolidated Schools
2005 Debt Fund
2011/2012 Through 2018/2019

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$7,954,146	\$8,246,752	\$7,945,890	\$8,876,017	\$ -	\$ -	\$ -	\$ -
Expenditures								
Principal Payments	5,575,000	5,800,000	5,800,000	5,800,000	-	-	-	-
Interest and Other	3,201,211	2,923,895	2,631,999	1,322,569	-	-	-	-
Total Expenditures	8,776,211	8,723,895	8,431,999	7,122,569	-	-	-	-
Excess of Revenue Over (Under) Expenditures	(822,065)	(477,143)	(486,109)	1,753,448	-	-	-	-
Other Financing Sources (Uses)								
Transfers In	1,660,000	43,127	600,000	-	-	-	-	-
Transfers Out	-	(1,360,000)	-	(1,872,340)	-	-	-	-
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)	600,000	(1,872,340)	-	-	-	-
Net Change in Fund Balances	837,935	(1,794,016)	113,891	(118,892)	-	-	-	-
Fund Balances - Beginning of year	\$961,082	\$1,799,017	\$5,001	\$118,892	-	-	-	-
Fund Balances - End of year	\$1,799,017	\$5,001	\$118,892	\$ -	\$ -	\$ -	\$ -	\$ -

Walled Lake Consolidated Schools
2006 Debt Fund
2011/2012 Through 2018/2019

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ -	\$ -	\$ 465,408	\$ 473,300	\$ 443,358	\$ 450,304	\$ 447,548	\$ 1,593,565
Expenditures								
Principal Payments	55,000	55,000	60,000	60,000	60,000	65,000	65,000	1,115,000
Interest and Other	391,521	389,346	387,923	385,944	388,750	384,775	382,750	374,400
Total Expenditures	446,521	444,346	447,923	445,944	448,750	449,775	447,750	1,489,400
Excess of Revenue Over (Under) Expenditures	(446,521)	(444,346)	17,485	27,356	(5,392)	529	(203)	104,165
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(1,660,000)	(17,852)	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,660,000)	(17,852)	-	-	-	-	-	-
Net Change in Fund Balances	(2,106,521)	(462,198)	17,485	27,356	(5,392)	529	(203)	104,165
Fund Balances - Beginning of year	\$2,573,719	\$467,198	\$5,000	\$22,485	49,841	44,449	44,978	44,775
Fund Balances - End of year	\$467,198	\$5,000	\$22,485	\$49,841	\$44,449	\$44,978	\$44,775	\$148,940

	Walled Lake Consolidated Schools							
	2011 Debt Fund							
	2011/2012 Through 2018/2019							
	2011/2012 Actual	2012/2013 Actual	2013/2014 Actual	2014/2015 Amended Budget	2015/2016 Recommended Budget	2016/2017 Projected Budget	2017/2018 Projected Budget	2018/2019 Projected Budget
Revenue - Local Sources	\$1,346,086	\$6,188,161	\$7,725,397	\$6,125,000	\$7,110,361	\$6,539,606	\$6,254,725	\$5,961,525
Expenditures								
Principal Payments	-	5,030,000	4,315,000	4,875,000	5,385,000	5,135,000	5,075,000	5,000,000
Interest and Other	2,187,352	2,197,626	2,098,066	1,879,335	1,714,000	1,445,875	1,209,375	990,875
Total Expenditures	2,187,352	7,227,626	6,413,066	6,754,335	7,099,000	6,580,875	6,284,375	5,990,875
Excess of Revenue Over (Under) Expenditures	(841,266)	(1,039,465)	1,312,331	(629,335)	11,361	(41,269)	(29,650)	(29,350)
Other Financing Sources (Uses)								
Transfers In	76,374	708,000	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	76,374	708,000	-	-	-	-	-	-
Net Change in Fund Balances	(764,892)	(331,465)	1,312,331	(629,335)	11,361	(41,269)	(29,650)	(29,350)
Fund Balances - Beginning of year	\$1,101,357	\$336,465	\$5,000	\$1,317,331	687,996	699,357	658,088	628,438
Fund Balances - End of year	\$336,465	\$5,000	\$1,317,331	\$687,996	\$699,357	\$658,088	\$628,438	\$599,088

<div>Walled Lake Consolidated Schools</div> <div>2012 Debt Fund</div> <div>2011/2012 Through 2018/2019</div>								
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ -	\$194,300	\$211,036	\$2,000,400	\$1,783,933	\$1,835,483	\$1,736,560	\$502,065
Expenditures								
Principal Payments	-	-	-	1,650,000	1,610,000	1,705,000	1,670,000	590,000
Interest and Other	-	269,017	217,314	220,080	174,000	126,325	75,175	25,075
Total Expenditures	-	269,017	217,314	1,870,080	1,784,000	1,831,325	1,745,175	615,075
Excess of Revenue Over (Under) Expenditures	-	(74,717)	(6,278)	130,320	(67)	4,158	(8,615)	(113,010)
Other Financing Sources (Uses)								
Transfers In	-	205,000	50,000	-	-	-	-	-
Transfers Out	-	(25,275)	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	7,686,790	-	-	-	-	-	-
Payments to Bond Escrow	-	(7,786,798)	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	79,717	50,000	-	-	-	-	-
Net Change in Fund Balances	-	5,000	43,722	130,320	(67)	4,158	(8,615)	(113,010)
Fund Balances - Beginning of year	-	-	\$5,000	\$48,722	179,042	178,975	183,133	174,518
Fund Balances - End of year	\$ -	\$5,000	\$48,722	\$179,042	\$178,975	\$183,133	\$174,518	\$61,508

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Walled Lake Consolidated Schools 2015 Debt Fund 2011/2012 Through 2018/2019								
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ -	\$ -	\$ -	\$41,568,643	\$7,717,319	\$7,505,786	\$7,254,095	\$4,906,275
Expenditures								
Principal Payments	-	-	-	-	6,090,000	6,070,000	6,020,000	4,160,000
Interest and Other	-	-	-	723,390	1,749,150	1,506,175	1,263,375	962,375
Total Expenditures	-	-	-	723,390	7,839,150	7,576,175	7,283,375	5,122,375
Excess of Revenue Over (Under) Expenditures	-	-	-	40,845,253	(121,831)	(70,389)	(29,280)	(216,100)
Other Financing Sources (Uses)								
Transfers In	-	-	-	1,872,340	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	(41,767,755)	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(39,895,415)	-	-	-	-
Net Change in Fund Balances	-	-	-	949,838	(121,831)	(70,389)	(29,280)	(216,100)
Fund Balances - Beginning of year	-	-	-	-	949,838	828,007	757,618	728,338
Fund Balances - End of year	\$ -	\$ -	\$ -	\$949,838	\$828,007	\$757,618	\$728,338	\$512,238

	Walled Lake Consolidated Schools							
	2000 Bond Fund							
	2011/2012 Through 2018/2019							
	2011/2012 Actual	2012/2013 Actual	2013/2014 Actual	2014/2015 Amended Budget	2015/2016 Recommended Budget	2016/2017 Projected Budget	2017/2018 Projected Budget	2018/2019 Projected Budget
Revenue - Local Sources	\$65	\$12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures - Capital Outlay	43,549	21,380	-	-	-	-	-	-
Net Change in Fund Balance	(43,484)	(21,368)	-	-	-	-	-	-
Fund Balances - Beginning of year	64,852	21,368	-	-	-	-	-	-
Fund Balances - End of year	\$21,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Walled Lake Consolidated Schools
2014 Bond Fund
2011/2012 Through 2018/2019

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ -	\$ -	\$ (334,954)	\$ 200,000	\$ 200,000	\$ 20,000	\$ -	\$ -
Expenditures - Capital Outlay	-	-	5,740,729	23,865,392	24,158,840	18,645,596	-	-
Net Change in Fund Balance	-	-	(6,075,683)	(23,665,392)	(23,958,840)	(18,625,596)	-	-
Other Financing Sources (Uses)								
Transfers out	-	-	(791,971)					
Bond proceeds	-	-	65,760,000					
Premium on debt issued	-	-	2,000,346					
	-	-	66,968,375	-	-	-	-	-
Net Change in Fund Balances	-	-	60,892,692	(23,665,392)	(23,958,840)	(18,625,596)		
Fund Balances - Beginning of year	-	-	-	60,892,692	37,227,300	13,268,460	(5,357,136)	(5,357,136)
Fund Balances - End of year	\$ -	\$ -	\$ 60,892,692	\$ 37,227,300	\$ 13,268,460	\$ (5,357,136)	\$ (5,357,136)	\$ (5,357,136)

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Descriptions and Assumptions

Major Revenue Sources and Expenditure Categories

Revenue Sources

<i>Local Sources</i>

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% and 7.11% in 2013 and 2014, respectively. Projected increases of 3% are budgeted for 2015, 2016, 2017 and 2018.

Revenue generated from fees is budgeted based on historical revenue. This revenue category is expected to remain flat for the next few years.

<i>State Sources</i>

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 2015/2016, including a net per pupil increase of \$25. The per pupil funding 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 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 3% are budgeted for 2015, 2016 and 2017.

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 2015/2016. 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 2015/2016 those limits have increased by 2.3% and will be \$5,992.30 for single person coverage, \$12,531.75 for two-person coverage and \$16,342.66 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 2015/2016 for our district is calculated to be 25.78 percent. Modest increases are budgeted for the following few years.

Purchased Services

Description – Contracted substitutes, custodians and transportation employees 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 remain flat for 2015/2016 compared to 2014/2015.

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.

<i>Other</i>

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

<i>Fund Balance – General Fund</i>

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.

<i>Fund Balance – Special Revenue Funds</i>
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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.

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.

<i>Fund Balance – Debt Funds</i>

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.

<i>Fund Balance – Bond Funds</i>

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 2015/2016 school year.

BUILDING	PROJECT DESCRIPTION	PRIORITY CODE	ESTIMATED COST
Central High School	Install municipal sewer connection	HS	\$100,000
Central High School	Replace deteriorated pavement	UL	300,000
Commerce	Replace deteriorated carpet	UL	300,000
Commerce	Replace playground asphalt pad	UL	100,000
District	Replace deteriorated sidewalks	UL	75,000
District	Replace deteriorated doors	UL	125,000
District	Replace deteriorated fencing	UL	25,000
District	Repair pavement and parking lots	UL	50,000
District	Roof repairs	UL	250,000
Guest	Replace deteriorated carpet	UL	300,000
Guest	Extend sidewalk and relocate crosswalk	HS	100,000
Meadowbrook	Replace gym and cafeteria lights	UL	25,000
Northern High	Replace digital display sign	UL	50,000
Northern High	Replace deteriorated windows	UL	100,000

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.

SCHEDULE OF BONDED INDEBTEDNESS					
Principal Payments					
June 30	2006 Debt Principal	2011 Debt Principal	2012 Debt Principal	2014 Debt Principal	2015 Debt Principal
2016	\$ 60,000	\$ 5,385,000	\$ 1,610,000	\$ -	\$ 6,090,000
2017	65,000	5,135,000	1,705,000	750,000	6,070,000
2018	65,000	5,075,000	1,670,000	1,075,000	6,020,000
2019	1,115,000	5,000,000	590,000	1,155,000	4,160,000
2020	1,685,000	4,935,000	-	1,305,000	4,635,000
2021	1,665,000	4,890,000	-	1,430,000	5,170,000
2022	1,650,000	4,845,000	-	1,555,000	5,135,000
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	-
	<u>\$9,550,000</u>	<u>\$35,265,000</u>	<u>\$5,575,000</u>	<u>\$65,760,000</u>	<u>\$37,280,000</u>
** - These bonds are not part of the general fund and therefore have no impact on current or future operating budgets					

COMPUTATION OF LEGAL DEBT MARGIN		
June 30, 2015		
Taxable Value - 2014-2015	\$ 4,145,505,640	
Statutory Bonding Limit*	\$ 621,825,846	
General Obligation Bonds Outstanding - June 30, 2015	65,760,000	
Legal Debt Margin	\$ 556,065,846	
* - 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



Glengary Elementary
Percussion Concert

PROPERTY TAX INFORMATION FOR SCHOOL YEARS 2012-2015 AND PROJECTED INFORMATION FOR SCHOOL YEARS 2016 – 2019

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

School Year	Taxable Value	Total Adjusted Tax Levy *	Tax Collections
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
2015	4,145,505,640	\$52,886,331	\$51,828,604
Projected 2016	4,304,481,830	\$53,077,410	\$52,015,862
Projected 2017	4,433,616,285	\$54,669,732	\$53,576,338
Projected 2018	4,566,624,773	\$56,309,824	\$55,183,628
Projected 2019	4,703,623,517	\$57,999,119	\$56,839,137

* - Amounts include all tax levies that apply (operating, debt, sinking fund).
Amounts exclude LDFA's and are after Board of Review adjustments.

**Summary of Property Tax Rates Levied on Property within the School District
Direct and Overlapping Governments (Per \$1,000 Assessed Value)**

	2011/2012			
	Non-Homestead	Homestead		
		Commerical Personal	Industrial Personal	Other***
School District:				
Operating	18.0000	8.3812	2.3812	2.3812
Sinking Fund	0.5000	0.5000	0.5000	0.5000
Debt	4.0000	4.0000	4.0000	4.0000
Total Levied	22.5000	12.8812	6.8812	6.8812
State Education Tax	6.0000	6.0000	0.0000	6.0000
Oakland County Operating	4.1900	4.1900	4.1900	4.1900
Parks & Recreation	0.2415	0.2415	0.2415	0.2415
Huron-Clinton Authority	0.2146	0.2146	0.2146	0.2146
Oakland I.S.D.	3.3690	3.3690	3.3690	3.3690
Oakland Community College	1.5844	1.5844	1.5844	1.5844
OCPTA	0.5900	0.5900	0.5900	0.5900
City of Walled Lake*	17.8991	17.8991	17.8991	17.8991
City of Farmington Hills*	11.6072	11.6072	11.6072	11.6072
City of Novi*	10.5416	10.5416	10.5416	10.5416
City of Orchard Lake*	8.4450	8.4450	8.4450	8.4450
City of Wixom*	11.9314	11.9314	11.9314	11.9314
Village of Wolverine Lake*	14.1036	14.1036	14.1036	14.1036
Commerce Township*	4.5306	4.5306	4.5306	4.5306
West Bloomfield Township*	8.9774	8.9774	8.9774	8.9774
White Lake Township*	6.5786	6.5786	6.5786	6.5786
Totals:				
City of Walled Lake	56.5886	46.9698	34.9698	40.9698
City of Farmington Hills	50.2967	40.6779	28.6779	34.6779
City of Novi	49.2311	39.6123	27.6123	33.6123
City of Orchard Lake	47.1345	37.5157	25.5157	31.5157
City of Wixom	50.6209	41.0021	29.0021	35.0021
Village of Wolverine Lake	52.7931	43.1743	31.1743	37.1743
Commerce Township	43.2201	33.6013	21.6013	27.6013
West Bloomfield Township	47.6669	38.0481	26.0481	32.0481
White Lake Township	45.2681	35.6493	23.6493	29.6493

**Summary of Property Tax Rates Levied on Property within the School District
Direct and Overlapping Governments (Per \$1,000 Assessed Value)**

	2012/2013			
		Homestead		
	Non-	Commerical	Industrial	
	Homestead	Personal	Personal	Other***
School District:				
Operating	18.0000	8.4654	2.4654	2.4654
Sinking Fund	0.5000	0.5000	0.5000	0.5000
Debt	4.0600	4.0600	4.0600	4.0600
Total Levied	22.5600	13.0254	7.0254	7.0254
State Education Tax	6.0000	6.0000	0.0000	6.0000
Oakland County Operating	4.1900	4.1900	4.1900	4.1900
Parks & Recreation	0.2415	0.2415	0.2415	0.2415
Huron-Clinton Authority	0.2146	0.2146	0.2146	0.2146
Oakland I.S.D.	3.3690	3.3690	3.3690	3.3690
Oakland Community College	1.5844	1.5844	1.5844	1.5844
OCPTA	0.5900	0.5900	0.5900	0.5900
City of Walled Lake*	17.7347	17.7347	17.7347	17.7347
City of Farmington Hills*	12.2036	12.2036	12.2036	12.2036
City of Novi*	10.5416	10.5416	10.5416	10.5416
City of Orchard Lake*	10.2300	10.2300	10.2300	10.2300
City of Wixom*	12.7423	12.7423	12.7423	12.7423
Village of Wolverine Lake*	9.5730	9.5730	9.5730	9.5730
Commerce Township*	4.5306	4.5306	4.5306	4.5306
West Bloomfield Township*	11.9347	11.9347	11.9347	11.9347
White Lake Township*	8.8116	8.8116	8.8116	8.8116
Totals:				
City of Walled Lake	56.4842	46.9496	34.9496	40.9496
City of Farmington Hills	50.9531	41.4185	29.4185	35.4185
City of Novi	49.2911	39.7565	27.7565	33.7565
City of Orchard Lake	48.9795	39.4449	27.4449	33.4449
City of Wixom	51.4918	41.9572	29.9572	35.9572
Village of Wolverine Lake	48.3225	38.7879	26.7879	32.7879
Commerce Township	43.2801	33.7455	21.7455	27.7455
West Bloomfield Township	50.6842	41.1496	29.1496	35.1496
White Lake Township	47.5611	38.0265	26.0265	32.0265

**Summary of Property Tax Rates Levied on Property within the School District
Direct and Overlapping Governments (Per \$1,000 Assessed Value)**

	2013/2014			
		Homestead		
	Non-	Commerical	Industrial	
	Homestead	Personal	Personal	Other***
School District:				
Operating	18.0000	8.3285	2.3285	2.3285
Sinking Fund	0.5000	0.5000	0.5000	0.5000
Debt	4.6445	4.6445	4.6445	4.6445
Total Levied	23.1445	13.4730	7.4730	7.4730
State Education Tax	6.0000	6.0000	0.0000	6.0000
Oakland County Operating	4.1900	4.1900	4.1900	4.1900
Parks & Recreation	0.2415	0.2415	0.2415	0.2415
Huron-Clinton Authority	0.2146	0.2146	0.2146	0.2146
Oakland I.S.D.	3.3690	3.3690	3.3690	3.3690
Oakland Community College	1.5844	1.5844	1.5844	1.5844
OCPTA	0.5900	0.5900	0.5900	0.5900
City of Walled Lake*	17.7347	17.7347	17.7347	17.7347
City of Farmington Hills*	13.9362	13.9362	13.9362	13.9362
City of Novi*	10.2000	10.2000	10.2000	10.2000
City of Orchard Lake*	8.8200	8.8200	8.8200	8.8200
City of Wixom*	13.3259	13.3259	13.3259	13.3259
Village of Wolverine Lake*	9.5730	9.5730	9.5730	9.5730
Commerce Township*	3.4873	3.4873	3.4873	3.4873
West Bloomfield Township*	12.2537	12.2537	12.2537	12.2537
White Lake Township*	8.8590	8.8590	8.8590	8.8590
Totals:				
City of Walled Lake	57.0687	47.3972	35.3972	41.3972
City of Farmington Hills	53.2702	43.5987	31.5987	37.5987
City of Novi	49.5340	39.8625	27.8625	33.8625
City of Orchard Lake	48.1540	38.4825	26.4825	32.4825
City of Wixom	52.6599	42.9884	30.9884	36.9884
Village of Wolverine Lake	48.9070	39.2355	27.2355	33.2355
Commerce Township	42.8213	33.1498	21.1498	27.1498
West Bloomfield Township	51.5877	41.9162	29.9162	35.9162
White Lake Township	48.1930	38.5215	26.5215	32.5215

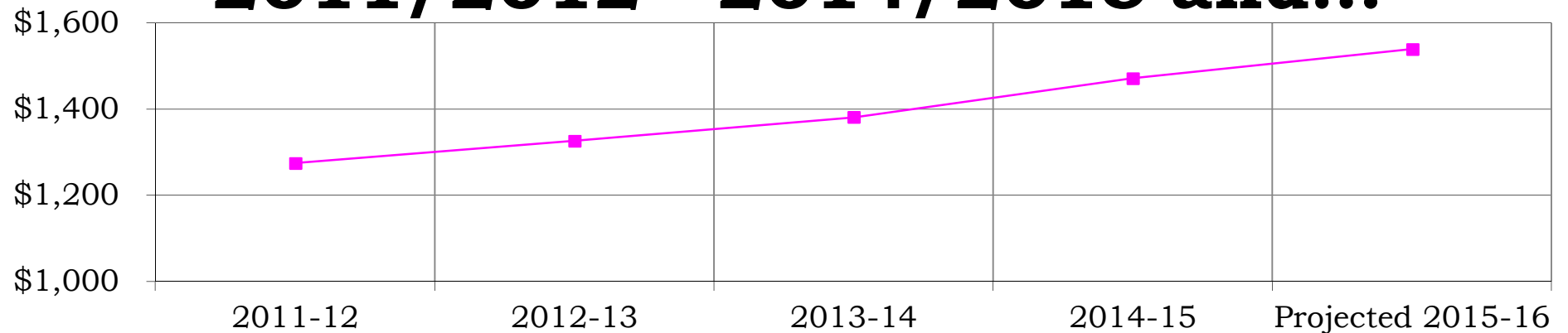
**Summary of Property Tax Rates Levied on Property within the School District
Direct and Overlapping Governments (Per \$1,000 Assessed Value)**

	2014/2015			
		Homestead		
	Non-	Commerical	Industrial	
	Homestead	Personal	Personal	Other***
School District:				
Operating	18.0000	8.1971	2.1971	2.1971
Sinking Fund	0.5000	0.5000	0.5000	0.5000
Debt	4.9872	4.9872	4.9872	4.9872
Total Levied	23.4872	13.6843	7.6843	7.6843
State Education Tax	6.0000	6.0000	0.0000	6.0000
Oakland County Operating	4.1900	4.1900	4.1900	4.1900
Parks & Recreation	0.2415	0.2415	0.2415	0.2415
Huron-Clinton Authority	0.2146	0.2146	0.2146	0.2146
Oakland I.S.D.	3.3690	3.3690	3.3690	3.3690
Oakland Community College	1.5844	1.5844	1.5844	1.5844
OCPTA	0.5900	0.5900	0.5900	0.5900
City of Walled Lake*	17.7347	17.7347	17.7347	17.7347
City of Farmington Hills*	13.9362	13.9362	13.9362	13.9394
City of Novi*	10.2000	10.2000	10.2000	10.2000
City of Orchard Lake*	7.3600	7.3600	7.3600	7.3600
City of Wixom*	16.7929	16.7929	16.7929	16.7929
Village of Wolverine Lake*	9.5730	9.5730	9.5730	9.5730
Commerce Township*	3.4873	3.4873	3.4873	3.4873
West Bloomfield Township*	12.2537	12.2537	12.2537	12.2550
White Lake Township*	8.8590	8.8590	8.8590	8.8590
Totals:				
City of Walled Lake	57.4114	47.6085	35.6085	41.6085
City of Farmington Hills	53.6129	43.8100	31.8100	37.8132
City of Novi	49.8767	40.0738	28.0738	34.0738
City of Orchard Lake	47.0367	37.2338	25.2338	31.2338
City of Wixom	56.4696	46.6667	34.6667	40.6667
Village of Wolverine Lake	49.2497	39.4468	27.4468	33.4468
Commerce Township	43.1640	33.3611	21.3611	27.3611
West Bloomfield Township	51.9304	42.1275	30.1275	36.1288
White Lake Township	48.5357	38.7328	26.7328	32.7328

**Summary of Property Tax Rates Levied on Property within the School District
Direct and Overlapping Governments (Per \$1,000 Assessed Value)**

	Projected 2015/2016			
	Non-Homestead	Homestead		
		Commerical Personal	Industrial Personal	Other***
School District:				
Operating	17.9604	8.0869	2.1265	2.1265
Sinking Fund	0.4985	0.4985	0.4985	0.4985
Debt	4.6591	4.6591	4.6591	4.6591
Total Levied	23.1180	13.2445	7.2841	7.2841
State Education Tax	6.0000	6.0000	0.0000	6.0000
Oakland County Operating	4.1900	4.1900	4.1900	4.1900
Parks & Recreation	0.2415	0.2415	0.2415	0.2415
Huron-Clinton Authority	0.2146	0.2146	0.2146	0.2146
Oakland I.S.D.	3.3690	3.3690	3.3690	3.3690
Oakland Community College	1.5844	1.5844	1.5844	1.5844
OCPTA	1.0000	1.0000	1.0000	1.0000
City of Walled Lake*	17.7347	17.7347	17.7347	17.7347
City of Farmington Hills*	13.9662	13.9662	13.9662	13.9662
City of Novi*	10.2000	10.2000	10.2000	10.2000
City of Orchard Lake*	7.8600	7.8600	7.8600	7.8600
City of Wixom*	15.9229	15.9229	15.9229	15.9229
Village of Wolverine Lake*	9.5730	9.5730	9.5730	9.5730
Commerce Township*	3.0934	3.0934	3.0934	3.0934
West Bloomfield Township*	12.2380	12.2380	12.2380	12.2380
White Lake Township*	9.8590	9.8590	9.8590	9.8590
Totals:				
City of Walled Lake	57.4522	47.5787	35.6183	41.6183
City of Farmington Hills	53.6837	43.8102	31.8498	37.8498
City of Novi	49.9175	40.0440	28.0836	34.0836
City of Orchard Lake	47.5775	37.7040	25.7436	31.7436
City of Wixom	55.6404	45.7669	33.8065	39.8065
Village of Wolverine Lake	49.2905	39.4170	27.4566	33.4566
Commerce Township	42.8109	32.9374	20.9770	26.9770
West Bloomfield Township	51.9555	42.0820	30.1216	36.1216
White Lake Township	49.5765	39.7030	27.7426	33.7426

Impact of School Millage Rate on Homeowners 2011/2012 - 2014/2015 and...



	2011-12	2012-13	2013-14	2014-15	Projected 2015-16
Market value of a home (1)	\$ 200,000	\$ 202,600	\$ 216,782	\$ 223,285	\$ 229,984
Taxable Value (2)	\$ 100,000	\$ 103,000	\$ 106,090	\$ 109,273	\$ 112,551
WLCS + State Education Property Tax levied - mills (3)	12.8812	13.0254	13.473	13.6843	13.2841
Property Tax \$ Paid to Schools	\$ 1,275	\$ 1,327	\$ 1,382	\$ 1,472	\$ 1,540
Property Tax \$ Increase (Decrease) from prior year	\$ -	\$ 52	\$ 55	\$ 90	\$ 68

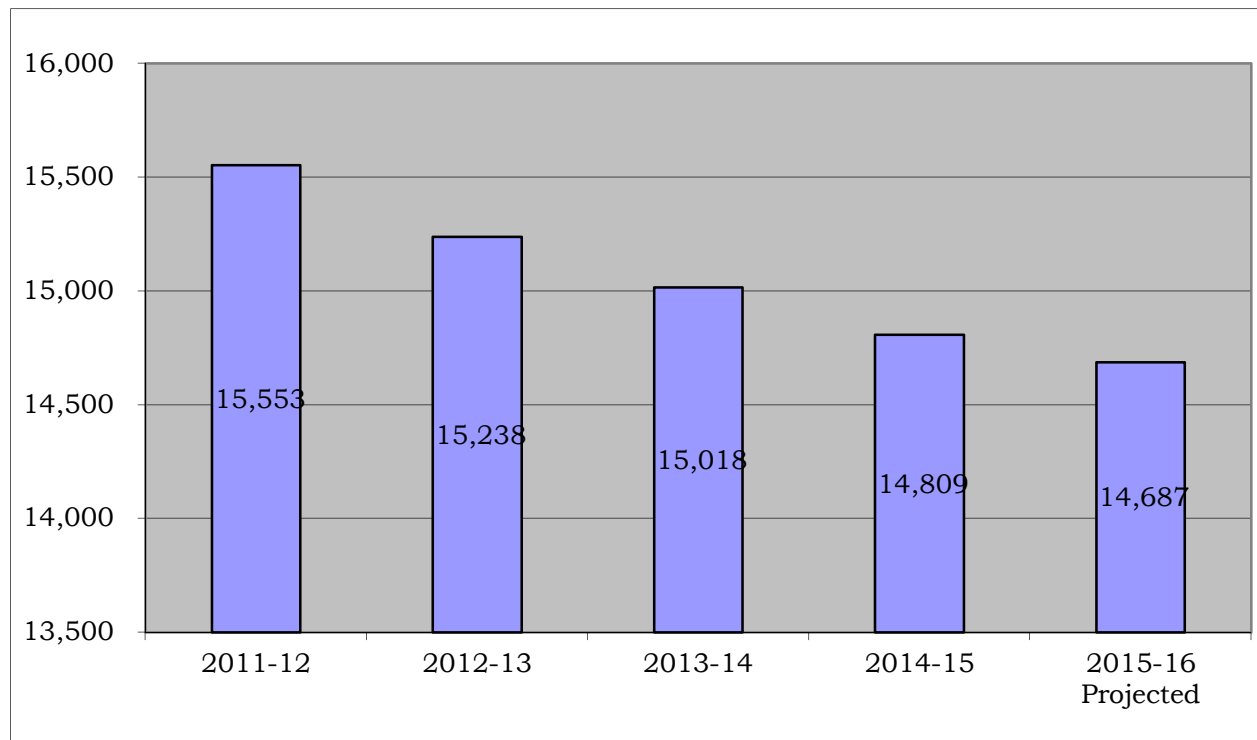
(1) Assumes the market value and SEV of this home increase 1% for 2012-13, 7% in 2013-2014, 3% in 2014-2015 and is projected to increase 3% in 2015-2016.

(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%.

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 2015/2016



The actual numbers for years 2011-12 through 2014-15 represent full-time equivalent students including all special education students in the fall for each school year. The forecasted enrollment 2015-16 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 2011/2012 - 2015/2016

	Actual				Projected
	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016
Elementary Buildings					
Commerce	555	572	586	630	632
Mary Helen Guest	402	432	441	399	399
Dublin	507	539	569	588	592
Glengary	416	406	390	371	362
Hickory Woods	596	609	627	603	605
Keith	603	676	682	645	650
Loon Lake	486	522	540	524	521
Maple	440	-	-	-	-
Meadowbrook	464	560	589	577	580
Oakley Park	353	415	401	379	382
Pleasant Lake	571	696	657	634	635
Twin Beach	295	-	-	-	-
Walled Lake	454	485	436	424	413
Wixom	573	553	522	497	504
Middle School Buildings					
Clifford Smart	995	1,009	1,013	1,023	1,012
Sarah Banks	911	860	840	849	847
Walnut Creek	966	979	920	913	905
Geisler	817	805	742	756	757
High School Buildings					
Central	1,871	1,800	1,846	1,751	1,721
Western	1,571	1,509	1,481	1,411	1,391
Northern	1,612	1,557	1,618	1,611	1,586
Total Fall Enrollment	15,458	14,984	14,900	14,585	14,494

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.

Walled Lake Consolidated Schools
Personnel Allocations
Actual for 2011-2012 through 2014-2015 and Projected 2015-2016

	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	Projected 2015/2016
Instructional					
Building Administrators & Secretaries	79.00	78.63	74.62	76.55	76.55
Teachers	786.39	775.86	769.56	755.45	741.45
Other Instructional Staff	147.58	161.98	154.53	163.02	160.02
Guidance Staff	30.20	31.41	29.40	30.00	30.00
Psychological Staff	7.60	7.60	7.20	7.20	7.20
Speech and Audiology	19.30	18.30	18.30	18.64	18.64
Social Workers	13.50	14.36	14.00	14.60	14.60
Special Ed. Teacher Consultants	13.00	13.00	13.00	13.57	13.57
Other Pupil Services Staff	39.08	63.09	40.37	39.83	39.83
Library Personnel	11.96	12.96	9.62	10.62	10.62
Computer Assisted Instruction	2.52	2.41	2.69	2.49	2.49
Other Instructional Supervisors	11.71	12.58	12.00	11.64	11.64
Other Staff Services Personnel	4.34	3.48	1.42	0.00	0.00
Total Instructional Staff	1,166.18	1,195.66	1,146.71	1,143.61	1,126.61
Non-Instructional					
Executive Administration	2.00	2.00	2.00	2.00	2.00
Business Services	9.25	9.25	9.25	9.25	9.25
Food Services Staff	82.15	81.24	81.58	79.11	79.11
Operations and Maintenance	24.42	25.42	24.60	24.24	24.24
Transportation Staff	113.49	126.39	1.00	1.00	1.00
Central Support Services	21.09	21.21	21.21	22.21	21.21
Other Support Staff	2.00	2.00	2.00	2.00	2.00
Community Services	51.09	57.89	77.88	71.45	71.45
Total Non-Instructional Staff	305.49	325.40	219.52	211.26	210.26
Total Staff	1,471.67	1,521.06	1,366.23	1,354.87	1,336.87

Notes

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

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 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.

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.

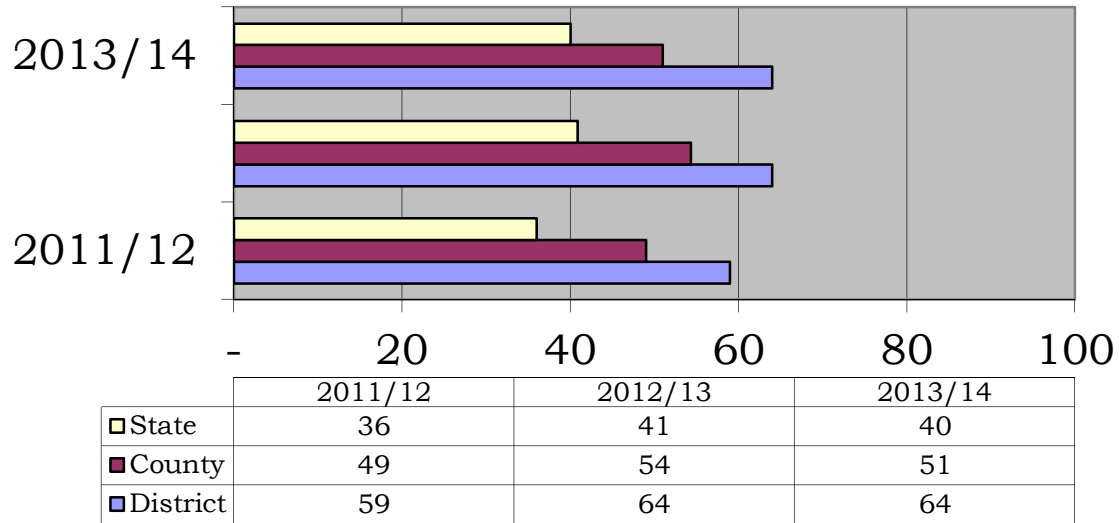
2013-2014 marked the final year Michigan administered the MEAP assessments. Students were tested in Reading (in grades 3, 4, 5, 6, 7, 8 and 11), Mathematics (in grades 3, 4, 5, 6, 7, 8 and 11), Science (in grades 5, 8, and 11), Social Studies (in grades 6, 9, and 11), and Writing (in grades 4, 7 and 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.

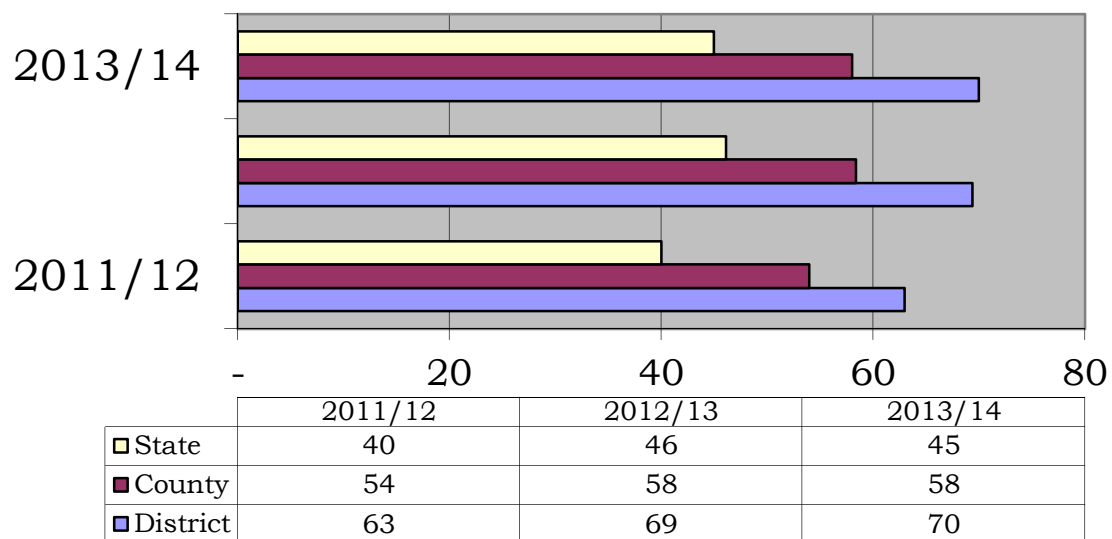
Walled Lake Consolidated Schools received full District Accreditation in 2012. The Informational Section of this document includes a three year history of the District's scores along with County and State comparisons. In each of those three years, the District has enjoyed scores that are significantly higher than State and County averages.

MEAP SCORES

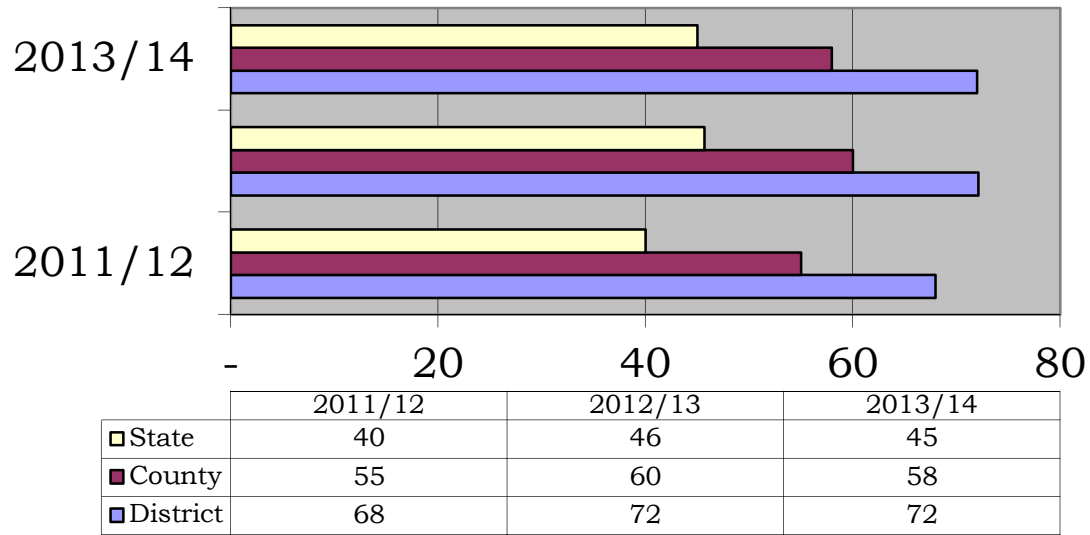
3rd Grade Math



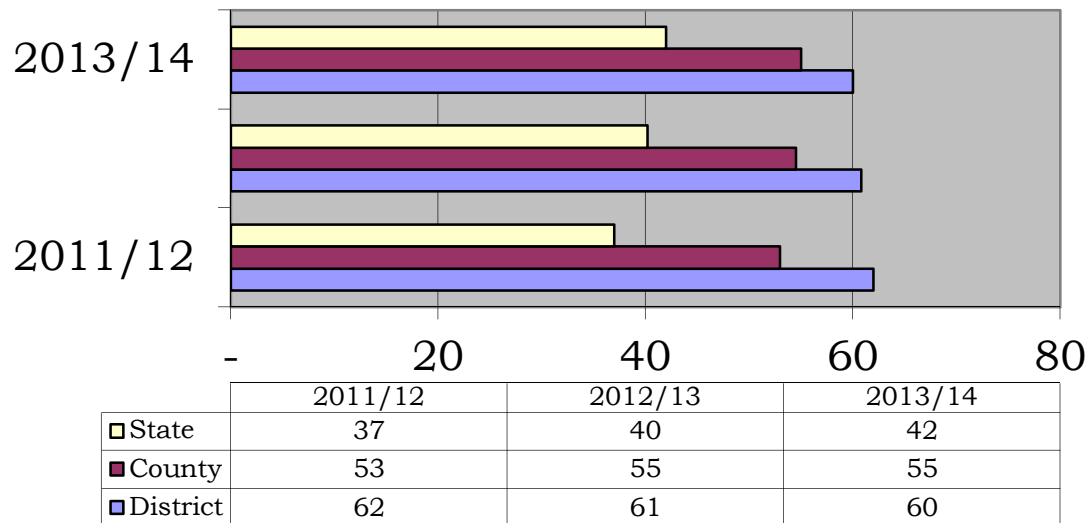
4th Grade Math



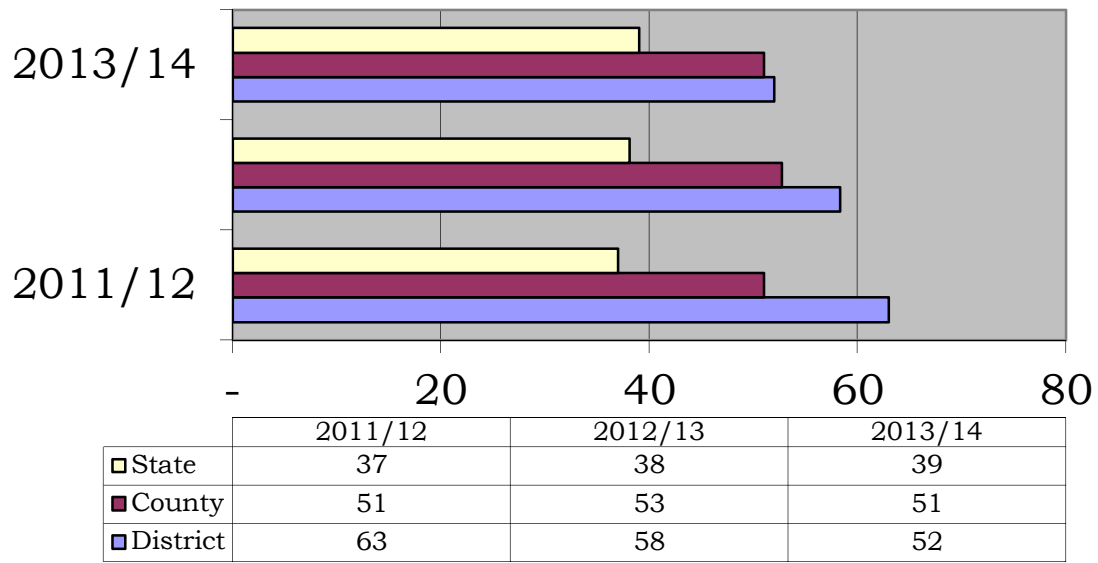
5th Grade Math



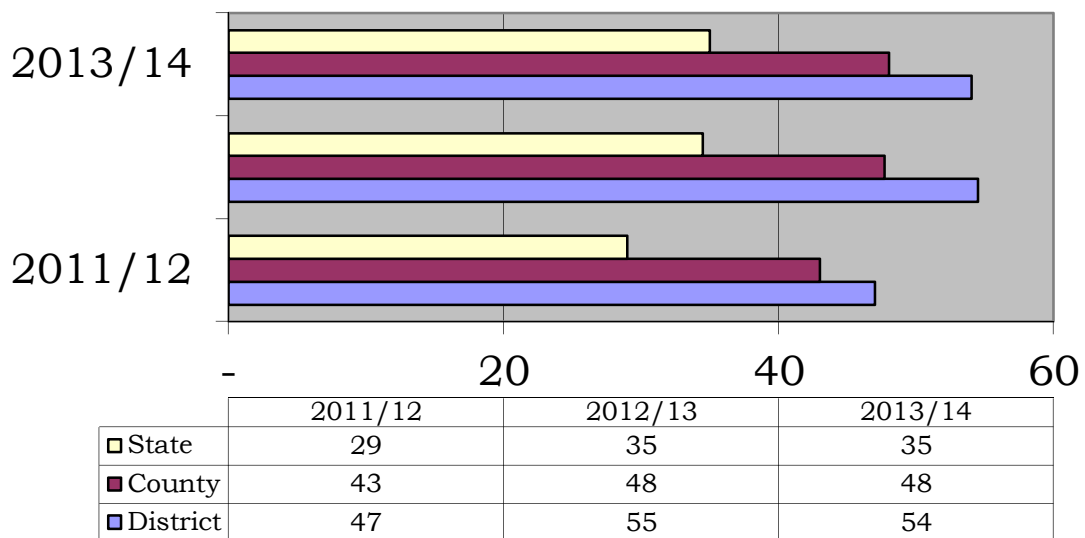
6th Grade Math



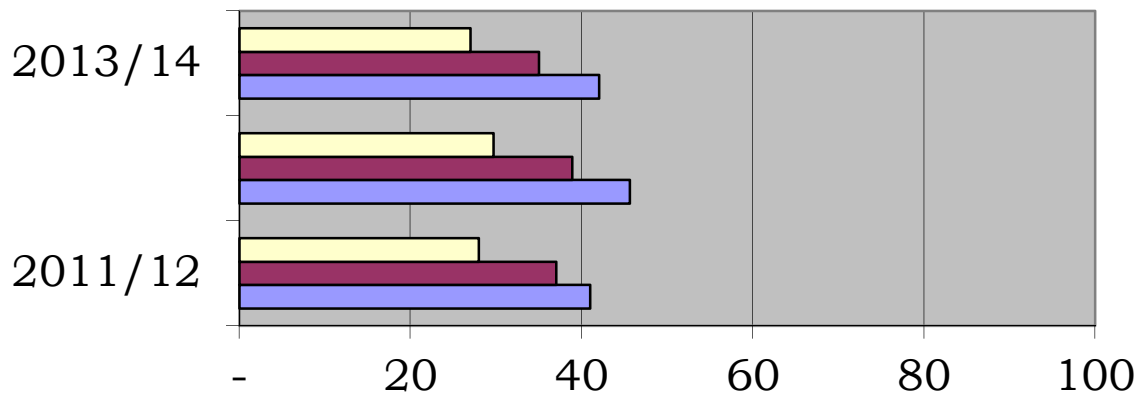
7th Grade Math



8th Grade Math

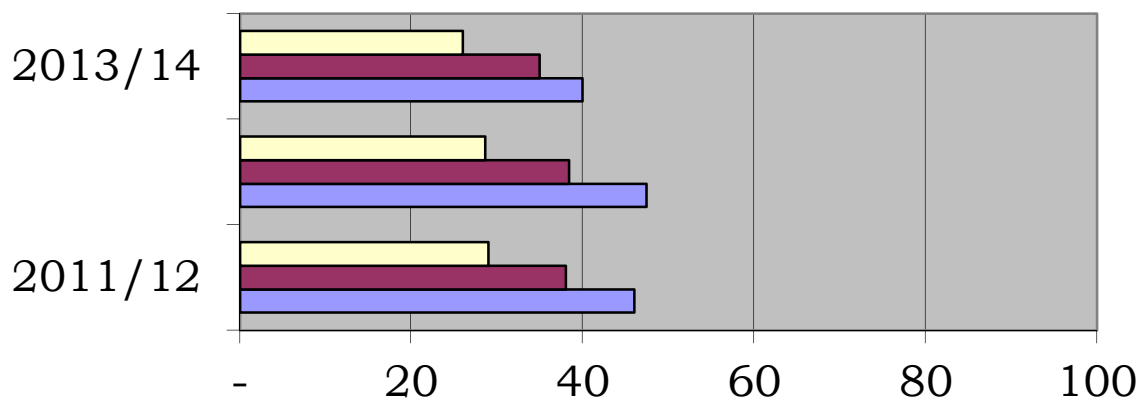


6th Grade Social Studies



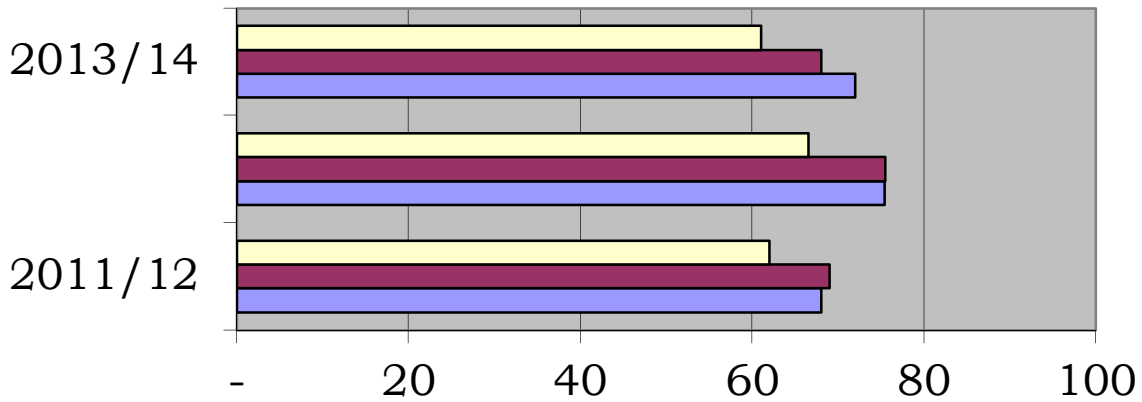
	2011/12	2012/13	2013/14
State	28	30	27
County	37	39	35
District	41	46	42

9th Grade Social Studies



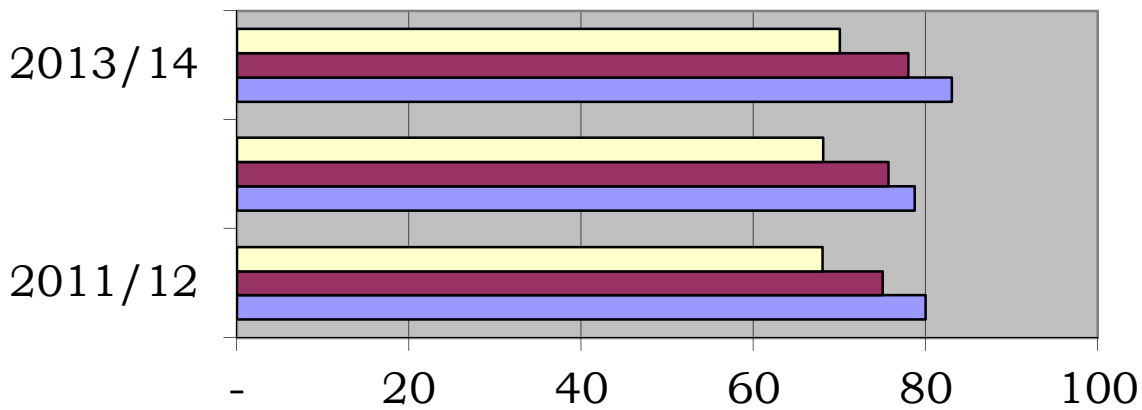
	2011/12	2012/13	2013/14
State	29	29	26
County	38	38	35
District	46	47	40

3rd Grade Reading



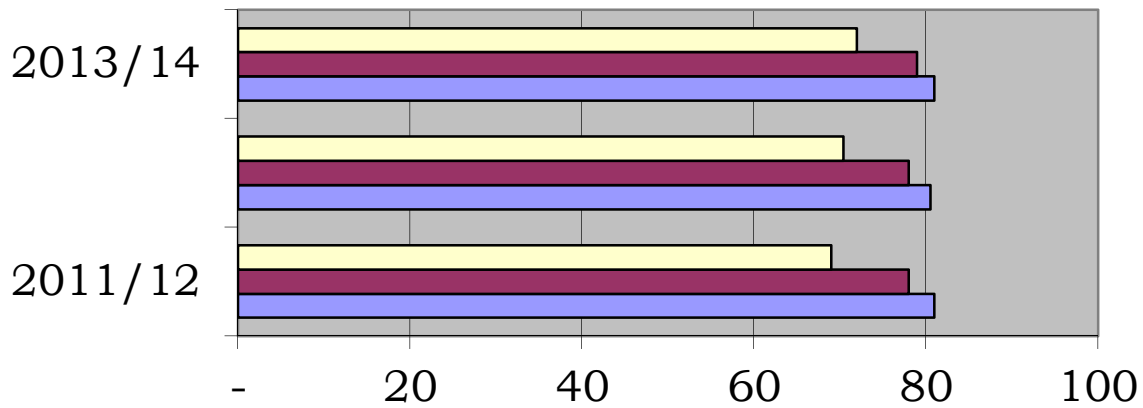
	2011/12	2012/13	2013/14
State	62	67	61
County	69	76	68
District	68	75	72

4th Grade Reading



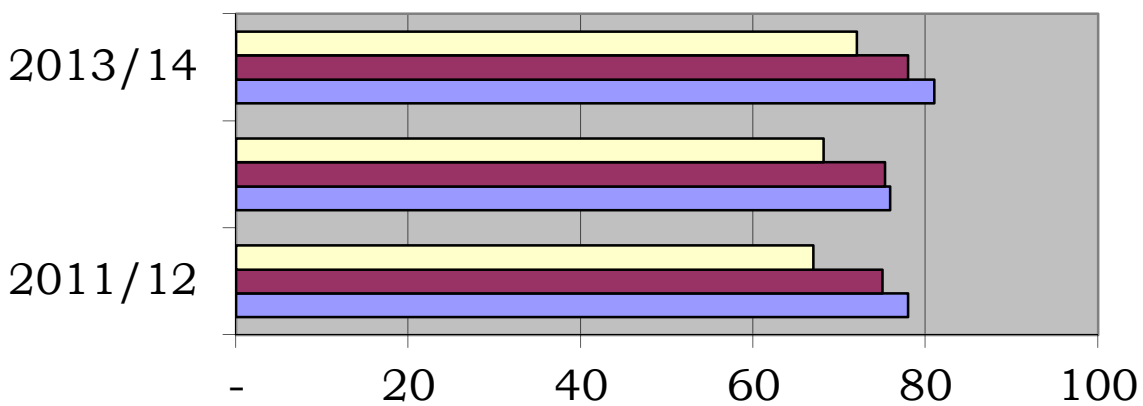
	2011/12	2012/13	2013/14
State	68	68	70
County	75	76	78
District	80	79	83

5th Grade Reading



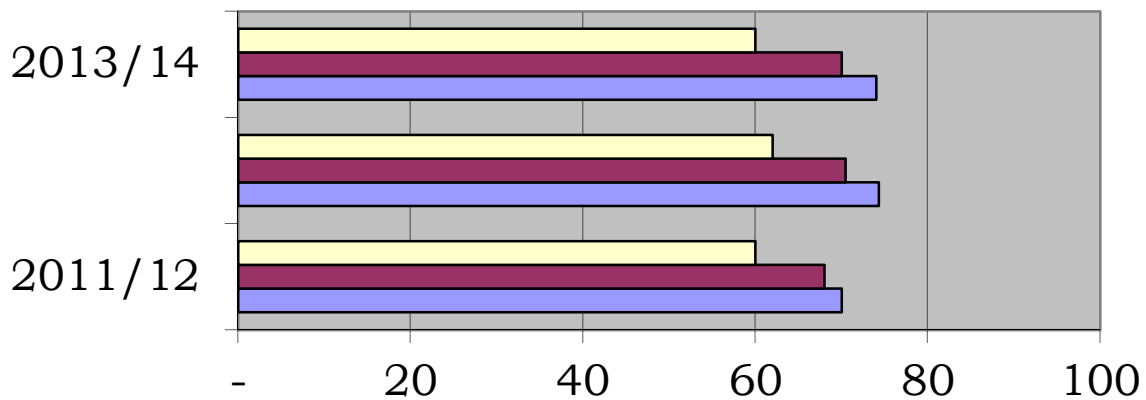
	2011/12	2012/13	2013/14
State	69	70	72
County	78	78	79
District	81	81	81

6th Grade Reading



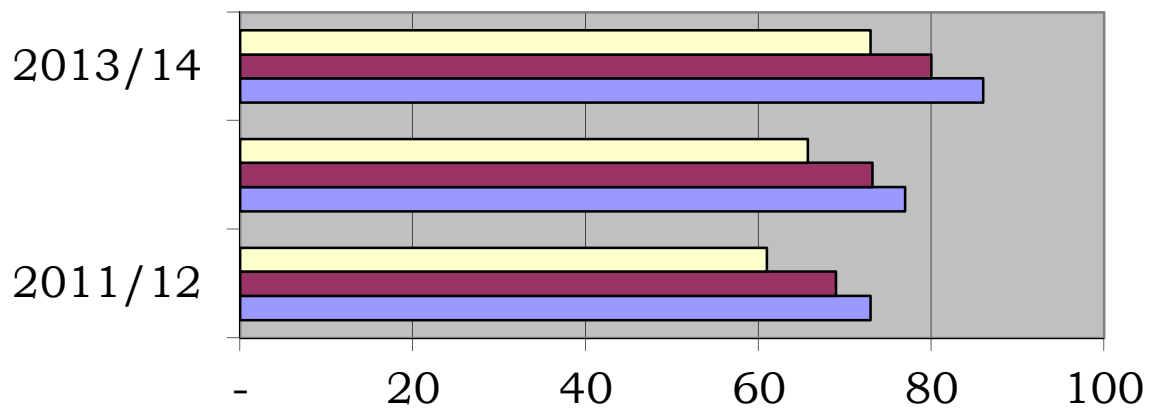
	2011/12	2012/13	2013/14
State	67	68	72
County	75	75	78
District	78	76	81

7th Grade Reading



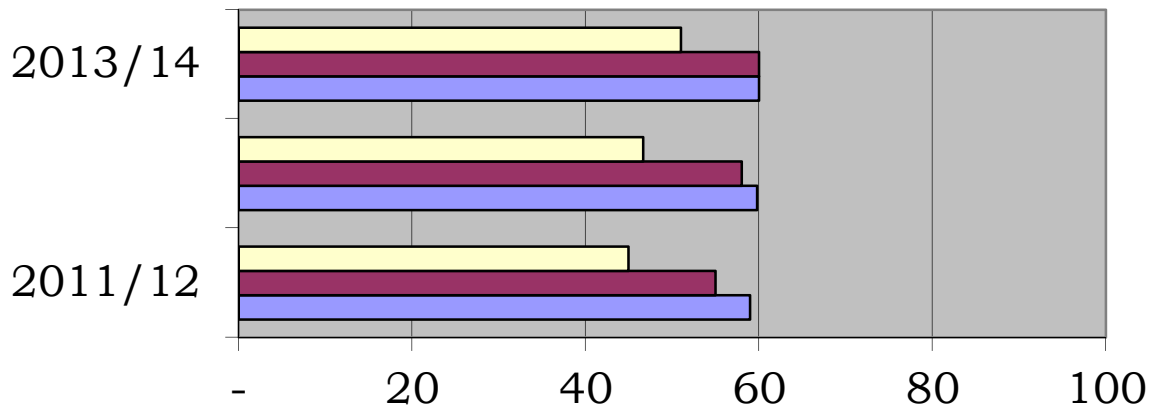
	2011/12	2012/13	2013/14
State	60	62	60
County	68	71	70
District	70	74	74

8th Grade Reading



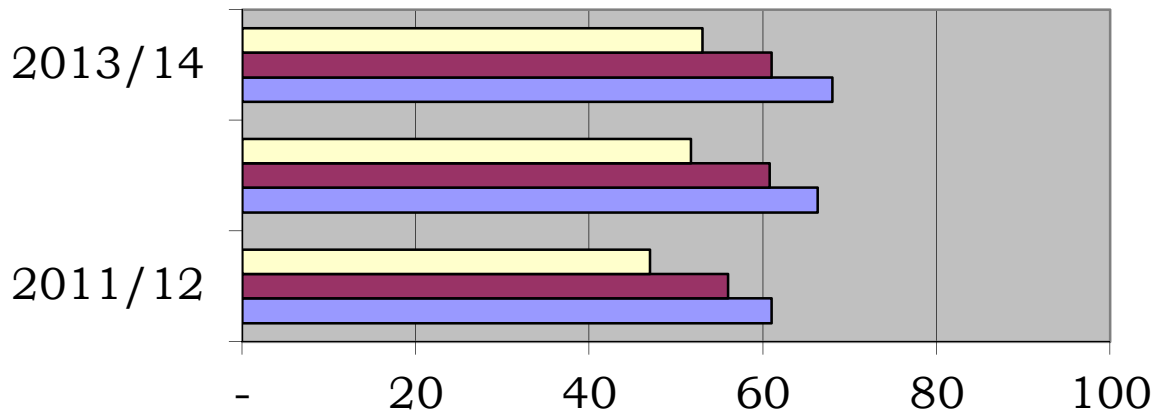
	2011/12	2012/13	2013/14
State	61	66	73
County	69	73	80
District	73	77	86

4th Grade Writing



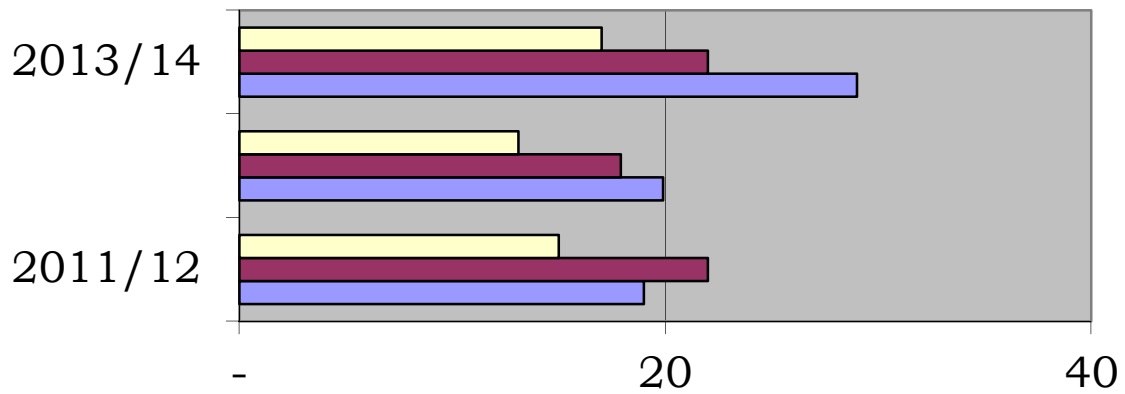
	2011/12	2012/13	2013/14
State	45	47	51
County	55	58	60
District	59	60	60

7th Grade Writing



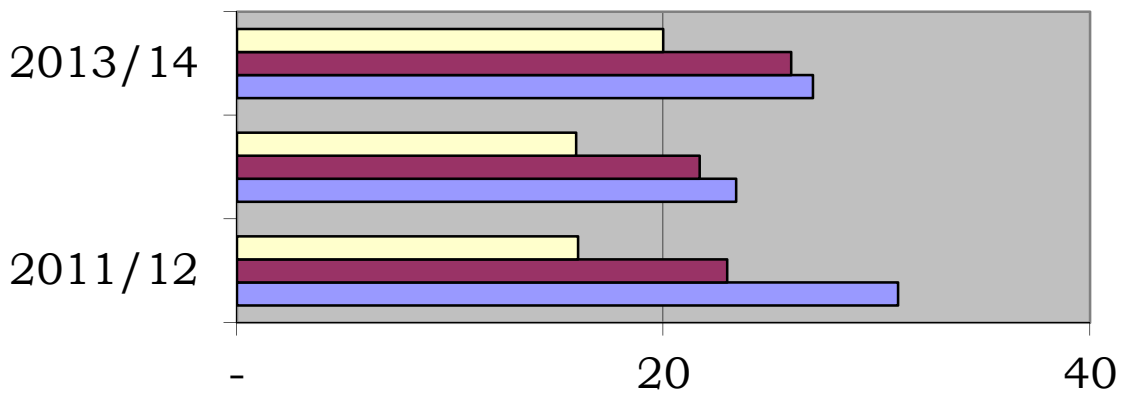
	2011/12	2012/13	2013/14
State	47	52	53
County	56	61	61
District	61	66	68

5th Grade Science



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

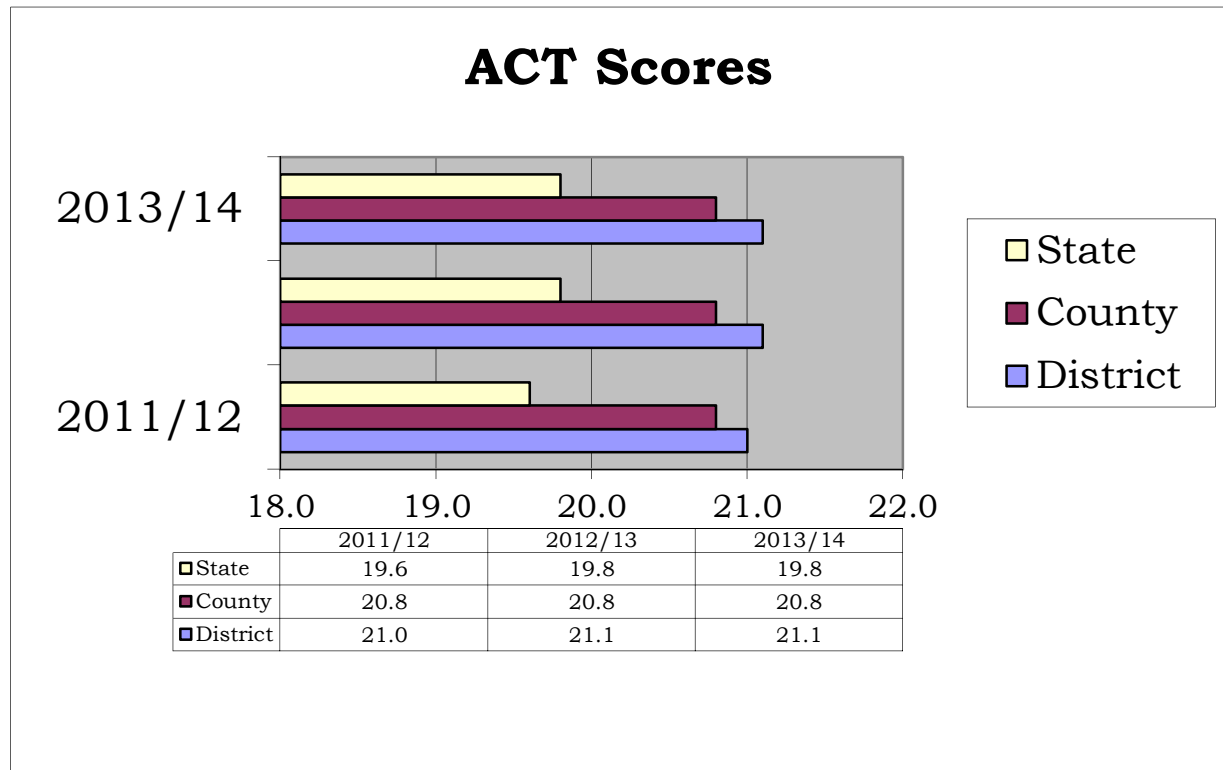
8th Grade Science



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

ACT Scores

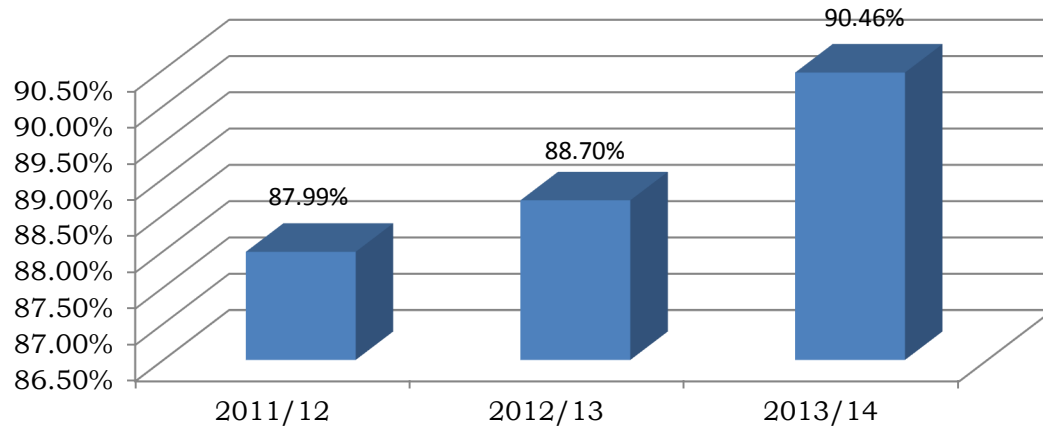
ACT scores are a measure used to predict student success in college. The ACT composite scores, compiled from college-bound students tested in Walled Lake, in Michigan and the County are presented below. District scores have consistently been above the State and County level.



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.

Graduation Rates

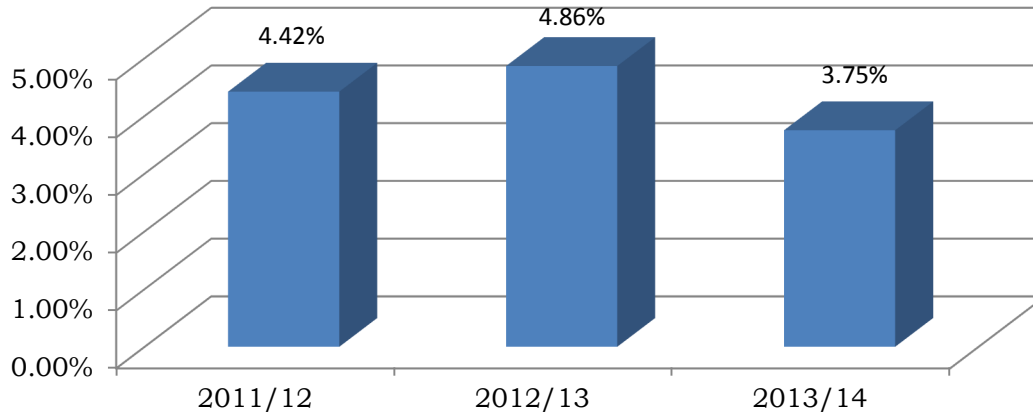


In addition, 83% of the District's high school graduates go on to higher education.

Dropout Rate

A district's dropout rate is defined as the total number of students as a percentage of a given cohort, who left high school permanently at any time during their four years of high school. The following graph provides the history of dropout rates for the District.

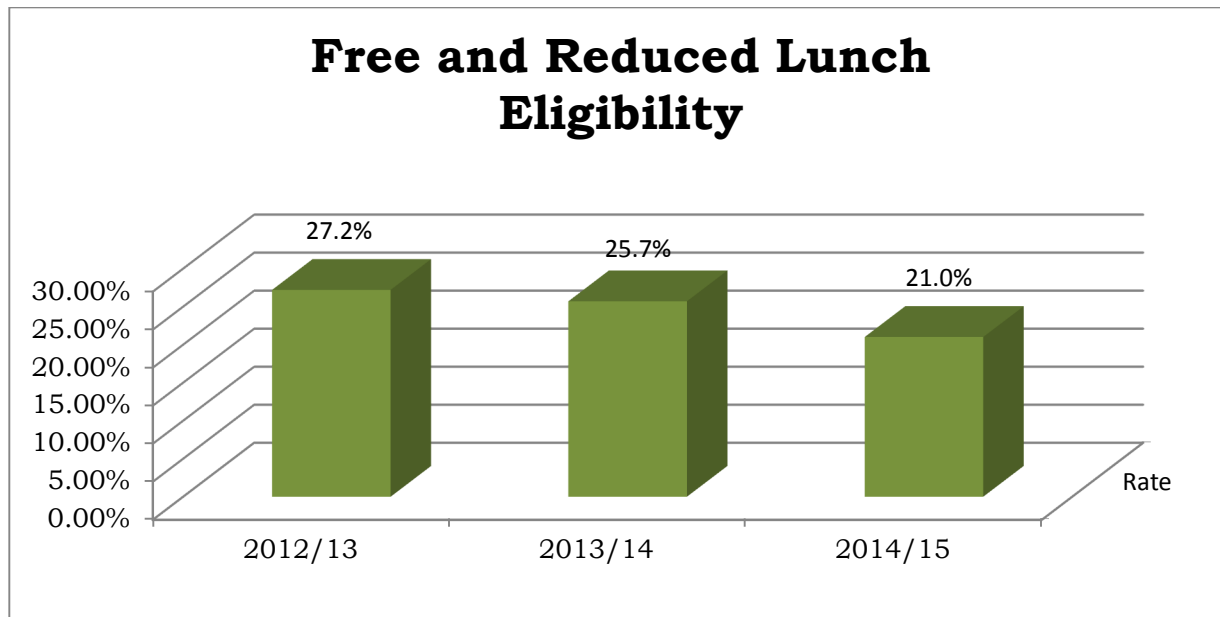
Drop Out Rate



Walled Lake Schools has contracted with an organization known as Graduation Alliance to reach former students who have dropped out. They encourage these former students to continue with their high school career and provide the resources to do so. This is one way that the District has worked to reduce the dropout rate.

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.



Net Promoter Survey Results

Understanding The Net Promoter Score

NPS®, is based on the fundamental perspective that every company's customers can be divided into three categories: Promoters, Passives, and Detractors. By asking one simple question — *How likely is it that you would recommend [your company] to a friend or colleague?* — you can track these groups and get a clear measure of your company's performance through your customers' eyes. Customers respond on a 0-to-10 point rating scale and are categorized as follows:

- Promoters** (score 9-10) are loyal enthusiasts who will keep buying and refer others, fueling growth.
- Passives** (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.
- Detractors** (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth.

Calculating District Net Promoter Score

To calculate your company's NPS, take the percentage of customers who are Promoters and subtract the percentage who are Detractors.



33%

52%

19%

On a scale of 0-10 (0 being the lowest & 10 is the highest), how likely is it that you would recommend Walled Lake Consolidated School District to your friends, colleagues or others?

More About NPS

This survey was distributed to a wide audience that included community members, parents at all three levels, staff members district-wide and others. In addition to answering the single question above, all respondents were given the opportunity to comment. These comments will service the District well in understanding more fully those things that are being done well and those that may need some work.

The Net Promoter Survey will be administered on an annual basis so that progress can be monitored.

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).

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.

COMMON CORE STATE STANDARDS - the Common Core State Standards establish clear, consistent guidelines for what every student should know and be able to do in math and English language arts from kindergarten through 12th grade.

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 RETIREMENT 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.

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:

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

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.

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.

M-STEP - Michigan's new Assessment System, the Michigan Student Test of Educational Progress (M-STEP), is an online test and was developed by the Michigan Department of Education's Office of Standards and Assessment.

The M-STEP will include state summative assessments designed to measure student growth effectively for today's students.

M-STEP replaces the forty year-old Michigan Educational Assessment Program (MEAP) and moves test administration from the fall to the spring of each school year. This will allow student measurement to be based upon current versus prior year learning.

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

OBJECT- see Expenditures by Object.

OPERATING FUNDS – include the District General Fund and Special Revenue Funds.

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.

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.

SPECIAL REVENUE FUNDS – Special Revenue funds are established to collect funds that are to be used for a specific purpose. Examples include the District Cafeteria Fund or Community Education Fund.

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.

