



BUDGET

FISCAL YEAR

July 1, 2016—June 30, 2017

WALLED LAKE CONSOLIDATED SCHOOL DISTRICT



2015 Safety, Security and Technology Bond
Walled Lake Central High School

Every Child, Every Day!

Walled Lake Consolidated School District | 850 Ladd Road—Building D | Walled Lake MI 48390
Phone: 248.956.2000 | Fax: 248.956.2145 | Email: wlcsd.org

Proposed 2016-2017 Budget
Walled Lake Consolidated School District

Table of Contents

Introductory Section

Meritorious Budget Award – Association of School Business Officials International	1
Executive Summary Title Page	2
Board of Education	3
Superintendent’s Administrative Team	6
Superintendent’s Letter	7
Executive Summary	8

Organizational Section

Organizational Chart	44
Board of Education	45
The District Entity	46
District Attendance Area Maps	47
Fund Structure	66
System of Revenue and Expenditure Classification	68
Basis of Accounting	69
Legal Policies and Procedures Related to the Budget	69
District Mission Statement and Goals	77

Financial Section

All Fund Summary	81
Operating Funds Summary – Expenditures by Object	82
Operating Funds Summary – Expenditures by Function	83
General Fund - Revenues by Source and Expenditures by Object	84
General Fund – Expenditures by Function	85
Cafeteria Fund	86
Community Education Fund	87
Preschool Fund	88
Enrichment/Prime Time Care Fund	89
2004 Debt Fund	90
2005 Debt Fund	91
2006 Debt Fund	92
2011 Debt Fund	93
2012 Debt Fund	94
2014 Debt Fund	95
2015 Debt Fund	96
2016 Debt Fund	97
2000 Bond Fund	98

2014 Bond Fund	99
Sinking Fund	100
Descriptions and Assumptions – Major Revenue	
Sources and Expenditure Categories	101
Fund Balance – Description and Discussion	105
Capital Improvements	107
Schedule of Bonded Indebtedness	110
Computation of Legal Debt Margin	111

Informational Section

Property Tax Information	112
Summary of Property Tax Rates Levied	113
Impact of School Millage Rates on Homeowners	115
Enrollment History and Projected Enrollment	116
Enrollment History and Projections by Building	117
Personnel Allocations	118
Outstanding Bond Issues and Amortization Schedule	119
Amortization Schedule of Outstanding Bonds	120
Student Performance	121
M-STEP Scores	122
SAT Scores	132
Graduation Rates and Free and Reduced Lunch	
Eligibility	133
Net Promoter Results	136
Glossary of Terms	138

WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

Introductory Section



Dublin Elementary
Flint Water Bottle Fundraiser

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 budget
for the Fiscal Year 2015-2016.

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

**Walled Lake Consolidated School
District
Proposed 2016-2017 Budget
Executive Summary**

Board of Education

Marc Siegler, 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 23rd 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.

Christopher Titus, Vice President

Term Expires 12/31/2016

Mr. Christopher Titus and his wife, Christine, have lived in Commerce Township for the last 24 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, Treasurer

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."

Peggy Casagrande, Secretary

Term Expires 12/31/2018

Mrs. Peggy Casagrande was elected to the School Board in November 2008. She and her husband, Ken, live in Commerce Township, 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.

Denise Bither, Trustee

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 19 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.

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. They have one child who is an alumni and one current student at Walled Lake Central.

Mrs. Lyall works as the Associate Vice President of Health Plan Operations at a local healthcare company. 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 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.

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.

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*

June 5, 2016

Dear Board of Education Members:

I recommend approval of the budget for fiscal year 2016/2017 for Walled Lake Consolidated School District that includes budgeted allocations for 2016/2017 and final amended budgeted allocations for 2015/2016. 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. Job growth continued with most industries in Oakland County during 2015. The government sector, however, as well as public school districts, reported a loss of jobs during the year. Walled Lake Schools was not an exception and will likely need to continue to make reductions in the foreseeable future. The unemployment rate continues to fall, reported at just 4.9 percent for 2015, down over 8 percentage points from the 2009 peak of 13 percent. Property values are growing and housing starts are improving throughout the County and within our boundaries. Property values 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.

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 2016/2017 indicate a gap in funding of \$5.5 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. All groups, with the exception of our Para-Professional group, have agreed to concessions for the 2016/2017 school year. We are still in the process of negotiating with our Para-Professional group. Employee groups have agreed to wage and benefit concessions now for five of the last six years. The remaining deficit will be eliminated through budget reductions.

While recovery will take time, we will continue to work together, in coordination with our community, to ensure that we meet the needs of Every Child, Every Day.

Respectfully,

Kenneth Gutman
Superintendent of Schools

BUDGET PROCESS

The development of the District's budget is under the supervision and direction of the Superintendent. The budget process begins in November of each year. The Assistant Superintendent of Business Services develops a timeline and prepares a preliminary financial forecast as well as 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 and shared at organized community meetings. The information is also shared on the District's website and through individual school building newsletters.

District staff is kept informed through updates included in the weekly employee newsletter and well as at building staff meetings, where the budget video is shared. 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 2016/2017. The following is a summary calendar of the process.

November 2015	Budget process begins
January 2016	Preliminary budget projections
February 2016	Projections shared with Leadership
March/April 2016	Board study sessions held
March/April 2016	Budget video released
June 2016	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 2015/2016, 19% of Walled Lake Consolidated Schools revenue is generated by local property tax and 68% 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 2016/2017, the blend will be calculated using 90% of the October 2016 count and 10% of the February 2016 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.

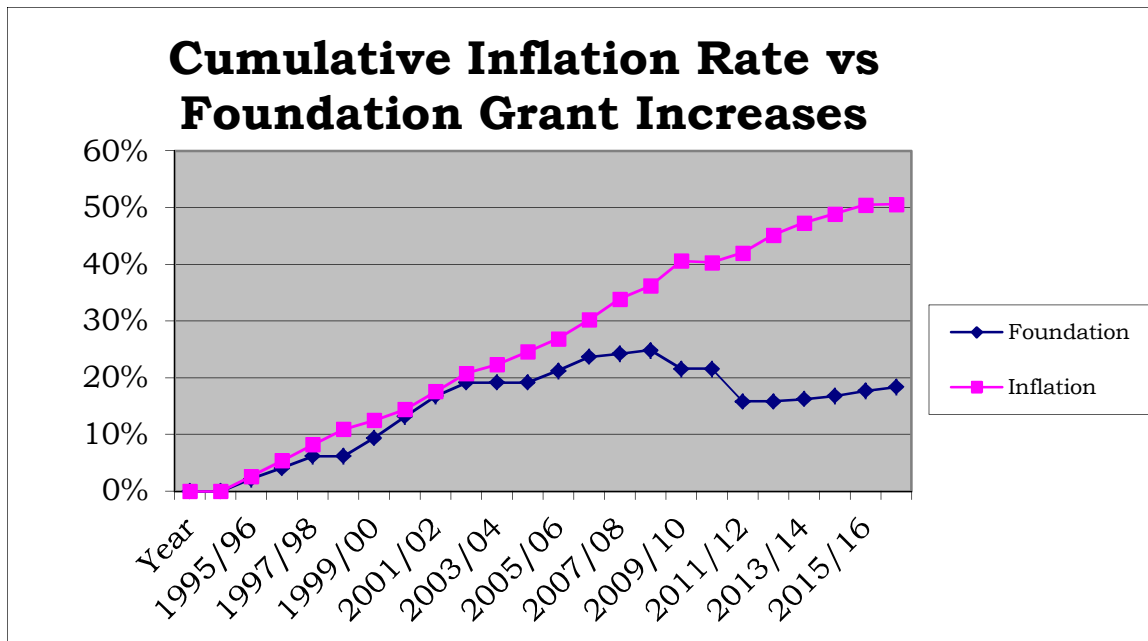
The foundation grant is determined annually by the State of Michigan through their annual budgeting process. The grant is expected to be \$8,375 for the 2016/2017 fiscal year.

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 77% 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.

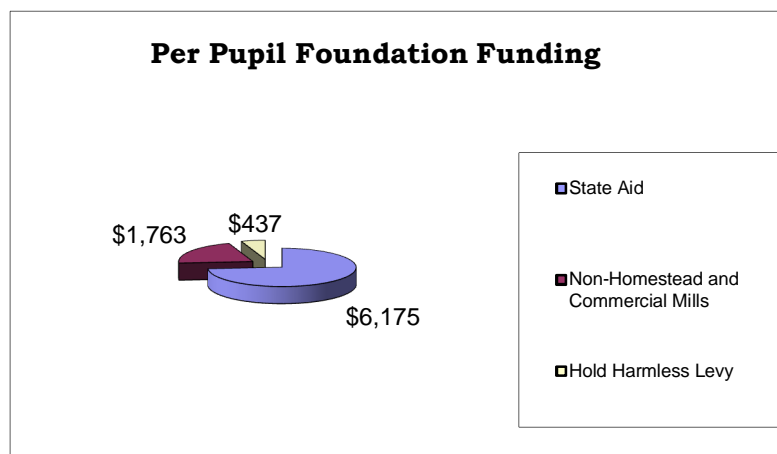
The foundation amounts that are included in the following graphs have not been adjusted down to account for the mid-year prorations of \$50 and \$74 per

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%
2016/2017	8,375	60	0.72%	0.10%



The breakdown of the \$8,375 per pupil foundation is shown below.



For 2016/2017, the District's estimated per pupil foundation of \$8,375 is projected to be generated as shown above with \$1,763 resulting from the 17.9047 mills levied by the District on non-homestead properties and the 5.9047 mills levied on commercial personal property. State Aid provides an amount equaling \$6,175 per pupil.

The balance of \$437 will be generated by the hold harmless levy of 1.9918 mills on homesteads, industrial personal property and commercial personal property. The District's blended pupil count for 2016/2017 is projected to be 14,164. A rate of 1.9918 mills is the proposed levy for July 2016. 2015/2016 was the first year that tax rates for Walled Lake Schools were 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.

2016/2017 tax collections will also be impacted by Headlee. The largest impact will be the reduction to the 18 mills typically levied on all non-homestead properties. This millage will be reduced to 17.9047 mills for 2016/2017. 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 \$65,500 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 .4953 mills. This will result in a loss of approximately \$20,184.

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
2016/2017	4,374,861,000	1.9918	7.8965	17.9047
* - Principal Residential, Qualified Agriculture, Qualified Forest and Industrial Personal Properties				

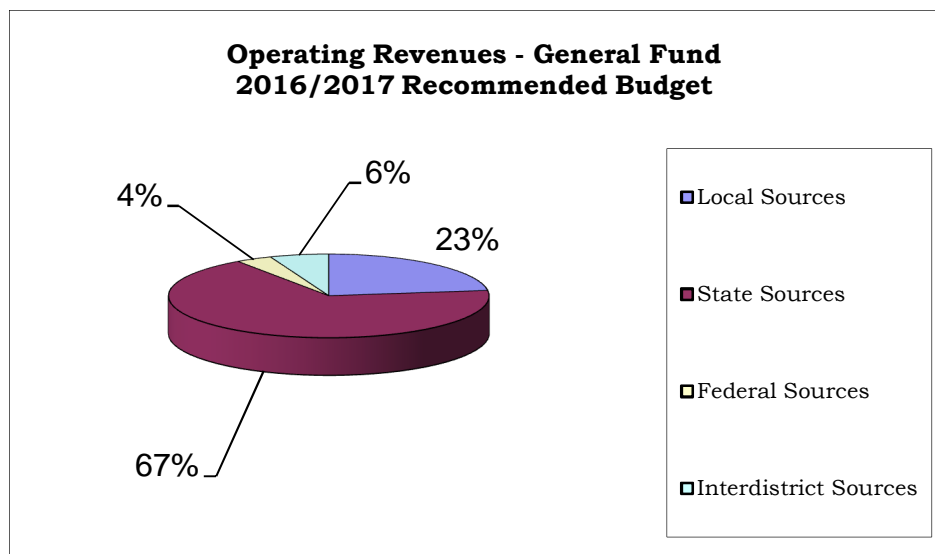
The Debt and Sinking fund millages are levied on all properties. This did not change with the classification change. See below for historical and current rates.

School Year	Taxable Value	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
2016/2017	4,374,861,000	0.4953	4.5279

Operating Revenue – General Fund

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

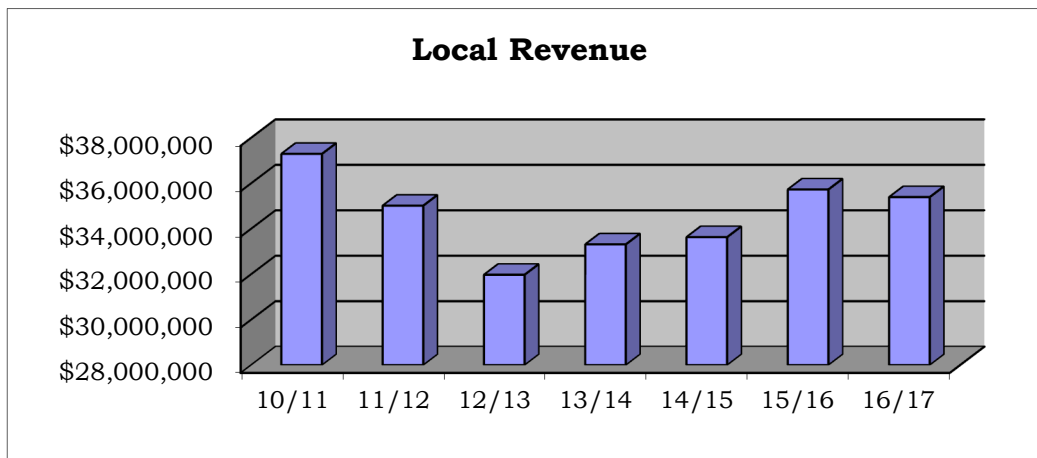
	2015/2016		2016/2017	
	Amended Budget	2015/2016 % of Total	Recommended Budget	2016/2017 % of Total
Revenue				
Local Sources	\$ 35,725,854	22.60%	\$ 35,389,755	22.97%
State Sources	107,255,967	67.85%	103,895,719	67.43%
Federal Sources	5,618,981	3.55%	5,647,022	3.67%
Interdistrict Sources	9,480,630	6.00%	9,146,225	5.94%
TOTAL REVENUE	\$ 158,081,432	100.00%	\$ 154,078,721	100.00%



Local Revenue

Local property taxes account for 88% of local revenue and make up 26% 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 2014/2015 as well as the amended budget for 2015/2016 and the recommended budget for 2016/2017.



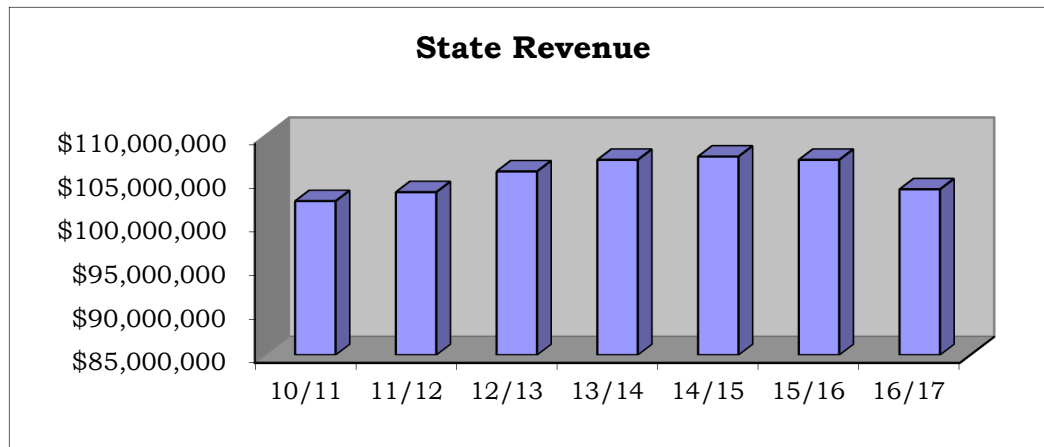
State Revenue

State revenue consists of the foundation grant and categorical funding. The majority is from the per pupil foundation, of which 74% will come from state aid. The expected per pupil foundation of \$8,375 will be generated on 14,164 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 \$7,938 (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
2015/2016	449.37	\$ 15,972,877	\$ 23,511,190	\$ 7,538,313

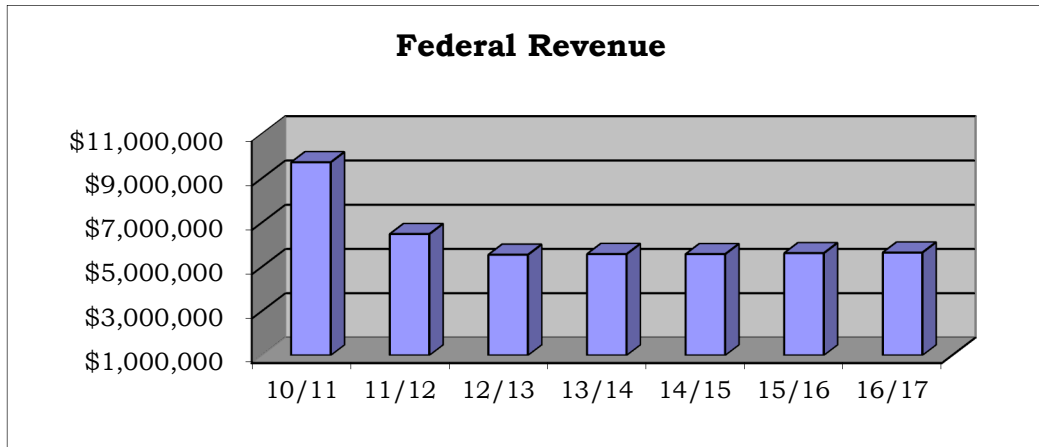
For reference purposes, the following bar graph shows the funding levels of State revenue over the past five years as well as the amended budget for 2015/2016 and the recommended budget for 2016/2017.



Federal Revenue

We expect Federal funding to remain fairly stable for 2016/2017.

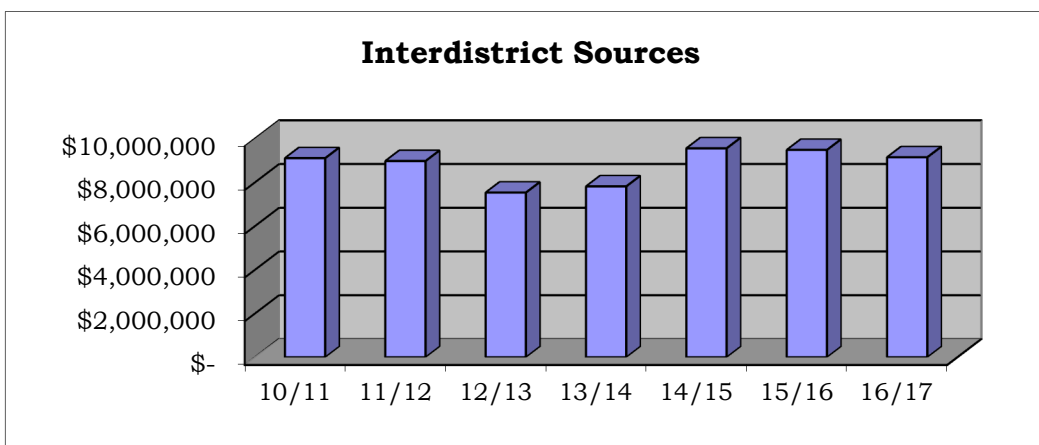
The following bar graph provides the five year history of Federal revenue as well as the amended budget for 2015/2016 and the recommended budget for 2016/2017.



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 2015/2016 and the recommended budget for 2016/2017.



Revenue Budget Assumptions

The following are the assumptions used to arrive at budgeted 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 1.9918 for operations. Millage on commercial personal property will be 7.8965 for operations. Millage on non-homesteads will be 17.9047 mills for operations.
3. The total per pupil foundation grant is expected to be \$8,375 for 2016/2017. This represents a \$60 increase from 2015/2016.
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. An additional State allocation known as Hold Harmless funding is expected to continue for 2016/2017. This allocation is designed to ensure that after all changes occur to the various categories of per pupil funding that all districts would receive a minimum per pupil increase. The allocation is expected to continue for 2016/2017 and remain level.
6. The number of pupils for 2016/2017, based on a blended count of 90/10, will be 14,164, representing a decrease of 284 students compared to 2015/2016.
7. A parcel of District-owned property has been put on the market for sale. It has an appraised value of \$500,000 and is expected to sell during 2016/2017.
8. 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 began during the 2015/2016 school year and is expected to significantly expand during the 2016/2017 school year. \$150,000 tuition is expected to be raised through this program.

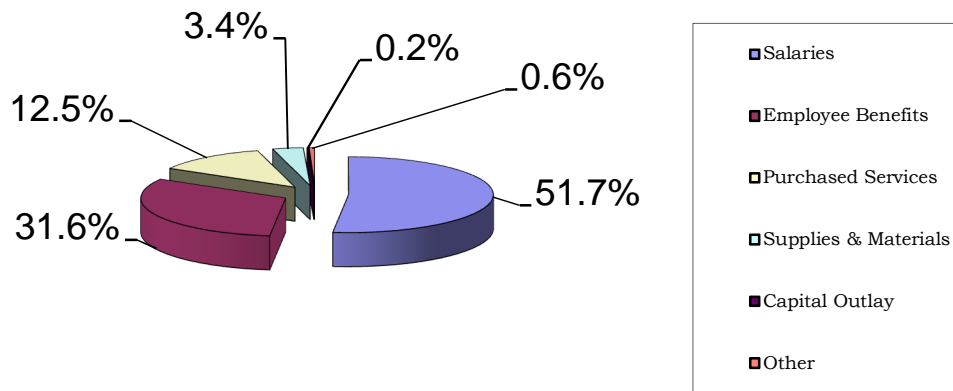
Operating Expenditures – General Fund

The following table and graph show the makeup of expenditures and the proposed General Fund expenditure budget for 2016/2017.

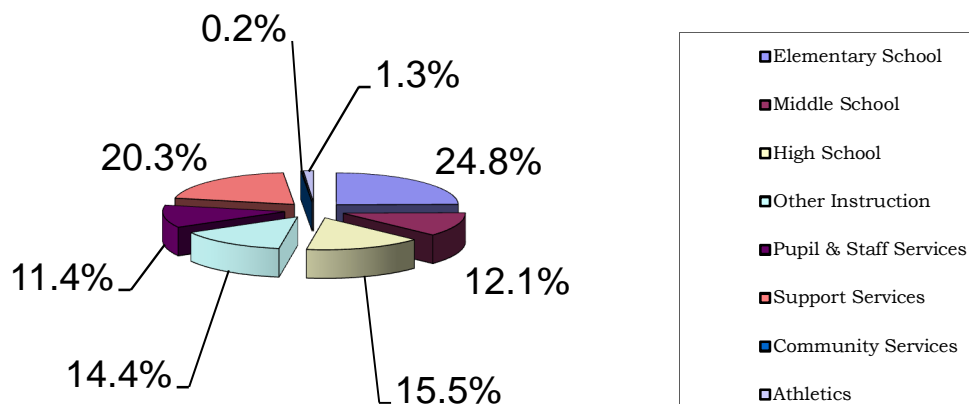
	2015/2016		2016/2017	
	Amended Budget	2015/201 6 % of Total	Recommended Budget	2016/201 7 % of Total
Expenditures				
Basic Programs	\$ 84,694,657	53.59%	\$ 81,846,743	53.16%
Added Needs	20,545,014	13.00%	21,044,110	13.67%
Total Instruction	105,239,671	66.59%	102,890,853	66.82%
Pupil Services	13,507,491	8.55%	12,900,879	8.38%
Instructional Staff Services	5,055,350	3.20%	4,655,413	3.02%
General Administration	698,008	0.44%	658,629	0.43%
School Administration	8,836,785	5.59%	8,710,538	5.66%
Business Services	2,361,955	1.49%	2,193,588	1.42%
Operation and Maintenance	9,638,750	6.10%	9,601,027	6.24%
Pupil Transportation	5,789,258	3.66%	6,087,105	3.95%
Central Services	4,616,663	2.92%	4,001,738	2.60%
Athletics	2,055,253	1.30%	2,039,020	1.32%
Total Support Services	52,559,513	33.26%	50,847,937	33.02%
Community Services	247,460	0.16%	235,159	0.15%
TOTAL EXPENDITURES	158,046,644	<u>100.00%</u>	153,973,949	<u>100.00%</u>
Excess Revenue over (under)				
Expenditures	34,788		104,772	
Beginning Fund Balance	<u>9,472,892</u>		<u>9,507,680</u>	
Ending Fund Balance	<u>\$ 9,507,680</u>		<u>\$ 9,612,452</u>	

As with any service organization, the majority of expenses are for salaries and employee benefits at approximately 83%. 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 Object - 2016/2017 General Fund Budget



Expenditures by Function - 2016/2017 General Fund Budget



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

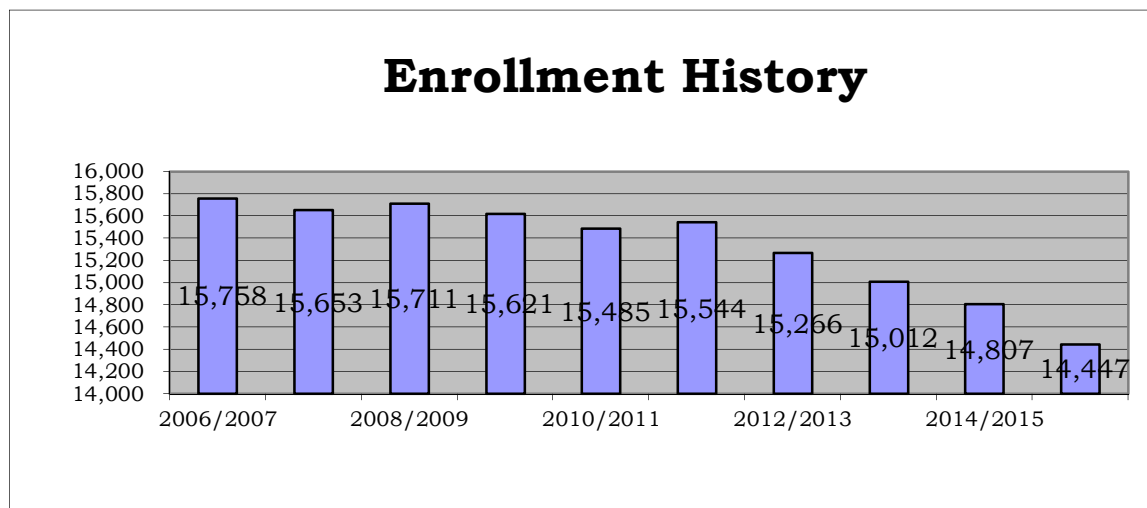
1. Most employee groups have agreed to concessionary agreements for the next year, while we continue to negotiate with one. The details of concessions already negotiated vary by group, however, concessions for each are comparable and include such items as wage concessions and furlough days.
2. Retirement 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 2016/2017 is calculated to be 25.15%, which is .63 percentage points less than 2015/2016. The lower rate saves Walled Lake Schools approximately \$500,000.
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 2.5% for 2016/2017. As a result, the District's cost for health insurance for employees will increase by 2.5% or approximately \$328,000. The increase in insurance premiums no longer has a direct impact on districts.
4. Utility rates are expected to remain flat for 2016/2017 given current utility contracts.
5. Salaries for the teacher group have been adjusted to reflect three items:
 - a. A new salary schedule negotiated for all teachers hired on or after July 1, 2016.
 - b. An unusual number of newly hired teachers due to an early retirement incentive put in place for those retiring as of June 30, 2016. This incentive will provide the district with short term savings which are reflected in this budget.
 - c. A reduction of 10 teachers as a result of expected enrollment declines.
6. Staff reductions due to budget reductions include:
 - a. Two secretarial positions
 - b. Two additional teacher positions
 - c. Three administrative support positions

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 2016/2017 school year.

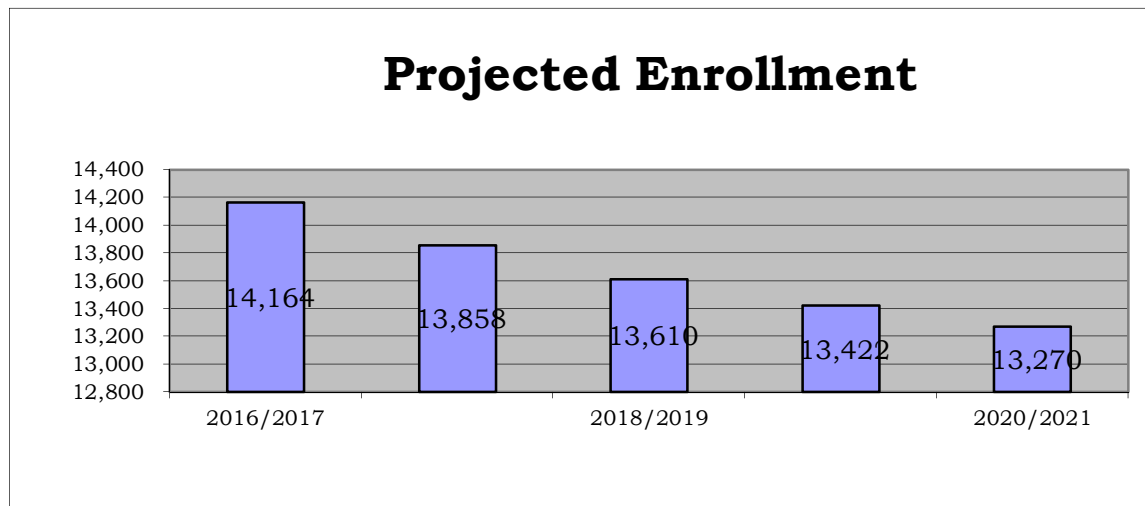
Grade	Enrollment	Sections	Average Class Size
Kindergarten	918 Students	40 Sections	23.0
First Grade	946 Students	40 Sections	23.7
Second Grade	990 Students	40 Sections	24.8
Third Grade	1033 Students	39 Sections	26.5
Fourth Grade	991 Students	36 Sections	27.5
Fifth Grade	1118 Students	41 Sections	27.3
Sixth - Eighth Grades	3312 Students	-	33.0
Ninth - Twelfth Grades	4770 Students	-	34.0

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 7th year of recovery from the Great Recession and the County's job growth between 2009 and 2015 (15.2%), has outpaced the Nation's (8.0%) and the State's (9.6%). The report also predicts that the unemployment rate for Oakland County will continue to decline and will fall to just 3.3% by 2018. 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 93%.

Personnel Trends

As of June 2016, Walled Lake Consolidated Schools has approximately 1,313 employees. The following chart illustrates the changes in District personnel and the drastic reductions that have been made. All figures shown are full time equivalents (FTE's).

	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	Projected 2016/2017
Instructional					
Building Administrators & Secretaries	78.63	74.62	76.55	76.43	74.43
Teachers	775.86	769.56	755.45	732.48	724.48
Other Instructional Staff	161.98	154.53	163.02	175.84	178.84
Guidance Staff	31.41	29.40	30.00	28.50	28.50
Psychological Staff	7.60	7.20	7.20	7.20	7.20
Speech and Audiology	18.30	18.30	18.64	18.30	18.30
Social Workers	14.36	14.00	14.60	12.70	12.70
Special Ed. Teacher Consultants	13.00	13.00	13.57	14.00	14.00
Other Pupil Services Staff	63.09	40.37	39.83	40.69	40.69
Library Personnel	12.96	9.62	10.62	10.71	10.71
Computer Assisted Instruction	2.41	2.69	2.49	2.36	2.36
Other Instructional Supervisors	12.58	12.00	11.64	9.64	9.64
Other Staff Services Personnel	3.48	1.42	0.00	0.00	0.00
Total Instructional Staff	1,195.66	1,146.71	1,143.61	1,128.85	1,121.85
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	81.24	81.58	79.11	74.37	74.37
Operations and Maintenance	25.42	24.60	24.24	24.62	24.62
Transportation Staff	126.39	1.00	1.00	1.00	1.00
Central Support Services	21.21	21.21	22.21	21.21	20.21
Other Support Staff	2.00	2.00	2.00	2.00	2.00
Community Services	57.89	77.88	71.45	50.15	50.15
Total Non-Instructional Staff	325.40	219.52	211.26	184.60	183.60
Total Staff	1,521.06	1,366.23	1,354.87	1,313.45	1,305.45

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 have agreed to significant concessions for four of the last five

years. Additional concessions have been negotiated with all groups for 2016/2017 with the exception of one group that we continue to work with.

The chart below shows a much longer history, a span of 15 years, and more fully demonstrates the reductions that have been necessary as enrollment and funding have declined. While faced with numerous years of required reductions, Administration and the Board of Education have made a concerted effort to limit the impact in the classroom.

	2001/ 2002	2015/ 2016	Difference	Percentage Difference
Instructional				
Building Administrators & Secretaries	104.50	76.43	(28.07)	-26.86%
Teachers	867.70	732.48	(135.22)	-15.58%
Other Instructional Staff	187.97	175.84	(12.13)	-6.45%
Guidance Staff	47.70	28.50	(19.20)	-40.25%
Psychological Staff	7.00	7.20	0.20	2.86%
Speech and Audiology	15.60	18.30	2.70	17.31%
Social Workers	11.20	12.70	1.50	13.39%
Special Ed. Teacher Consultants	46.00	14.00	(32.00)	-69.57%
Other Pupil Services Staff	74.17	40.69	(33.48)	-45.14%
Library Personnel	45.00	10.71	(34.29)	-76.20%
Computer Assisted Instruction	8.00	2.36	(5.64)	-70.50%
Other Instructional Supervisors	18.00	9.64	(8.36)	-46.44%
Other Staff Services Personnel	9.55	0.00	(9.55)	-100.00%
Total Instructional Staff	1442.39	1,128.85	(313.54)	-21.74%
Non-Instructional				
Executive Administration	2.50	2.00	(0.50)	-20.00%
Business Services	14.00	9.25	(4.75)	-33.93%
Food Services Staff	77.62	74.37	(3.25)	-4.19%
Operations and Maintenance	172.00	24.62	(147.38)	-85.69%
Transportation Staff	153.62	1.00	(152.62)	-99.35%
Central Support Services	43.00	21.21	(21.79)	-50.67%
Other Support Staff	2.00	2.00	0.00	0.00%
Community Services	49.33	50.15	0.82	1.66%
Total Non-Instructional Staff	514.07	184.60	(329.47)	-64.09%
Total Staff	1956.46	1,313.45	(643.01)	-32.87%

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.

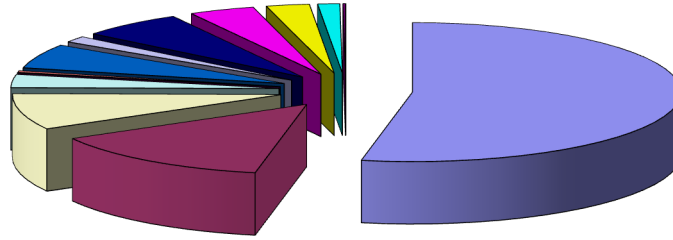
Professional development of both teachers and administrators is another area that impacts student achievement. It is, therefore, valued and financially supported to ensure that our students are benefiting from current best practices.

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 2014/2015 as well as the budgets for 2015/2016 and 2016/2017.

	Actual 2014/15		Amended Budget 2015/16		Recommended Budget 2016/17	
Instructional Services - Basic Instruction	\$	84,524,152	\$	84,694,657	\$	81,698,775
Classroom instruction, textbooks and supplies						
Instructional Services - Added Needs		19,917,760		20,545,014		21,192,078
Classroom instruction, textbooks and supplies						
Pupil Services		12,771,756		13,507,491		12,900,879
Guidance, health, speech, social worker, teacher consultants						
Instructional Support		4,727,551		5,055,350		4,655,413
Assistant superintendents, program development, computer assistance						
Board of Education		102,933		126,650		110,650
School Board, clerical staff						
Executive Administration		514,660		571,358		547,979
Superintendent, clerical and support staff						
Office of Principal		8,702,020		8,836,785		8,710,538
Principals, assistant principals, clerical and support staff, related materials						
Business Services		2,381,896		2,361,955		2,193,588
Assistant Superintendent, Finance, Purchasing						
Operations and Maintenance		9,598,379		9,638,750		9,601,027
Staff, equipment and supplies for care, upkeep and operation of facilities						
Pupil Transportation		5,658,470		5,789,258		6,087,105
Central Services		4,031,695		4,616,663		4,001,738
Personnel, Community Relations, Data Processing						
Athletics		2,146,201		2,055,253		2,039,020
Community Services		221,457		247,460		235,159
Transfers Out		-		-		-
Total Expenditures	\$	155,298,930	\$	158,046,644	\$	153,973,949
Pupil Count		14,809		14,447		14,164
Operating Expense per Pupil	\$	10,487	\$	10,940	\$	10,871

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 2016/2017 school year.

Cost per Pupil



■ Instructional Services - Basic	■ Instructional Services - Added
■ Pupil Services	■ Instructional Support
■ Board of Education	■ Executive Administration
■ School Site Leadership	■ Business Services
■ Operations and Maintenance	■ Pupil Transportation
■ Central Services	■ Athletics
■ Community Services	■ Debt Service

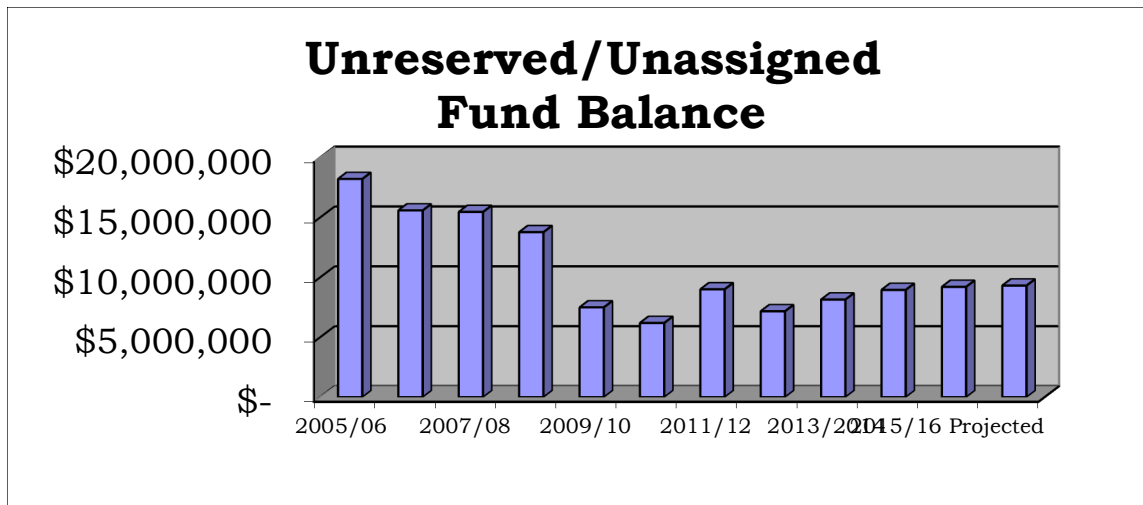
Category of Expense	2016/2017 Cost per Pupil	Percent of Total
Instructional Services - Basic	\$ 5,768	53.06%
Instructional Services - Added	1,496	13.76%
Pupil Services	911	8.38%
Instructional Support	329	3.02%
Board of Education	8	0.07%
Executive Administration	39	0.36%
School Site Leadership	615	5.66%
Business Services	155	1.42%
Operations and Maintenance	678	6.24%
Pupil Transportation	430	3.95%
Central Services	283	2.60%
Athletics	144	1.32%
Community Services	17	0.15%
Total Expenditures	\$ 10,871	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 2015/2016 and 2016/2017.

Year	Total Fund Balance	Reserved Fund Balance	Unreserved		Unreserved as a Percentage of Expenditures
			Designated Fund Balance	Undesignated Fund Balance	
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%
2014/2015	9,472,892	519,441	-	8,953,451	5.77%
2015/16 Projected	9,507,680	300,000	-	9,207,680	5.87%
2016/17 Projected	9,612,452	300,000	-	9,312,452	5.87%
**** - In 2010/2011 Governmental Accounting Standards Board (GASB) 54 was implemented which changed fund balance categories.					



In a typical school year, the cash inflows generated from revenues do not match the outflows caused by expenses. The District receives State Aid payments from October through August, with no payment in September. In addition, tax receipts vary tremendously from month to month. Having an undesignated/unassigned fund balance available allows the District to cover day-to-day operating expenses without the need to borrow. In the past, as part of the annual budget process, the Superintendent has recommended, and the Board has approved, a desired fund balance level. Given the 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.

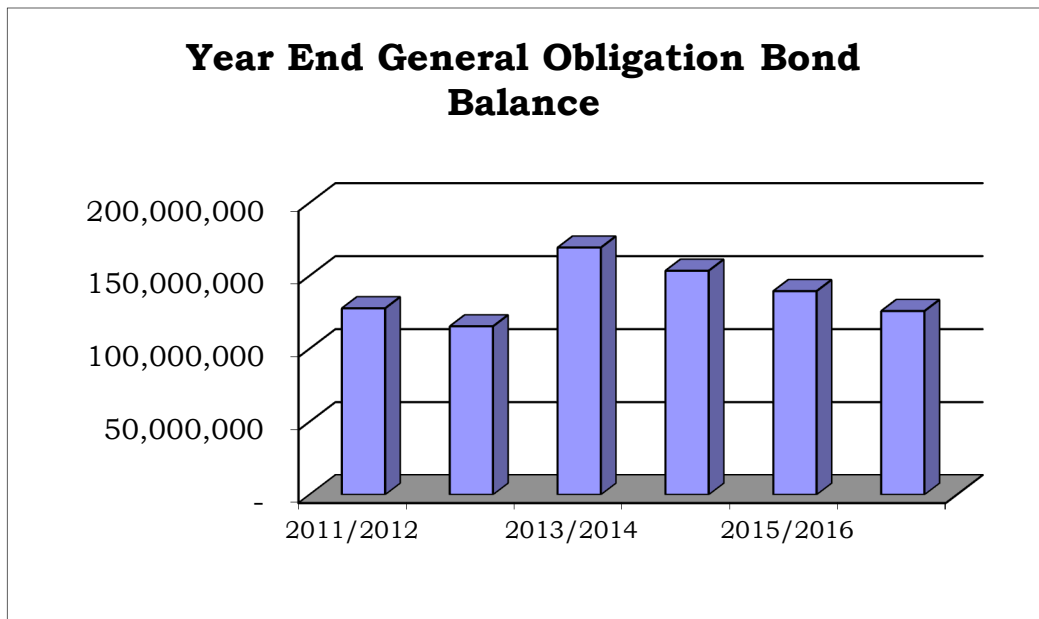
Debt

At the end of 2015/2016, the School District has \$139.5 million in General Obligation Bonds outstanding versus \$153.4 million at the end of 2014/2015.

During the year, the 2006 Bond was refunded, saving the taxpayers in the community approximately \$908,000 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 2016/2017 activity.

School Year	Beginning Balance	Additions	Reductions	Ending Balance
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
2015/2016	\$ 153,430,000	\$ 8,675,000	\$ 22,635,000	\$ 139,470,000
Projected 2016/2017	\$ 139,470,000	\$ -	\$ 13,660,000	\$ 125,810,000



ALL FUNDS

The following includes a summary by object of the 2016/2017 proposed budget for each additional fund type maintained by the District.

	Special Revenue Funds	Debt Service Funds	Capital Project Funds
Revenue			
Local Sources	\$5,692,755	\$20,448,328	\$2,263,300
State Sources	183,000	-	-
Federal Sources	1,667,000	-	-
Interdistrict Sources	-	-	-
Total Revenue	7,542,755	20,448,328	2,263,300
Expenditures			
Salaries	2,875,864	-	-
Benefits	1,246,599	-	-
Purchased Services	517,130	-	-
Supplies and Materials	2,151,020	-	-
Capital Outlay	71,650	-	-
Other	208,097	-	-
Capital Projects/Land	-	-	12,132,449
Debt Service	-	20,166,444	-
Total Expenditures	7,070,360	20,166,444	12,132,449
Other Financing Uses - Transfers Out	(300,000)	-	-
Net Change in Fund Balances	172,395	281,884	(9,869,149)
Fund Balances - Beginning of year	1,492,404	2,181,540	19,792,940
Fund Balances - End of year	\$1,664,799	\$2,463,424	\$9,923,791

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 2006 Bond was refunded during 2015/2016.

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

	2015/2016 Amended Budget	2016/2017 Proposed Budget	Percent Change from Prior Year
General Fund	\$ 158,081,432	\$ 154,078,721	-2.53%
Special Revenue Funds			
Cafeteria Fund	4,497,287	4,615,300	2.62%
Community Education	742,000	742,000	0.00%
Preschool	363,389	373,612	2.81%
Enrichment/Prime Time Care	1,811,843	1,811,843	0.00%
Debt Retirement Funds	30,138,955	20,448,328	-32.15%
Capital Projects Funds	2,419,800	2,263,300	-6.47%
TOTAL	<u>\$ 198,054,706</u>	<u>\$ 184,333,104</u>	<u>-6.93%</u>

Expenses

	2015/2016 Amended Budget	2016/2017 Proposed Budget	Percent Change from Prior Year
General Fund	\$ 158,046,644	\$ 153,973,949	-2.58%
Special Revenue Funds			
Cafeteria Fund	4,397,194	4,544,351	3.35%
Community Education	737,960	719,203	-2.54%
Preschool	374,240	382,156	2.12%
Enrichment/Prime Time Care	1,683,204	1,724,650	2.46%
Debt Retirement Funds	30,049,317	20,166,444	-32.89%
Capital Projects Funds	24,587,341	12,132,449	-50.66%
TOTAL	<u>\$ 219,875,900</u>	<u>\$ 193,643,202</u>	<u>-11.93%</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 and improve after experiencing a large decrease in lunch sales. Legislative changes surrounding allowable lunches and snacks in school had a significant impact on sales. Those restrictions have been adjusted somewhat which has allowed for recent improved sales.

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

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 2006 Bonds resulted in large revenue and expenditures for 2015/2016 which would not continue in 2016/2017.

Expenditures related to the 2014 Safety, Security and Technology Bond are beginning to slow down and projects are wrapped up.

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

Revenues

	2017/2018 Budget Projected	2018/2019 Budget Projected	2019/2020 Budget Projected
General Fund	\$ 155,061,718	\$ 156,609,035	\$ 158,171,826
Special Revenue Funds			
Cafeteria Fund	4,661,453	4,708,068	4,755,148
Community Education	749,420	756,914	764,483
Preschool	377,348	381,122	384,933
Enrichment/Prime Time Care	1,829,961	1,848,261	1,866,744
Debt Retirement Funds	19,317,532	16,971,639	17,325,169
Capital Projects Funds	2,255,433	2,257,787	2,280,365
TOTAL	<u>\$ 184,252,866</u>	<u>\$ 183,532,826</u>	<u>\$ 185,548,668</u>

Expenses

	2017/2018 Budget Projected	2018/2019 Budget Projected	2019/2020 Budget Projected
General Fund	\$ 155,217,281	\$ 156,512,892	\$ 157,821,460
Special Revenue Funds			
Cafeteria Fund	4,567,712	4,591,307	4,615,138
Community Education	721,459	723,737	726,038
Preschool	385,460	388,796	392,166
Enrichment/Prime Time Care	1,836,954	1,849,382	1,861,933
Debt Retirement Funds	19,800,869	17,284,769	17,265,569
Capital Projects Funds	10,684,594	2,822,234	2,850,457
TOTAL	<u>\$ 193,214,329</u>	<u>\$ 184,173,117</u>	<u>\$ 185,532,760</u>

STUDENT PERFORMANCE

Student Success is and will always be our primary district goal. Over the last several years, as mentioned previously, budget constraints have required that administration and the Board of Education make some difficult decisions regarding programs and staff. Efforts have been made to limit the impact of these reductions in and around the classroom to help ensure continued student success.

Test scores are one way to measure the success that we strive for.

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 Michigan Department of Education began using the M-STEP assessment during the 2014/2015 school year.

The M-STEP includes state summative assessments designed to measure student growth effectively for today's students. English language arts and mathematics are assessed in grades 3–8, science in grades 4 and 7, and social studies in grades 5 and 8.

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

The Michigan Merit Examination (MME) in 11th grade consists of WorkKeys (a work skills assessment), the M-STEP summative assessments which will measure student growth in science, and social studies and the SAT.

ACT and SAT Scores

The 2015-2016 school year marked the first year the state of Michigan administered the SAT test, replacing the ACT as the mandated state Career and College Readiness exam for all 11th grade students. In addition, MDE required all 9th and 10th graders to take the PSAT exam.

The SAT is a globally recognized college admission test that lets you show colleges what you know and how well you can apply that knowledge. A student who takes the SAT can expect a test of reading, writing and math comprehension.

The tests are designed to:

- Measure the essential ingredients for college and career readiness and success, as shown by research.
- Have a stronger connection to classroom learning.
- Inspire productive practice.

The scores provide a national perspective on test results. Although the full complement of scoring reports have not yet been made available to districts, preliminary scores show Walled Lake at or above the national level.

The informational section of this document includes M-STEP results for the two years since implementation. SAT results are presented for 2015/2016 only. Given the significant differences between M-STEP and the previous MEAP assessments, the MEAP results are not included in this document.

Accreditation

Walled Lake Schools prides itself in continuous improvement, looking always for ways to enhance success for all students. 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 AdvancED accreditation model helps the entire School District keep the activities and relationships within classrooms at the heart of all improvement strategies while at the same time supporting those which are both systematic and system-wide.

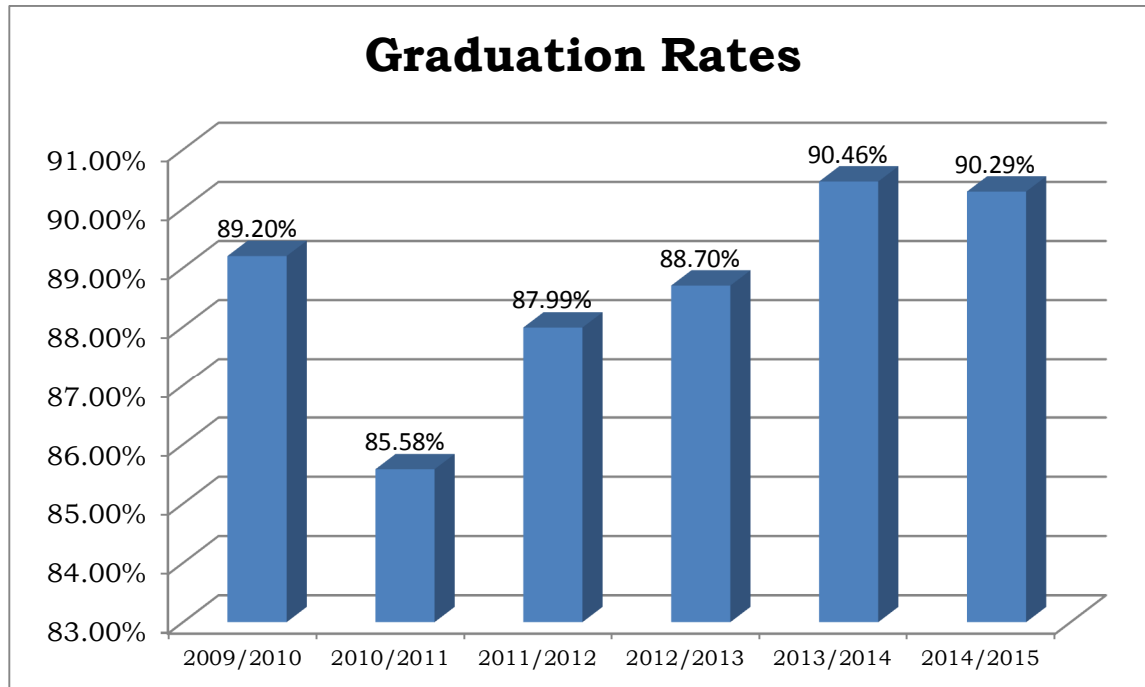
System accreditation recognizes that increasing student achievement involves more than improving instruction. It is a result of how well all the parts of the education system - the district, school and classroom - work together to meet the needs of students. AdvancED accredits schools and districts based on standards that contribute to a quality educational experience and operational effectiveness.

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
- Robust instructional technology in every classroom
- Variety of Advanced Placement course offerings at all three high schools
- Extensive ESL program
- Teacher release time provided to study other teachers through our Teacher 2 Teacher program

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
- Use of Google Apps for Education and other cloud-based technology programs

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;
- ✓ Communicating information to the community to build awareness of Walled Lake Consolidated School District;
- ✓ Providing opportunities for our community to be involved in the District; and
- ✓ 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
- Involved with many community partnerships
- Share information with parents and the community
- Organizing District-wide Open house in the Fall of 2016

Positive District Culture: Ensure that students are able to thrive in a culture that is safe and positive for them, for staff, for parents and for our community by:

- ✓ Creating a culture of safety and social well-being;
- ✓ 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.”

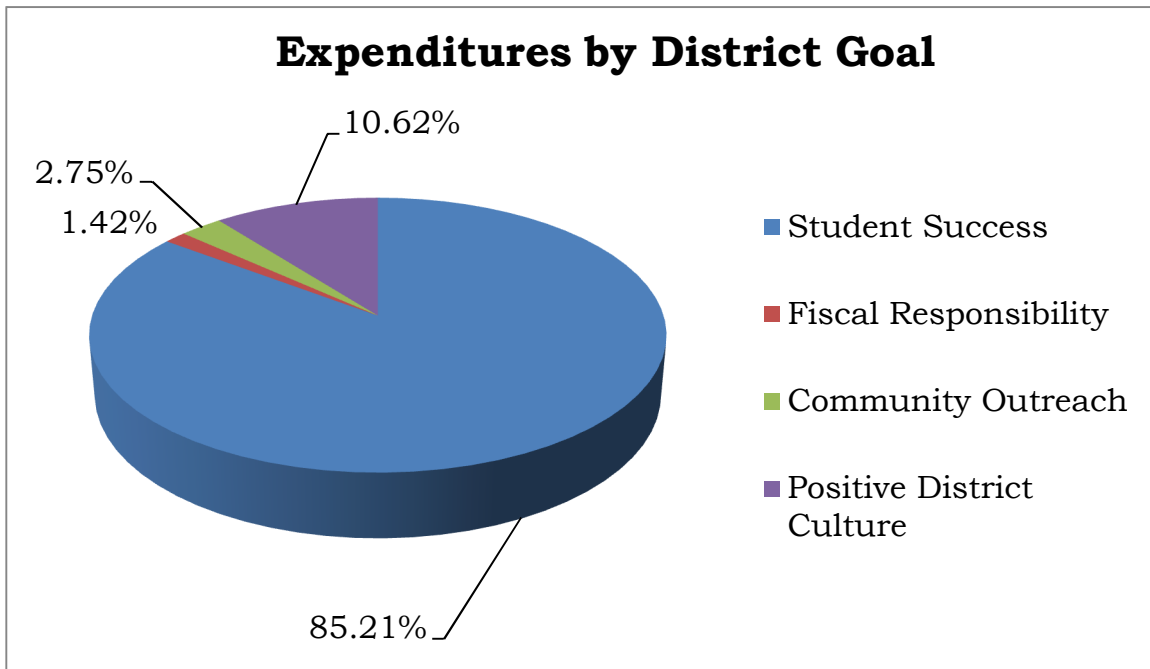
Supporting resources include personnel and monetary support to:

- 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

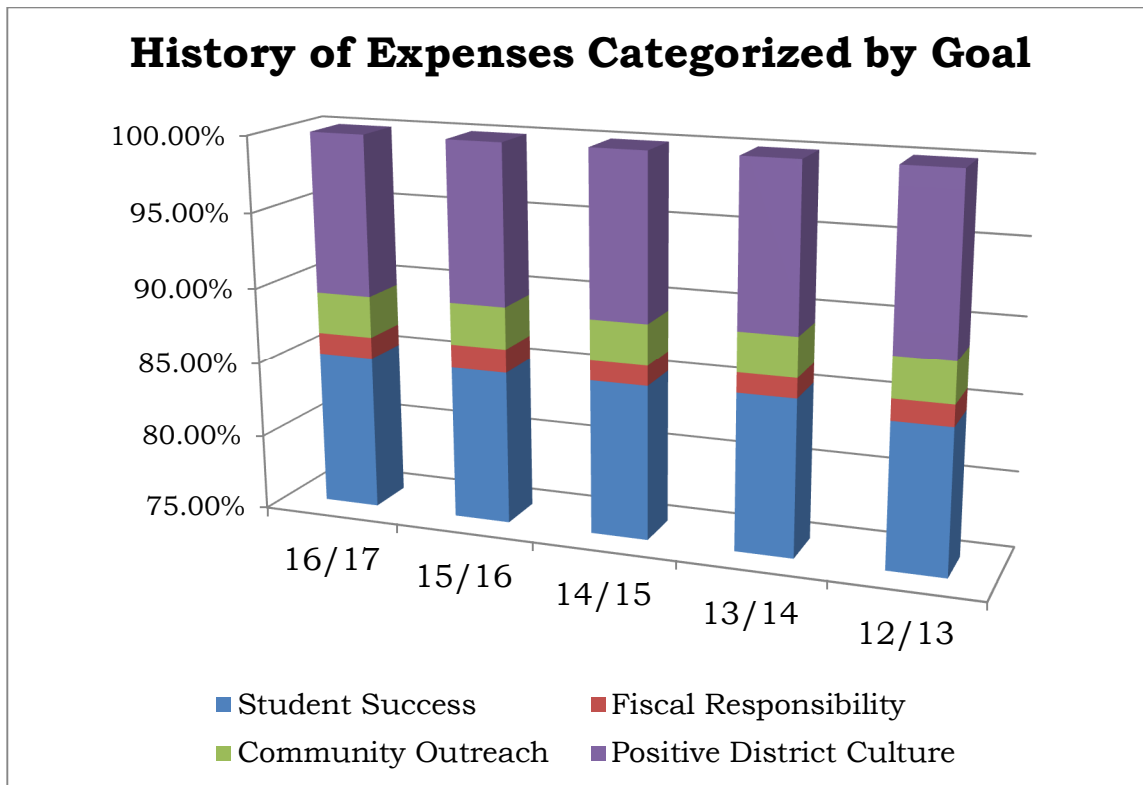
In addition, the 2014 Safety, Security and Technology Bond has allowed for many upgrades to the safety and security of each District building.

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.



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



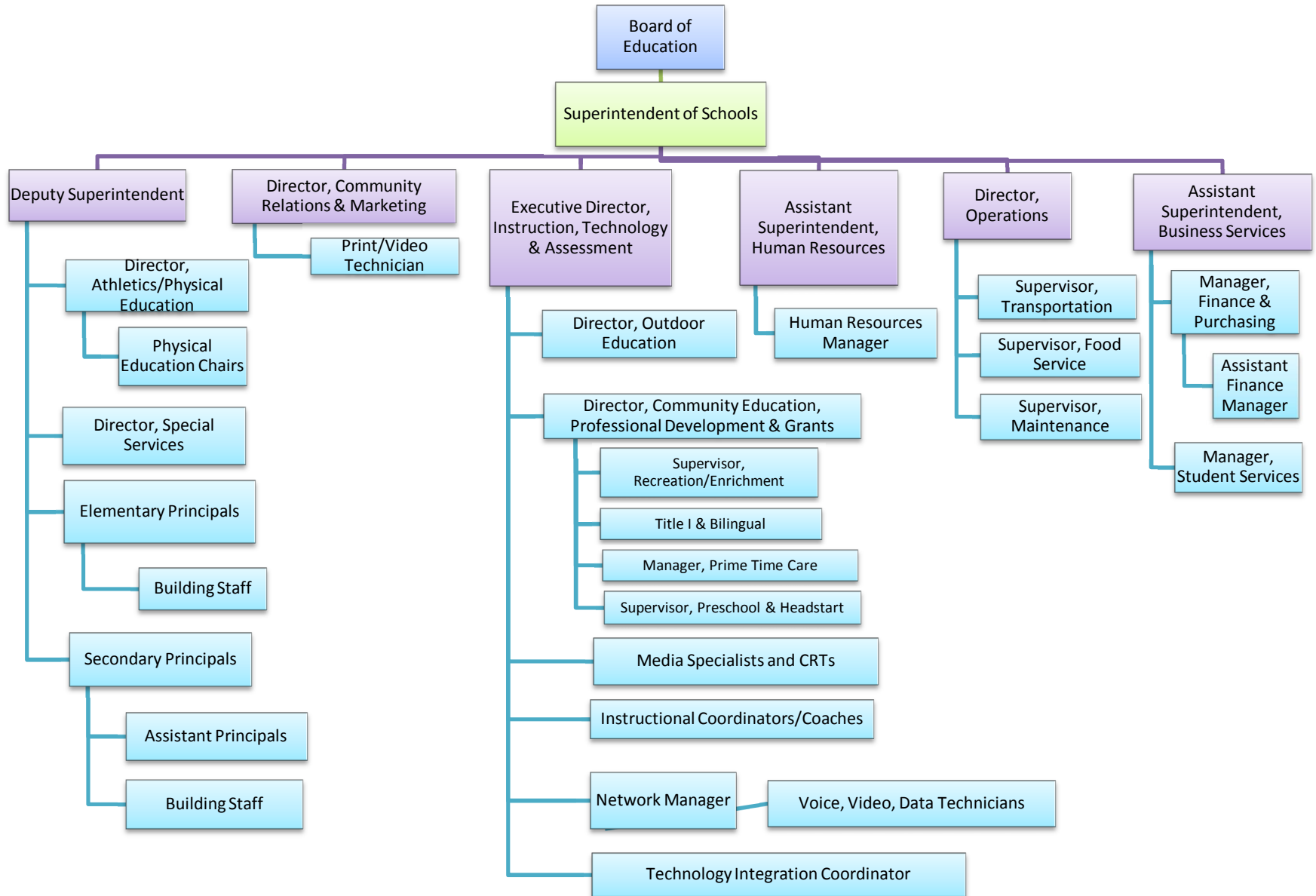
WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

Organizational Section



**Walled Lake Western High School
*Warriors for Warriors – Pink Out***

Walled Lake Consolidated School District 2015/2016



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.

Marc Siegler, President

Term Expires 12/31/2018

Christopher Titus, Vice President

Term Expires 12/31/2016

Greg Janicki, Treasurer

Term Expires 12/31/2020

Peggy Casagrande, Secretary

Term Expires 12/31/2018

Nancy van Leuwen, Trustee

Term Expires 12/31/2016

Kathy Lyall, Trustee

Term Expires 12/31/2020

Denise Bither, Trustee

Term Expires 12/31/2016

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 14,447 students as of the 2015/2016 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://wlcsd.org/our-district/district-maps/>

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 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. The 2016 Debt Retirement Fund was created for the advance refunding of the 2006 bond issue which was refunded during 2015/2016.

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.

The District accounting system allows the Business Office 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 revenue 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 1.9918 mills, 17.9047 mills on non-homesteads, 4.5279 mills for debt on all properties, and 0.4953 mills for the District sinking fund, which is also levied on all properties. Industrial personal property is exempt from the 17.9047 mills operating levy. Commercial personal property is exempt from 12 of the 17.9047 mills operating levy. 100% of the millages are collected in July.

2015/2016 was the first year that tax rates for Walled Lake Schools were 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. Growth experienced during 2015/2016 required an additional roll back for 2016/2017.

The largest impact is the reduction to the 18 mills typically levied on all non-homestead properties. This millage will be further reduced by .0557 mills to 17.9047 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 \$66,000 in lost tax revenue for purposes for operations.

The Hold Harmless maximum allowed millage will also be reduced from 3.9 mills to 3.8630 mills. This will not have a financial impact on our district this year since we only need to levy 1.9918 mills.

The Sinking fund levy is also subject to a rollback and will be reduced by an additional .0032 mills to .4953 mills. This will result in a loss of approximately \$20,000.

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.

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, 2016.

Budget Development Timeline

November 2015	Superintendent and Assistant Superintendent of Business Services meet to discuss budget process
December 2015	Standardized costs for staffing requests developed
December 2015	Review timeline and parameters with Cabinet team
December 2015	Budget calendar available
December 2015	Resolution sent to local municipalities for summer tax collection agreements
January 2016	Preliminary budget projections available
January 2016	Cabinet study session(s)
January 2016	Preliminary budget report at Leadership Team meeting
Jan-Feb-March	Board study sessions as needed
Feb-March	2016-17 preliminary budget review & updates
February 2016	Discussion regarding layoffs within all groups
February 2016	2016-17 student projections & preliminary staffing needs identified
March 2016	Layoff Notices, Unaffiliated Administrators, staff
March 2016	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 2016	Additional Board study sessions as needed
April 2016	Discussion regarding layoffs with WLEA, WLSAA
April 2016	Budget update at Leadership Team
April 2016	Layoff Notices WLEA, WLSAA
May 2016	Preliminary budget changes completed
May 2016	Preliminary budget presented to Board of Education in study session
05/18/16	Publish notice for budget hearing

06/02/16	Preliminary budget available for review
06/02/16	Board conducts public hearing on Budget for 2016-2017
06/02/16	Board establishes 2016-17 debt and general fund millage rates
06/02/16	Board adopts 2016-17 budget
June 2016	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 \$6.5 - \$7.1 million. It was agreed that the potential solutions to the budget deficit should involve three considerations:

Negotiated Concessions – All employee groups that we have completed negotiating with, have agreed to wage concessions of various sorts again for 2016/2017. We are still in the process of negotiating with our Para-Professional group. 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 2016/2017, two secretarial positions were eliminated, an Early Retirement Incentive was offered to our teaching staff and a new pay scale for newly hired teachers was negotiated.

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.

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 2016/2017 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 25.15 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 2.5% for 2016/2017.
- An unusual number of newly hired teachers due to an early retirement incentive put in place for those retiring as of June 30, 2016. This incentive will provide the district with short term savings which are reflected in this budget.
- 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 2016/2017, based on a blended count of 90/10, will be 14,164, representing a decrease of 284 students compared to 2015/2016. The blend will be based on 90% of the Fall 2016 count and 10% will be based on the Spring 2016 count.
- A \$60 per pupil increase to the foundation allowance from The State of Michigan is anticipated for 2016/2017. Additional funds are budgeted to be received as assistance with retirement costs.
- An additional State allocation known as Hold Harmless funding is expected to continue for 2016/2017. This allocation is designed to ensure that after all changes occur to the various categories of per pupil funding that all districts would receive a minimum per pupil increase. The allocation is expected to continue for 2016/2017 and remain level.
- Federal Funds are expected to remain level for 2016/2017.
- The District will continue to explore and implement cost savings and cost containment measures.

- A parcel of District owned property has been listed in the market and is expected to sell during 2016/2017. It has an appraised value of \$500,000.
- 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 2015/2016 school year, amendments were made in December 2015 and March 2016. The final amendment was in June 2016.

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
- Robust instructional technology in every classroom
- Variety of Advanced Placement course offerings at all three high schools
- Extensive ESL program
- Teacher release time provided to study other teachers through our Teacher 2 Teacher program

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
- Use of Google Apps for Education and other cloud-based technology programs

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;
- ✓ Communicating information to the community to build awareness of Walled Lake Consolidated School District;
- ✓ Providing opportunities for our community to be involved in the District; and
- ✓ 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
- Involved with many community partnerships
- Share information with parents and the community
- Organizing District-wide Open house in the Fall of 2016

Positive District Culture: Ensure that students are able to thrive in a culture that is safe and positive for them, for staff, for parents and for our community by:

- ✓ Creating a culture of safety and social well-being;
- ✓ 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.”

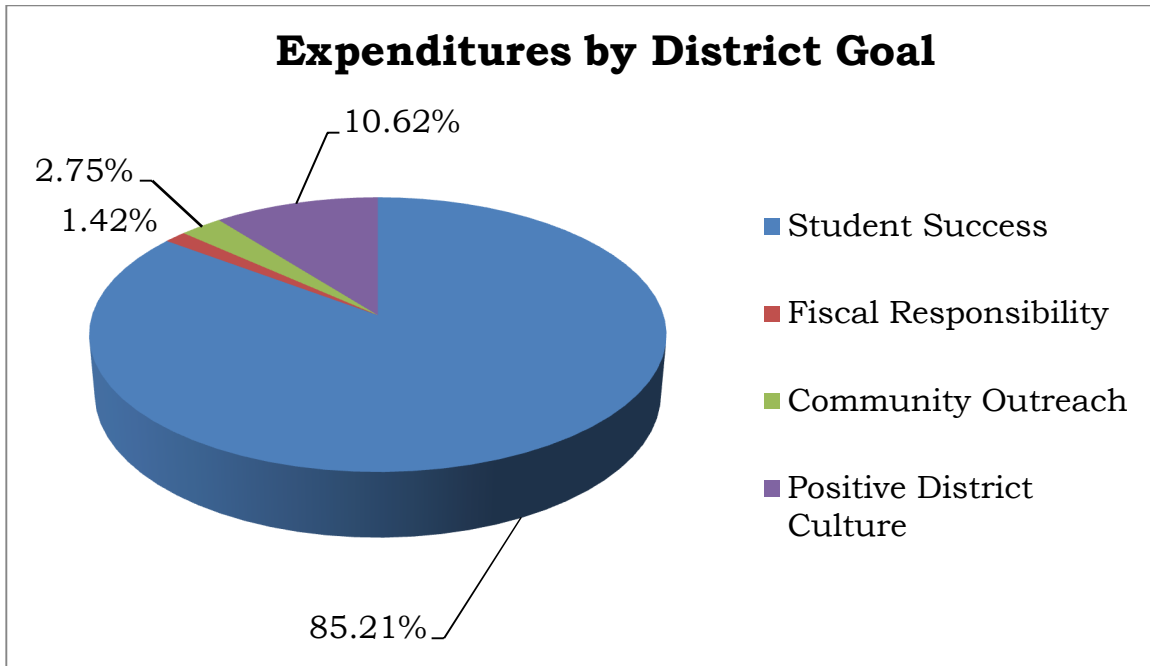
Supporting resources include personnel and monetary support to:

- 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

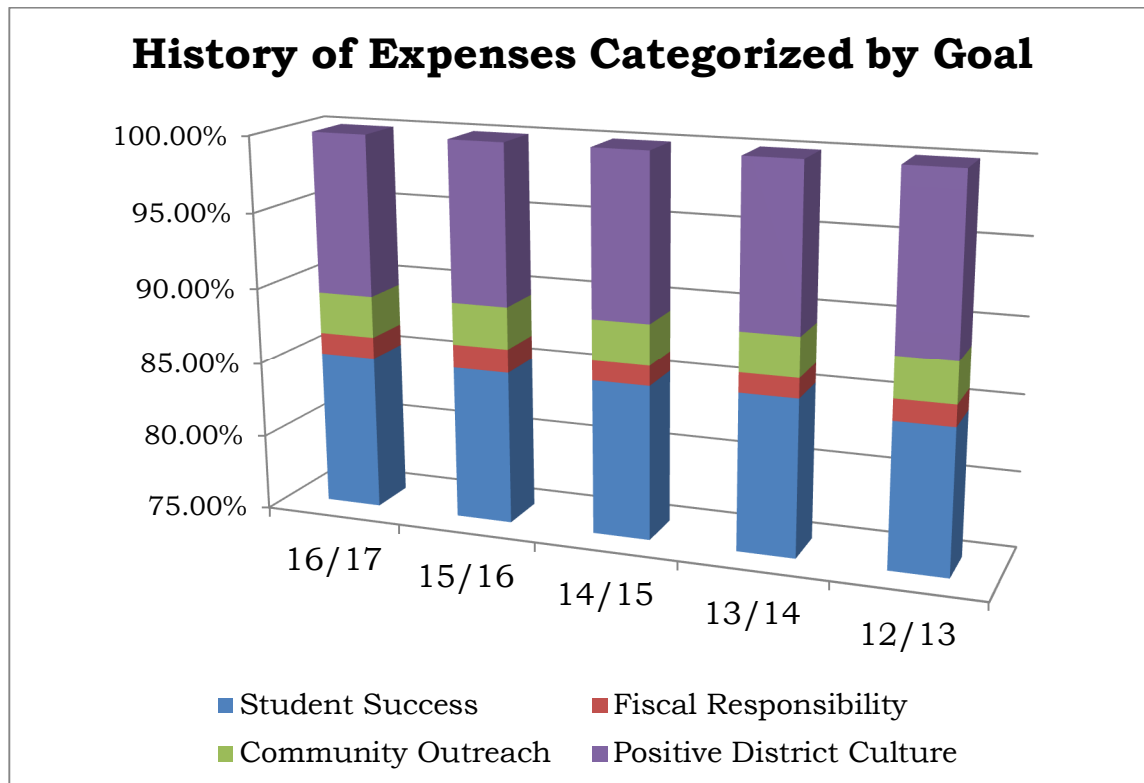
In addition, the 2014 Safety, Security and Technology Bond has allowed for many upgrades to the safety and security of each District building.

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.



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



WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

Financial Section



Oakley Park Elementary
Outdoor Education Center
Track Chair

Every Child, Every Day!

2016-2017 Recommended Budget					
All Fund Summary					
Revenues By Source and Expenditures By Object					
	General	Special	Debt	Capital	
	Fund	Revenue	Service	Project	
	Fund	Funds	Funds	Funds	Total
Revenue					
Local Sources	\$34,939,755	\$5,692,755	\$20,448,328	\$2,263,300	\$63,344,138
State Sources	103,895,719	183,000	-	-	104,078,719
Federal Sources	5,647,022	1,667,000	-	-	7,314,022
Interdistrict Sources	9,146,225	-	-	-	9,146,225
Total Revenue	153,628,721	7,542,755	20,448,328	\$2,263,300	183,883,104
Expenditures					
Salaries	79,674,300	2,875,864	-	-	82,550,164
Benefits	48,636,035	1,246,599	-	-	49,882,634
Purchased Services	19,237,867	517,130	-	-	19,754,997
Supplies and Materials	5,254,692	2,151,020	-	-	7,405,712
Capital Outlay	232,060	71,650	-	-	303,710
Other	938,995	208,097	-	-	1,147,092
Capital Projects/Land	-	-	-	12,132,449	12,132,449
Debt Service	-	-	20,166,444	-	20,166,444
Total Expenditures	153,973,949	7,070,360	20,166,444	12,132,449	193,343,202
Other Financing Sources (Uses)					
Transfers In	450,000	-	-	-	450,000
Transfers Out	-	(300,000)	-	-	(300,000)
Total Other Financing Sources (Uses)	450,000	(300,000)	-	-	150,000
					-
Net Change in Fund Balances	104,772	172,395	281,884	(9,869,149)	(9,310,098)
Fund Balances - Beginning of year	9,507,680	1,492,404	2,181,540	19,792,940	32,974,564
Fund Balances - End of year	\$9,612,452	\$1,664,799	\$2,463,424	\$9,923,791	\$23,664,466

Operating Funds Summary
2012-13 Through 2019-20
Revenues By Source and Expenditures By Object

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$ 37,300,328	\$ 37,611,561	\$ 38,553,913	\$ 39,027,386	\$ 40,203,510	\$ 40,605,545	\$ 41,011,601	\$ 41,421,717
State Sources	106,149,289	107,558,674	108,024,710	107,438,954	104,078,719	105,119,506	106,170,701	107,232,408
Federal Sources	7,144,990	7,230,850	7,206,584	7,243,981	7,314,022	7,387,162	7,461,034	7,535,644
Interdistrict Sources	7,529,134	7,812,806	9,553,161	9,480,630	9,146,225	9,237,687	9,330,064	9,423,365
Total Revenue	158,123,741	160,213,891	163,338,368	163,190,951	160,742,476	162,349,901	163,973,400	165,613,134
Expenditures								
Salaries	92,718,141	88,673,746	84,634,854	84,540,136	82,550,164	83,265,196	84,097,848	84,938,827
Benefits	46,678,697	47,913,749	49,672,756	51,577,327	49,882,634	50,321,924	50,825,143	51,333,395
Purchased Services	13,288,579	18,298,360	18,818,166	19,639,420	19,754,997	19,713,628	19,713,628	19,713,628
Supplies and Materials	9,143,996	8,031,992	7,497,575	7,336,373	7,405,712	7,384,589	7,384,589	7,384,589
Capital Outlay	694,282	388,504	421,057	687,615	303,710	303,710	303,710	303,710
Other	634,701	646,773	1,540,156	1,158,371	1,147,092	1,339,819	1,341,196	1,342,587
Total Expenditures	163,158,396	163,953,124	162,584,564	164,939,242	161,044,309	162,328,866	163,666,114	165,016,735
Other Financing Sources (Uses)								
Transfers In	-	400,000	325,000	300,000	450,000	300,000	300,000	300,000
Transfers Out	-	(400,000)	(325,000)	(300,000)	(300,000)	(400,000)	(400,000)	(400,000)
Proceeds from sale of fixed assets	72,030	661,540	233,633	2,005,000	429,000	30,000	30,000	30,000
Total Other Fin. Sources (Uses)	72,030	661,540	233,633	2,005,000	579,000	(70,000)	(70,000)	(70,000)
Net Change in Fund Balance	(4,962,625)	(3,077,693)	987,437	256,709	277,167	(48,965)	237,286	526,398
Fund Balances - Beginning of year	17,796,256	12,833,631	9,755,938	10,743,375	11,000,084	11,277,251	11,228,286	11,465,572
Fund Balances - End of year	\$ 12,833,631	\$ 9,755,938	\$ 10,743,375	\$ 11,000,084	\$ 11,277,251	\$ 11,228,286	\$ 11,465,572	\$ 11,991,970
Note: Operating Funds include the District General Fund and Special Revenue Funds								

	Operating Funds Summary - Expenditures by Function for 2012-13 Through 2019-20							
	2012/2013	2013/2014	2014/2015	2015/2016	2015/2016	2016/2017	2017/2018	2017/2018
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Instruction								
Elementary	\$ 38,498,969	\$ 39,529,489	\$ 38,906,104	\$ 39,841,979	\$ 38,219,872	\$ 38,587,505	\$ 38,958,814	\$ 39,333,837
Middle School	21,395,643	21,396,331	20,466,153	19,208,812	18,655,244	18,834,041	19,014,627	19,197,018
High School	24,295,466	24,773,707	24,317,164	24,549,290	23,824,352	24,042,015	24,261,854	24,483,892
Other Basic Programs	605,625	543,182	834,731	1,094,576	999,307	1,006,452	1,013,669	1,020,958
Special Education	14,098,276	14,437,474	15,582,928	16,339,568	16,904,993	17,058,124	17,212,787	17,368,996
Vocational Education	1,118,389	1,116,578	1,152,411	1,079,513	1,062,782	1,072,570	1,082,456	1,092,440
Other Added Needs and Adult Ed	2,806,874	3,203,221	3,182,421	3,125,933	3,224,303	3,253,316	3,282,618	3,312,214
Total Instruction	102,819,242	104,999,982	104,441,912	105,239,671	102,890,853	103,854,023	104,826,825	105,809,355
Supporting Services								
Guidance Services	3,833,277	3,780,132	3,590,859	3,767,496	3,411,867	3,445,585	3,479,641	3,514,037
Health Services	796,566	877,995	759,743	1,018,266	1,002,961	1,004,451	1,005,956	1,007,477
Psychological Services	1,014,517	984,268	1,012,635	1,075,001	995,573	1,005,066	1,014,654	1,024,338
Speech Services	2,273,607	2,371,917	2,456,555	2,612,639	2,535,058	2,560,068	2,585,329	2,610,842
Social Work	1,670,987	1,661,343	1,736,215	1,794,919	1,831,055	1,849,248	1,867,622	1,886,180
T/C Special Education	1,725,220	1,764,233	1,798,083	1,850,759	1,770,072	1,787,628	1,805,360	1,823,269
Other Pupil Services	1,458,921	1,447,628	1,417,666	1,388,411	1,354,293	1,365,882	1,377,587	1,389,409
Improvement of Instruction	1,711,024	1,488,875	1,437,217	1,685,914	1,376,041	1,387,466	1,399,006	1,410,660
Library Services	1,221,236	965,251	936,564	1,005,237	968,603	977,846	987,182	996,610
Audio/Visual	330,058	321,196	323,620	337,100	335,691	339,001	342,344	345,720
Instructional Staff Supervision	1,973,245	1,916,666	1,904,494	1,894,129	1,873,441	1,891,559	1,909,859	1,928,341
Media Services	88,174	77,159	116,022	128,777	94,276	94,581	94,889	95,200
Other Instruction Staff	45,347	53,265	9,634	4,193	7,361	7,361	7,361	7,361
Board of Education	149,843	236,896	102,933	126,650	110,650	110,650	110,650	110,650
Executive Administration	474,363	502,157	514,660	571,358	547,979	552,022	557,014	562,056
Office of Principal	8,639,107	8,656,528	8,702,020	8,836,785	8,710,538	8,796,053	8,882,726	8,970,267
Fiscal Services	1,323,538	1,555,269	1,623,387	1,676,423	1,607,487	1,617,757	1,628,130	1,638,607
Other Business Services	683,572	691,290	758,509	685,532	586,101	587,862	589,641	591,438
Custodial/Maintenance	9,950,398	10,081,398	9,598,379	9,638,750	9,601,027	9,622,324	9,643,833	9,665,558
Transportation	7,715,862	6,148,167	5,658,470	5,789,258	6,087,105	6,088,344	6,089,596	6,090,860
Testing/Community Relations	447,876	469,525	538,997	565,642	571,110	576,329	580,085	583,878
Personnel	904,373	935,683	895,521	972,434	916,101	929,785	938,310	946,919
Pupil Accounting	296,940	329,681	312,154	353,131	323,036	326,205	329,406	33

General Fund 2012-13 Through 2019-20
Revenues By Source and Expenditures By Object

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$ 31,899,959	\$ 32,248,259	\$ 33,070,989	\$ 33,420,854	\$ 34,510,755	\$ 34,855,863	\$ 35,204,421	\$ 35,556,465
State Sources	105,934,892	107,254,499	107,629,836	107,255,967	103,895,719	104,934,676	105,984,023	107,043,863
Federal Sources	5,548,067	5,577,557	5,575,874	5,618,981	5,647,022	5,703,492	5,760,527	5,818,132
Interdistrict Sources	7,529,134	7,812,806	9,553,161	9,480,630	9,146,225	9,237,687	9,330,064	9,423,365
Total Revenue	150,912,052	152,893,121	155,829,860	155,776,432	153,199,721	154,731,718	156,279,035	157,841,826
Expenditures								
Salaries	89,813,647	85,840,539	81,845,279	81,728,298	79,674,300	80,360,573	81,164,179	81,975,821
Benefits	45,396,767	46,522,179	48,163,080	50,330,460	48,636,035	49,062,859	49,553,487	50,049,022
Purchased Services	12,660,388	17,806,348	18,221,669	19,124,446	19,237,867	19,196,498	19,196,498	19,196,498
Supplies and Materials	7,021,705	5,912,327	5,329,903	5,244,535	5,254,692	5,233,569	5,233,569	5,233,569
Capital Outlay	542,132	358,904	388,410	665,965	232,060	232,060	232,060	232,060
Other	362,630	349,207	1,350,589	952,940	938,995	1,131,722	1,133,099	1,134,490
Total Expenditures	155,797,269	156,789,504	155,298,930	158,046,644	153,973,949	155,217,281	156,512,892	157,821,460
Other Financing Sources (Uses)								
Transfers In	-	400,000	325,000	300,000	450,000	300,000	300,000	300,000
Proceeds from sale of fixed assets	72,030	661,540	233,633	2,005,000	429,000	30,000	30,000	30,000
Total Other Fin. Sources (Uses)	72,030	1,061,540	558,633	2,305,000	879,000	330,000	330,000	330,000
Net Change in Fund Balance	(4,813,187)	(2,834,843)	1,089,563	34,788	104,772	(155,563)	96,143	350,366
Fund Balances - Beginning of year	16,031,359	11,218,172	8,383,329	9,472,892	9,507,680	9,612,452	9,456,889	9,553,032
Fund Balances - End of year	\$ 11,218,172	\$ 8,383,329	\$ 9,472,892	\$ 9,507,680	\$ 9,612,452	\$ 9,456,889	\$ 9,553,032	\$ 9,903,398

General Fund 2012-13 Through 2019-20								
Expenditures by Function								
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Instruction								
Elementary	\$ 38,498,969	\$ 39,529,489	\$ 38,906,104	\$ 39,841,979	\$ 38,219,872	\$ 38,587,505	\$ 38,958,814	\$ 39,333,837
Middle School	21,395,643	21,396,331	20,466,153	19,208,812	18,655,244	18,834,041	19,014,627	19,197,018
High School	24,295,466	24,773,707	24,317,164	24,549,290	23,824,352	24,042,015	24,261,854	24,483,892
Other Basic Programs	605,625	543,182	834,731	1,094,576	999,307	1,006,452	1,013,669	1,020,958
Special Education	14,098,276	14,437,474	15,582,928	16,339,568	16,904,993	17,058,124	17,212,787	17,368,996
Vocational Education	1,118,389	1,116,578	1,152,411	1,079,513	1,062,782	1,072,570	1,082,456	1,092,440
Other Added Needs and Adult Ed	2,806,874	3,203,221	3,182,421	3,125,933	3,224,303	3,253,316	3,282,618	3,312,214
Total Instruction	102,819,242	104,999,982	104,441,912	105,239,671	102,890,853	103,854,023	104,826,825	105,809,355
Supporting Services								
Guidance Services	3,833,277	3,780,132	3,590,859	3,767,496	3,411,867	3,445,585	3,479,641	3,514,037
Health Services	796,566	877,995	759,743	1,018,266	1,002,961	1,004,451	1,005,956	1,007,477
Psychological Services	1,014,517	984,268	1,012,635	1,075,001	995,573	1,005,066	1,014,654	1,024,338
Speech Services	2,273,607	2,371,917	2,456,555	2,612,639	2,535,058	2,560,068	2,585,329	2,610,842
Social Work	1,670,987	1,661,343	1,736,215	1,794,919	1,831,055	1,849,248	1,867,622	1,886,180
T/C Special Education	1,725,220	1,764,233	1,798,083	1,850,759	1,770,072	1,787,628	1,805,360	1,823,269
Other Pupil Services	1,458,921	1,447,628	1,417,666	1,388,411	1,354,293	1,365,882	1,377,587	1,389,409
Improvement of Instruction	1,711,024	1,488,875	1,437,217	1,685,914	1,376,041	1,387,466	1,399,006	1,410,660
Library Services	1,221,236	965,251	936,564	1,005,237	968,603	977,846	987,182	996,610
Audio/Visual	330,058	321,196	323,620	337,100	335,691	339,001	342,344	345,720
Instructional Staff Supervision	1,973,245	1,916,666	1,904,494	1,894,129	1,873,441	1,891,559	1,909,859	1,928,341
Media Services	88,174	77,159	116,022	128,777	94,276	94,581	94,889	95,200
Other Instruction Staff	45,347	53,265	9,634	4,193	7,361	7,361	7,361	7,361
Board of Education	149,843	236,896	102,933	126,650	110,650	110,650	110,650	110,650
Executive Administration	474,363	502,157	514,660	571,358	547,979	552,022	557,014	562,056
Office of Principal	8,639,107	8,656,528	8,702,020	8,836,785	8,710,538	8,796,053	8,882,726	8,970,267
Fiscal Services	1,323,538	1,555,269	1,623,387	1,676,423	1,607,487	1,617,757	1,628,130	1,638,607
Other Business Services	683,572	691,290	758,509	685,532	586,101	587,862	589,641	591,438
Custodial/Maintenance	9,950,398	10,081,398	9,598,379	9,638,750	9,601,027	9,622,324	9,643,833	9,665,558
Transportation	7,715,862	6,148,167	5,658,470	5,789,258	6,087,105	6,088,344	6,089,596	6,090,860
Testing/Community Relations	447,876	469,525	538,997	565,642	571,110	576,329	580,085	583,878
Personnel	904,373	935,683	895,521	972,434	916,101	929,785	938,310	946,919
Pupil Accounting	296,940	329,681	312,154	353,131	323,036	326,205	329,406	332,639
Data Processing	1,987,134	2,272,125	2,285,023	2,725,456	2,191,491	2,201,737	2,212,086	2,222,538
Athletics	2,072,854	2,062,920	2,146,201	2,055,253	2,039,020	2,046,919	2,054,898	2,062,956
Total Supporting Services	52,788,039	51,651,567	50,635,561	52,559,513	50,847,937	51,171,731	51,493,163	51,817,810
Community Services	189,988	137,955	221,457	247,460	235,159	191,527	192,904	194,295
Transfers Out	-	-	-	-	-	-	-	-
Total Expenditures and Other Uses	\$ 155,797,269	\$ 156,789,504	\$ 155,298,930	\$ 158,046,644	\$ 153,973,949	\$ 155,217,281	\$ 156,512,892	\$ 157,821,460

Walled Lake Consolidated Schools

Cafeteria Fund

2012/2013 Through 2019/2020

Revenues By Source and Expenditures By Object

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$ 2,586,801	\$ 2,550,535	\$ 2,551,244	\$ 2,689,300	\$ 2,765,300	\$ 2,792,953	\$ 2,820,883	\$ 2,849,091
State Sources	214,397	243,337	283,254	182,987	183,000	184,830	186,678	188,545
Federal Sources	1,596,923	1,653,293	1,630,710	1,625,000	1,667,000	1,683,670	1,700,507	1,717,512
Total Revenue	4,398,121	4,447,165	4,465,208	4,497,287	4,615,300	4,661,453	4,708,068	4,755,148
Expenditures								
Salaries	1,686,343	1,586,325	1,546,510	1,558,260	1,597,179	1,613,151	1,629,282	1,645,575
Benefits	795,551	817,215	888,115	741,214	738,947	746,336	753,800	761,338
Purchased Services	57,252	63,977	69,556	70,350	67,750	67,750	67,750	67,750
Supplies and Materials	1,911,005	1,910,695	1,966,194	1,907,484	1,969,100	1,969,100	1,969,100	1,969,100
Capital Outlay	152,104	29,600	32,647	21,650	71,650	71,650	71,650	71,650
Other	162,267	161,233	90,000	98,236	99,725	99,725	99,725	99,725
Total Expenditures	4,764,522	4,569,045	4,593,022	4,397,194	4,544,351	4,567,712	4,591,307	4,615,138
Net Change in Fund Balance	(366,401)	(121,880)	(127,814)	100,093	70,949	93,741	116,760	140,010
Fund Balances - Beginning of year	1,003,121	636,720	514,840	387,026	487,119	558,068	651,809	768,569
Fund Balances - End of year	\$ 636,720	\$ 514,840	\$ 387,026	\$ 487,119	\$ 558,068	\$ 651,809	\$ 768,569	\$ 908,579

Walled Lake Consolidated Schools
Community Education Fund
2012/2013 Through 2019/2020
Revenues By Source and Expenditures By Object

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$ 857,861	\$ 756,993	\$ 752,975	\$ 742,000	\$ 742,000	\$ 749,420	\$ 756,914	\$ 764,483
State Sources	-	7,237	12,843	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	857,861	764,230	765,818	742,000	742,000	749,420	756,914	764,483
Expenditures								
Salaries	143,957	145,975	141,300	147,213	147,213	148,685	150,172	151,674
Benefits	71,269	82,288	97,612	77,723	78,344	79,127	79,919	80,718
Purchased Services	485,792	334,045	471,250	399,144	403,900	403,900	403,900	403,900
Supplies and Materials	68,477	77,202	67,258	61,004	61,625	61,625	61,625	61,625
Capital Outlay	46	-	-	-	-	-	-	-
Other	36,550	69,158	28,912	27,876	28,121	28,121	28,121	28,121
Total Expenditures	806,091	708,668	806,332	712,960	719,203	721,459	723,737	726,038
Other Financing Sources								
Transfers Out	-	-	(25,000)	(25,000)	-	-	-	-
Total Other Financing Sources	-	-	(25,000)	(25,000)	-	-	-	-
Net Change in Fund Balance	51,770	55,562	(65,514)	4,040	22,797	27,961	33,178	38,446
Fund Balances - Beginning of year	106,283	158,053	213,615	148,101	152,141	174,938	202,899	236,077
Fund Balances - End of year	\$ 158,053	\$ 213,615	\$ 148,101	\$ 152,141	\$ 174,938	\$ 202,899	\$ 236,077	\$ 274,523

Walled Lake Consolidated Schools								
Preschool Fund								
2012/2013 Through 2019/2020								
Revenues By Source and Expenditures By Object								
	2012/2013 Actual	2013/2014 Actual	2014/2015 Actual	2015/2016 Amended Budget	2016/2017 Recommended Budget	2017/2018 Projected Budget	2018/2019 Projected Budget	2019/2020 Projected Budget
Revenue								
Local Sources	\$ 456,158	\$ 443,522	\$ 411,170	\$ 363,389	\$ 373,612	\$ 377,348	\$ 381,122	\$ 384,933
State Sources	-	11,573	17,893	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	456,158	455,095	429,063	363,389	373,612	377,348	381,122	384,933
Expenditures								
Salaries	266,825	236,419	211,204	203,612	228,719	231,006	233,316	235,649
Benefits	130,377	137,528	115,370	94,938	101,634	102,650	103,677	104,714
Purchased Services	19,705	16,143	21,209	15,880	15,880	15,880	15,880	15,880
Supplies and Materials	20,930	10,771	12,638	23,000	23,000	23,000	23,000	23,000
Capital Outlay	-	-	-	-	-	-	-	-
Other	16,011	14,482	11,258	11,810	12,923	12,923	12,923	12,923
Total Expenditures	453,848	415,343	371,679	349,240	382,156	385,460	388,796	392,166
Other Financing Uses - Transfers Out	-	-	-	(25,000)	-	-	-	-
Net Change in Fund Balance	2,310	39,752	57,384	(10,851)	(8,544)	(8,111)	(7,674)	(7,233)
Fund Balances - Beginning of year	183,338	185,648	225,400	282,784	271,933	263,389	255,278	247,603
Fund Balances - End of year	\$ 185,648	\$ 225,400	\$ 282,784	\$ 271,933	\$ 263,389	\$ 255,278	\$ 247,603	\$ 240,370

Revenues By Source and Expenditures By Object

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$ 1,499,549	\$ 1,612,252	\$ 1,767,535	\$ 1,811,843	\$ 1,811,843	\$ 1,829,961	\$ 1,848,261	\$ 1,866,744
State Sources	-	42,028	80,884	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	1,499,549	1,654,280	1,848,419	1,811,843	1,811,843	1,829,961	1,848,261	1,866,744
Expenditures								
Salaries	807,369	864,488	890,561	902,753	902,753	911,781	920,898	930,107
Benefits	284,733	354,539	408,579	332,992	327,674	330,951	334,260	337,603
Purchased Services	65,442	77,847	34,482	29,600	29,600	29,600	29,600	29,600
Supplies and Materials	121,879	120,997	121,582	100,350	97,295	97,295	97,295	97,295
Capital Outlay	-	-	-	-	-	-	-	-
Other	57,243	52,693	59,397	67,509	67,328	67,328	67,328	67,328
Total Expenditures	1,336,666	1,470,564	1,514,601	1,433,204	1,424,650	1,436,954	1,449,382	1,461,933
Other Financing Uses - Transfers Out	-	(400,000)	(300,000)	(250,000)	(300,000)	(400,000)	(400,000)	(400,000)
Net Change in Fund Balance	162,883	(216,284)	33,818	128,639	87,193	(6,993)	(1,121)	4,810
Fund Balances - Beginning of year	472,155	635,038	418,754	452,572	581,211	668,404	661,411	660,291
Fund Balances - End of year	\$ 635,038	\$ 418,754	\$ 452,572	\$ 581,211	\$ 668,404	\$ 661,411	\$ 660,291	\$ 665,101

Walled Lake Consolidated Schools
2004 Debt Fund
2012/2013 Through 2019/2020

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$1,240,703	\$2,494,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures								
Principal Payments	1,625,000	1,625,000	-	-	-	-	-	-
Interest and Other	134,724	71,332	-	-	-	-	-	-
Total Expenditures	1,759,724	1,696,332	-	-	-	-	-	-
Excess of Revenue Over (Under) Expenditures	(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	(72,021)	(5,000)	-	-	-	-	-	-
Fund Balances - Beginning of year	77,021	5,000	-	-	-	-	-	-
Fund Balances - End of year	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Walled Lake Consolidated Schools
2005 Debt Fund
2012/2013 Through 2019/2020

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ 8,246,752	\$ 7,945,890	\$ 8,916,575	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures								
Principal Payments	5,800,000	5,800,000	5,800,000	-	-	-	-	-
Interest and Other	2,923,895	2,631,999	1,324,469	-	-	-	-	-
Total Expenditures	8,723,895	8,431,999	7,124,469	-	-	-	-	-
Excess of Revenue Over (Under) Expenditures	(477,143)	(486,109)	1,792,106	-	-	-	-	-
Other Financing Sources (Uses)								
Transfers In	43,127	600,000	-	-	-	-	-	-
Transfers Out	(1,360,000)	-	(1,910,998)	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,316,873)	600,000	(1,910,998)	-	-	-	-	-
Net Change in Fund Balances	(1,794,016)	113,891	(118,892)	-	-	-	-	-
Fund Balances - Beginning of year	1,799,017	5,001	118,892	-	-	-	-	-
Fund Balances - End of year	\$ 5,001	\$ 118,892	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Walled Lake Consolidated Schools
2006 Debt Fund
2012/2013 Through 2019/2020

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ -	\$ 465,408	\$ 477,972	\$ 311,734	\$ -	\$ -	\$ -	\$ -
Expenditures								
Principal Payments	55,000	60,000	60,000	60,000	-	-	-	-
Interest and Other	389,346	387,923	385,944	193,838	-	-	-	-
Total Expenditures	444,346	447,923	445,944	253,838	-	-	-	-
Excess of Revenue Over (Under) Expenditures	(444,346)	17,485	32,028	57,896	-	-	-	-
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(17,852)	-	-	(112,409)	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(17,852)	-	-	(112,409)	-	-	-	-
Net Change in Fund Balances	(462,198)	17,485	32,028	(54,513)	-	-	-	-
Fund Balances - Beginning of year	467,198	5,000	22,485	54,513	-	-	-	-
Fund Balances - End of year	\$ 5,000	\$ 22,485	\$ 54,513	\$ -	\$ -	\$ -	\$ -	\$ -

Walled Lake Consolidated Schools
2011 Debt Fund
2012/2013 Through 2019/2020

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ 6,188,161	\$ 7,725,397	\$ 6,186,482	\$ 7,087,590	\$ 6,644,043	\$ 6,118,452	\$ 5,961,525	\$ 5,644,375
Expenditures								
Principal Payments	5,030,000	4,315,000	4,875,000	5,385,000	5,135,000	5,075,000	5,000,000	4,935,000
Interest and Other	2,197,626	2,098,066	1,879,335	1,720,750	1,446,000	1,209,375	990,875	740,875
Total Expenditures	7,227,626	6,413,066	6,754,335	7,105,750	6,581,000	6,284,375	5,990,875	5,675,875
Excess of Revenue Over (Under) Expenditures	(1,039,465)	1,312,331	(567,853)	(18,160)	63,043	(165,923)	(29,350)	(31,500)
Other Financing Sources (Uses)								
Transfers In	708,000	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	708,000	-	-	-	-	-	-	-
Net Change in Fund Balances	(331,465)	1,312,331	(567,853)	(18,160)	63,043	(165,923)	(29,350)	(31,500)
Fund Balances - Beginning of year	336,465	5,000	1,317,331	749,478	731,318	794,361	628,438	599,088
Fund Balances - End of year	\$ 5,000	\$ 1,317,331	\$ 749,478	\$ 731,318	\$ 794,361	\$ 628,438	\$ 599,088	\$ 567,588

Walled Lake Consolidated Schools
2012 Debt Fund
2012/2013 Through 2019/2020

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ 194,300	\$ 211,036	\$ 2,020,416	\$ 1,773,904	\$ 1,859,429	\$ 1,699,739	\$ 440,670	\$ -
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	170,850	126,450	75,300	25,200	-
Total Expenditures	269,017	217,314	1,870,080	1,780,850	1,831,450	1,745,300	615,200	-
Excess of Revenue Over (Under) Expenditures	(74,717)	(6,278)	150,336	(6,946)	27,979	(45,561)	(174,530)	-
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	150,336	(6,946)	27,979	(45,561)	(174,530)	-
Fund Balances - Beginning of year	-	5,000	48,722	199,058	192,112	220,091	174,530	-
Fund Balances - End of year	\$ 5,000	\$ 48,722	\$ 199,058	\$ 192,112	\$ 220,091	\$ 174,530	\$ -	\$ -

2014 Debt Fund								
2012/2013 Through 2019/2020								
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ -	\$ -	\$ 3,270,652	\$ 3,054,164	\$ 3,981,376	\$ 4,052,861	\$ 4,197,544	\$ 4,323,034
Expenditures								
Principal Payments	-	-	-	-	750,000	1,075,000	1,155,000	1,305,000
Interest and Other	-	791,971	3,070,758	3,071,994	3,073,194	3,058,194	3,036,694	3,006,094
Total Expenditures	-	791,971	3,070,758	3,071,994	3,823,194	4,133,194	4,191,694	4,311,094
Excess of Revenue Over (Under) Expenditures	-	(791,971)	199,894	(17,830)	158,182	(80,333)	5,850	11,940
Other Financing Sources (Uses)								
Transfers In	-	945,377	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	945,377	-	-	-	-	-	-
Net Change in Fund Balances	-	153,406	199,894	(17,830)	158,182	(80,333)	5,850	11,940
Fund Balances - Beginning of year	-	-	153,406	353,300	335,470	493,652	413,319	419,169
Fund Balances - End of year	\$ -	\$ 153,406	\$ 353,300	\$ 335,470	\$ 493,652	\$ 413,319	\$ 419,169	\$ 431,109

2015 Debt Fund								
2012/2013 Through 2019/2020								
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ -	\$ -	\$ -	\$ 7,709,726	\$ 7,640,400	\$ 7,097,278	\$ 4,906,400	\$ 5,416,200
Expenditures								
Principal Payments	-	-	-	6,090,000	6,070,000	6,020,000	4,160,000	4,635,000
Interest and Other	-	-	723,390	1,757,750	1,506,300	1,263,500	962,500	754,500
Total Expenditures	-	-	723,390	7,847,750	7,576,300	7,283,500	5,122,500	5,389,500
Excess of Revenue Over (Under) Expenditures	-	-	(723,390)	(138,024)	64,100	(186,222)	(216,100)	26,700
Other Financing Sources (Uses)								
Transfers In	-	-	1,910,998	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	37,280,000	-	-	-	-	-
Payments to Bond Escrow	-	-	(41,767,755)	-	-	-	-	-
Premium on Bond Refunding	-	-	4,288,643	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	1,711,886	-	-	-	-	-
Net Change in Fund Balances	-	-	988,496	(138,024)	64,100	(186,222)	(216,100)	26,700
Fund Balances - Beginning of year	-	-	-	988,496	850,472	914,572	728,350	512,250
Fund Balances - End of year	\$ -	\$ -	\$ 988,496	\$ 850,472	\$ 914,572	\$ 728,350	\$ 512,250	\$ 538,950

Walled Lake Consolidated Schools 2016 Debt Fund 2012/2013 Through 2019/2020								
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ -	\$ -	\$ -	\$ 130,000	\$ 323,080	\$ 349,202	\$ 1,465,500	\$ 1,941,560
Expenditures								
Principal Payments	-	-	-	-	-	-	1,010,000	1,575,000
Interest and Other	-	-	-	201,983	354,500	354,500	354,500	314,100
Total Expenditures	-	-	-	201,983	354,500	354,500	1,364,500	1,889,100
Excess of Revenue Over (Under) Expenditures	-	-	-	(71,983)	(31,420)	(5,298)	101,000	52,460
Other Financing Sources (Uses)								
Transfers In	-	-	-	112,065	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	9,706,829	-	-	-	-
Payments to Bond Escrow	-	-	-	(9,674,743)	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	144,151	-	-	-	-
Net Change in Fund Balances	-	-	-	72,168	(31,420)	(5,298)	101,000	52,460
Fund Balances - Beginning of year	-	-	-	-	72,168	40,748	35,450	136,450
Fund Balances - End of year	\$ -	\$ -	\$ -	\$ 72,168	\$ 40,748	\$ 35,450	\$ 136,450	\$ 188,910

[illegible]

[illegible]

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 since increased. While increases in the assessed values have been much higher, increases in taxable value are limited to the lesser of inflation or 5% annually. Oakland County taxable values remained flat during 2013 and increased 1.65% and 3.69% in 2014 and 2015, respectively. Projected increases of 3%, 4% and 4% are budgeted for 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 2016/2017, including a net per pupil increase of \$60. 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%, 4% and 4% are budgeted for 2016, 2017 and 2018.

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 2016/2017. 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 2016/2017 those limits have increased by 2.5% and will be \$6,142.11 for single person coverage, \$12,845.04 for two-person coverage and \$16,751.23 for family coverage. The caps are adjusted annually by the change in the medical care component of the United States consumer price index. The medical care component has historically ranged from 3% - 5%. This trend is expected to continue and has been budgeted accordingly.

FICA and Medicaid costs are based on known percentages. Retirement costs are based on the rates established by the Michigan retirement system. Reforms to the system over the years have resulted in nine different rates to apply to employee wages. The blended rate for 2016/2017 for our district is calculated to be 25.15 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 2016/2017 compared to 2054/2016 given negotiated contracts.

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

Fund Balance – General Fund

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.

Fund Balance – Special Revenue Funds

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.

Fund Balance – Debt Funds

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 2016/2017 school year.

BUILDING	PROJECT DESCRIPTION	PRIORITY CODE	ESTIMATED COST
Banks	Replace deteriorated carpeting	UL	\$400,000
Central High School	Replace deteriorated roofing	UL	\$300,000
Dublin	Replace deteriorated roofing	UL	\$150,000
Glengary	Replace deteriorated carpeting	UL	\$250,000
District	Replace deteriorated sidewalks	UL	\$50,000
District	Replace deteriorated doors	UL	\$100,000
District	Replace deteriorated partitions	UL	\$50,000
District	Replace deteriorated fencing	UL	\$25,000
District	Repair pavement and parking lots	UL	\$50,000
ESC	Install digital display sign	OP	\$100,000
Keith	Replace deteriorated parking lot	UL	\$800,000
Oakley Park	Connect to county sewer system	OP	\$50,000
Walled Lake El	Replace deteriorated roofing	UL	\$150,000
Western High School	Replace deteriorated shingle roofing	UL	\$600,000

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 have and will continue to 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 need to occur during summer breaks when buildings can be shut down. A four year schedule was 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	2011 Debt Principal	2012 Debt Principal	2014 Debt Principal	2015 Debt Principal	2016 Debt Principal
2017	\$ 5,135,000	\$ 1,705,000	\$ 750,000	\$ 6,070,000	\$ -
2018	5,075,000	1,670,000	1,075,000	6,020,000	-
2019	5,000,000	590,000	1,155,000	4,160,000	1,010,000
2020	4,935,000	-	1,305,000	4,635,000	1,575,000
2021	4,890,000	-	1,430,000	5,170,000	1,555,000
2022	4,845,000	-	1,555,000	5,135,000	1,535,000
2023	-	-	1,680,000	-	1,510,000
2024	-	-	1,805,000	-	1,490,000
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>\$29,880,000</u>	<u>\$3,965,000</u>	<u>\$65,760,000</u>	<u>\$31,190,000</u>	<u>\$8,675,000</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, 2016		
Taxable Value - 2015-2016	\$ 4,374,861,000	
Statutory Bonding Limit*	\$ 656,229,150	
General Obligation Bonds Outstanding - June 30, 2016	65,760,000	
Legal Debt Margin	\$ 590,469,150	
* - 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



Sarah Banks Middle School
Love of Learning!

Every Child, Every Day!

PROPERTY TAX INFORMATION FOR SCHOOL YEARS 2013 - 2016 AND PROJECTED INFORMATION FOR SCHOOL YEARS 2017 – 2020

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

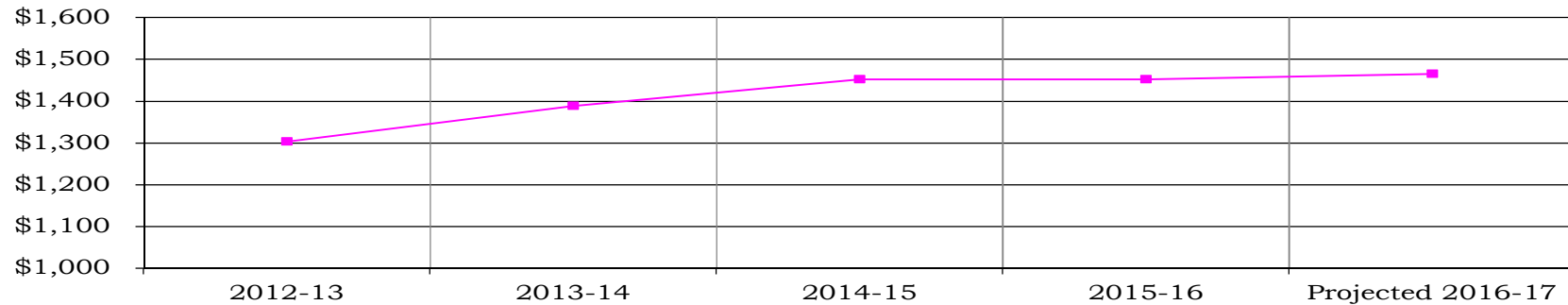
School Year	Taxable Value	Total Adjusted Tax Levy *	Tax Collections
2013	4,047,149,340	\$49,255,252	\$48,339,305
2014	4,062,974,500	\$50,792,720	\$49,776,866
2015	4,145,505,640	\$52,886,331	\$51,828,604
2016	4,304,481,830	\$53,077,410	\$52,015,862
Projected 2017	4,374,861,000	\$53,503,369	\$52,433,302
Projected 2018	4,433,616,285	\$54,669,732	\$53,576,338
Projected 2019	4,566,624,773	\$56,309,824	\$55,183,628
Projected 2020	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.

Four Years Actual and Forecasted 2016/2017 - Continued

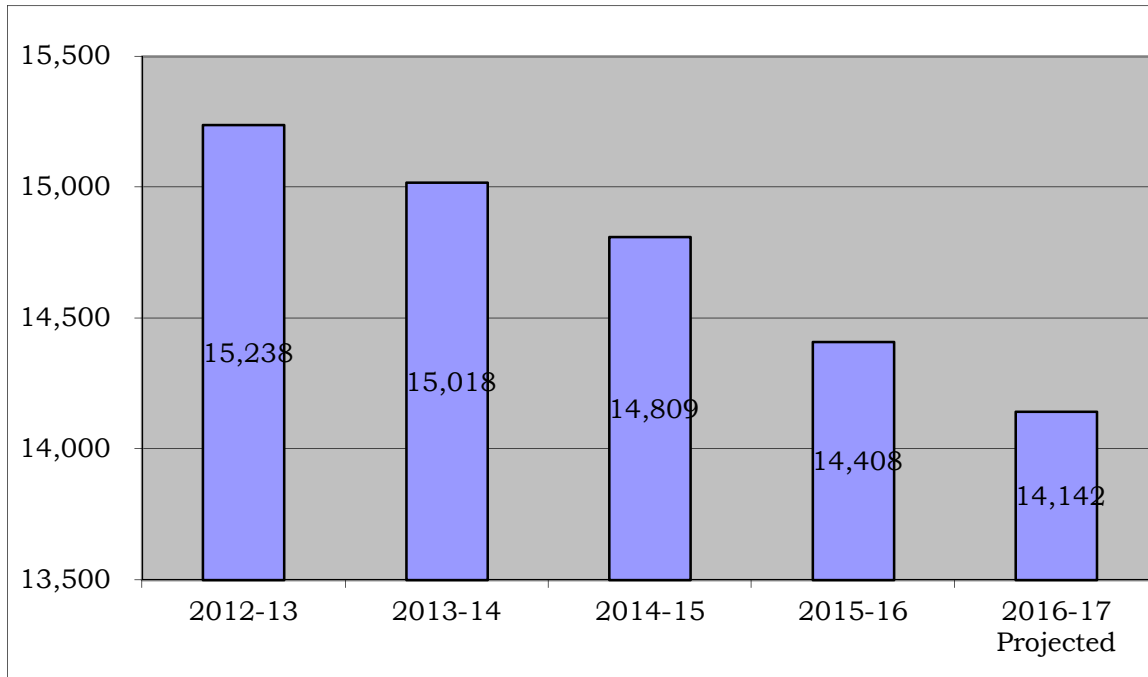
Impact of School Millage Rate on Homeowners

2012/2013 - 2015/2016 and Projected 2016/2017



	2012-13	2013-14	2014-15	2015-16	Projected 2016-17
Market value of a home (1)	\$ 200,000	\$ 202,320	\$ 216,705	\$ 239,221	\$ 246,397
Taxable Value (2)	\$ 100,000	\$ 103,000	\$ 106,090	\$ 109,273	\$ 112,551
WLCS + State Education Property Tax levied - mills (3)	13.0254	13.473	13.6843	13.2841	13.015
Property Tax \$ Paid to Schools	\$ 1,303	\$ 1,388	\$ 1,452	\$ 1,452	\$ 1,465
Property Tax \$ Increase (Decrease) from prior year	\$ -	\$ 85	\$ 64	\$ (0)	\$ 13
<p>(1) Assumes the market value and SEV of this home increases 1.16% for 2013-14, 7.11% in 2014-2015, 10.39% in 2015-2016, and is projected to increase 3% in 2016-2017.</p> <p>(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%. The taxable value typically begins at approximately 50% of the market value.</p> <p>(3) Six mills of the total shown is levied by the state with the remaining mills levied by the school district.</p>					

ENROLLMENT HISTORY AND PROJECTED ENROLLMENT FOR 2016/2017



The actual numbers for years 2012-13 through 2015-16 represent full-time equivalent students including all special education students in the fall for each school year. The forecasted enrollment 2016-17 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					
2012/2013 - 2016/2017					
	Actual				Projected
	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2015/ 2016
Elementary Buildings					
Commerce	572	586	630	624	637
Mary Helen Guest	432	441	399	396	392
Dublin	539	569	588	579	587
Glengary	406	390	371	355	326
Hickory Woods	609	627	603	603	580
Keith	676	682	645	655	640
Loon Lake	522	540	524	529	516
Meadowbrook	560	589	577	547	543
Oakley Park	415	401	379	368	358
Pleasant Lake	696	657	634	615	616
Walled Lake	485	436	424	407	380
Wixom	553	522	497	454	421
Middle School Buildings					
Clifford Smart	1,009	1,013	1,023	1,044	1,025
Sarah Banks	860	840	849	821	806
Walnut Creek	979	920	913	814	756
Geisler	805	742	756	693	680
High School Buildings					
Central	1,800	1,846	1,751	1,749	1,744
Western	1,509	1,481	1,411	1,329	1,304
Northern	1,557	1,618	1,611	1,594	1,598
Total Fall Enrollment	14,984	14,900	14,585	14,176	13,909
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 - Measured in Full Time Equivalents
Actual for 2012-2013 through 2015-2016 and Projected 2016-2017

	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	Projected 2016/2017
Instructional					
Building Administrators & Secretaries	78.63	74.62	76.55	76.43	74.43
Teachers	775.86	769.56	755.45	732.48	724.48
Other Instructional Staff	161.98	154.53	163.02	175.84	178.84
Guidance Staff	31.41	29.40	30.00	28.50	28.50
Psychological Staff	7.60	7.20	7.20	7.20	7.20
Speech and Audiology	18.30	18.30	18.64	18.30	18.30
Social Workers	14.36	14.00	14.60	12.70	12.70
Special Ed. Teacher Consultants	13.00	13.00	13.57	14.00	14.00
Other Pupil Services Staff	63.09	40.37	39.83	40.69	40.69
Library Personnel	12.96	9.62	10.62	10.71	10.71
Computer Assisted Instruction	2.41	2.69	2.49	2.36	2.36
Other Instructional Supervisors	12.58	12.00	11.64	9.64	9.64
Other Staff Services Personnel	3.48	1.42	0.00	0.00	0.00
Total Instructional Staff	1,195.66	1,146.71	1,143.61	1,128.85	1,121.85
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	81.24	81.58	79.11	74.37	74.37
Operations and Maintenance	25.42	24.60	24.24	24.62	24.62
Transportation Staff	126.39	1.00	1.00	1.00	1.00
Central Support Services	21.21	21.21	22.21	21.21	20.21
Other Support Staff	2.00	2.00	2.00	2.00	2.00
Community Services	57.89	77.88	71.45	50.15	50.15
Total Non-Instructional Staff	325.40	219.52	211.26	184.60	183.60
Total Staff	1,521.06	1,366.23	1,354.87	1,313.45	1,305.45

Notes

As a result of budget restraints, we continue to staff teachers as efficiently as possible. This has resulted in larger class sizes which require support in the form of classroom para-educators.

Declining enrollment and budget limitations have necessitated program and staff reductions for each of the years presented. A large portion of the reductions to staff 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.

Amortization Schedule of Outstanding Bonds

Principal Payments					
June 30	2011 Debt Principal	2012 Debt Principal	2014 Debt Principal	2015 Debt Principal	2016 Debt Principal
2017	\$ 5,135,000	\$ 1,705,000	\$ 750,000	\$ 6,070,000	\$ -
2018	5,075,000	1,670,000	1,075,000	6,020,000	-
2019	5,000,000	590,000	1,155,000	4,160,000	1,010,000
2020	4,935,000	-	1,305,000	4,635,000	1,575,000
2021	4,890,000	-	1,430,000	5,170,000	1,555,000
2022	4,845,000	-	1,555,000	5,135,000	1,535,000
2023	-	-	1,680,000	-	1,510,000
2024	-	-	1,805,000	-	1,490,000
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>\$29,880,000</u>	<u>\$3,965,000</u>	<u>\$65,760,000</u>	<u>\$31,190,000</u>	<u>\$8,675,000</u>

STUDENT PERFORMANCE

Student Success is and will always be our primary district goal. Over the last several years, as mentioned previously, budget constraints have required that administration and the Board of Education make some difficult decisions regarding programs and staff. Efforts have been made to limit the impact of these reductions in and around the classroom to help ensure continued student success.

Test scores are one way to measure the success that we strive for.

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 Michigan Department of Education began using the M-STEP assessment during the 2014/2015 school year.

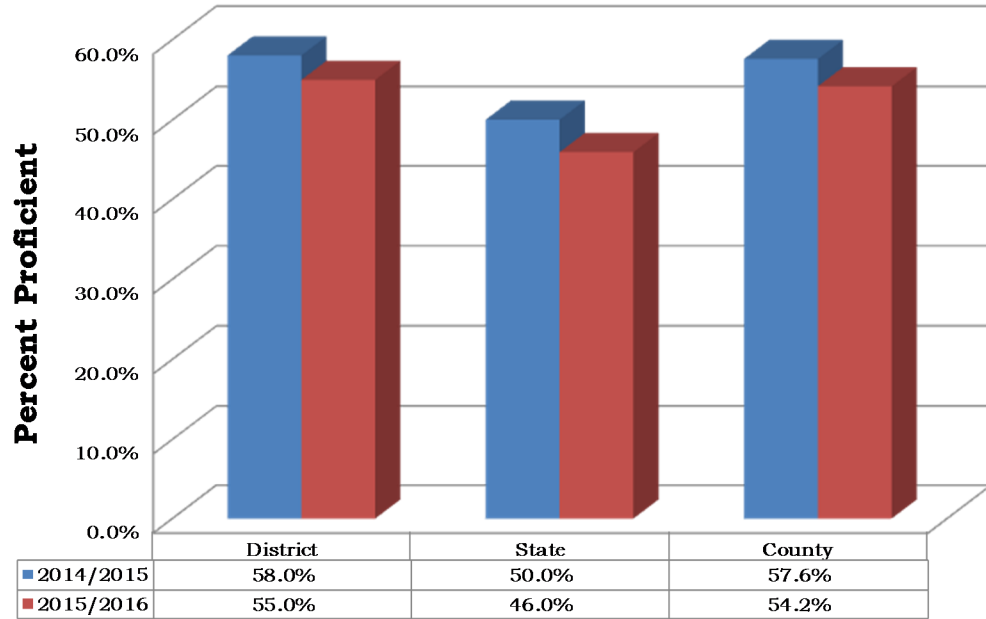
The M-STEP includes state summative assessments designed to measure student growth effectively for today's students. English language arts and mathematics are assessed in grades 3–8, science in grades 4 and 7, and social studies in grades 5 and 8.

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

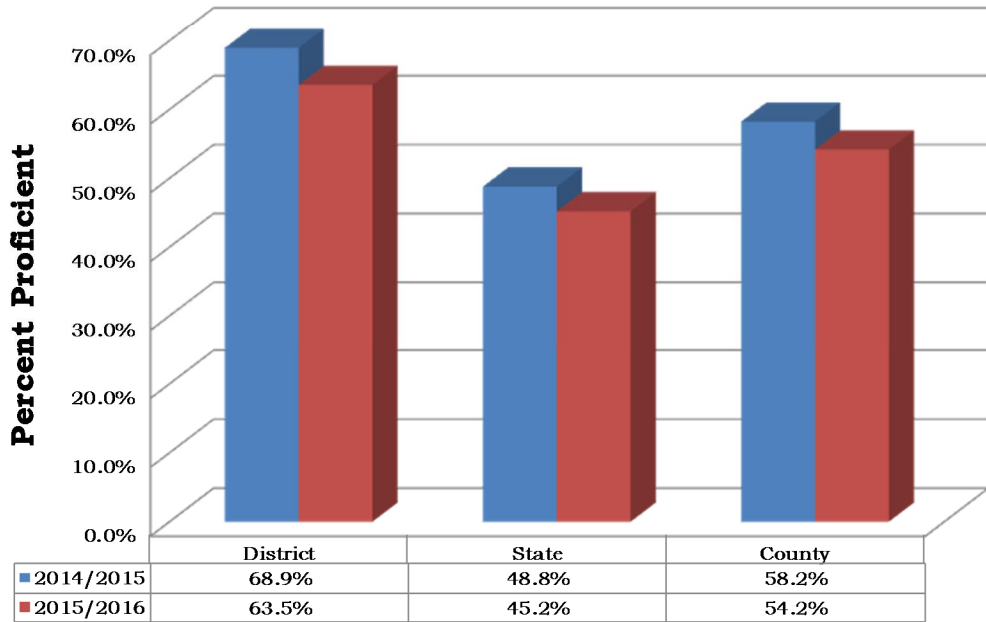
The Michigan Merit Examination (MME) in 11th grade consists of WorkKeys (a work skills assessment), the M-STEP summative assessments which will measure student growth in science, and social studies and the SAT.

M-STEP Scores

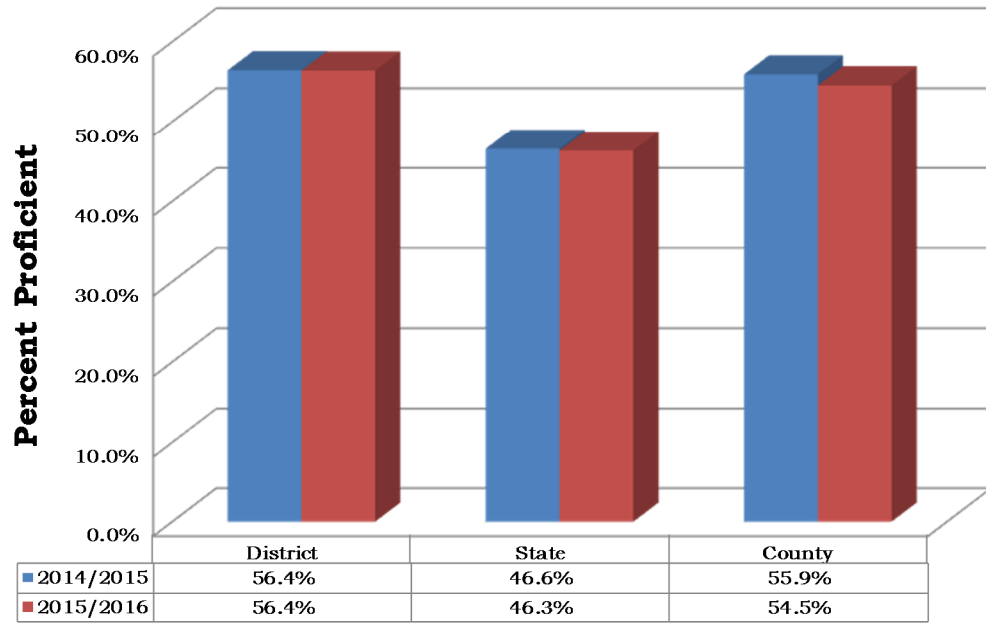
Third Grade English Language Arts



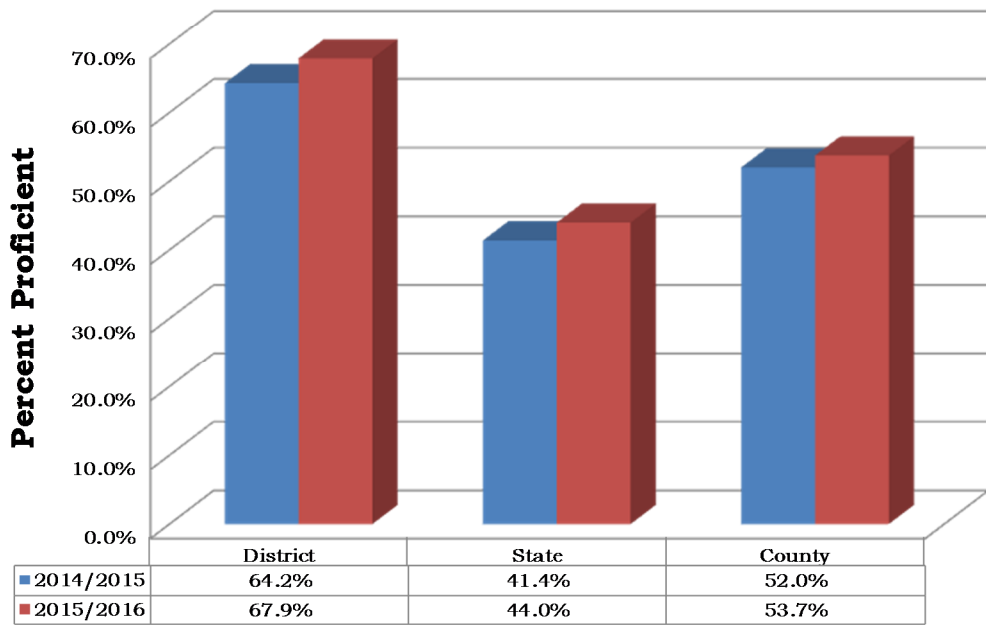
Third Grade Math



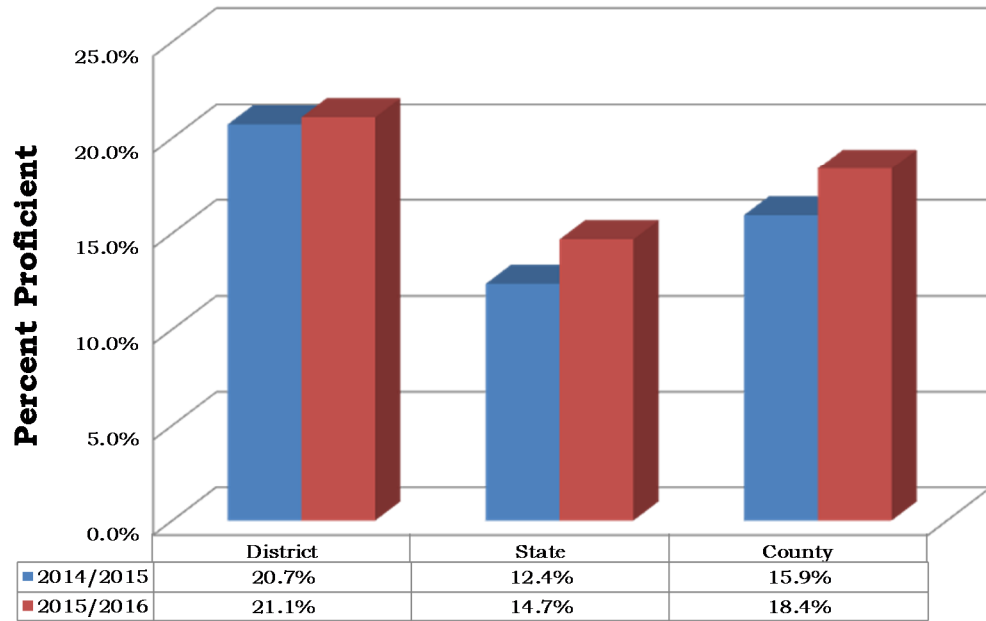
Fourth Grade English Language Arts



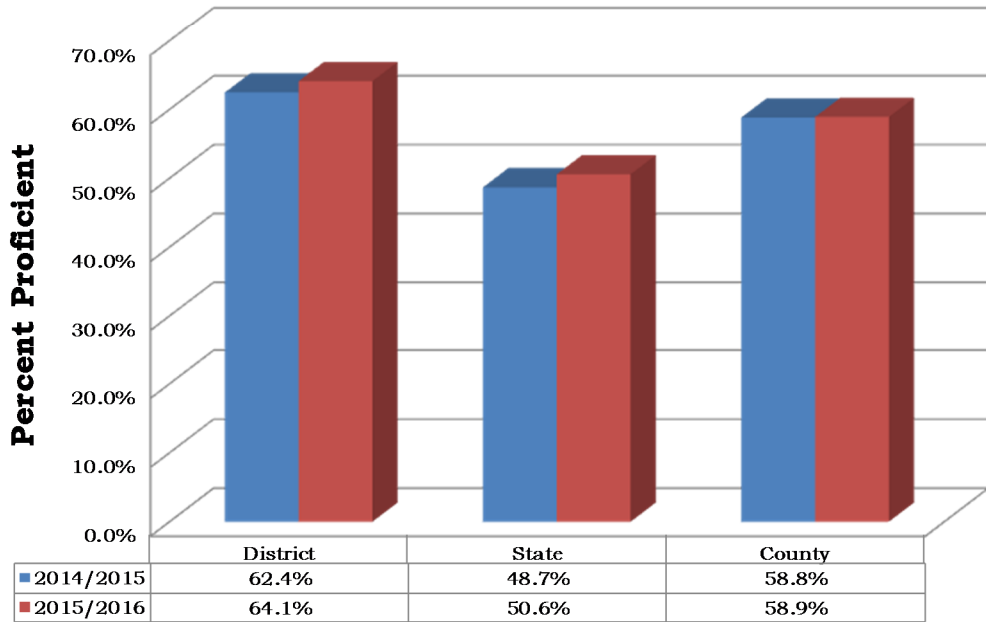
Fourth Grade Math

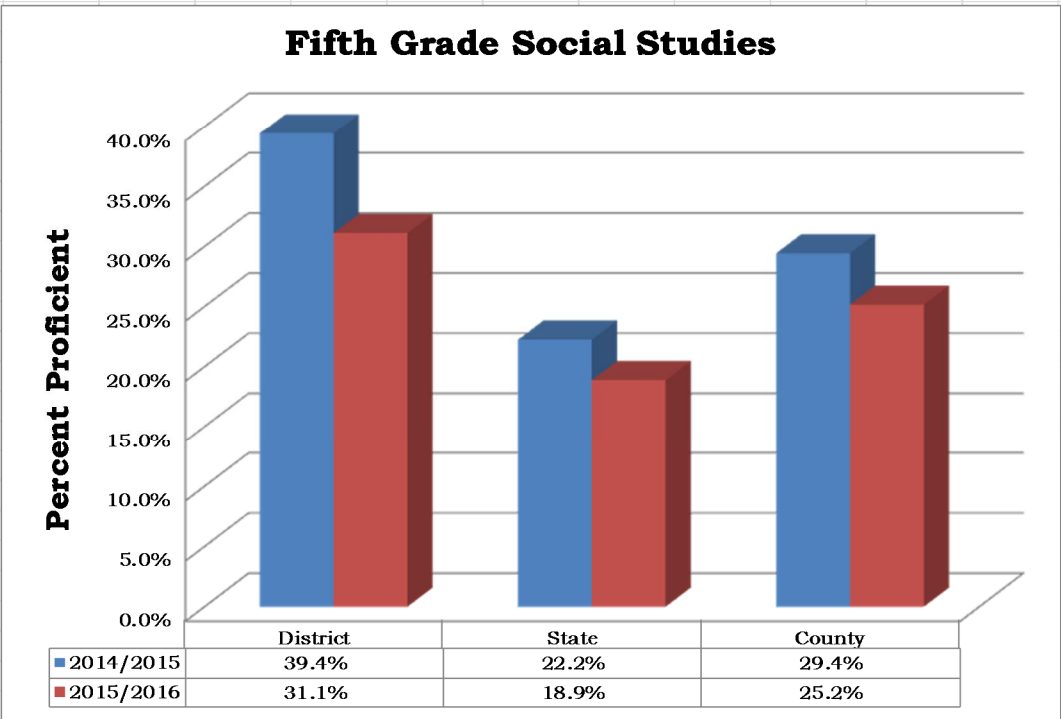
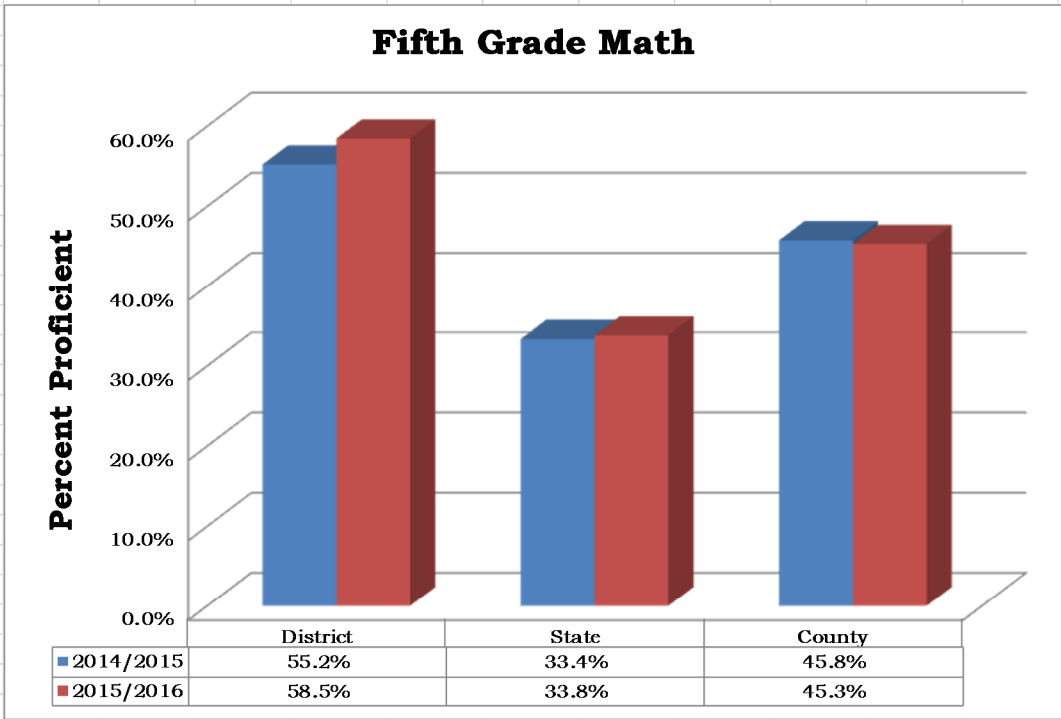


Fourth Grade Science

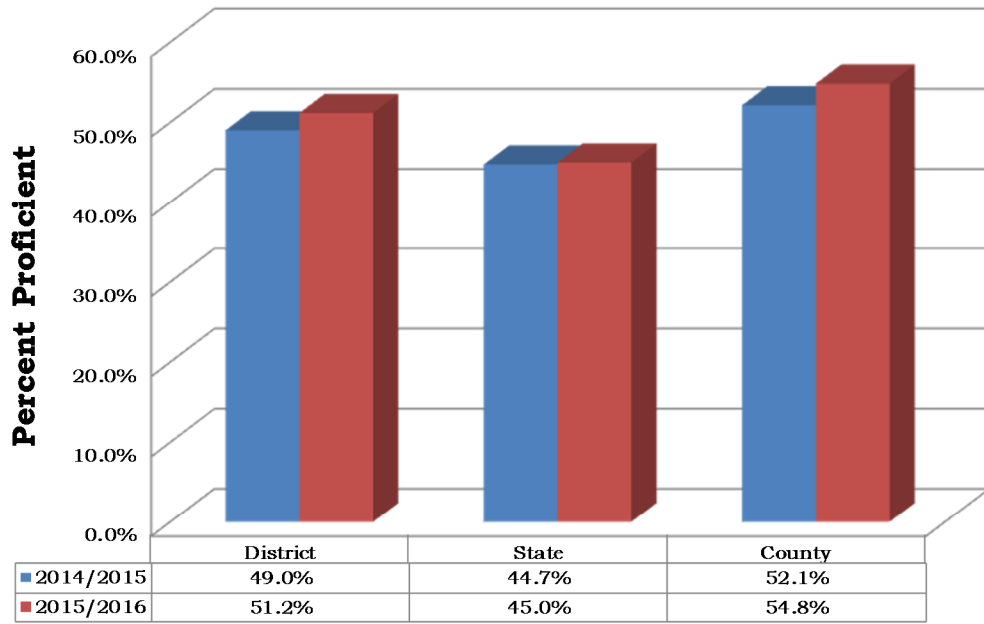


Fifth Grade English Language Arts

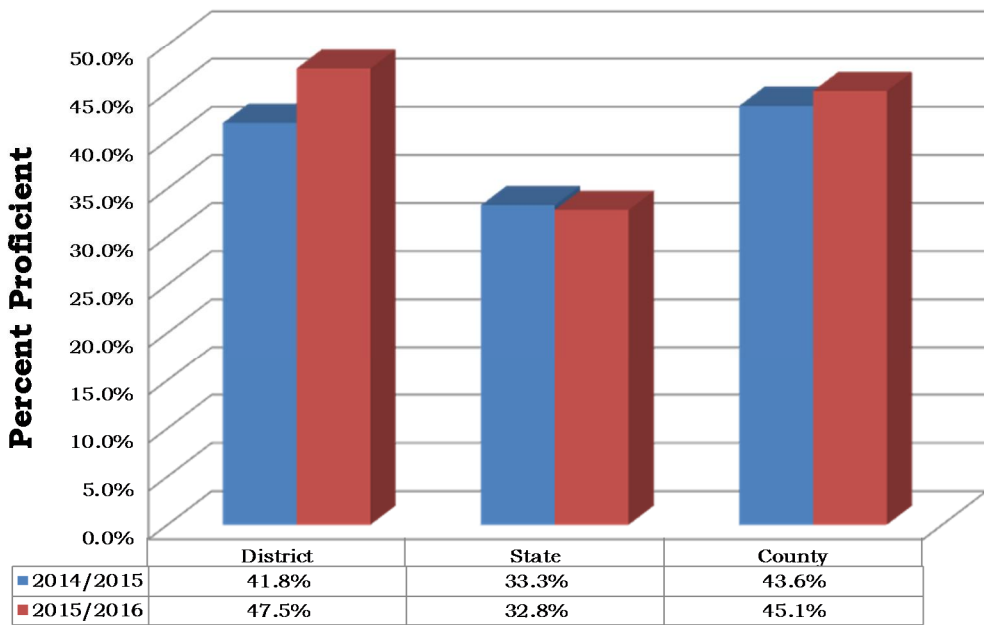




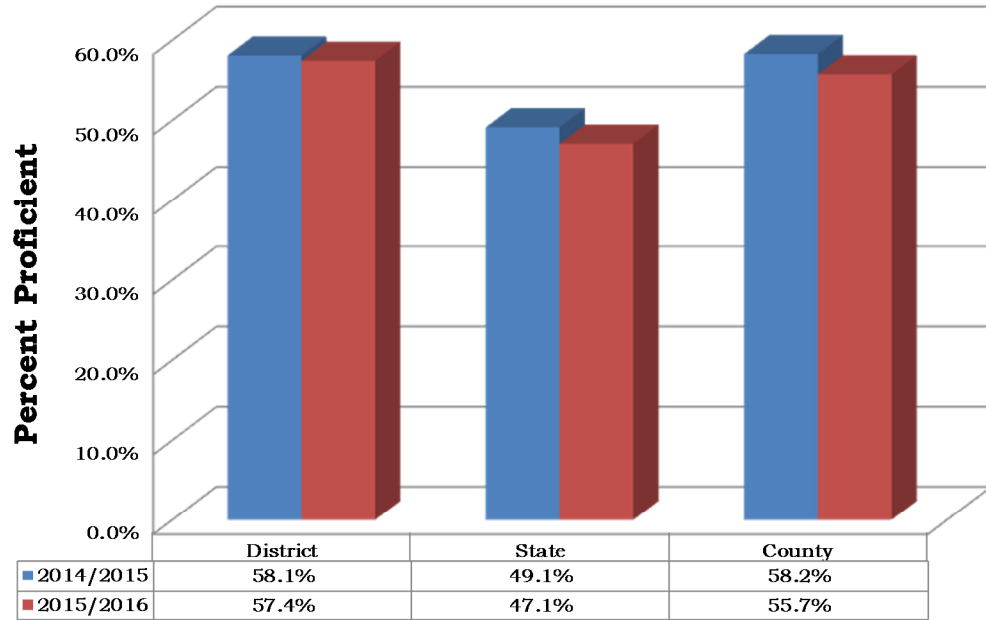
Sixth Grade English Language Arts



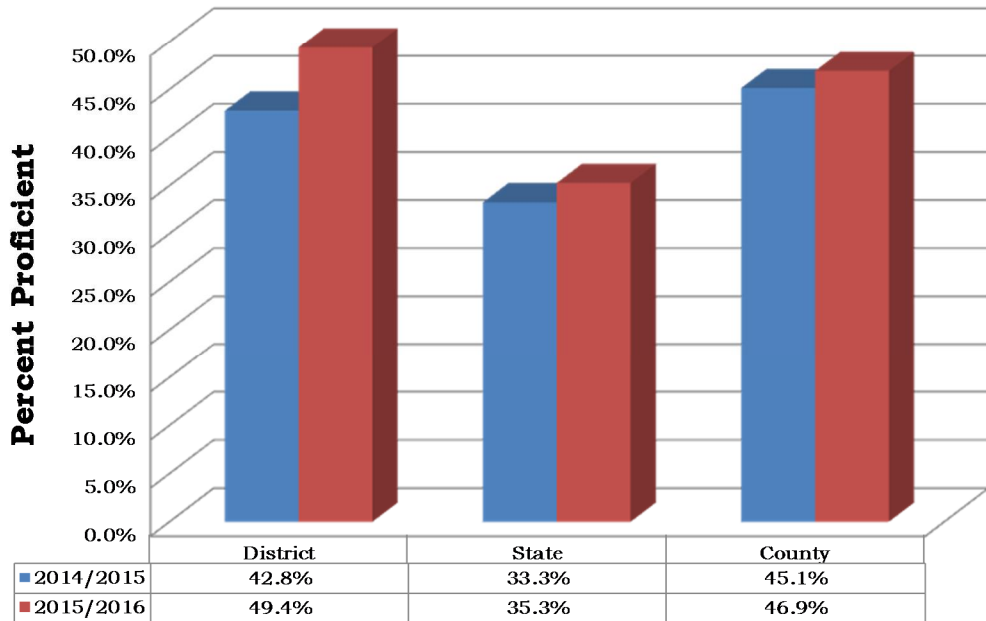
Sixth Grade Math



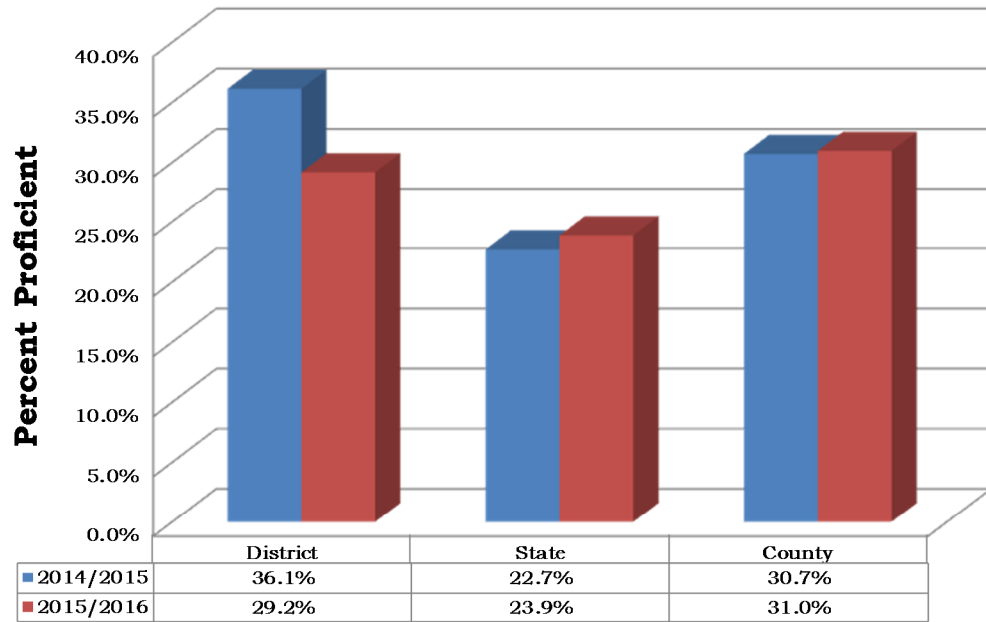
Seventh Grade English Language Arts



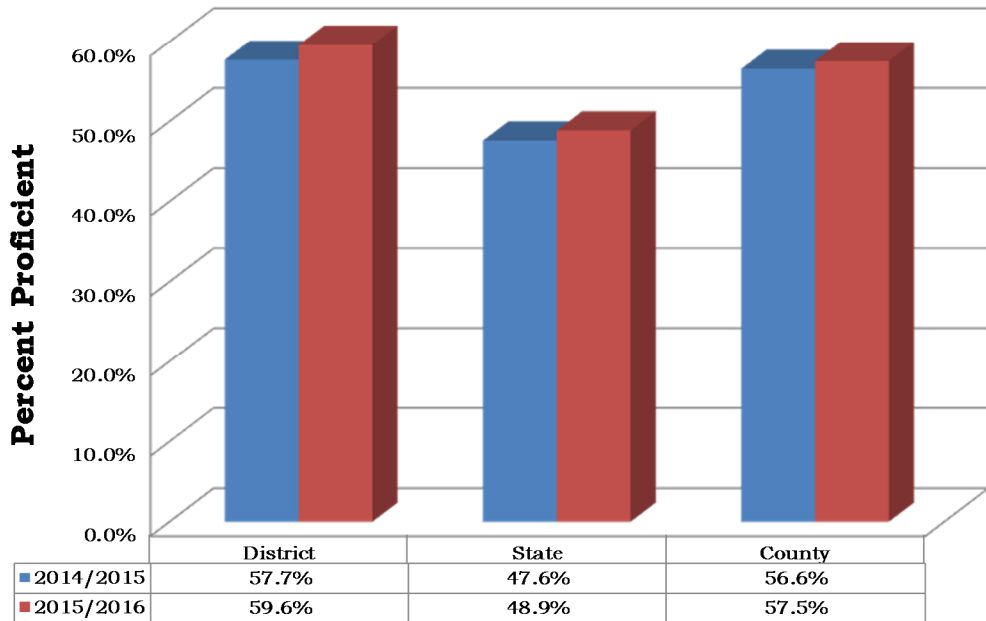
Seventh Grade Math



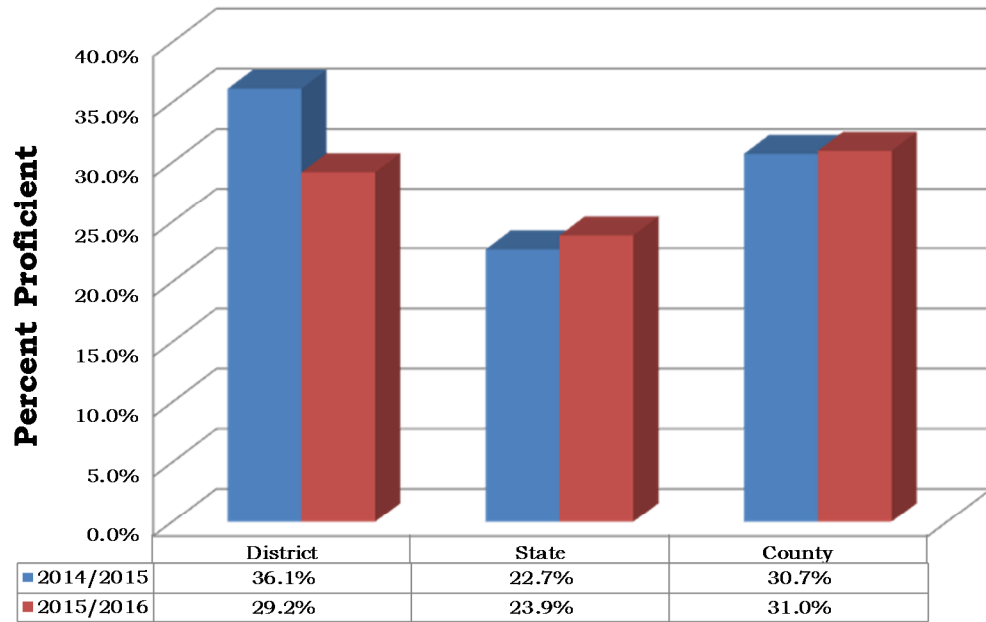
Seventh Grade Science



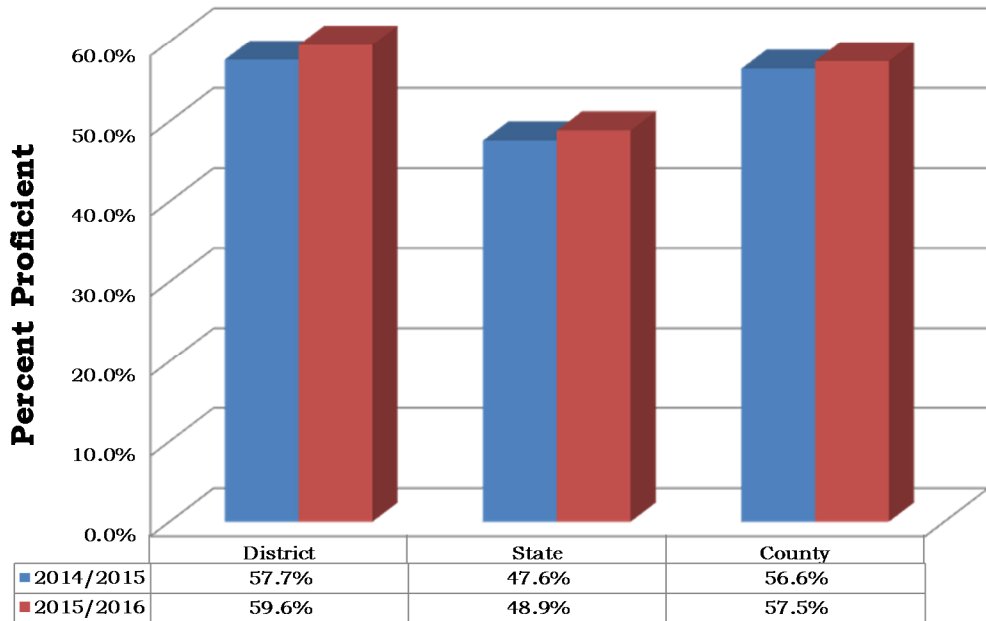
Eighth Grade English Language Arts



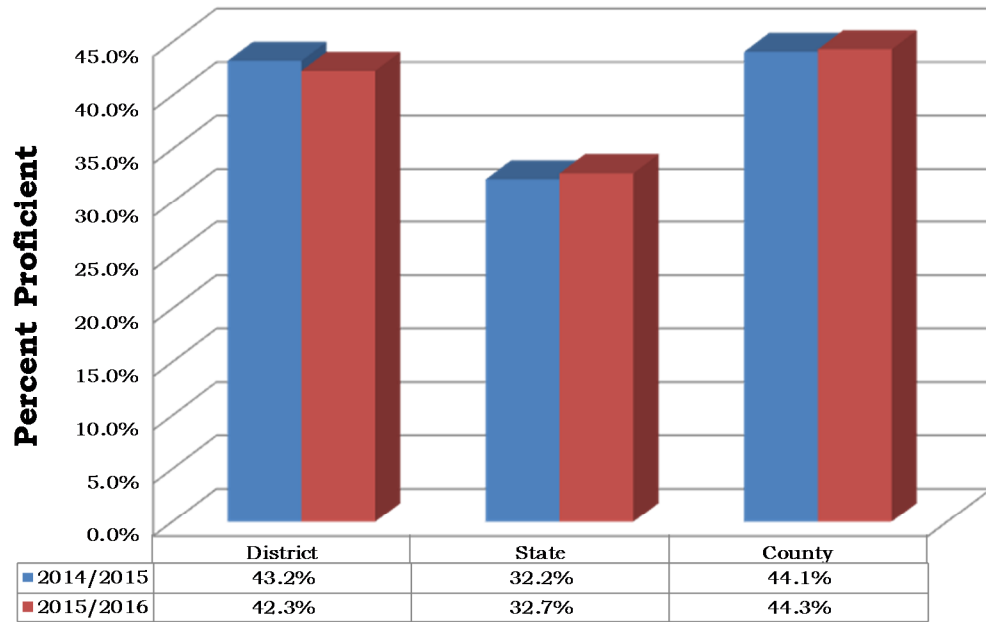
Seventh Grade Science



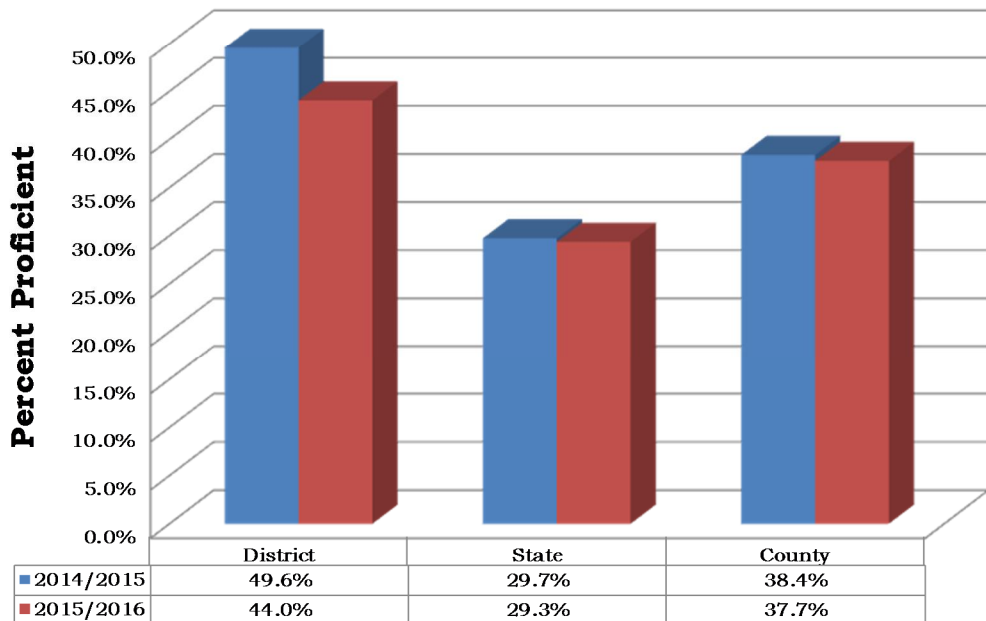
Eighth Grade English Language Arts



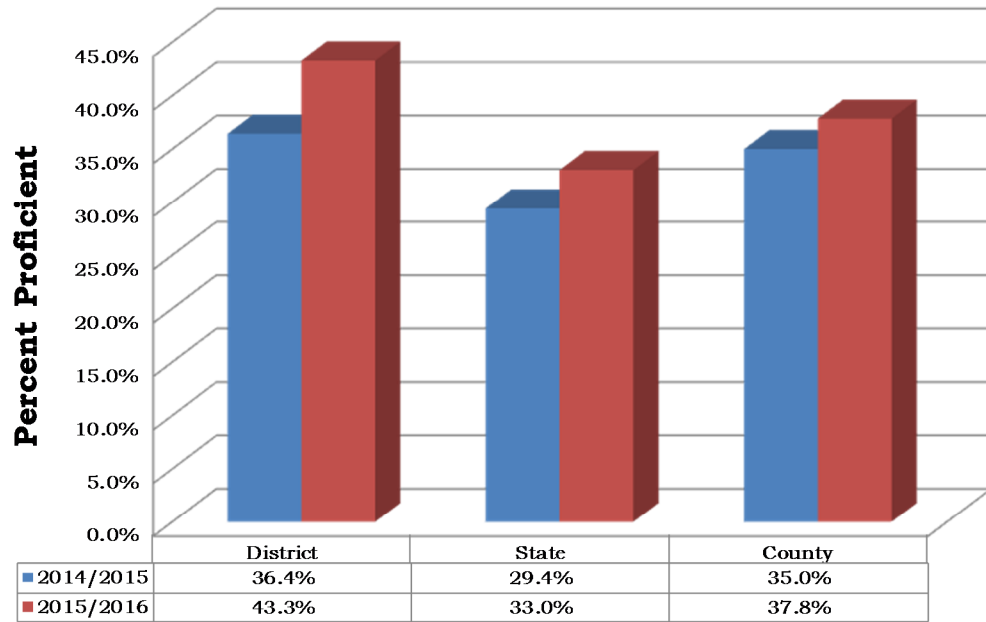
Eighth Grade Math



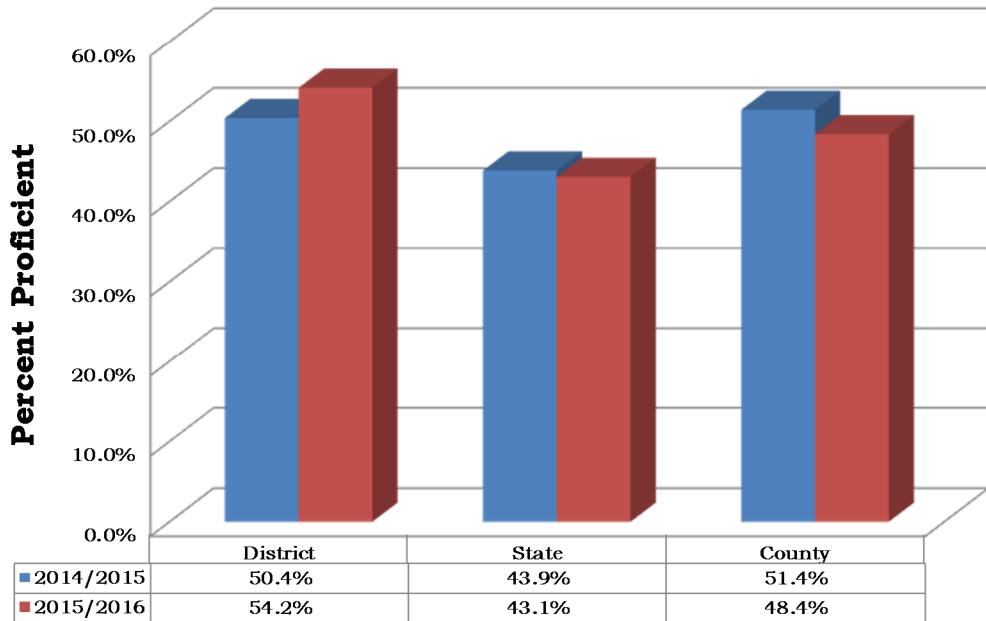
Eighth Grade Social Studies



Eleventh Grade Science



Eleventh Grade Social Studies



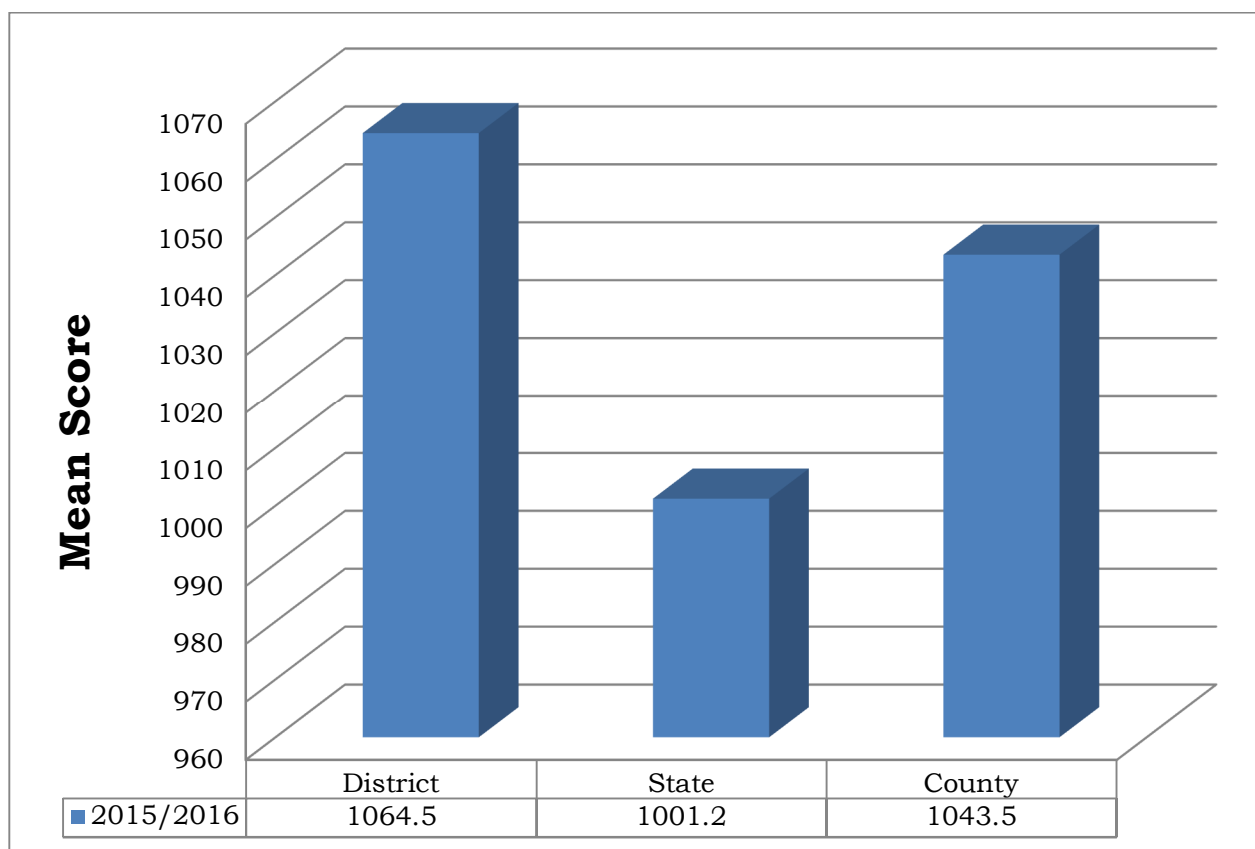
SAT Scores

The SAT is a globally recognized college admission test that lets you show colleges what you know and how well you can apply that knowledge. A student who takes the SAT can expect a test of reading, writing and math comprehension.

The tests are designed to:

- Measure the essential ingredients for college and career readiness and success, as shown by research.
- Have a stronger connection to classroom learning.
- Inspire productive practice.

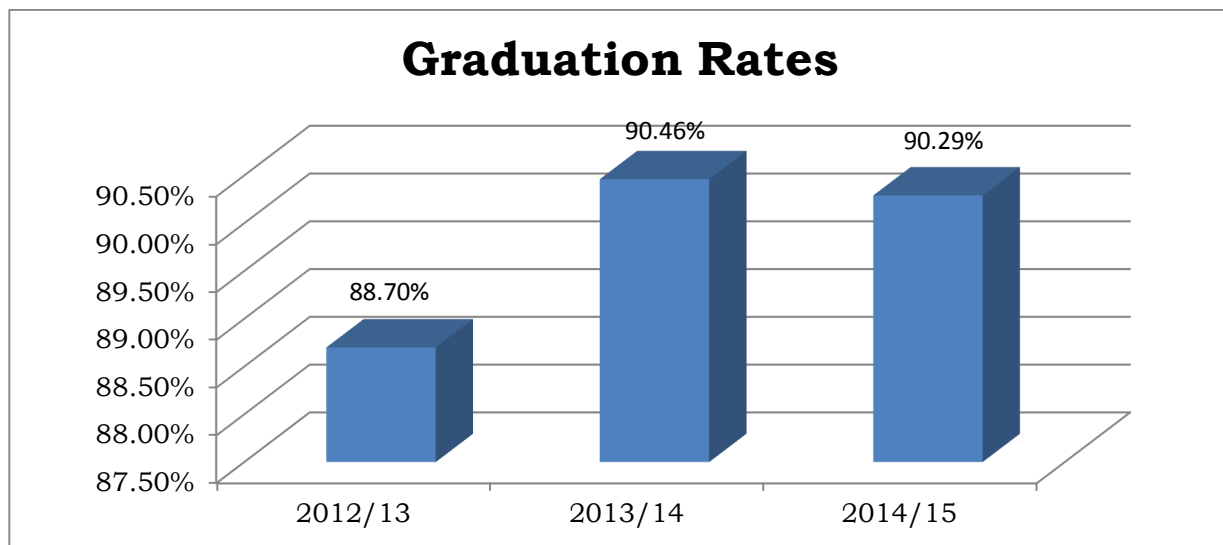
The scores provide a national perspective on test results. Although the full complement of scoring reports have not yet been made available to districts, preliminary scores show Walled Lake at or above the national level.



Graduation Rates

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

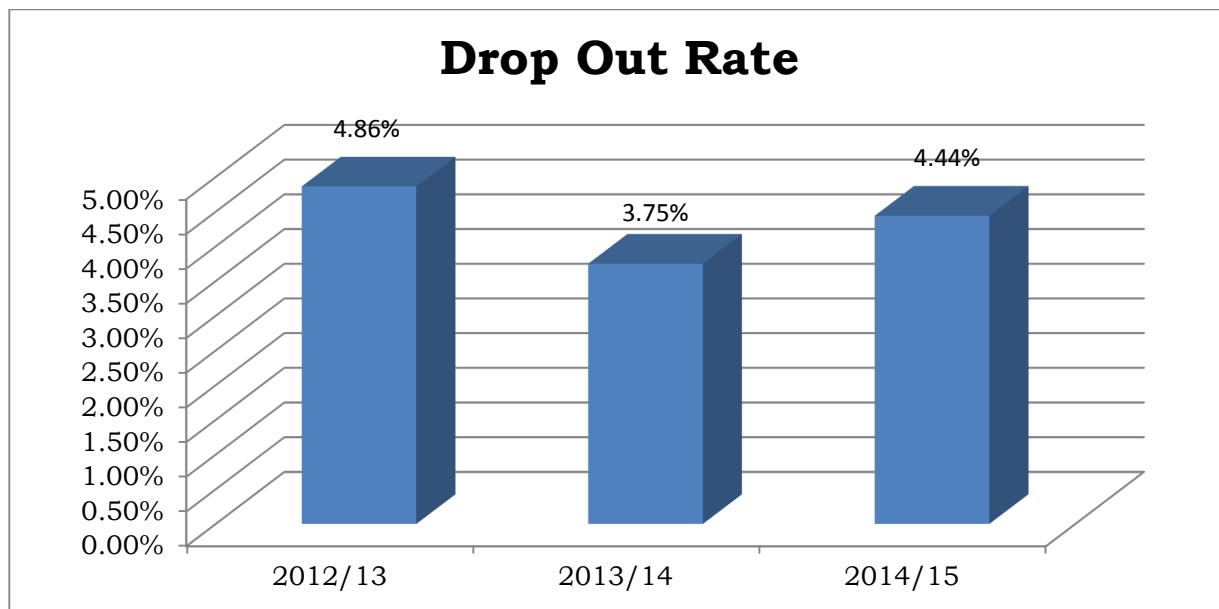
Graduation rate is defined as the estimated four-year completion rate. The rate indicates, with no change in future retention rates, the percentage of ninth grade students who will complete their senior year of school and graduate. This rate is therefore influenced by movement of students into and out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



In addition, 81.5% of the District's high school graduates have gone on to higher education within 12 months of graduation.

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.

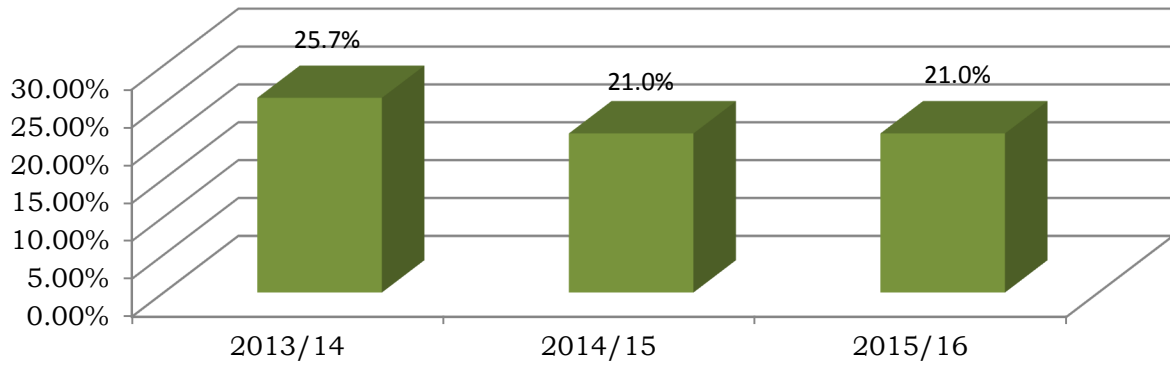


Walled Lake Schools has contracted with an organization known as Graduation Alliance to reach former students who have dropped out. They encourage these former students to continue with their high school career and provide the resources to do so. This is one way that the District has worked to reduce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

Free and Reduced Price Lunches

One of the most difficult challenges 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.

Free and Reduced Lunch Eligibility



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.



37.44%

60.84%

23.40%

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 is administered on an annual basis in order to monitor progress.

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.