

BUDGET

FISCAL
YEAR

Walled Lake Consolidated School District

July 1, 2017 -

June 30, 2018

**Walled Lake Consolidated
School District**

Educational Services Center
850 Ladd Road - Bldg. D
Walled Lake, MI 48390

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Mary Helen Guest Students
Study the World!

Proposed 2017-2018 Budget
Walled Lake Consolidated School District

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BUDGET

Walled Lake Consolidated School District

Introductory Section



Meadowbrook Elementary

Music!

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 2016-2017.

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



A handwritten signature in black ink, reading 'Brenda Burkett', written over a horizontal line.

Brenda R. Burkett, CPA, CSBA, SFO
President

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

John D. Musso, CAE, RSBA
Executive Director

**Walled Lake Consolidated School
District
Proposed 2017-2018 Budget
Executive Summary**

Board of Education

Christopher Titus, President

Term Expires 12/31/2022

Mr. Christopher Titus and his wife, Christine, have lived in Commerce Township for the last 25 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.

Kathy Lyall, Vice President

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, Treasurer

Term Expires 12/31/2022

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.

Greg Janicki, Secretary
Term Expires 12/31/2020

Mr. Janicki lives in West Bloomfield with his wife Maria and is the proud parent of 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, Trustee
Term Expires 12/31/2018

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

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

Marc Siegler, Trustee
Term Expires 12/31/2018

Mr. Marc Siegler and his family have been residents of the District for over 35 years. He is in his 24th 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.

Denise Dunn, Trustee

Term Expires 12/31/2022

Mrs. Denise Dunn and her husband, Jason, have lived in the Walled Lake District for 14 years. Two of her three children currently attend Walled Lake Schools.

Mrs. Dunn is a financial professional. She is the owner of Dunn Financial Services Corporation, a successful financial management firm in West Bloomfield. She earned a Bachelor of General Studies from the University of Michigan.

She has served on the board finance committee of the Down Syndrome Guild of SE Michigan and currently serves on the Alumnae Board at Ladywood High School in Livonia. She is very involved volunteering at her children's schools and she is also a member of the Walled Lake District's Special Education Parent Advisory Committee.

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 15, 2017

Dear Board of Education Members:

I recommend approval of the budget for fiscal year 2017/2018 for Walled Lake Consolidated School District that includes budgeted allocations for 2017/2018 and final amended budgeted allocations for 2016/2017. 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 are now in their eighth year of economic recovery since the recession's low point at the end of 2009. Job growth in the county has totaled 18% over the period 2009 to 2016, exceeding both the nation's (9.9%) and Michigan's (11.8%). Oakland County Executives predict that all jobs lost during that time period will be replenished and that a new employment peak will be set during the summer of 2019.

Data show that Michigan's economy has also made a strong recovery, outpacing the nation in 2016. Light vehicles sales have set records during the past two years. This is significant as the motor vehicle industry represents nearly half of Michigan's manufacturing.

While many factors have contributed to increased resources for the State, competing priorities have restricted increases to public K-12 education. Continued expanding costs related to the Michigan Public School Employee's Retirement System have further eroded the dollars available for use in the classroom.

Districts throughout Michigan have also experienced declining enrollment, having a direct impact on revenue received. Walled Lake Schools is no exception, seeing a decline of nearly 1,500 students over the last ten years.

Projections for 2017/2018 indicate a gap in funding of \$7.2 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 have agreed to concessions for the 2017/2018 school year. Employee groups have agreed to wage and benefit concessions now for six of the last seven 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 the departments, 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. Information is 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. 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.

The budget process and communication methods for 2017/2018 varied somewhat from recent years. A video describing possible reductions has served us well in prior years as a tool to share information with district staff and the community. It allowed us to explain the items being considered and provided an opportunity to solicit feedback.

After making reductions every year since 2001/2002, there is no longer a list of options to consider. As a result, it was decided that a video would no longer be appropriate or useful and therefore was not created. No other significant changes were made to the budget process or policies for 2017/2018. The following is a summary calendar of the process.

November 2016	Budget process begins
January 2017	Preliminary budget projections
February 2017	Projections shared with Leadership
March/April 2017	Board study sessions held
June 2017	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 2016/2017, 19% of Walled Lake Consolidated Schools revenue is generated by local property tax and 67% 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 as well as 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 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 2017/2018, the blend will be calculated using 90% of the October 2017 count and 10% of the February 2017 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.

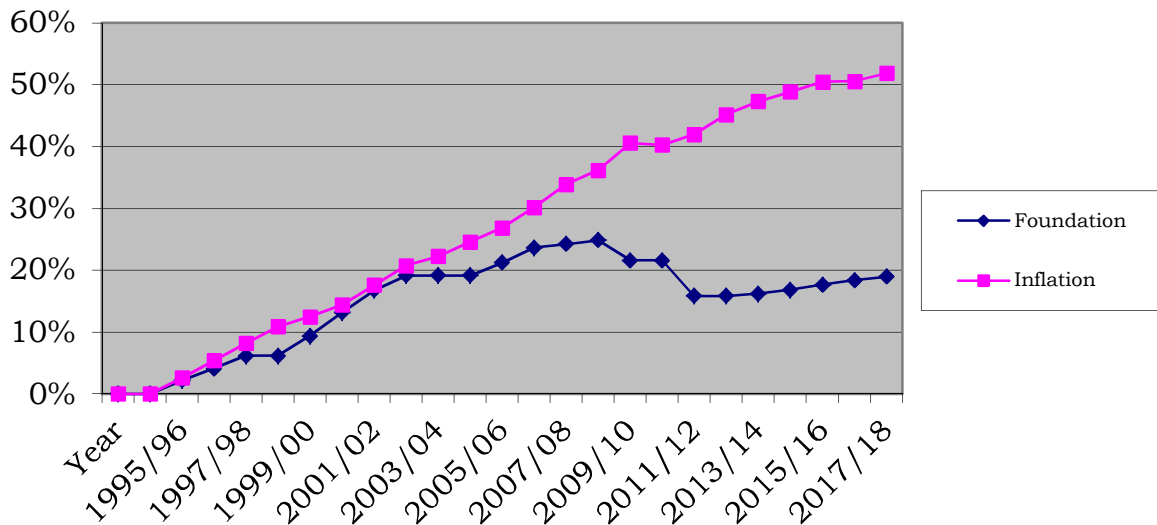
The foundation grant is determined annually by the State of Michigan through their annual budgeting process. The grant is expected to be \$8,425 for the 2017/2018 fiscal year.

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 80% 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.

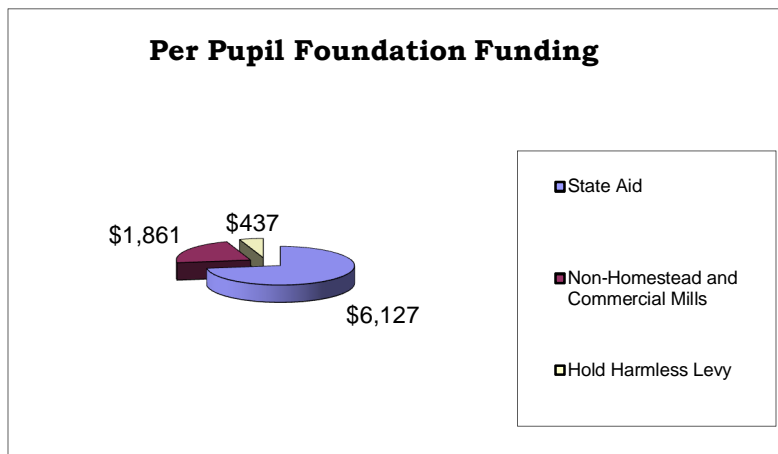
The foundation amounts that are included in the following graphs have not been adjusted down to account for the mid-year prorations of \$50 and \$74 per student that occurred during 2002/2003 and 2003/2004 or the mid-year proration of \$165 that occurred during 2009/2010 and 2010/2011.

			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%
2017/2018	8,425	50	0.60%	1.30%

Cumulative Inflation Rate vs Foundation Grant Increases



The breakdown of the \$8,425 per pupil foundation is shown below.



For 2017/2018, the District's estimated per pupil foundation of \$8,425 is projected to be generated as shown above with \$1,861 resulting from the 17.7417 mills levied by the District on non-homestead properties and the 5.7417 mills levied on commercial personal property. State Aid provides an amount equaling \$6,127 per pupil.

The balance of \$437 will be generated by the hold harmless levy of 1.9283 mills on homesteads, industrial personal property and commercial personal property. The District's blended pupil count for 2017/2018 is projected to be 14,017. A rate of 1.9283 mills is the proposed levy for July 2017.

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.

Millages allowed for both 2016/2017 and 2017/2018 are also impacted by Headlee. This is a trend that is expected to continue as property values recover at rates that exceed the annual inflation rate.

The largest impact are the reductions to the 18 mills typically levied on all non-homestead properties. This millage will be reduced to 17.7417 mills for 2017/2018. 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 \$399,000 in lost tax revenue for purposes of operations for 2017/2018.

The Sinking fund levy is also subject to a rollback and will be reduced from .5 mills to .4896 mills. This will result in a loss of approximately \$48,000.

These rollbacks are permanent and cumulative which means that they will impact our revenues for years to come. To date, the impact on operating funds exceeds \$596,000 in lost revenue.

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	Taxable Value	Tax Rates	
		Operating	
		Homestead	Non- Homestead
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
2017/2018	4,552,897,830	1.9283	7.6700	17.7417
* - Principal Residential, Qualified Agriculture, Qualified Forest and Industrial Personal Properties				

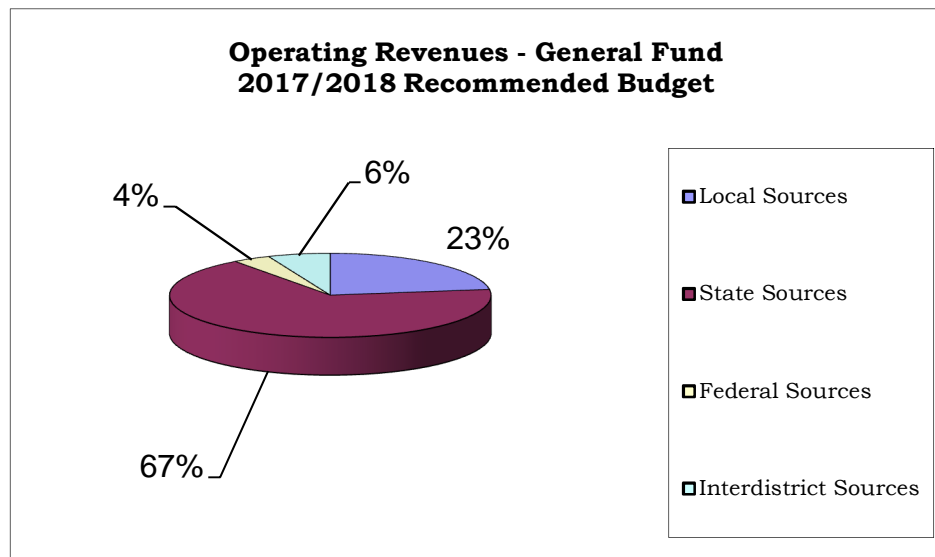
The Debt and Sinking fund millages are levied on all properties. This did not change with the classification change. See below for historical and current rates.

School Year	Taxable Value	Sinking Fund	Debt
		All Properties	
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
2016/2017	4,552,897,830	0.4896	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.

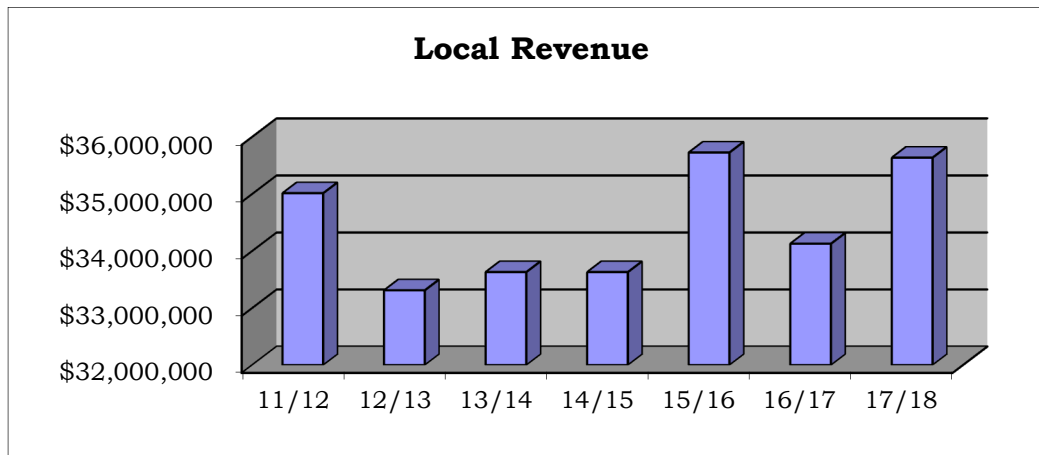
	2016/2017		2017/2018	
	Amended Budget	2016/2017 % of Total	Recommended Budget	2017/2018 % of Total
Revenue				
Local Sources	\$ 34,126,998	21.71%	\$ 35,635,718	22.80%
State Sources	107,638,495	68.47%	104,884,047	67.11%
Federal Sources	5,910,566	3.76%	5,960,267	3.81%
Interdistrict Sources	9,530,910	6.06%	9,817,704	6.28%
TOTAL REVENUE	\$ 157,206,969	100.00%	\$ 156,297,736	100.00%



Local Revenue

Local property taxes account for 85% of local revenue and makes up 27% 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 2015/2016 as well as the amended budget for 2016/2017 and the recommended budget for 2017/2018.



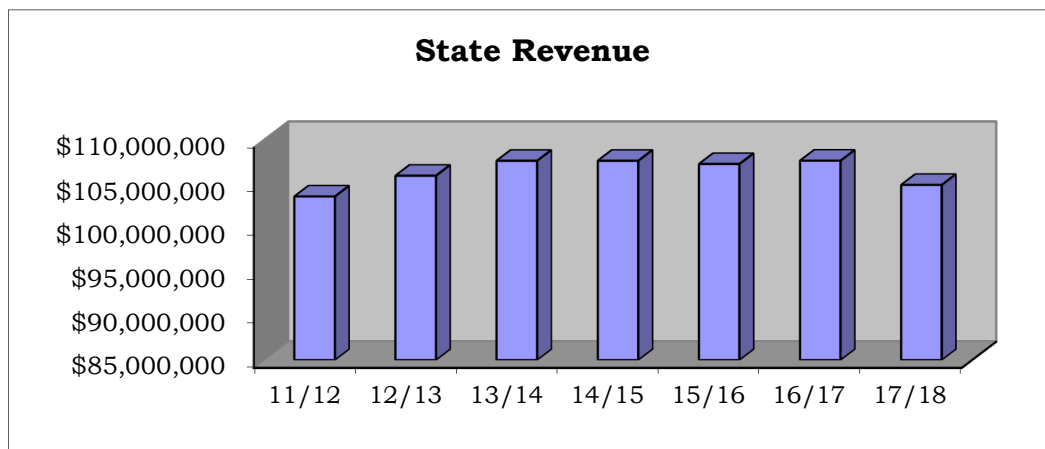
State Revenue

State revenue consists of the foundation grant and categorical funding. The majority is from the per pupil foundation, of which 73% will come from state aid. The expected per pupil foundation of \$8,425 will be generated on 14,017 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 \$7,988 (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
2016/2017	495.76	\$ 16,468,411	\$ 25,390,992	\$ 8,922,581

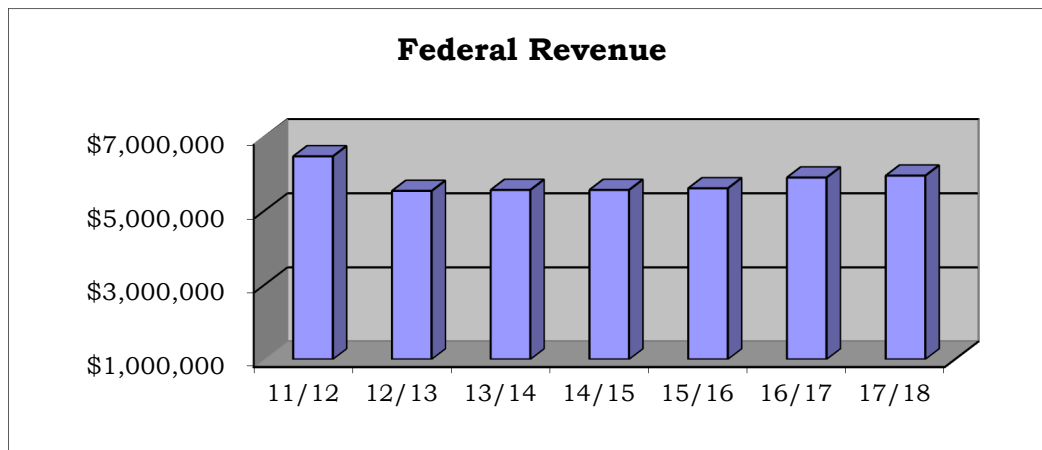
For reference purposes, the following bar graph shows the funding levels of State revenue over the past five years as well as the amended budget for 2016/2017 and the recommended budget for 2017/2018.



Federal Revenue

We expect Federal funding to remain fairly stable for 2017/2018.

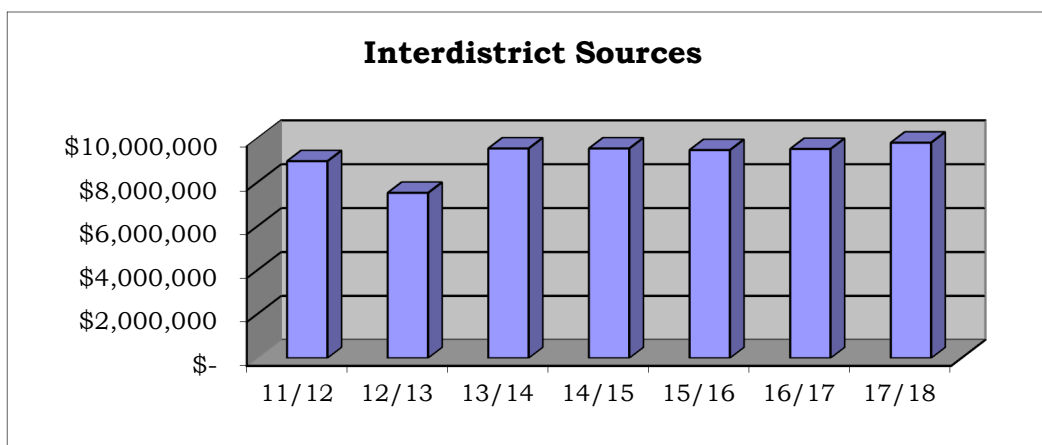
The following bar graph provides the five year history of Federal revenue as well as the amended budget for 2016/2017 and the recommended budget for 2017/2018.



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 2016/2017 and the recommended budget for 2017/2018.



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 1.9283 for operations. Millage on commercial personal property will be 7.6700 for operations. Millage on non-homesteads will be 17.7417 mills for operations.
3. The total per pupil foundation grant is expected to be \$8,425 for 2017/2018. This represents a \$50 increase from 2016/2017.
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 2017/2018. 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.
6. The number of pupils for 2017/2018, based on a blended count of 90/10, will be 14,017, representing a decrease of 229 students compared to 2016/2017.
7. A parcel of District-owned property has been put on the market for sale. It has an appraised value of \$400,000 and is expected to sell during 2017/2018.
8. Increases in taxable values of property in Oakland County will mean an increased PA 18 allocation of approximately \$400,000.
9. The use of nearly \$1.5 million is also planned to balance the 2017/2018 budget.

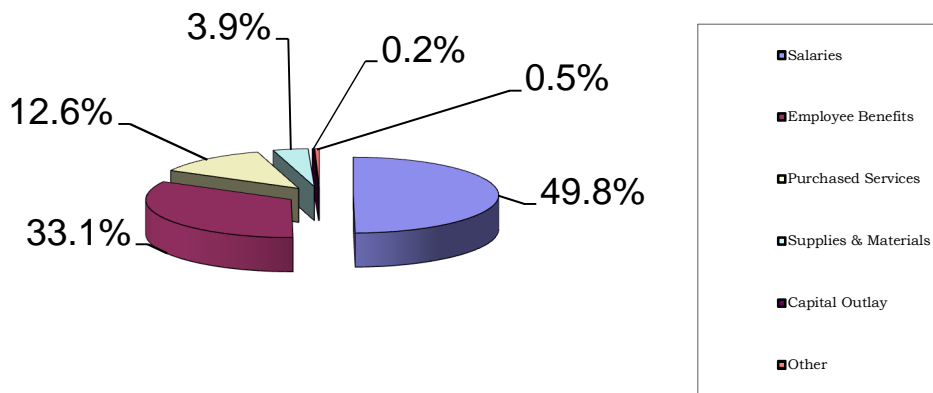
Operating Expenditures – General Fund

The following table and graph show the makeup of expenditures and the proposed General Fund expenditure budget for 2016/2017 and 2017/2018.

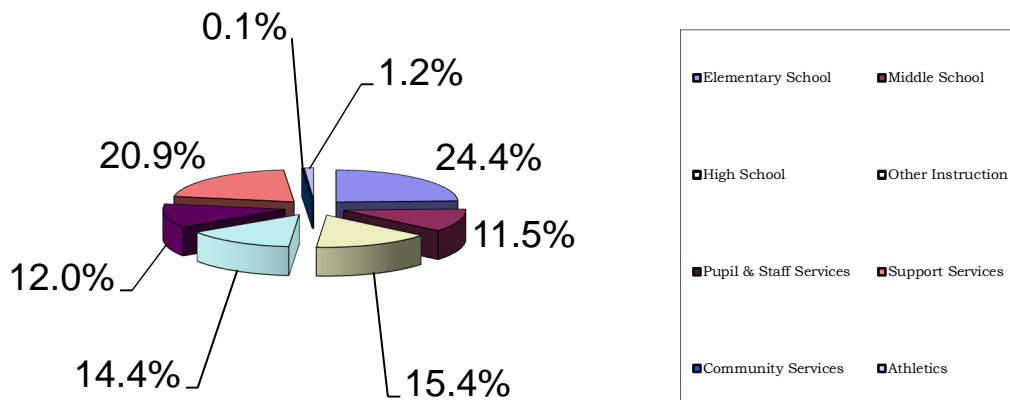
	2016/2017		2017/2018	
	Amended Budget	2016/2017 % of Total	Recommended Budget	2017/2018 % of Total
Expenditures				
Basic Programs	\$ 82,599,753	52.69%	\$ 82,169,568	52.08%
Added Needs	21,047,232	13.43%	21,510,911	13.63%
Total Instruction	103,646,985	66.12%	103,680,479	65.72%
 Pupil Services	13,639,470	8.70%	13,806,369	8.75%
Instructional Staff Services	4,940,458	3.15%	5,146,234	3.26%
General Administration	798,888	0.51%	789,948	0.50%
School Administration	8,960,580	5.72%	9,378,861	5.94%
Business Services	1,922,140	1.23%	1,993,574	1.26%
Operation and Maintenance	10,058,123	6.42%	10,320,507	6.54%
Pupil Transportation	6,065,140	3.87%	6,095,971	3.86%
Central Services	4,498,000	2.87%	4,390,323	2.78%
Athletics	2,016,398	1.29%	1,947,469	1.23%
Total Support Services	52,899,197	33.74%	53,869,256	34.15%
 Community Services	220,969	0.14%	215,720	0.14%
 TOTAL EXPENDITURES	156,767,151	<u>100.00%</u>	157,765,455	<u>100.00%</u>
 Excess Revenue over (under)				
Expenditures	439,818		(1,467,719)	
 Beginning Fund Balance	<u>9,742,046</u>		<u>10,181,864</u>	
 Ending Fund Balance	<u>\$ 10,181,864</u>		<u>\$ 8,714,145</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 - 2017/2018 General Fund Budget



Expenditures by Function - 2017/2018 General Fund Budget



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

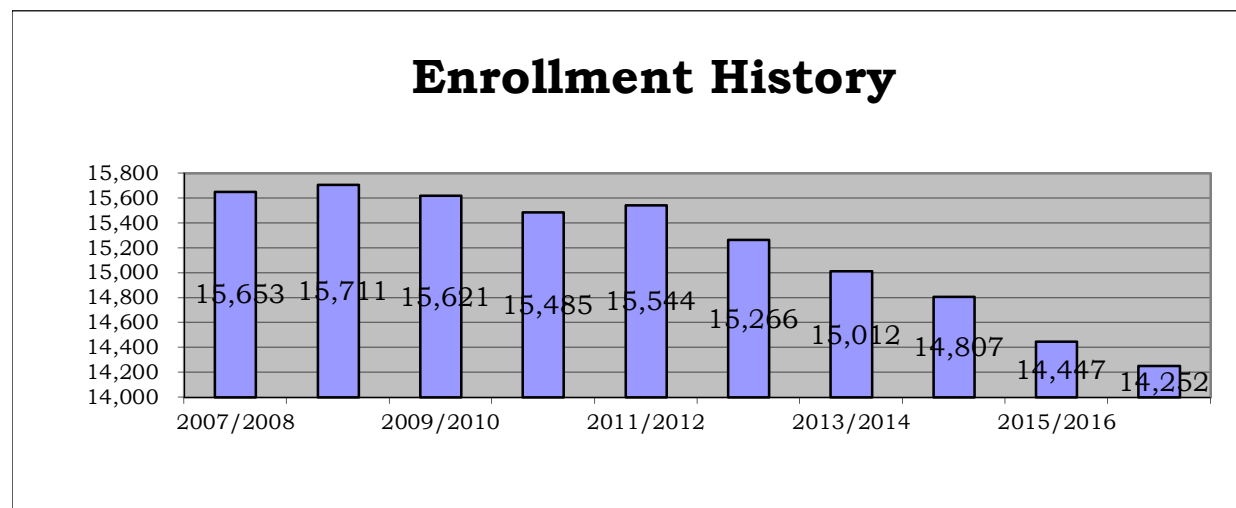
1. All employee groups have agreed to concessionary agreements for the 2017/2018. The details of concessions already negotiated vary by bargaining group, however, concessions for each are comparable and include such items as wage concessions and furlough days.
2. Retirement reform has resulted in a system 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 2017/2018 is calculated to be 25.41%, which is .26 percentage points higher than 2016/2017. The lower rate saves Walled Lake Schools approximately \$200,000.
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 3.3% for 2017/2018. As a result, the District's cost for health insurance for employees will increase by 3.3% or approximately \$394,000. The increase in insurance premiums no longer has a direct impact on districts.
4. Utility rates are expected to remain flat for 2017/2018 given current utility contracts.
5. Class sizes will be increased at the Secondary level which will result in the layoff of the equivalent of 20 teacher positions.
6. Elimination of an alternative high school.
7. Elimination of several athletic options for high school freshman.

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 2017/2018 school year.

Grade	Enrollment	Sections	Average Class Size
Kindergarten	885 Students	44 Sections	20.1
First Grade	957 Students	37 Sections	25.9
Second Grade	974 Students	39 Sections	25.0
Third Grade	998 Students	38 Sections	26.3
Fourth Grade	1023 Students	38 Sections	26.9
Fifth Grade	994 Students	37 Sections	26.9
Sixth - Eighth Grades	3351 Students	-	33.0
Ninth - Twelfth Grades	4738 Students	-	35.0

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

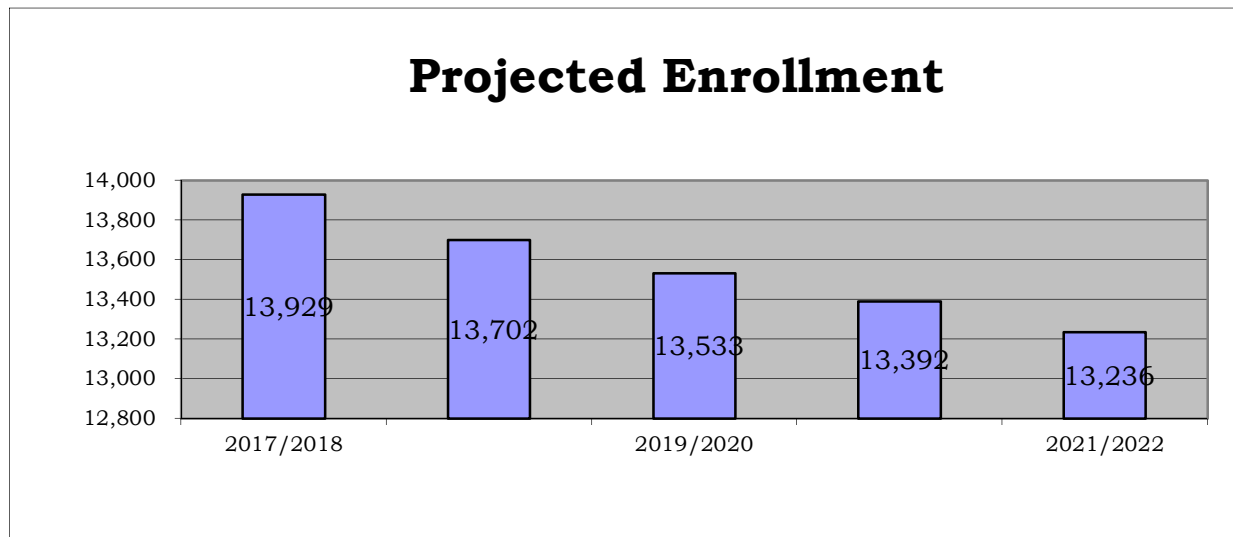


In 2007/2008, for the first time since 1986, enrollment declined for Walled Lake Consolidated Schools and has continued on a downward trend with a minor recovery in only two of the last ten years. Michigan's economy has suffered for several years now, but there are many indicators that a recovery is underway. According to the Oakland County Economic Outlook report, Oakland County is in its 8th year of recovery from the Great Recession and the County's job growth between 2009 and 2016 (18%), has outpaced the Nation's (9.9%) and the State's (11.8%).

The unemployment rate for Oakland County has declined each year since it peaked in 2009 at 13%. In 2016, the reported unemployment rate was only 4.2%. The report predicts that a new employment peak will be set for County by the summer of 2019.

The U.S. economy is also expanding, the local housing sector is consistently improving and vehicle sales have increased each year since 2009.

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 at over 90%

Personnel Trends

As of June 2017, Walled Lake Consolidated Schools has approximately 1,376 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).

	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	Projected 2017/2018
Instructional					
Building Administrators & Secretaries	74.62	76.55	76.43	76.18	76.18
Teachers	769.56	755.45	732.48	734.78	715.78
Other Instructional Staff	154.53	163.02	175.84	197.71	197.71
Guidance Staff	29.40	30.00	28.50	29.70	29.70
Psychological Staff	7.20	7.20	7.20	7.50	7.50
Speech and Audiology	18.30	18.64	18.30	19.30	19.30
Social Workers	14.00	14.60	12.70	16.70	16.70
Special Ed. Teacher Consultants	13.00	13.57	14.00	14.00	14.00
Other Pupil Services Staff	40.37	39.83	40.69	35.16	35.16
Library Personnel	9.62	10.62	10.71	10.48	10.48
Computer Assisted Instruction	2.69	2.49	2.36	2.00	2.00
Other Instructional Supervisors	12.00	11.64	9.64	11.30	11.30
Other Staff Services Personnel	1.42	0.00	0.00	0.00	0.00
Total Instructional Staff	1,146.71	1,143.61	1,128.85	1,154.81	1,135.81
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	81.58	79.11	74.37	81.86	81.86
Operations and Maintenance	24.60	24.24	24.62	25.24	25.24
Transportation Staff	1.00	1.00	1.00	1.00	1.00
Central Support Services	21.21	22.21	21.21	21.59	21.59
Other Support Staff	2.00	2.00	2.00	2.00	2.00
Community Services	77.88	71.45	70.15	77.85	77.85
Total Non-Instructional Staff	219.52	211.26	204.60	220.79	220.79
Total Staff	1,366.23	1,354.87	1,333.45	1,375.60	1,356.60

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 five of the last six years. Additional concessions have been negotiated with all groups for 2017/2018.

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.

	2002/ 2003	2017/ 2018	Difference	Percentage Difference
Instructional				
Building Administrators & Secretaries	107.58	76.18	(31.40)	-29.19%
Teachers	898.51	715.78	(182.73)	-20.34%
Other Instructional Staff	193.64	197.71	4.07	2.10%
Guidance Staff	46.50	29.70	(16.80)	-36.13%
Psychological Staff	9.50	7.50	(2.00)	-21.05%
Speech and Audiology	25.30	19.30	(6.00)	-23.72%
Social Workers	16.40	16.70	0.30	1.83%
Special Ed. Teacher Consultants	53.50	14.00	(39.50)	-73.83%
Other Pupil Services Staff	71.65	35.16	(36.49)	-50.93%
Library Personnel	1.00	10.48	9.48	948.00%
Computer Assisted Instruction	45.00	2.00	(43.00)	-95.56%
Other Instructional Supervisors	11.00	11.30	0.30	2.73%
Other Staff Services Personnel	23.92	0.00	(23.92)	-100.00%
Total Instructional Staff	1503.50	1,135.81	(367.69)	-24.46%
Non-Instructional				
Executive Administration	2.50	2.00	(0.50)	-20.00%
Business Services	17.00	9.25	(7.75)	-45.59%
Food Services Staff	80.60	81.86	1.26	1.56%
Operations and Maintenance	157.50	25.24	(132.26)	-83.97%
Transportation Staff	160.43	1.00	(159.43)	-99.38%
Central Support Services	53.00	21.59	(31.41)	-59.26%
Other Support Staff	39.00	2.00	(37.00)	-94.87%
Community Services	64.90	77.85	12.95	19.95%
Total Non-Instructional Staff	574.93	220.79	(354.14)	-61.60%
Total Staff	2078.43	1,356.60	(721.83)	-34.73%

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 high levels of achievement for all students in an environment that is safe, supportive, and nurturing.

In order to support our goal, each expenditure area is carefully scrutinized and evaluated to ensure that impact on student learning and achievement is maximized. Funds are earmarked for items like innovative and researched-based instructional technology which augments effective classroom instruction within an engaging 21st Century learning environment. Illuminate DnA, a comprehensive data and assessment platform, is used to accurately capture a child's level of mastery on learning standards, while equipping the classroom teacher with real-time data analysis. 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. Realizing each child learns differently, we strategically identify and support those strategies and programs that maximize high levels of achievement for all student.

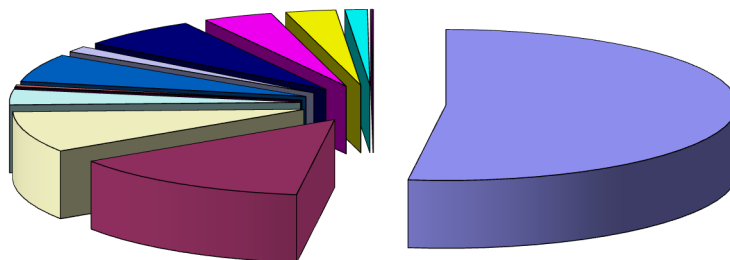
Professional development of both teachers and administrators is another area that is directly correlated to student growth. It is, therefore, valued and financially supported to ensure that all students are benefiting from current best practices.

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 2015/2016 as well as the budgets for 2016/2017 and 2017/2018.

	Actual 2015/16	Amended Budget 2016/17	Recommended Budget 2017/18
Instructional Services - Basic Instruction	\$ 84,240,770	\$ 82,599,753	\$ 82,169,568
Classroom instruction, textbooks and supplies			
Instructional Services - Added Needs	20,466,732	21,047,232	21,510,911
Classroom instruction, textbooks and supplies			
Pupil Services	13,623,832	13,639,470	13,806,369
Guidance, health, speech, social worker, teacher consultants			
Instructional Support	4,883,606	4,940,458	5,146,234
Assistant superintendents, program development, computer assistance			
Board of Education	153,526	232,000	206,650
School Board, clerical staff			
Executive Administration	555,649	566,888	583,298
Superintendent, clerical and support staff			
Office of Principal	9,022,348	8,960,580	9,378,861
Principals, assistant principals, clerical and support staff, related materials			
Business Services	2,355,944	1,922,140	1,993,574
Assistant Superintendent, Finance, Purchasing			
Operations and Maintenance	9,523,566	10,058,123	10,320,507
Staff, equipment and supplies for care, upkeep and operation of facilities			
Pupil Transportation	5,754,854	6,065,140	6,095,971
Central Services	4,439,084	4,498,000	4,390,323
Personnel, Community Relations, Data Processing			
Athletics	2,021,784	2,016,398	1,947,469
Community Services	225,754	220,969	215,720
Transfers Out	-	-	-
Total Expenditures	\$ 157,267,449	\$ 156,767,151	\$ 157,765,455
Pupil Count	14,447	14,252	13,929
Operating Expense per Pupil	\$ 10,886	\$ 11,000	\$ 11,326

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 2017/2018 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	

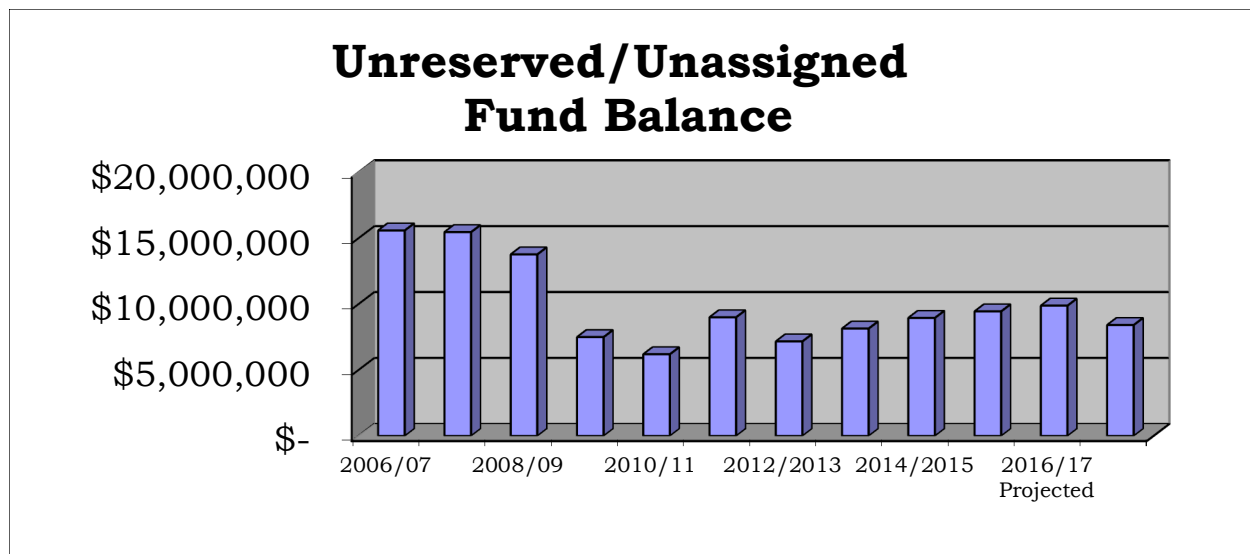
Category of Expense	2017/2018 Cost per Pupil	Percent of Total
Instructional Services - Basic	\$ 5,899	52.08%
Instructional Services - Added	1,544	13.63%
Pupil Services	991	8.75%
Instructional Support	369	3.26%
Board of Education	15	0.13%
Executive Administration	42	0.37%
School Site Leadership	673	5.94%
Business Services	143	1.26%
Operations and Maintenance	741	6.54%
Pupil Transportation	438	3.86%
Central Services	315	2.78%
Athletics	140	1.23%
Community Services	15	0.14%
Total Expenditures	\$ 11,326	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 2016/2017 and 2017/2018.

Year	Total Fund Balance	Reserved Fund Balance	Unreserved		Unreserved as a Percentage of Expenditures
			Designated Fund Balance	Undesignated Fund Balance	
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%

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%
2015/2016	9,742,046	294,017	-	9,448,029	6.01%
2016/17 Projected	10,181,864	300,000	-	9,881,864	6.30%
2017/18 Projected	8,714,145	300,000	-	8,414,145	5.33%
**** - 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 number of 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. Since then, Administration and the Board of Education worked hard to increase fund balance. When land was sold or other one time revenue was generated, a concerted effort was made to not commit those dollars and instead to build fund balance.

Faced with yet another deficit as a result of continued declining enrollment and funding increases that do not keep pace with inflation, Administration recommended using a portion of fund balance yet again, in order to balance the 2017/2018 budget.

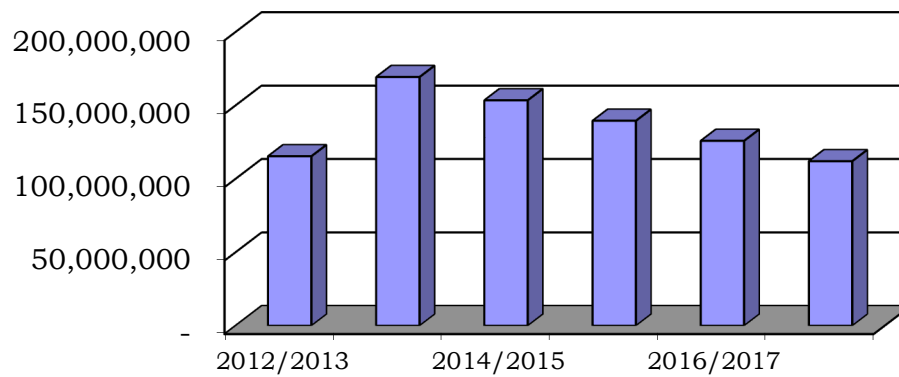
Debt

At the end of 2016/2017, the School District has \$125.8 million in General Obligation Bonds outstanding versus \$139.5 million at the end of 2015/2016.

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
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
2016/2017	\$ 139,470,000	\$ -	\$ 13,660,000	\$ 125,810,000
Projected 2017/2018	\$ 125,810,000	\$ -	\$ 13,840,000	\$ 111,970,000

Year End General Obligation Bond Balance



ALL FUNDS

The following includes a summary by object of the 2017/2018 proposed budget for each additional fund type maintained by the District.

	Special Revenue Funds	Debt Service Funds	Capital Project Funds
Revenue			
Local Sources	\$5,743,293	\$20,829,058	\$2,290,000
State Sources	175,000	-	-
Federal Sources	1,690,000	-	-
Interdistrict Sources	-	-	-
Total Revenue	7,608,293	20,829,058	2,290,000
Expenditures			
Salaries	2,887,264	-	-
Benefits	1,342,158	-	-
Purchased Services	552,960	-	-
Supplies and Materials	2,253,975	-	-
Capital Outlay	21,650	-	-
Other	248,600	-	-
Capital Projects/Land	-	-	4,195,600
Debt Service	-	19,797,244	-
Total Expenditures	7,306,607	19,797,244	4,195,600
Other Financing Uses - Transfers Out	(300,000)	-	-
Net Change in Fund Balances	1,686	1,031,814	(1,905,600)
Fund Balances - Beginning of year	1,627,976	1,935,676	8,522,484
Fund Balances - End of year	\$1,629,662	\$2,967,490	\$6,616,884

Special Revenue Funds

There are four district Special Revenue funds.

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.

Debt Service and Capital Project Funds

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 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 display the budgeted revenues and expenditures for each fund of the District.

Revenues

	2016/2017 Amended Budget	2017/2018 Proposed Budget	Percent Change from Prior Year
General Fund	\$ 157,206,969	\$ 156,297,736	-0.58%
Special Revenue Funds			
Cafeteria Fund	4,655,000	4,710,000	1.18%
Community Education	745,000	745,000	0.00%
Preschool	344,277	341,450	-0.82%
Enrichment/Prime Time Care	1,819,100	1,811,843	-0.40%
Debt Retirement Funds	19,898,633	21,902,087	10.07%
Capital Projects Funds	2,464,000	2,290,000	-7.06%
TOTAL	<u>\$ 187,132,979</u>	<u>\$ 188,098,116</u>	<u>0.52%</u>

Expenses

	2016/2017 Amended Budget	2017/2018 Proposed Budget	Percent Change from Prior Year
General Fund	\$ 156,767,151	\$ 157,765,455	0.64%
Special Revenue Funds			
Cafeteria Fund	4,700,127	4,678,885	-0.45%
Community Education	726,804	728,178	0.19%
Preschool	347,118	335,346	-3.39%
Enrichment/Prime Time Care	1,858,157	1,864,198	0.33%
Debt Retirement Funds	20,157,324	19,797,244	-1.79%
Capital Projects Funds	14,950,374	4,195,600	-71.94%
TOTAL	<u>\$ 199,507,055</u>	<u>\$ 189,364,906</u>	<u>-5.08%</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.

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

	2018/2019 Budget Projected	2019/2020 Budget Projected	2020/2021 Budget Projected
General Fund	\$ 157,472,613	\$ 159,043,039	\$ 160,629,170
Special Revenue Funds			
Cafeteria Fund	4,757,100	4,804,671	4,852,718
Community Education	752,450	759,975	767,574
Preschool	344,865	348,313	351,796
Enrichment/Prime Time Care	1,829,961	1,848,261	1,866,744
Debt Retirement Funds	15,980,323	17,330,544	17,271,624
Capital Projects Funds	2,282,400	2,285,024	2,307,874
TOTAL	<u>\$ 183,419,713</u>	<u>\$ 186,419,827</u>	<u>\$ 188,047,500</u>

Expenses

	2018/2019 Budget Projected	2019/2020 Budget Projected	2020/2021 Budget Projected
General Fund	\$ 159,289,776	\$ 160,847,832	\$ 162,424,206
Special Revenue Funds			
Cafeteria Fund	4,744,061	4,810,304	4,877,633
Community Education	730,468	732,780	735,116
Preschool	338,268	341,220	344,201
Enrichment/Prime Time Care	1,977,592	1,991,120	1,861,933
Debt Retirement Funds	17,281,144	17,270,194	17,271,494
Capital Projects Funds	6,884,114	2,856,280	2,884,843
TOTAL	<u>\$ 191,245,424</u>	<u>\$ 188,849,730</u>	<u>\$ 190,399,425</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 three years since implementation. SAT results are presented for 2015/2016 only and 2016/2017 test scores are not yet available. 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.

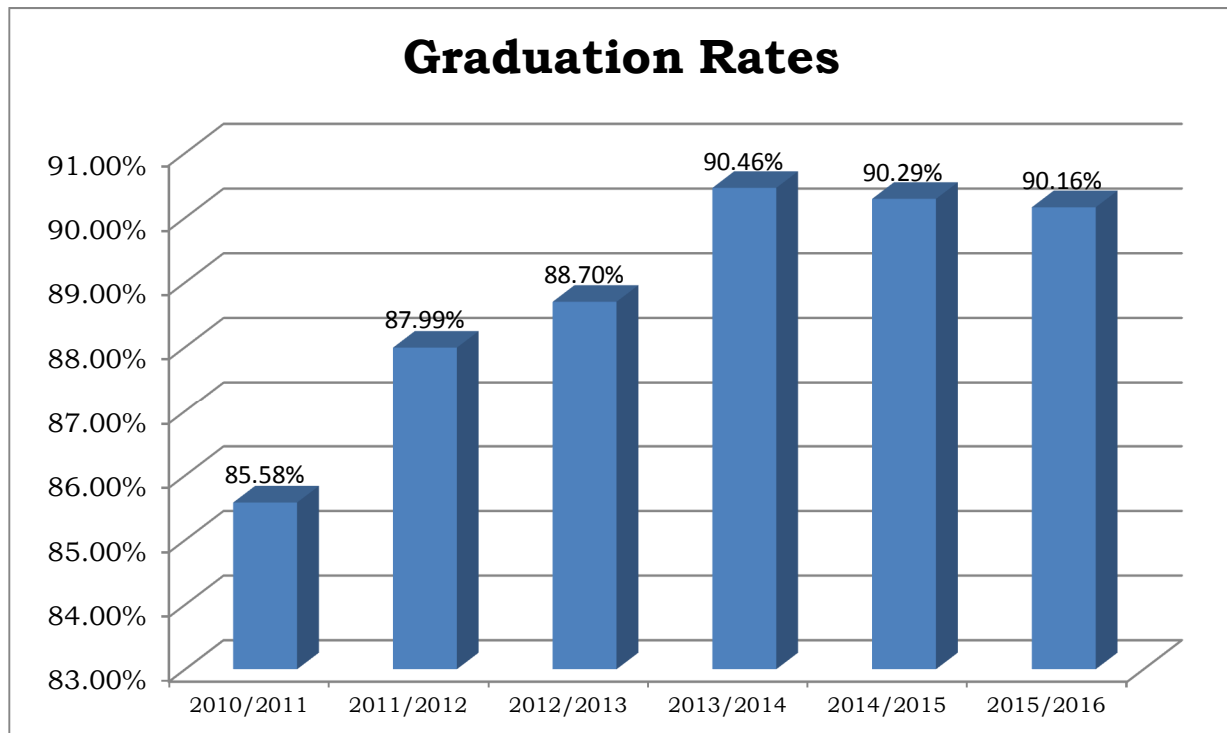
The AdvancED accreditation model helps the entire School District keep the activities and relationships within classrooms at the heart of all improvement strategies while at the same time supporting those which are both systematic and system-wide.

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

We have also made changes where possible to ensure savings. Examples include:

- Use of Google Apps for Education and other cloud-based technology programs
- Use of Mi-STAR middle school curriculum to implement the next generation science standards. This curriculum is free to local districts.

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
- Create and maintain many community partnerships
- Share information with parents and the community
- Hold District-wide Open house on an annual basis

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:

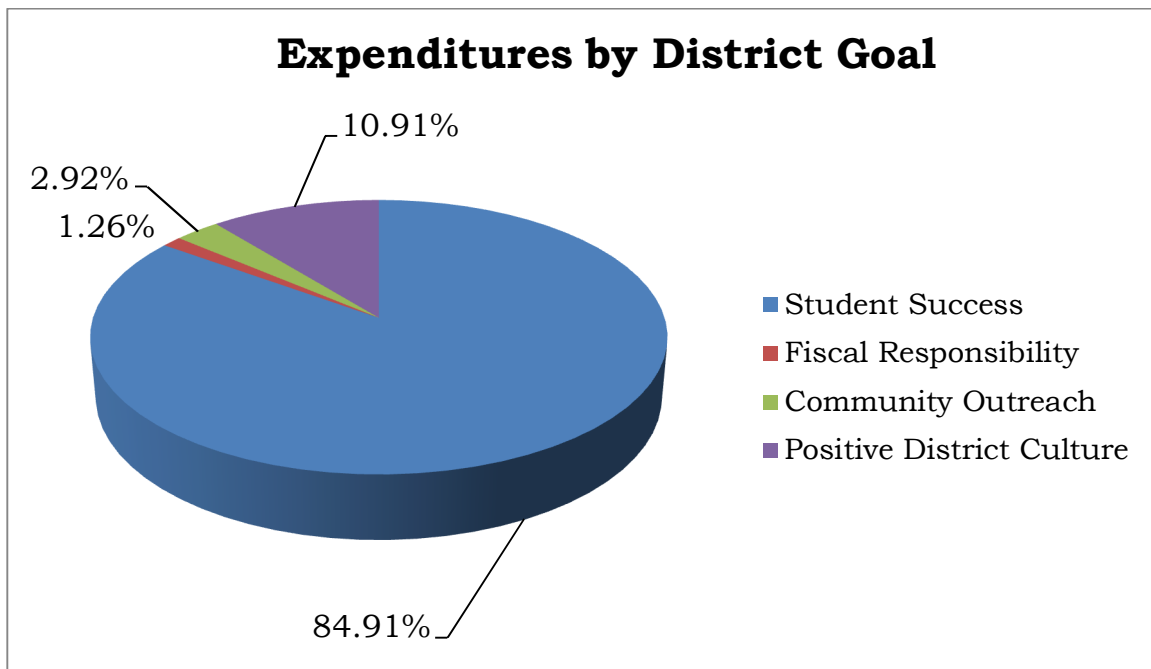
- Conduct numerous emergency drills
- Operate surveillance cameras
- Inspect and improve health and cleanliness of schools
- Provide additional hall monitors
- Provide police officers that rotate through the District

In an effort to become one Community, we have put effort into inviting students and families from our Elementary and Middle school communities to events at our High Schools.

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

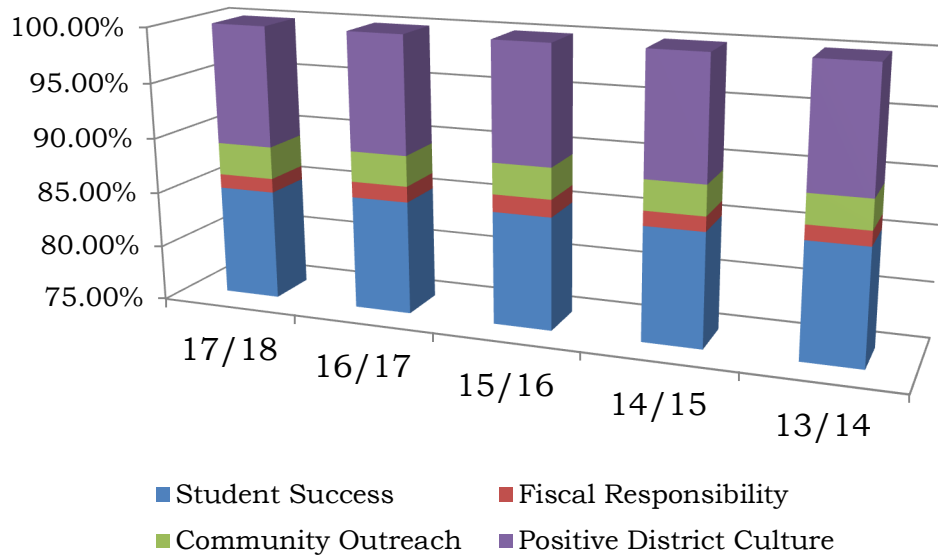
Expenditures by District Goal

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.

History of Expenses Categorized by Goal



BUDGET

Walled Lake Consolidated School District

Every Child, Every Day!



Organizational Section

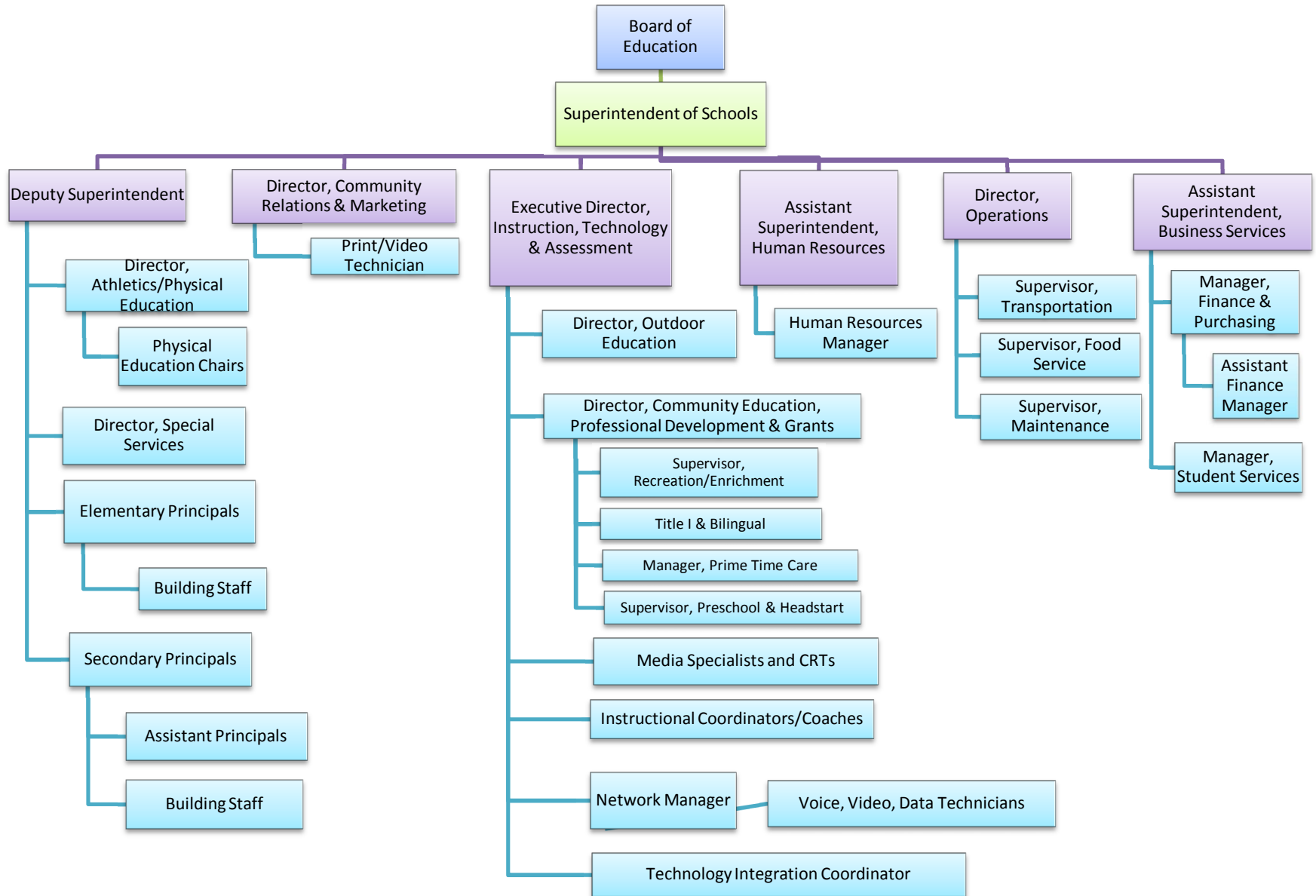


Walled Lake Northern High School Foreign Languages!

*(Students used clues, all in German, to solve
puzzles/problems)*



Walled Lake Consolidated School District 2016/2017



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.

Christopher Titus, President

Term Expires 12/31/2022

Kathy Lyall, Vice President

Term Expires 12/31/2020

Nancy van Leuwen, Treasurer

Term Expires 12/31/2022

Greg Janicki, Secretary

Term Expires 12/31/2020

Peggy Casagrande, Trustee

Term Expires 12/31/2018

Marc Siegler, Trustee

Term Expires 12/31/2018

Denise Dunn, Trustee

Term Expires 12/31/2022

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 and an outdoor education center. There are currently 14,252 students as of the 2016/2017 school year. The District is legally autonomous and is fiscally independent. The legal name of the school district is Walled Lake Consolidated Schools.

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 MPSERS 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

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- ✓ Supporting best practices, proven interventions and the professional development of our teachers and administrators.

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- 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

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- ✓ 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.”

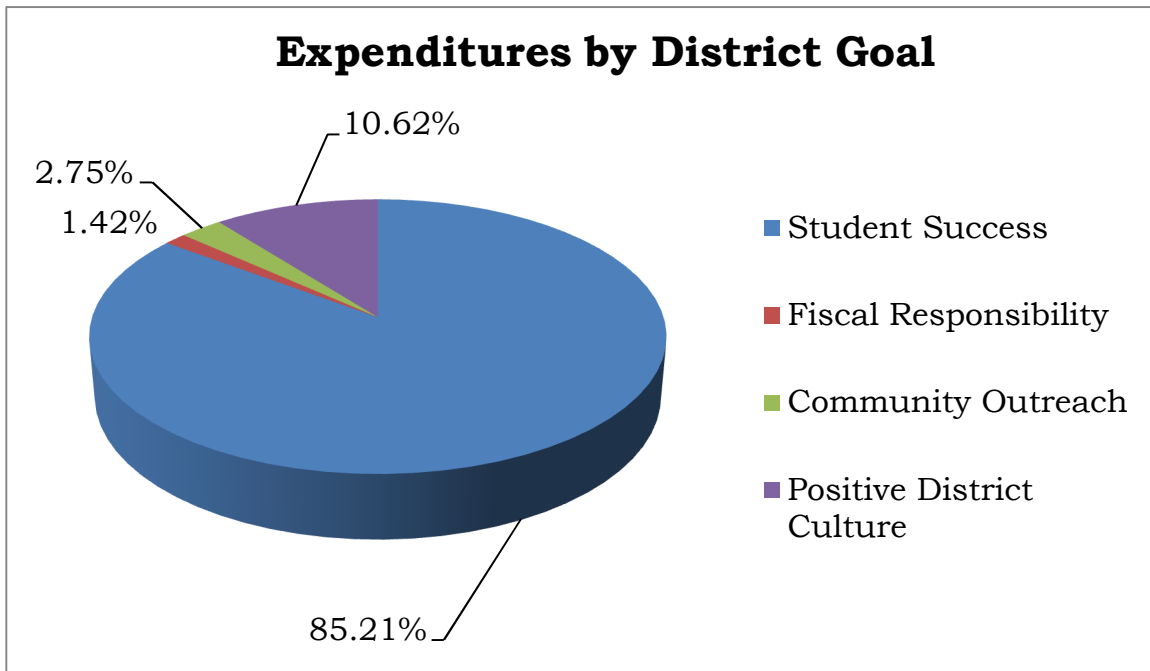
Supporting resources include personnel and monetary support to:

- 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

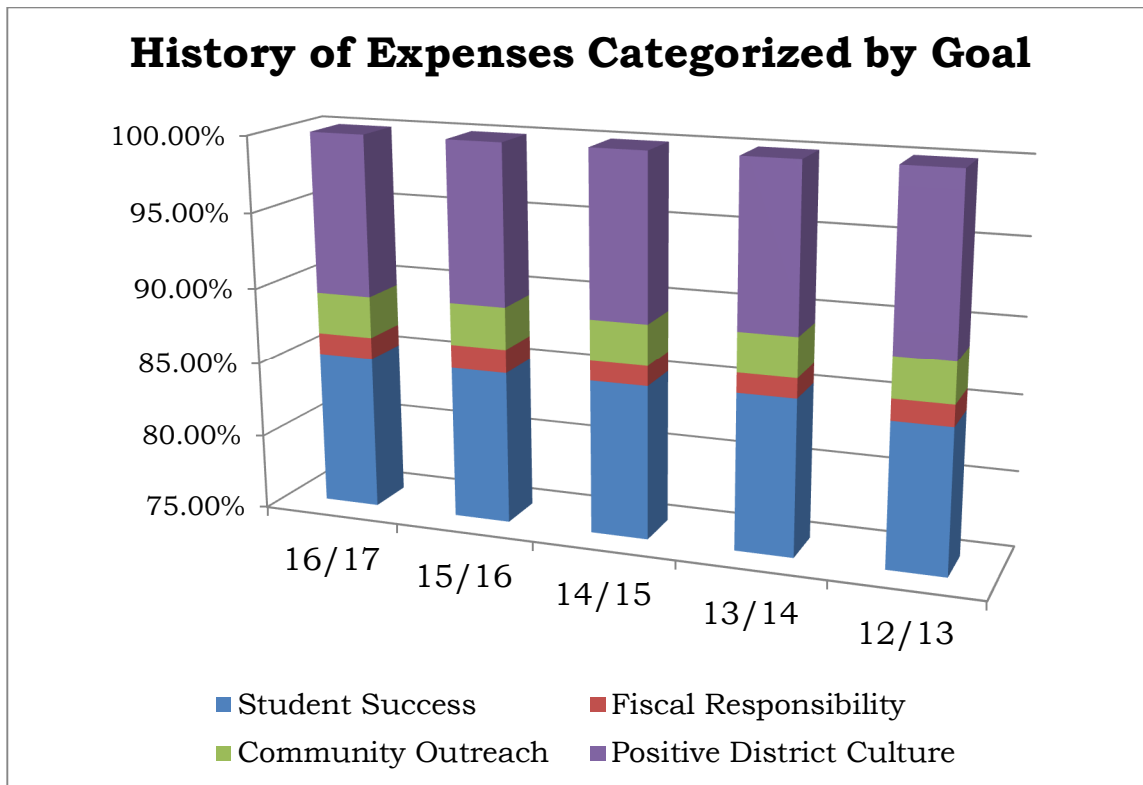
In addition, the 2014 Safety, Security and Technology Bond has allowed for many upgrades to the safety and security of each District building.

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.



BUDGET

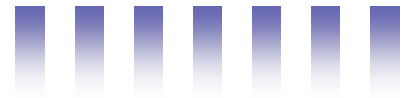
Walled Lake Consolidated School District

Financial Section

Every Child, Every Day!



Walnut Creek Middle School
Community Service!



2017-2018 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	\$35,235,718	\$5,743,293	\$20,829,058	\$2,290,000	\$64,098,069
State Sources	104,884,047	175,000	-	-	105,059,047
Federal Sources	5,960,267	1,690,000	-	-	7,650,267
Interdistrict Sources	9,817,704	-	-	-	9,817,704
Total Revenue	155,897,736	7,608,293	20,829,058	\$2,290,000	186,625,087
Expenditures					
Salaries	78,560,685	2,887,264	-	-	81,447,949
Benefits	52,157,490	1,342,158	-	-	53,499,648
Purchased Services	19,840,718	552,960	-	-	20,393,678
Supplies and Materials	6,124,534	2,253,975	-	-	8,378,509
Capital Outlay	294,473	21,650	-	-	316,123
Other	787,555	248,600	-	-	1,036,155
Capital Projects/Land	-	-	-	4,195,600	4,195,600
Debt Service	-	-	19,797,244	-	19,797,244
Total Expenditures	157,765,455	7,306,607	19,797,244	4,195,600	189,064,906
Other Financing Sources (Uses)					
Transfers In	400,000	-	-	-	400,000
Transfers Out	-	(300,000)	-	-	(300,000)
Total Other Financing Sources (Uses)	400,000	(300,000)	-	-	100,000
					-
Net Change in Fund Balances	(1,467,719)	1,686	1,031,814	(1,905,600)	(2,339,819)
Fund Balances - Beginning of year	10,181,864	1,627,976	1,935,676	8,522,484	22,268,000
Fund Balances - End of year	\$8,714,145	\$1,629,662	\$2,967,490	\$6,616,884	\$19,928,181

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

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$ 37,611,561	\$ 38,553,913	\$ 39,393,552	\$ 39,470,375	\$ 40,569,011	\$ 40,974,701	\$ 41,384,448	\$ 41,798,293
State Sources	107,558,674	108,024,710	107,142,867	107,813,495	105,059,047	106,109,637	107,170,734	108,242,441
Federal Sources	7,230,850	7,206,584	6,871,553	7,600,566	7,650,267	7,726,770	7,804,037	7,882,078
Interdistrict Sources	7,812,806	9,553,161	9,560,384	9,530,910	9,817,704	9,915,881	10,015,040	10,115,190
Total Revenue	160,213,891	163,338,368	162,968,356	164,415,346	163,096,029	164,726,989	166,374,259	168,038,002
Expenditures								
Salaries	88,673,746	84,634,854	84,649,363	82,493,226	81,447,949	82,168,582	82,990,268	83,820,171
Benefits	47,913,749	49,672,756	51,605,906	51,487,739	53,499,648	53,972,468	54,512,193	55,057,315
Purchased Services	18,298,360	18,818,166	19,276,067	20,563,952	20,393,678	20,543,647	20,747,752	20,956,637
Supplies and Materials	8,031,992	7,497,575	7,138,728	7,948,477	8,378,509	8,426,051	8,501,447	8,578,020
Capital Outlay	388,504	421,057	568,064	622,190	316,123	316,123	316,123	316,123
Other	646,773	1,540,156	1,052,282	983,773	1,036,155	1,253,294	1,255,473	1,257,674
Total Expenditures	163,953,124	162,584,564	164,290,410	164,099,357	165,072,062	166,680,165	168,323,256	169,985,939
Other Financing Sources (Uses)								
Transfers In	400,000	325,000	300,000	300,000	400,000	400,000	400,000	400,000
Transfers Out	(400,000)	(325,000)	(300,000)	(300,000)	(300,000)	(400,000)	(400,000)	(400,000)
Proceeds from sale of fixed assets	661,540	233,633	2,017,530	55,000	410,000	30,000	30,000	30,000
Total Other Fin. Sources (Uses)	661,540	233,633	2,017,530	55,000	510,000	30,000	30,000	30,000
Net Change in Fund Balance	(3,077,693)	987,437	695,476	370,989	(1,466,033)	(1,923,176)	(1,918,997)	(1,917,937)
Fund Balances - Beginning of year	12,833,631	9,755,938	10,743,375	11,438,851	11,809,840	10,343,807	8,420,631	6,501,634
Fund Balances - End of year	\$ 9,755,938	\$ 10,743,375	\$ 11,438,851	\$ 11,809,840	\$ 10,343,807	\$ 8,420,631	\$ 6,501,634	\$ 4,583,697
Note: Operating Funds include the District General Fund and Special Revenue Funds								

**Operating Funds Summary
2013-14 Through 2020-21**

Expenditures by Function

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Instruction								
Elementary	\$ 39,529,489	\$ 38,906,104	\$ 39,757,204	\$ 38,516,421	\$ 38,553,759	\$ 38,919,192	\$ 39,290,236	\$ 39,664,991
Middle School	21,396,331	20,466,153	18,958,388	18,474,413	18,169,147	18,341,537	18,515,651	18,691,507
High School	24,773,707	24,317,164	24,582,036	24,457,431	24,293,181	24,512,322	24,733,654	24,957,200
Other Basic Programs	543,182	834,731	943,142	1,151,488	1,153,481	1,162,783	1,172,178	1,181,667
Special Education	14,437,474	15,582,928	16,378,259	16,752,901	17,148,104	17,302,796	17,459,034	17,616,835
Vocational Education	1,116,578	1,152,411	1,027,667	1,075,931	1,083,363	1,093,383	1,103,503	1,113,724
Other Added Needs and Adult Ed	3,203,221	3,182,421	3,060,806	3,218,400	3,279,444	3,310,788	3,342,445	3,374,419
Total Instruction	104,999,982	104,441,912	104,707,502	103,646,985	103,680,479	104,642,800	105,616,702	106,600,343
Supporting Services								
Guidance Services	3,780,132	3,590,859	3,836,138	3,546,356	3,537,519	3,572,387	3,607,604	3,643,173
Health Services	877,995	759,743	965,246	1,120,586	1,151,431	1,152,556	1,153,692	1,154,839
Psychological Services	984,268	1,012,635	1,070,560	1,103,259	1,168,724	1,179,776	1,190,939	1,202,213
Speech Services	2,371,917	2,456,555	2,616,710	2,545,835	2,590,875	2,616,538	2,642,458	2,668,636
Social Work	1,661,343	1,736,215	1,780,446	1,751,080	1,783,563	1,801,303	1,819,221	1,837,318
T/C Special Education	1,764,233	1,798,083	1,851,343	1,829,624	1,866,876	1,885,411	1,904,131	1,923,038
Other Pupil Services	1,447,628	1,417,666	1,503,389	1,742,730	1,707,381	1,720,543	1,733,836	1,747,263
Improvement of Instruction	1,488,875	1,437,217	1,645,275	1,620,435	1,646,934	1,660,363	1,673,927	1,687,626
Library Services	965,251	936,564	1,014,407	1,002,244	1,020,304	1,030,075	1,039,943	1,049,910
Audio/Visual	321,196	323,620	341,249	353,128	365,574	369,191	372,844	376,533
Instructional Staff Supervision	1,916,666	1,904,494	1,783,081	1,854,877	2,016,007	2,035,630	2,055,448	2,075,465
Media Services	77,159	116,022	99,341	109,274	96,915	97,222	97,531	97,844
Other Instruction Staff	53,265	9,634	253	500	500	-	-	-
Board of Education	236,896	102,933	153,526	232,000	206,650	207,658	208,672	209,690
Executive Administration	502,157	514,660	555,649	566,888	583,298	587,694	593,043	598,445
Office of Principal	8,656,528	8,702,020	9,022,348	8,960,580	9,378,861	9,470,885	9,564,132	9,658,311
Fiscal Services	1,555,269	1,623,387	1,689,350	1,326,450	1,382,785	1,393,970	1,405,266	1,416,675
Other Business Services	691,290	758,509	666,594	595,690	610,789	613,013	615,258	617,527
Custodial/Maintenance	10,081,398	9,598,379	9,523,566	10,058,123	10,320,507	10,422,873	10,526,262	10,630,685
Transportation	6,148,167	5,658,470	5,754,854	6,065,140	6,095,971	6,236,327	6,394,423	6,556,844
Testing/Community Relations	469,525	538,997	534,584	609,348	641,780	647,252	651,264	655,317
Personnel	935,683	895,521	976,778	945,348	953,971	962,744	971,606	980,555
Pupil Accounting	329,681	312,154	331,197	387,187	403,635	407,610	411,625	415,681
Data Processing	2,272,125	2,285,023	2,596,525	2,556,117	2,390,937	2,401,842	2,412,855	2,423,979
Athletics	2,062,920	2,146,201	2,021,784	2,016,398	1,947,469	1,956,238	1,965,094	1,974,040
Total Supporting Services	51,651,567	50,635,561	52,334,193	52,899,197	53,869,256	54,429,099	55,011,074	55,601,606
Community Services	137,955	221,457	225,754	220,969	215,720	217,877	220,056	222,257
Cafeteria	4,569,045	4,593,022	4,532,805	4,700,127	4,678,885	4,744,061	4,810,304	4,877,633
Community Education	708,668	831,332	735,158	726,804	728,178	730,468	732,780	735,116
Preschool	415,343	371,679	402,622	347,118	335,346	338,268	341,220	344,201
Enrichment/Prime Time Care	1,870,564	1,814,601	1,652,376	1,858,157	1,864,198	1,977,592	1,991,120	2,004,783
Total Expenditures and Other Uses	\$ 164,353,124	\$ 162,909,564	\$ 164,590,410	\$ 164,399,357	\$ 165,372,062	\$ 167,080,165	\$ 168,723,256	\$ 170,385,939
Note: Operating Funds include the District General Fund and Special Revenue Funds								

General Fund 2013-14 Through 2020-21
Revenues By Source and Expenditures By Object

				2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	2013/2014	2014/2015	2015/2016	Amended	Recommended	Projected	Projected	Projected
	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget
Revenue								
Local Sources	\$ 32,248,259	\$ 33,070,989	\$ 33,585,516	\$ 33,771,998	\$ 34,825,718	\$ 35,173,975	\$ 35,525,715	\$ 35,880,972
State Sources	107,254,499	107,629,836	106,954,038	107,638,495	104,884,047	105,932,887	106,992,216	108,062,139
Federal Sources	5,577,557	5,575,874	5,119,135	5,910,566	5,960,267	6,019,870	6,080,068	6,140,869
Interdistrict Sources	7,812,806	9,553,161	9,560,384	9,530,910	9,817,704	9,915,881	10,015,040	10,115,190
Total Revenue	152,893,121	155,829,860	155,219,073	156,851,969	155,487,736	157,042,613	158,613,039	160,199,170
Expenditures								
Salaries	85,840,539	81,845,279	81,826,797	79,557,287	78,560,685	79,252,446	80,044,970	80,845,420
Benefits	46,522,179	48,163,080	50,368,713	50,171,257	52,157,490	52,616,888	53,143,057	53,674,488
Purchased Services	17,806,348	18,221,669	18,759,188	20,010,992	19,840,718	19,990,687	20,194,792	20,403,677
Supplies and Materials	5,912,327	5,329,903	4,919,719	5,726,902	6,124,534	6,130,588	6,163,666	6,197,075
Capital Outlay	358,904	388,410	547,381	565,540	294,473	294,473	294,473	294,473
Other	349,207	1,350,589	845,651	735,173	787,555	1,004,694	1,006,873	1,009,074
Total Expenditures	156,789,504	155,298,930	157,267,449	156,767,151	157,765,455	159,289,776	160,847,832	162,424,206
Other Financing Sources (Uses)								
Transfers In	400,000	325,000	300,000	300,000	400,000	400,000	400,000	400,000
Proceeds from sale of fixed assets	661,540	233,633	2,017,530	55,000	410,000	30,000	30,000	30,000
Total Other Fin. Sources (Uses)	1,061,540	558,633	2,317,530	355,000	810,000	430,000	430,000	430,000
Net Change in Fund Balance	(2,834,843)	1,089,563	269,154	439,818	(1,467,719)	(1,817,163)	(1,804,792)	(1,795,036)
Fund Balances - Beginning of year	11,218,172	8,383,329	9,472,892	9,742,046	10,181,864	8,714,145	6,896,982	5,092,190
Fund Balances - End of year	\$ 8,383,329	\$ 9,472,892	\$ 9,742,046	\$ 10,181,864	\$ 8,714,145	\$ 6,896,982	\$ 5,092,190	\$ 3,297,154

General Fund 2013-14 Through 2020-2021

Expenditures by Function

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Instruction								
Elementary	\$ 39,529,489	\$ 38,906,104	\$ 39,757,204	\$ 38,516,421	\$ 38,553,759	\$ 38,919,192	\$ 39,290,236	\$ 39,664,991
Middle School	21,396,331	20,466,153	18,958,388	18,474,413	18,169,147	18,341,537	18,515,651	18,691,507
High School	24,773,707	24,317,164	24,582,036	24,457,431	24,293,181	24,512,322	24,733,654	24,957,200
Other Basic Programs	543,182	834,731	943,142	1,151,488	1,153,481	1,162,783	1,172,178	1,181,667
Special Education	14,437,474	15,582,928	16,378,259	16,752,901	17,148,104	17,302,796	17,459,034	17,616,835
Vocational Education	1,116,578	1,152,411	1,027,667	1,075,931	1,083,363	1,093,383	1,103,503	1,113,724
Other Added Needs and Adult Ed	3,203,221	3,182,421	3,060,806	3,218,400	3,279,444	3,310,788	3,342,445	3,374,419
Total Instruction	104,999,982	104,441,912	104,707,502	103,646,985	103,680,479	104,642,800	105,616,702	106,600,343
Supporting Services								
Guidance Services	3,780,132	3,590,859	3,836,138	3,546,356	3,537,519	3,572,387	3,607,604	3,643,173
Health Services	877,995	759,743	965,246	1,120,586	1,151,431	1,152,556	1,153,692	1,154,839
Psychological Services	984,268	1,012,635	1,070,560	1,103,259	1,168,724	1,179,776	1,190,939	1,202,213
Speech Services	2,371,917	2,456,555	2,616,710	2,545,835	2,590,875	2,616,538	2,642,458	2,668,636
Social Work	1,661,343	1,736,215	1,780,446	1,751,080	1,783,563	1,801,303	1,819,221	1,837,318
T/C Special Education	1,764,233	1,798,083	1,851,343	1,829,624	1,866,876	1,885,411	1,904,131	1,923,038
Other Pupil Services	1,447,628	1,417,666	1,503,389	1,742,730	1,707,381	1,720,543	1,733,836	1,747,263
Improvement of Instruction	1,488,875	1,437,217	1,645,275	1,620,435	1,646,934	1,660,363	1,673,927	1,687,626
Library Services	965,251	936,564	1,014,407	1,002,244	1,020,304	1,030,075	1,039,943	1,049,910
Audio/Visual	321,196	323,620	341,249	353,128	365,574	369,191	372,844	376,533
Instructional Staff Supervision	1,916,666	1,904,494	1,783,081	1,854,877	2,016,007	2,035,630	2,055,448	2,075,465
Media Services	77,159	116,022	99,341	109,274	96,915	97,222	97,531	97,844
Other Instruction Staff	53,265	9,634	253	500	500	-	-	-
Board of Education	236,896	102,933	153,526	232,000	206,650	207,658	208,672	209,690
Executive Administration	502,157	514,660	555,649	566,888	583,298	587,694	593,043	598,445
Office of Principal	8,656,528	8,702,020	9,022,348	8,960,580	9,378,861	9,470,885	9,564,132	9,658,311
Fiscal Services	1,555,269	1,623,387	1,689,350	1,326,450	1,382,785	1,393,970	1,405,266	1,416,675
Other Business Services	691,290	758,509	666,594	595,690	610,789	613,013	615,258	617,527
Custodial/Maintenance	10,081,398	9,598,379	9,523,566	10,058,123	10,320,507	10,422,873	10,526,262	10,630,685
Transportation	6,148,167	5,658,470	5,754,854	6,065,140	6,095,971	6,236,327	6,394,423	6,556,844
Testing/Community Relations	469,525	538,997	534,584	609,348	641,780	647,252	651,264	655,317
Personnel	935,683	895,521	976,778	945,348	953,971	962,744	971,606	980,555
Pupil Accounting	329,681	312,154	331,197	387,187	403,635	407,610	411,625	415,681
Data Processing	2,272,125	2,285,023	2,596,525	2,556,117	2,390,937	2,401,842	2,412,855	2,423,979
Athletics	2,062,920	2,146,201	2,021,784	2,016,398	1,947,469	1,956,238	1,965,094	1,974,040
Total Supporting Services	51,651,567	50,635,561	52,334,193	52,899,197	53,869,256	54,429,099	55,011,074	55,601,606
Community Services	137,955	221,457	225,754	220,969	215,720	217,877	220,056	222,257
Transfers Out	-	-	-	-	-	-	-	-
Total Expenditures and Other Uses	\$ 156,789,504	\$ 155,298,930	\$ 157,267,449	\$ 156,767,151	\$ 157,765,455	\$ 159,289,776	\$ 160,847,832	\$ 162,424,206

Walled Lake Consolidated Schools

Cafeteria Fund

2013/2014 Through 2020/2021

Revenues By Source and Expenditures By Object

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$ 2,550,535	\$ 2,551,244	\$ 2,802,259	\$ 2,790,000	\$ 2,845,000	\$ 2,873,450	\$ 2,902,185	\$ 2,931,206
State Sources	243,337	283,254	188,829	175,000	175,000	176,750	178,518	180,303
Federal Sources	1,653,293	1,630,710	1,752,418	1,690,000	1,690,000	1,706,900	1,723,969	1,741,209
Total Revenue	4,447,165	4,465,208	4,743,506	4,655,000	4,710,000	4,757,100	4,804,671	4,852,718
Expenditures								
Salaries	1,586,325	1,546,510	1,585,985	1,627,198	1,593,341	1,609,274	1,625,367	1,641,621
Benefits	817,215	888,115	739,233	760,269	775,484	783,239	791,071	798,982
Purchased Services	63,977	69,556	61,531	91,010	91,010	91,010	91,010	91,010
Supplies and Materials	1,910,695	1,966,194	2,028,393	2,042,000	2,074,400	2,115,888	2,158,206	2,201,370
Capital Outlay	29,600	32,647	20,683	56,650	21,650	21,650	21,650	21,650
Other	161,233	90,000	96,980	123,000	123,000	123,000	123,000	123,000
Total Expenditures	4,569,045	4,593,022	4,532,805	4,700,127	4,678,885	4,744,061	4,810,304	4,877,633
Net Change in Fund Balance	(121,880)	(127,814)	210,701	(45,127)	31,115	13,039	(5,633)	(24,915)
Fund Balances - Beginning of year	636,720	514,840	387,026	597,727	552,600	583,715	596,754	591,121
Fund Balances - End of year	\$ 514,840	\$ 387,026	\$ 597,727	\$ 552,600	\$ 583,715	\$ 596,754	\$ 591,121	\$ 566,206
Notes on Projections:								
Modest 1% increases in revenue								
1% increases in salary & benefits								
2% increase in supplies, consistent with history								

Walled Lake Consolidated Schools
Community Education Fund
2013/2014 Through 2020/2021
Revenues By Source and Expenditures By Object

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$ 756,993	\$ 752,975	\$ 747,185	\$ 745,000	\$ 745,000	\$ 752,450	\$ 759,975	\$ 767,574
State Sources	7,237	12,843	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	764,230	765,818	747,185	745,000	745,000	752,450	759,975	767,574
Expenditures								
Salaries	145,975	141,300	147,541	146,654	146,291	147,754	149,231	150,724
Benefits	82,288	97,612	78,065	80,925	82,662	83,489	84,324	85,167
Purchased Services	334,045	471,250	399,360	403,900	403,900	403,900	403,900	403,900
Supplies and Materials	77,202	67,258	57,107	61,625	61,625	61,625	61,625	61,625
Capital Outlay	-	-	-	-	-	-	-	-
Other	69,158	28,912	28,085	33,700	33,700	33,700	33,700	33,700
Total Expenditures	708,668	806,332	710,158	726,804	728,178	730,468	732,780	735,116
Other Financing Sources								
Transfers Out	-	(25,000)	(25,000)	-	-	-	-	-
Total Other Financing Sources	-	(25,000)	(25,000)	-	-	-	-	-
Net Change in Fund Balance	55,562	(65,514)	12,027	18,196	16,822	21,982	27,195	32,459
Fund Balances - Beginning of year	158,053	213,615	148,101	160,128	178,324	195,146	217,128	244,323
Fund Balances - End of year	\$ 213,615	\$ 148,101	\$ 160,128	\$ 178,324	\$ 195,146	\$ 217,128	\$ 244,323	\$ 276,782

<div> <div>Walled Lake Consolidated Schools</div> <div>Preschool Fund</div> <div>2013/2014 Through 2020/2021</div> <div>Revenues By Source and Expenditures By Object</div> </div>								
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	2013/2014 Actual	2014/2015 Actual	2015/2016 Actual	2016/2017 Amended Budget	2017/2018 Recommended Budget	2018/2019 Projected Budget	2019/2020 Projected Budget	2020/2021 Projected Budget
Revenue								
Local Sources	\$ 443,522	\$ 411,170	\$ 376,503	\$ 344,277	\$ 341,450	\$ 344,865	\$ 348,313	\$ 351,796
State Sources	11,573	17,893	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	455,095	429,063	376,503	344,277	341,450	344,865	348,313	351,796
Expenditures								
Salaries	236,419	211,204	226,006	208,632	194,982	196,932	198,901	200,890
Benefits	137,528	115,370	100,221	95,386	97,264	98,237	99,219	100,211
Purchased Services	16,143	21,209	17,329	11,700	11,700	11,700	11,700	11,700
Supplies and Materials	10,771	12,638	21,012	17,000	17,000	17,000	17,000	17,000
Capital Outlay	-	-	-	-	-	-	-	-
Other	14,482	11,258	13,054	14,400	14,400	14,400	14,400	14,400
Total Expenditures	415,343	371,679	377,622	347,118	335,346	338,268	341,220	344,201
Other Financing Uses - Transfers Out	-	-	(25,000)	-	-	-	-	-
Net Change in Fund Balance	39,752	57,384	(26,119)	(2,841)	6,104	6,596	7,093	7,595
Fund Balances - Beginning of year	185,648	225,400	282,784	256,665	253,824	259,928	266,524	273,617
Fund Balances - End of year	\$ 225,400	\$ 282,784	\$ 256,665	\$ 253,824	\$ 259,928	\$ 266,524	\$ 273,617	\$ 281,212

Revenues By Source and Expenditures By Object

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue								
Local Sources	\$ 1,612,252	\$ 1,767,535	\$ 1,882,089	\$ 1,819,100	\$ 1,811,843	\$ 1,829,961	\$ 1,848,261	\$ 1,866,744
State Sources	42,028	80,884	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	1,654,280	1,848,419	1,882,089	1,819,100	1,811,843	1,829,961	1,848,261	1,866,744
Expenditures								
Salaries	864,488	890,561	863,034	953,455	952,650	962,177	971,798	981,516
Benefits	354,539	408,579	319,674	379,902	386,748	390,615	394,522	398,467
Purchased Services	77,847	34,482	38,659	46,350	46,350	46,350	46,350	46,350
Supplies and Materials	120,997	121,582	112,497	100,950	100,950	100,950	100,950	100,950
Capital Outlay	-	-	-	-	-	-	-	-
Other	52,693	59,397	68,512	77,500	77,500	77,500	77,500	77,500
Total Expenditures	1,470,564	1,514,601	1,402,376	1,558,157	1,564,198	1,577,592	1,591,120	1,604,783
Other Financing Uses - Transfers Out	(400,000)	(300,000)	(250,000)	(300,000)	(300,000)	(400,000)	(400,000)	(400,000)
Net Change in Fund Balance	(216,284)	33,818	229,713	(39,057)	(52,355)	(147,631)	(142,859)	(138,039)
Fund Balances - Beginning of year	635,038	418,754	452,572	682,285	643,228	590,873	443,242	300,384
Fund Balances - End of year	\$ 418,754	\$ 452,572	\$ 682,285	\$ 643,228	\$ 590,873	\$ 443,242	\$ 300,384	\$ 162,344

2013/2014 Through 2020/2021[illegible]

Walled Lake Consolidated Schools
2005 Debt Fund
2013/2014 Through 2020/2021

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ 7,945,890	\$ 8,916,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures								
Principal Payments	5,800,000	5,800,000	-	-	-	-	-	-
Interest and Other	2,631,999	1,324,469	-	-	-	-	-	-
Total Expenditures	8,431,999	7,124,469	-	-	-	-	-	-
Excess of Revenue Over (Under) Expenditures	(486,109)	1,792,106	-	-	-	-	-	-
Other Financing Sources (Uses)								
Transfers In	600,000	-	-	-	-	-	-	-
Transfers Out	-	(1,910,998)	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	600,000	(1,910,998)	-	-	-	-	-	-
Net Change in Fund Balances	113,891	(118,892)	-	-	-	-	-	-
Fund Balances - Beginning of year	5,001	118,892	-	-	-	-	-	-
Fund Balances - End of year	\$ 118,892	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Walled Lake Consolidated Schools
2006 Debt Fund
2013/2014 Through 2020/2021

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	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	60,000	60,000	60,000	-	-	-	-	-
Interest and Other	387,923	385,944	193,838	-	-	-	-	-
Total Expenditures	447,923	445,944	253,838	-	-	-	-	-
Excess of Revenue Over (Under) Expenditures	17,485	32,028	57,896	-	-	-	-	-
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(112,409)	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(112,409)	-	-	-	-	-
Net Change in Fund Balances	17,485	32,028	(54,513)	-	-	-	-	-
Fund Balances - Beginning of year	5,000	22,485	54,513	-	-	-	-	-
Fund Balances - End of year	\$ 22,485	\$ 54,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Walled Lake Consolidated Schools								
2011 Debt Fund								
2013/2014 Through 2020/2021								
	2013/2014 Actual	2014/2015 Actual	2015/2016 Actual	2016/2017 Amended Budget	2017/2018 Recommended Budget	2018/2019 Projected Budget	2019/2020 Projected Budget	2020/2021 Projected Budget
Revenue - Local Sources	\$ 7,725,397	\$ 6,186,482	\$ 7,093,084	\$ 6,467,700	\$ 6,602,415	\$ 5,646,260	\$ 5,643,750	\$ 5,354,325
Expenditures								
Principal Payments	4,315,000	4,875,000	5,385,000	5,135,000	5,075,000	5,000,000	4,935,000	4,890,000
Interest and Other	2,098,066	1,879,335	1,720,662	1,445,250	1,208,750	990,250	740,250	493,500
Total Expenditures	6,413,066	6,754,335	7,105,662	6,580,250	6,283,750	5,990,250	5,675,250	5,383,500
Excess of Revenue Over (Under) Expenditures	1,312,331	(567,853)	(12,578)	(112,550)	318,665	(343,990)	(31,500)	(29,175)
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	1,312,331	(567,853)	(12,578)	(112,550)	318,665	(343,990)	(31,500)	(29,175)
Fund Balances - Beginning of year	5,000	1,317,331	749,478	736,900	624,350	943,015	599,025	567,525
Fund Balances - End of year	\$ 1,317,331	\$ 749,478	\$ 736,900	\$ 624,350	\$ 943,015	\$ 599,025	\$ 567,525	\$ 538,350

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Walled Lake Consolidated Schools 2014 Debt Fund 2013/2014 Through 2020/2021								
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ -	\$ 3,270,652	\$ 3,056,627	\$ 3,872,000	\$ 4,360,738	\$ 3,990,271	\$ 4,330,534	\$ 4,397,924
Expenditures								
Principal Payments	-	-	-	750,000	1,075,000	1,155,000	1,305,000	1,430,000
Interest and Other	791,971	3,070,758	3,068,010	3,072,444	3,057,444	3,035,944	3,012,844	2,960,644
Total Expenditures	791,971	3,070,758	3,068,010	3,822,444	4,132,444	4,190,944	4,317,844	4,390,644
Excess of Revenue Over (Under) Expenditures	(791,971)	199,894	(11,383)	49,556	228,294	(200,673)	12,690	7,280
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	(11,383)	49,556	228,294	(200,673)	12,690	7,280
Fund Balances - Beginning of year	-	153,406	353,300	341,917	391,473	619,767	419,094	431,784
Fund Balances - End of year	\$ 153,406	\$ 353,300	\$ 341,917	\$ 391,473	\$ 619,767	\$ 419,094	\$ 431,784	\$ 439,064

Walled Lake Consolidated Schools 2015 Debt Fund 2013/2014 Through 2020/2021								
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ -	\$ -	\$ 7,712,634	\$ 7,438,100	\$ 7,660,236	\$ 4,540,496	\$ 5,415,450	\$ 5,722,325
Expenditures								
Principal Payments	-	-	6,090,000	6,070,000	6,020,000	4,160,000	4,635,000	5,170,000
Interest and Other	-	723,390	1,757,737	1,505,550	1,262,750	961,750	753,750	522,000
Total Expenditures	-	723,390	7,847,737	7,575,550	7,282,750	5,121,750	5,388,750	5,692,000
Excess of Revenue Over (Under) Expenditures	-	(723,390)	(135,103)	(137,450)	377,486	(581,254)	26,700	30,325
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	(135,103)	(137,450)	377,486	(581,254)	26,700	30,325
Fund Balances - Beginning of year	-	-	988,496	853,393	715,943	1,093,429	512,175	538,875
Fund Balances - End of year	\$ -	\$ 988,496	\$ 853,393	\$ 715,943	\$ 1,093,429	\$ 512,175	\$ 538,875	\$ 569,200

Walled Lake Consolidated Schools								
2016 Debt Fund								
2013/2014 Through 2020/2021								
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ -	\$ -	\$ 130,074	\$ 311,033	\$ 374,784	\$ 1,447,813	\$ 1,940,810	\$ 1,797,050
Expenditures								
Principal Payments	-	-	-	-	-	1,010,000	1,575,000	1,555,000
Interest and Other	-	-	205,944	348,380	353,750	353,750	313,350	250,350
Total Expenditures	-	-	205,944	348,380	353,750	1,363,750	1,888,350	1,805,350
Excess of Revenue Over (Under) Expenditures	-	-	(75,870)	(37,347)	21,034	84,063	52,460	(8,300)
Other Financing Sources (Uses)								
Transfers In	-	-	112,409	-	-	-	-	-
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)	-	-	144,495	-	-	-	-	-
Net Change in Fund Balances	-	-	68,625	(37,347)	21,034	84,063	52,460	(8,300)
Fund Balances - Beginning of year	-	-	-	68,625	31,278	52,312	136,375	188,835
Fund Balances - End of year	\$ -	\$ -	\$ 68,625	\$ 31,278	\$ 52,312	\$ 136,375	\$ 188,835	\$ 180,535

Walled Lake Consolidated Schools								
2014 Bond Fund								
2013/2014 Through 2020/2021								
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
Revenue - Local Sources	\$ (334,954)	\$ 211,111	\$ 303,089	\$ 285,000	\$ 50,000	\$ 20,000	\$ -	\$ -
Expenditures - Capital Outlay	5,740,729	21,328,950	21,289,328	12,421,900	2,665,600	4,056,114	-	-
Net Change in Fund Balance	(6,075,683)	(21,117,839)	(20,986,239)	(12,136,900)	(2,615,600)	(4,036,114)	-	-
Other Financing Sources (Uses)								
Transfers out	(791,971)	-						
Bond proceeds	65,760,000	-						
Premium on debt issued	2,000,346	-						
	66,968,375	-	-	-	-	-	-	-
Net Change in Fund Balances	60,892,692	(21,117,839)	(20,986,239)	(12,136,900)	(2,615,600)	(4,036,114)		
Fund Balances - Beginning of year	-	60,892,692	39,774,853	18,788,614	6,651,714	4,036,114	-	-
Fund Balances - End of year	\$ 60,892,692	\$ 39,774,853	\$ 18,788,614	\$ 6,651,714	\$ 4,036,114	\$ -	\$ -	\$ -

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Descriptions and Assumptions

Major Revenue Sources and Expenditure Categories

Revenue Sources

<i>Local Sources</i>

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

Assumption and Significant Trends – Property taxes are based on taxable values provided by the local community assessors. After declining taxable values for the five year period, 2008 – 2012, values have 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%, 3.69% and 3% in 2014, 2015 and 2016 respectively. Projected increases of 1%, 2% and 2% are budgeted for 2017, 2018 and 2019.

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 2017/2018, including a net per pupil increase of \$50. 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 1%, 2% and 2% are budgeted for 2017, 2018 and 2019.

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 for 2017/2018. 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 2017/2018 those limits have increased by 3.3% and will be \$6,344.80 for single person coverage, \$13,268.93 for two-person coverage and \$17,304.02 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 2017/2018 for our district is calculated to be 25.41 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 2017/2018 compared to 2016/2017 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 asset items are charged to capital outlay accounts. Examples include furniture, computers, equipment and vehicles.

Assumption and Significant Trends – Capital outlay costs in the general fund 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.

Funds have been budgeted with the 2014 Capital Projects Fund for the purchase of furniture in each of our buildings. While the amount is minimal compared to the needs, it is a much needed allocation.

<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 again 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 continues to decline as projects are completed.

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 2017/2018 school year.

BUILDING	PROJECT DESCRIPTION	PRIORITY CODE	ESTIMATED COST
Central High School	Replace pool drains	HS	\$5,000
Commerce El	Construct modular classrooms	OP	\$400,000
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
Educational Services Ctr	Replace deteriorated air handlers	UL	\$200,000
Educational Services Ctr	Replace deteriorated boiler	UL	\$150,000
Geisler Middle School	Construct exterior storage building	OP	\$40,000
Keith El	Replace Media Center AHU's	UL	\$100,000
Loon Lake El	Replace Media Center AHU's	UL	\$100,000
Northern High School	Replace pool drains	HS	\$5,000
Northern High School	Replace hot water storage tank	UL	\$20,000
Operations Bldg	Replace deteriorated bus wash pavement	UL	\$150,000
Pleasant Lake El	Construct canopy to modular classrooms	OP	\$75,000
Walled Lake El	Replace music room ceiling	HS	\$50,000
Walled Lake El	Replace deteriorated roof	UL	\$250,000
Western High School	Replace pool drains	HS	\$5,000

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 neared completion and have included:

- 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 has ensured that the burden of these expenses did not impact the General Fund of the District.

SCHEDULE OF BONDED INDEBTEDNESS					
Principal Payments					
June 30	2011 Debt Principal	2012 Debt Principal	2014 Debt Principal	2015 Debt Principal	2016 Debt Principal
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>\$24,745,000</u>	<u>\$2,260,000</u>	<u>\$65,010,000</u>	<u>\$25,120,000</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, 2017		
Taxable Value - 2017-2018	\$ 4,552,897,830	
Statutory Bonding Limit*	\$ 682,934,675	
General Obligation Bonds Outstanding - June 30, 2017	65,010,000	
Legal Debt Margin	\$ 617,924,675	
* - 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		

BUDGET

Walled Lake Consolidated School District

Informational Section



Commerce Elementary

STEM!

(Science, Technology, Engineering, and Math)

Every Child, Every Day!



PROPERTY TAX INFORMATION FOR SCHOOL YEARS 2014 - 2017 AND PROJECTED INFORMATION FOR SCHOOL YEARS 2018 – 2021

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
2017	4,374,861,000	\$53,428,462	\$52,529,848
Projected 2018	4,552,897,830	\$54,645,472	\$53,552,563
Projected 2019	4,780,542,722	\$56,284,836	\$55,159,139
Projected 2020	4,971,764,430	\$57,973,381	\$56,813,914
Projected 2021	4,971,764,430	\$57,973,381	\$56,813,914

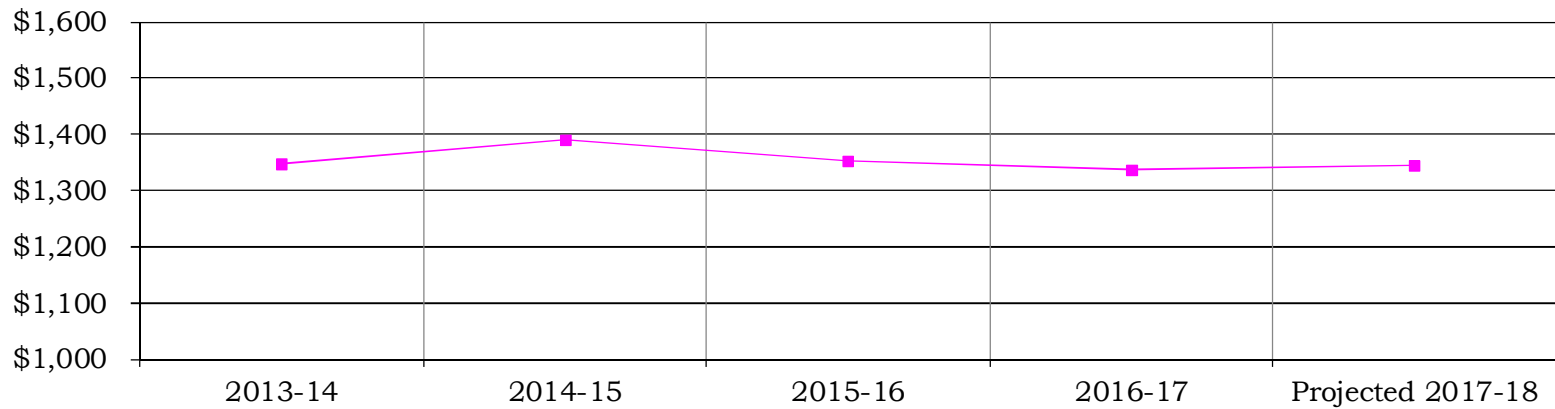
* - Amounts include all tax levies that apply (operating, debt, sinking fund).
Amounts exclude LDFA's and are after Board of Review adjustments.

Summary of Property Tax Rates Levied on Property within the School District								
Direct and Overlapping Governments (Per \$1,000 Assessed Value)								
	2015/2016				2016/2017			
		Homestead				Homestead		
	Non-	Commerical	Industrial		Non-	Commerical	Industrial	
	Homestead	Personal	Personal	Other***	Homestead	Personal	Personal	Other***
School District:								
Operating	17.9604	8.0869	2.1265	2.1265	17.9047	7.8965	1.9918	1.9918
Sinking Fund	0.4985	0.4985	0.4985	0.4985	0.4953	0.4953	0.4953	0.4953
Debt	4.6591	4.6591	4.6591	4.6591	4.5279	4.5279	4.5279	4.5279
Total Levied	23.1180	13.2445	7.2841	7.2841	22.9279	12.9197	7.0150	7.0150
State Education Tax	6.0000	6.0000	0.0000	6.0000	6.0000	6.0000	0.0000	6.0000
Oakland County Operating	4.0900	4.0900	4.0900	4.0900	4.0900	4.0900	4.0900	4.0900
Parks & Recreation	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415	0.2415
Huron-Clinton Authority	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146	0.2146
Oakland I.S.D.	3.3633	3.3633	3.3633	3.3633	3.3633	3.3633	3.3633	3.3633
Oakland Community College	1.5819	1.5819	1.5819	1.5819	1.5819	1.5819	1.5819	1.5819
OCPTA	0.9998	0.9998	0.9998	0.9998	0.9998	0.9998	0.9998	0.9998
City of Walled Lake*	21.5024	21.5024	21.5024	21.5024	21.5024	21.5024	21.5024	21.5024
City of Farmington Hills*	15.9764	15.9764	15.9764	15.9764	15.9764	15.9764	15.9764	15.9764
City of Novi*	10.2000	10.2000	10.2000	10.2000	10.2000	10.2000	10.2000	10.2000
City of Orchard Lake*	7.8600	7.8600	7.8600	7.8600	7.8600	7.8600	7.8600	7.8600
City of Wixom*	15.3629	15.3629	15.3629	15.3629	15.3629	15.3629	15.3629	15.3629
Village of Wolverine Lake*	9.5730	9.5730	9.5730	9.5730	9.5730	9.5730	9.5730	9.5730
Commerce Township*	3.0871	3.0871	3.0871	3.0871	3.0871	3.0871	3.0871	3.0871
West Bloomfield Township*	12.2112	12.2112	12.2112	12.2112	12.2112	12.2112	12.2112	12.2112
White Lake Township*	9.8133	9.8133	9.8133	9.8133	9.8133	9.8133	9.8133	9.8133
Totals:								
City of Walled Lake	61.1115	51.2380	39.2776	45.2776	60.9214	50.9132	39.0085	45.0085
City of Farmington Hills	55.5855	45.7120	33.7516	39.7516	55.3954	45.3872	33.4825	39.4825
City of Novi	49.8091	39.9356	27.9752	33.9752	49.6190	39.6108	27.7061	33.7061
City of Orchard Lake	47.4691	37.5956	25.6352	31.6352	47.2790	37.2708	25.3661	31.3661
City of Wixom	54.9720	45.0985	33.1381	39.1381	54.7819	44.7737	32.8690	38.8690
Village of Wolverine Lake	49.1821	39.3086	27.3482	33.3482	48.9920	38.9838	27.0791	33.0791
Commerce Township	42.6962	32.8227	20.8623	26.8623	42.5061	32.4979	20.5932	26.5932
West Bloomfield Township	51.8203	41.9468	29.9864	35.9864	51.6302	41.6220	29.7173	35.7173
White Lake Township	49.4224	39.5489	27.5885	33.5885	49.2323	39.2241	27.3194	33.3194

Summary of Property Tax Rates Levied on Property within the School District Direct and Overlapping Governments (Per \$1,000 Assessed Value)						
	Projected 2017/2018					
		Homestead				
	Non-	Commerical	Industrial			
	Homestead	Personal	Personal	Other***		
School District:						
Operating	17.7417	7.6700	1.9283	1.9283		
Sinking Fund	0.4896	0.4896	0.4896	0.4896		
Debt	4.5279	4.5279	4.5279	4.5279		
Total Levied	22.7592	12.6875	6.9458	6.9458		
State Education Tax	6.0000	6.0000	0.0000	6.0000		
Oakland County Operating	4.0400	4.0400	4.0400	4.0400		
Parks & Recreation	0.2392	0.2392	0.2392	0.2392		
Huron-Clinton Authority	0.2146	0.2146	0.2146	0.2146		
Oakland I.S.D.	3.3398	3.3398	3.3398	3.3398		
Oakland Community College	1.5707	1.5707	1.5707	1.5707		
OCPTA	0.9941	0.9941	0.9941	0.9941		
City of Walled Lake*	21.2227	21.2227	21.2227	21.2227		
City of Farmington Hills*	15.9054	15.9054	15.9054	15.9054		
City of Novi*	9.9500	9.9500	9.9500	9.9500		
City of Orchard Lake*	7.8332	7.8332	7.8332	7.8332		
City of Wixom*	15.3189	15.3189	15.3189	15.3189		
Village of Wolverine Lake*	9.5730	9.5730	9.5730	9.5730		
Commerce Township*	3.0873	3.0873	3.0873	3.0873		
West Bloomfield Township*	12.1665	12.1665	12.1665	12.1665		
White Lake Township*	9.7216	9.7216	9.7216	9.7216		
Totals:						
City of Walled Lake	60.3803	50.3086	38.5669	44.5669		
City of Farmington Hills	55.0630	44.9913	33.2496	39.2496		
City of Novi	49.1076	39.0359	27.2942	33.2942		
City of Orchard Lake	46.9908	36.9191	25.1774	31.1774		
City of Wixom	54.4765	44.4048	32.6631	38.6631		
Village of Wolverine Lake	48.7306	38.6589	26.9172	32.9172		
Commerce Township	42.2449	32.1732	20.4315	26.4315		
West Bloomfield Township	51.3241	41.2524	29.5107	35.5107		
White Lake Township	48.8792	38.8075	27.0658	33.0658		

Impact of School Millage Rate on Homeowners

2013/2014 - 2014/2015 and Projected 2017/2018



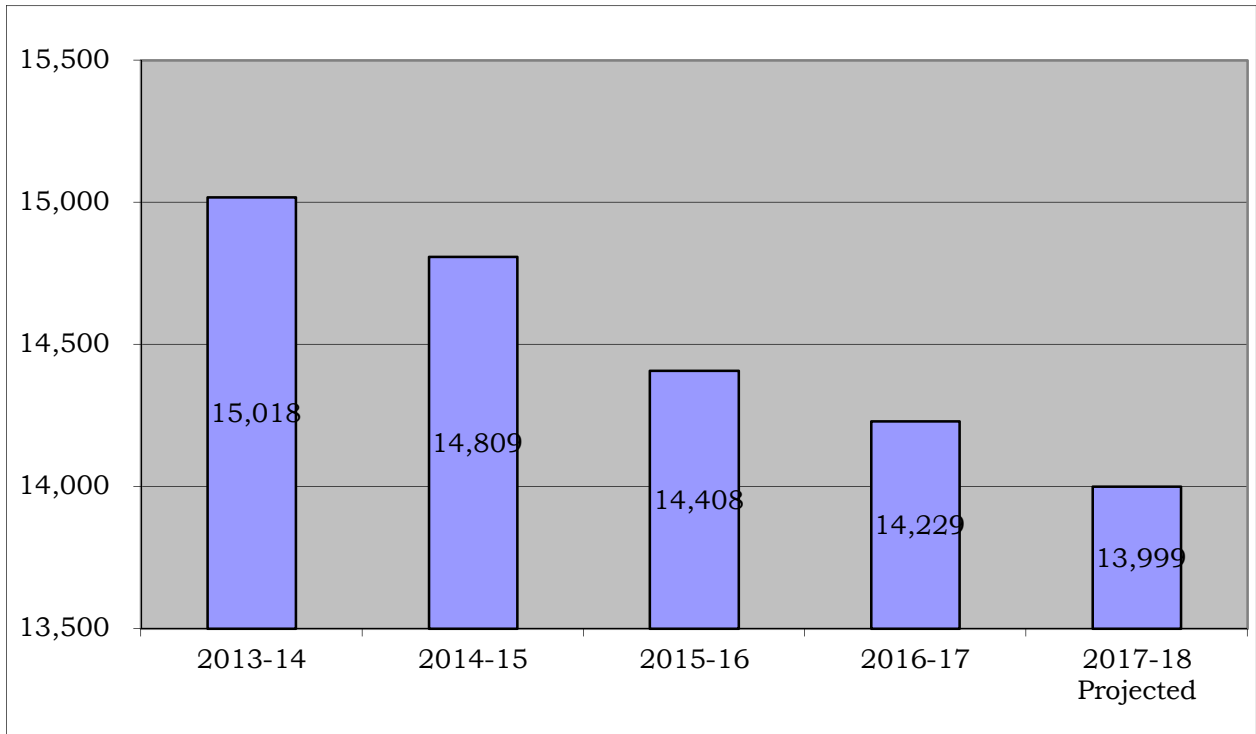
	2013-14	2014-15	2015-16	2016-17	Projected 2017-18
Market value of a home (1)	\$ 200,000	\$ 214,220	\$ 236,477	\$ 243,572	\$ 250,879
Taxable Value (2)	\$ 100,000	\$ 101,600	\$ 101,905	\$ 102,822	\$ 103,850
WLCS + State Education Property Tax levied - mills (3)	13.473	13.6843	13.2841	13.015	12.9458
Property Tax \$ Paid to Schools	\$ 1,347	\$ 1,390	\$ 1,354	\$ 1,338	\$ 1,344
Property Tax \$ Increase (Decrease) from prior year	\$ -	\$ 43	\$ (37)	\$ (15)	\$ 6

(1) Assumes the market value and SEV of this home increases 7.11% for 2014-15, 10.39% in 2015-2016, 3% in 2016-2017, and is projected to increase 3% in 2017-2018.

(2) In Michigan, the taxable value is capped at the rate of inflation, or 5 percent, whichever is less. The rate of inflation was 1.6% in 2014 and 2015, .03% in 2016 and is projected to be 1% for 2017. Taxable value typically begins at approximately 50% of the market value.

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

ENROLLMENT HISTORY AND PROJECTED ENROLLMENT FOR 2017/2018



The actual numbers for years 2013-14 through 2016-17 represent full-time equivalent students including all special education students in the fall for each school year. The forecasted enrollment 2017-18 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 by Building 2013/2014 - 2016/2017

	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017
Elementary Buildings				
Commerce	586	630	624	638
Mary Helen Guest	441	399	396	390
Dublin	569	588	579	601
Glengary	390	371	355	327
Hickory Woods	627	603	603	585
Keith	682	645	655	638
Loon Lake	540	524	529	510
Meadowbrook	589	577	547	551
Oakley Park	401	379	368	356
Pleasant Lake	657	634	615	616
Walled Lake	436	424	407	400
Wixom	522	497	454	421
Middle School Buildings				
Clifford Smart	1,013	1,023	1,044	1,059
Sarah Banks	840	849	821	777
Walnut Creek	920	913	814	780
Geisler	742	756	693	719
High School Buildings				
Central	1,846	1,751	1,749	1,689
Western	1,481	1,411	1,329	1,256
Northern	1,618	1,611	1,594	1,650
Total Fall Enrollment	14,900	14,585	14,176	13,963

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.

Enrollment Projections by Building						
2017/2018 - 2019/2020						
	2017/ 2018	2018/ 2019	2019/ 2020			
Elementary Buildings						
Commerce	640	658	633			
Mary Helen Guest	388	381	378			
Dublin	598	551	533			
Glengary	325	335	336			
Hickory Woods	584	562	555			
Keith	646	644	644			
Loon Lake	508	532	530			
Meadowbrook	567	548	530			
Oakley Park	354	349	358			
Pleasant Lake	626	630	638			
Walled Lake	402	402	401			
Wixom	424	406	418			
Middle School Buildings						
Clifford Smart	1,065	1,056	1,129			
Sarah Banks	775	770	736			
Walnut Creek	789	723	696			
Geisler	716	706	732			
High School Buildings						
Central	1,690	1,626	1,514			
Western	1,244	1,218	1,218			
Northern	1,634	1,609	1,624			
Total Fall Enrollment	13,975	13,706	13,603			
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 2013-2014 through 2016-2017 and Projected 2017-2018					
	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	Projected 2017/2018
Instructional					
Building Administrators & Secretaries	74.62	76.55	76.43	76.18	76.18
Teachers	769.56	755.45	732.48	734.78	715.78
Other Instructional Staff	154.53	163.02	175.84	197.71	197.71
Guidance Staff	29.40	30.00	28.50	29.70	29.70
Psychological Staff	7.20	7.20	7.20	7.50	7.50
Speech and Audiology	18.30	18.64	18.30	19.30	19.30
Social Workers	14.00	14.60	12.70	16.70	16.70
Special Ed. Teacher Consultants	13.00	13.57	14.00	14.00	14.00
Other Pupil Services Staff	40.37	39.83	40.69	35.16	35.16
Library Personnel	9.62	10.62	10.71	10.48	10.48
Computer Assisted Instruction	2.69	2.49	2.36	2.00	2.00
Other Instructional Supervisors	12.00	11.64	9.64	11.30	11.30
Other Staff Services Personnel	1.42	0.00	0.00	0.00	0.00
Total Instructional Staff	1,146.71	1,143.61	1,128.85	1,154.81	1,135.81
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	81.58	79.11	74.37	81.86	81.86
Operations and Maintenance	24.60	24.24	24.62	25.24	25.24
Transportation Staff	1.00	1.00	1.00	1.00	1.00
Central Support Services	21.21	22.21	21.21	21.59	21.59
Other Support Staff	2.00	2.00	2.00	2.00	2.00
Community Services	77.88	71.45	70.15	77.85	77.85
Total Non-Instructional Staff	219.52	211.26	204.60	220.79	220.79
Total Staff	1,366.23	1,354.87	1,333.45	1,375.60	1,356.60
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.					

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. Projects have included 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

June 30	2011 Debt Principal	2012 Debt Principal	2014 Debt Principal	2015 Debt Principal	2016 Debt Principal
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>\$24,745,000</u>	<u>\$2,260,000</u>	<u>\$65,010,000</u>	<u>\$25,120,000</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.

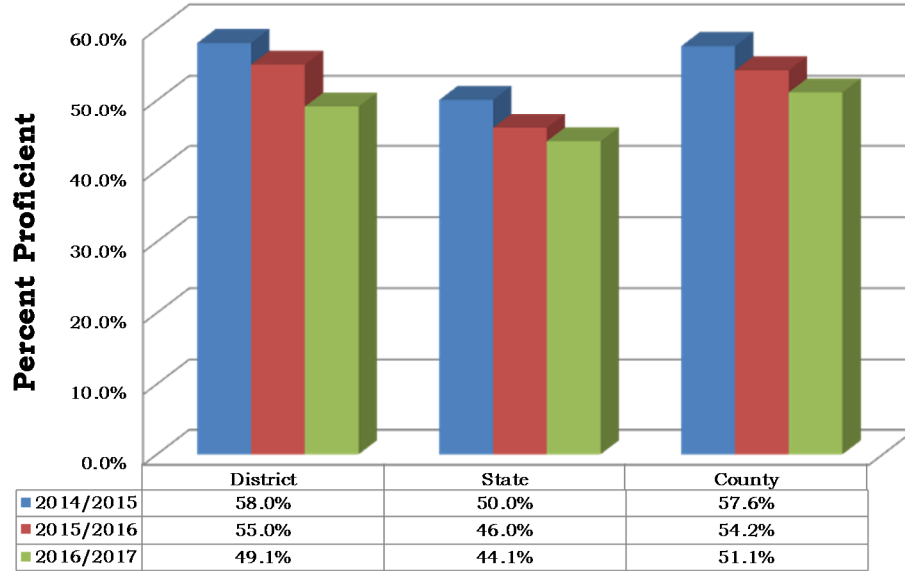
The M-STEP includes state summative assessments designed to measure student growth effectively for today's students. English language arts and mathematics are assessed in grades 3–8, science in grades 4 and 7, and social studies in grades 5 and 8.

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.

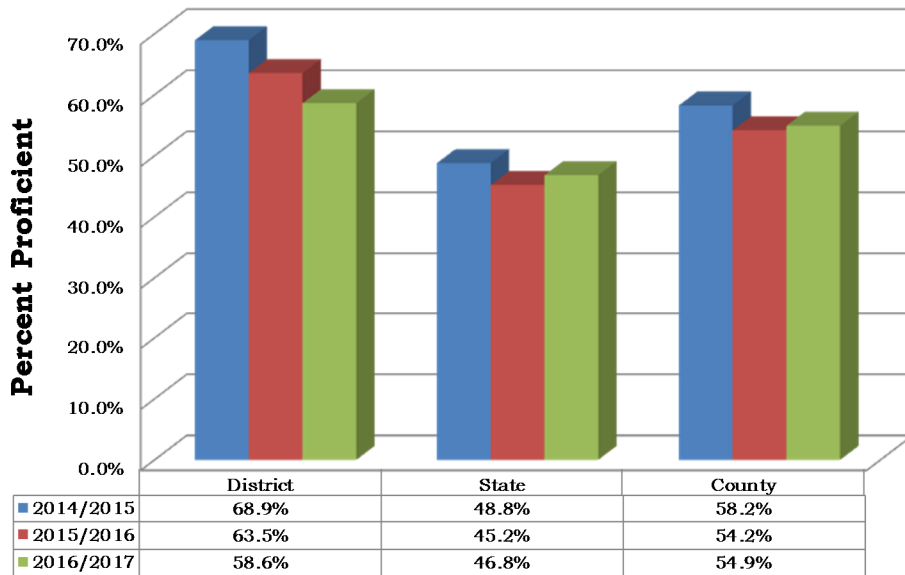
The Michigan Merit Examination (MME) in 11th grade consists of WorkKeys (a work skills assessment), the M-STEP summative assessments which will measure student growth in science, and social studies and the SAT.

M-STEP Scores

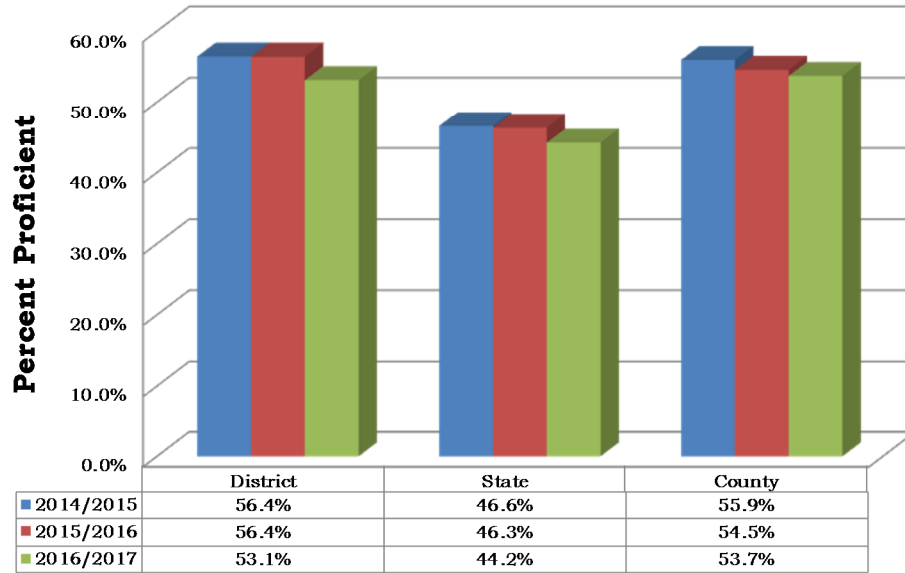
Third Grade English Language Arts



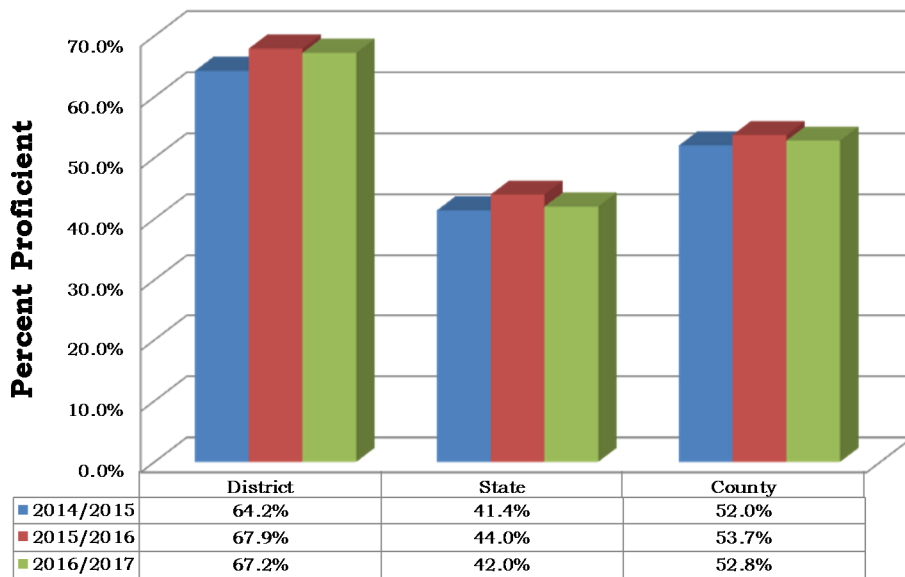
Third Grade Math



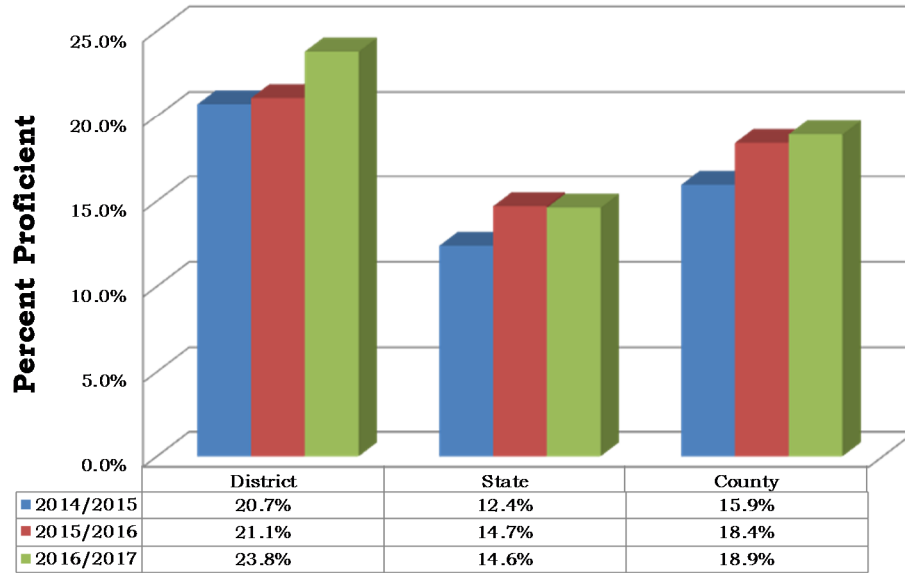
Fourth Grade English Language Arts



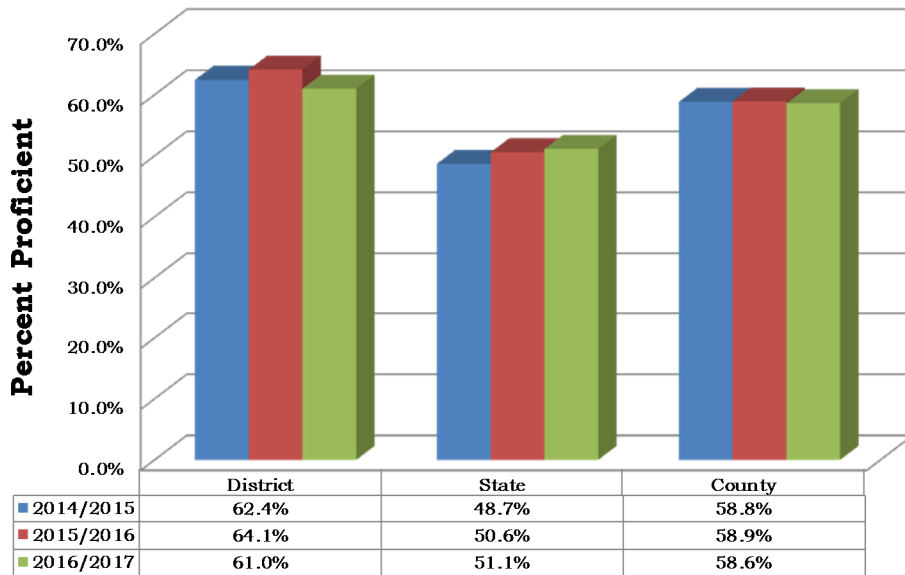
Fourth Grade Math

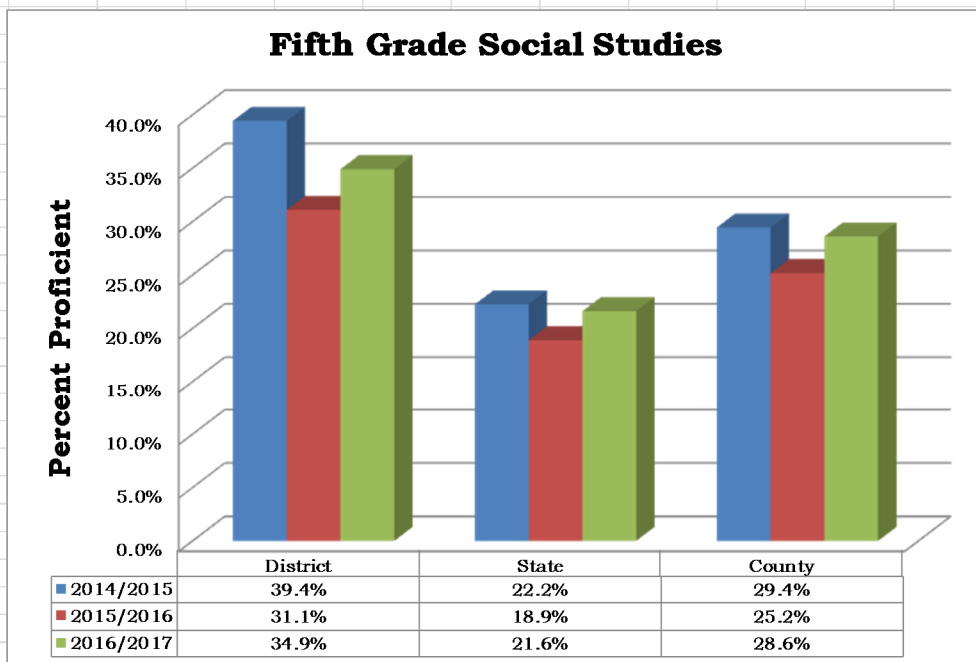
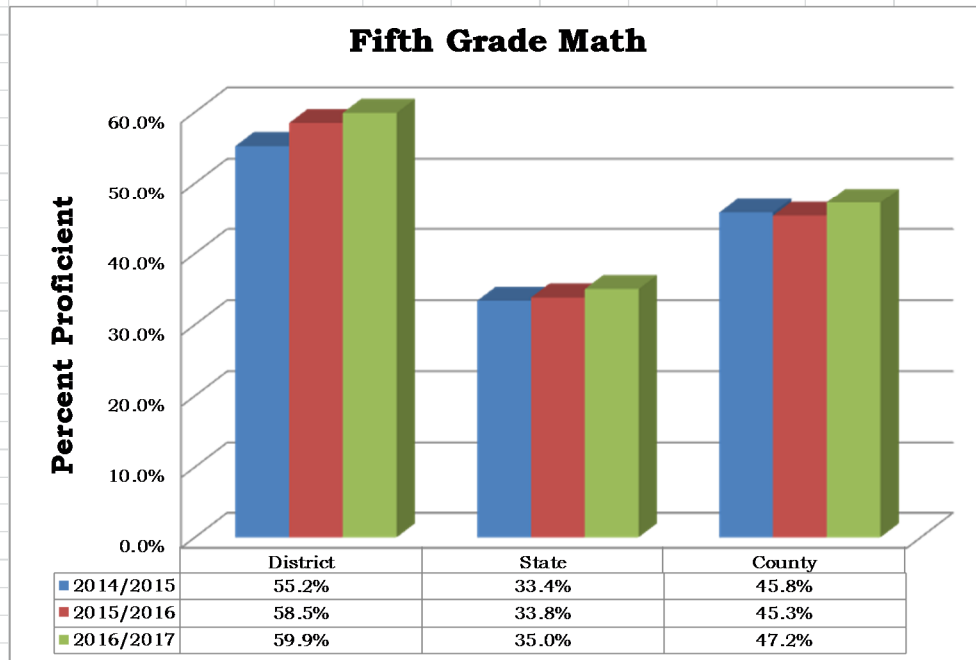


Fourth Grade Science

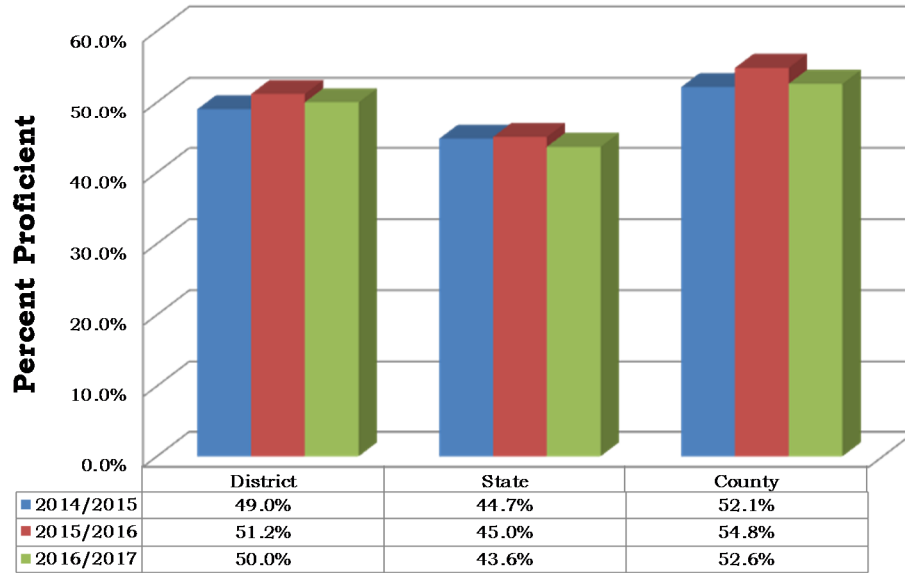


Fifth Grade English Language Arts

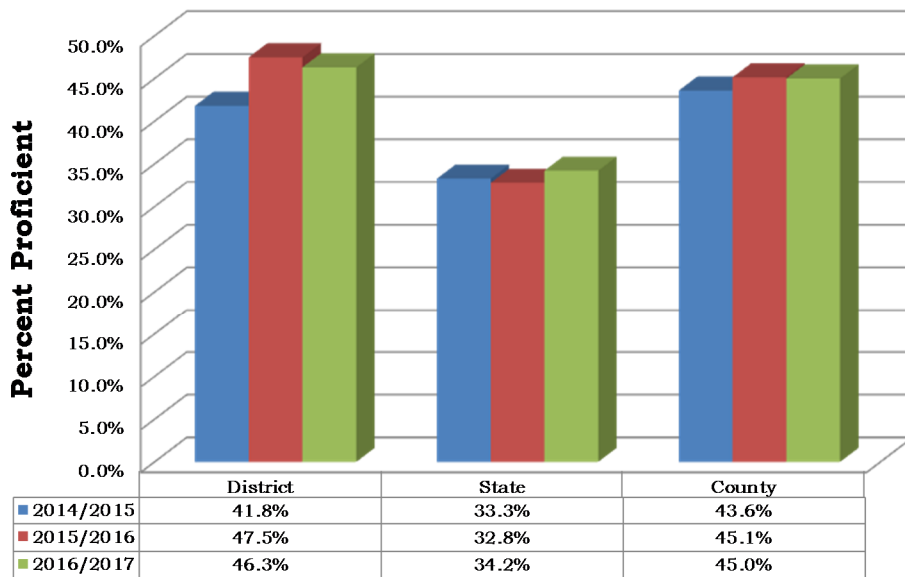




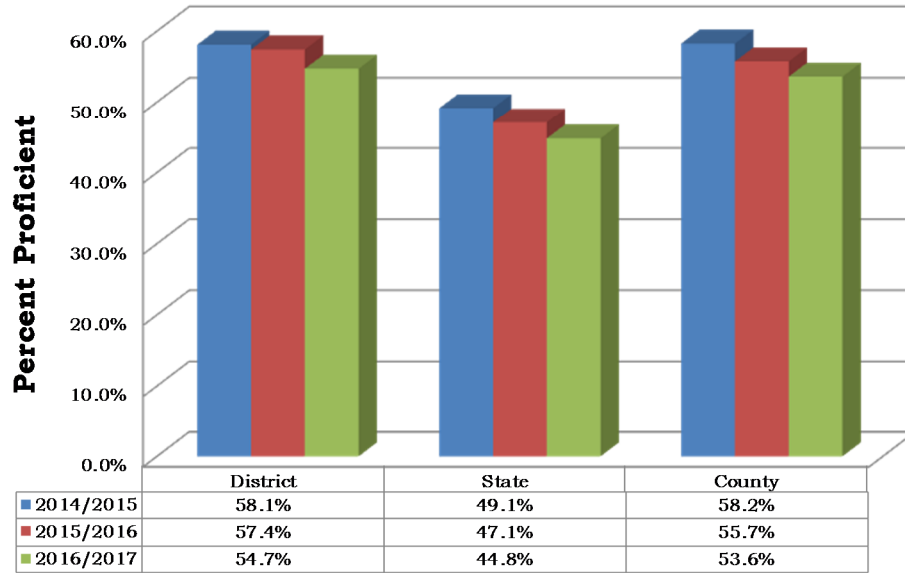
Sixth Grade English Language Arts



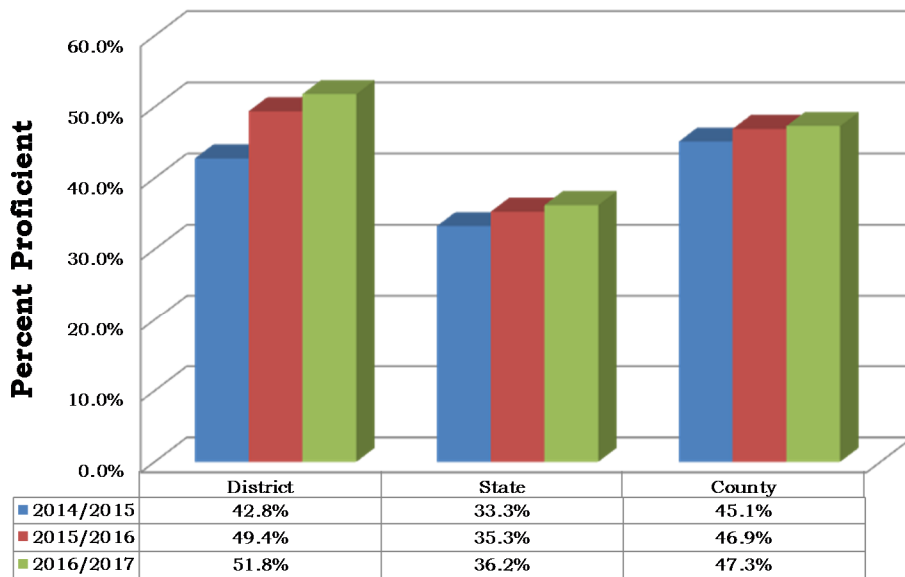
Sixth Grade Math



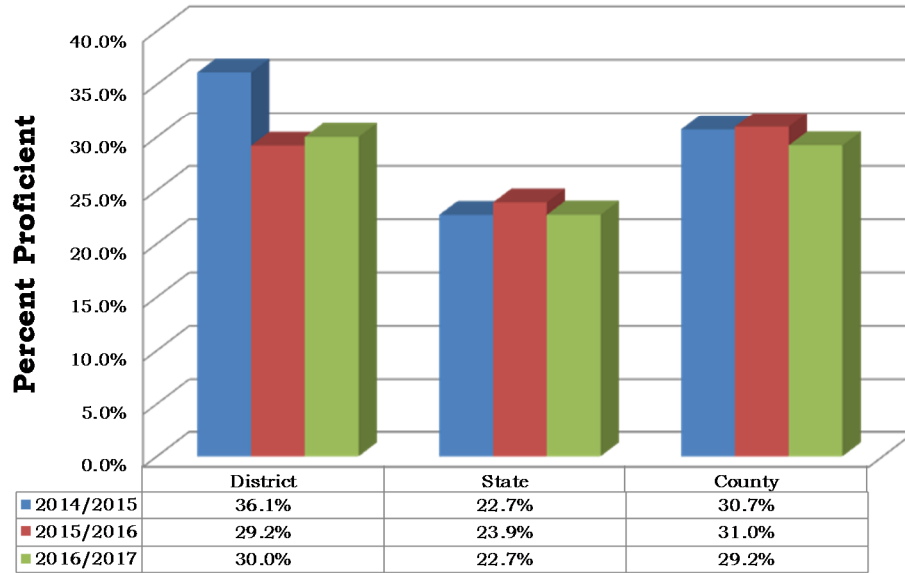
Seventh Grade English Language Arts



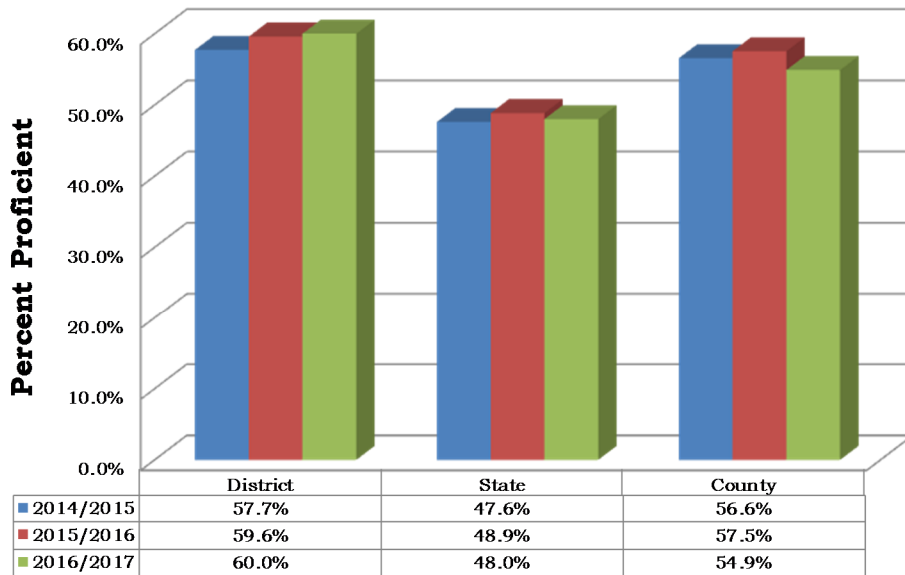
Seventh Grade Math



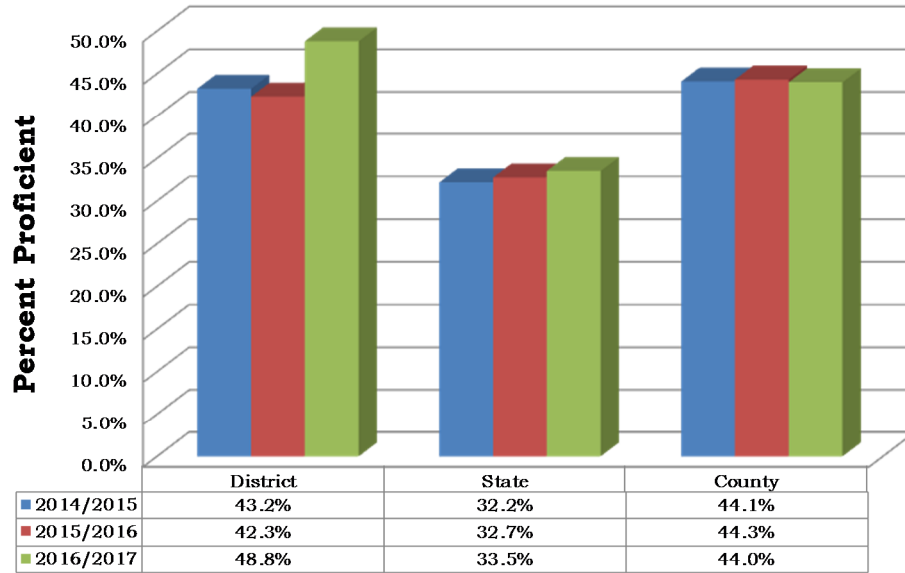
Seventh Grade Science



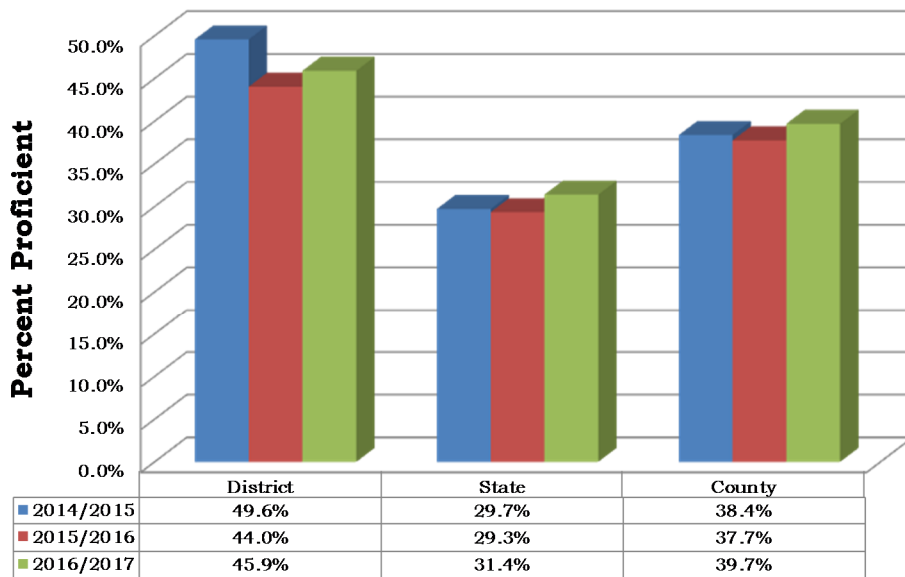
Eighth Grade English Language Arts



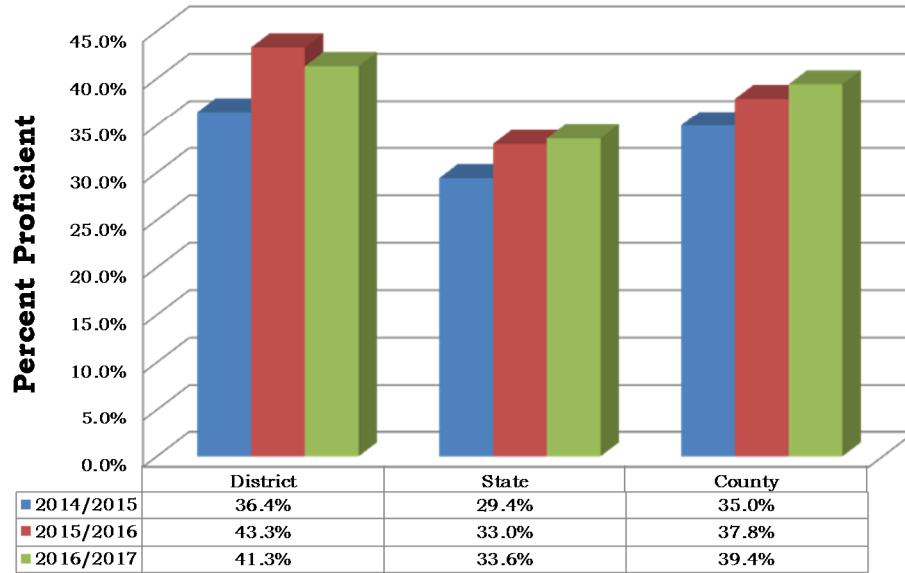
Eighth Grade Math



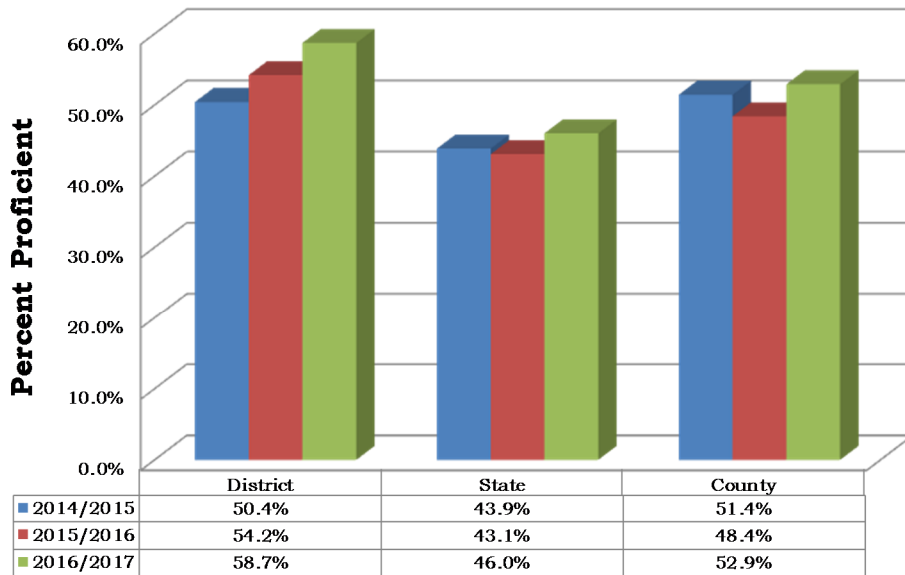
Eighth Grade Social Studies



Eleventh Grade Science



Eleventh Grade Social Studies



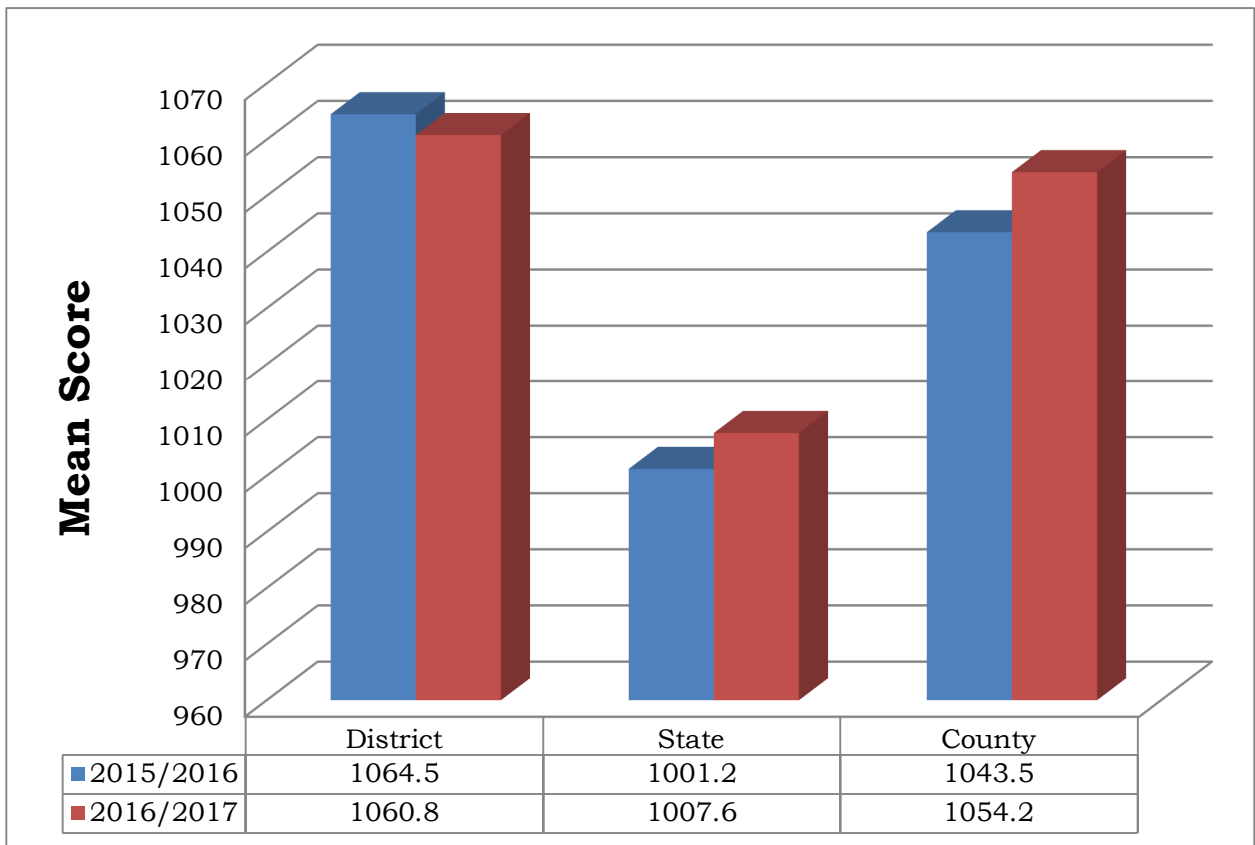
SAT Scores

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.

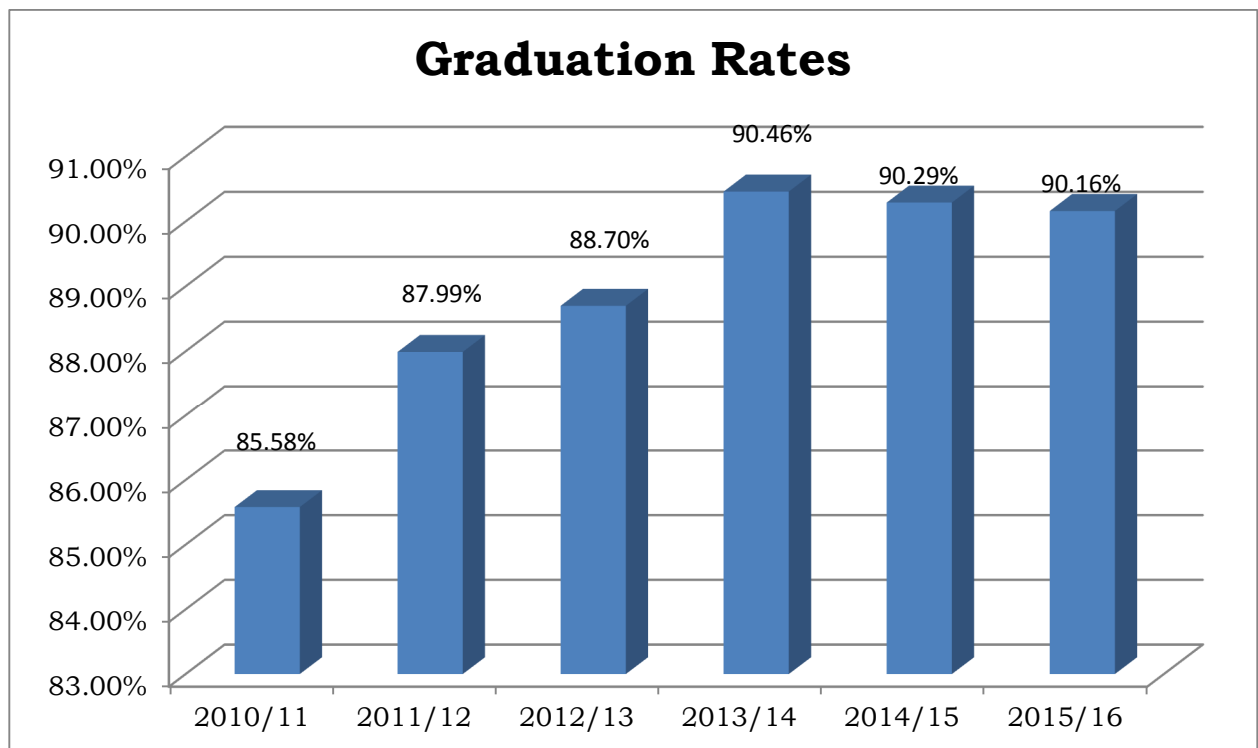
The scores provide a national perspective on test results. Although the full complement of scoring reports have not yet been made available to districts, preliminary scores show Walled Lake at or above the national level.



Graduation Rates

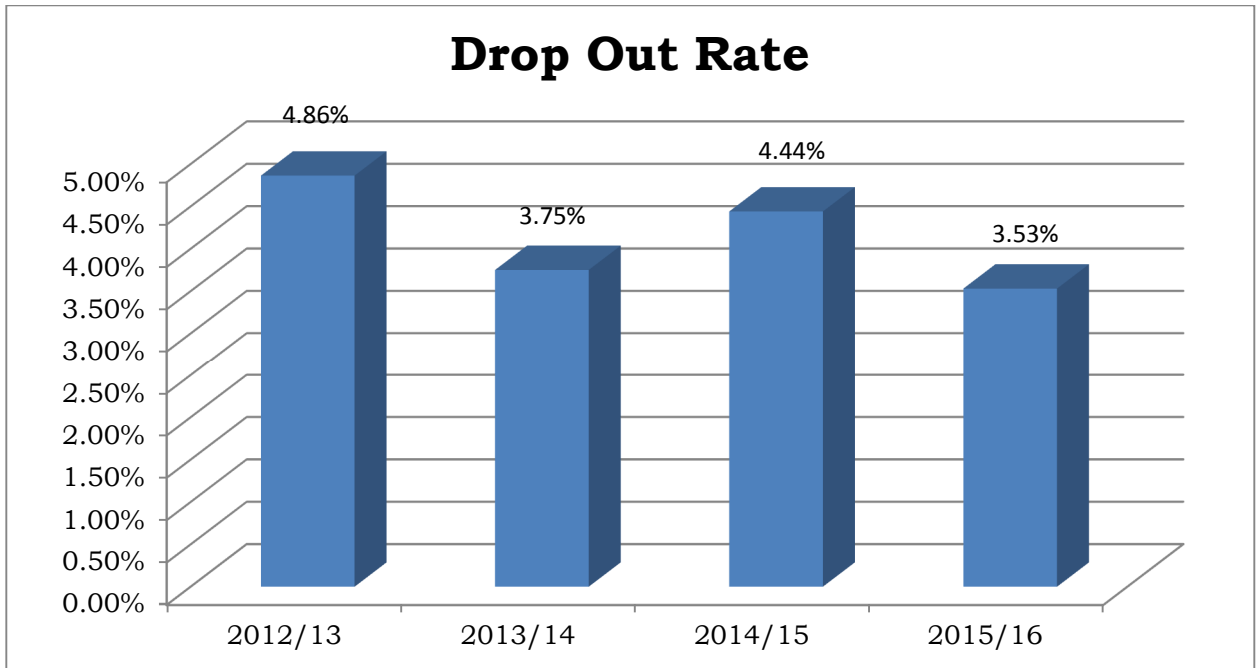
As important as student performance, are the rates of retention and graduation achieved.

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.



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.

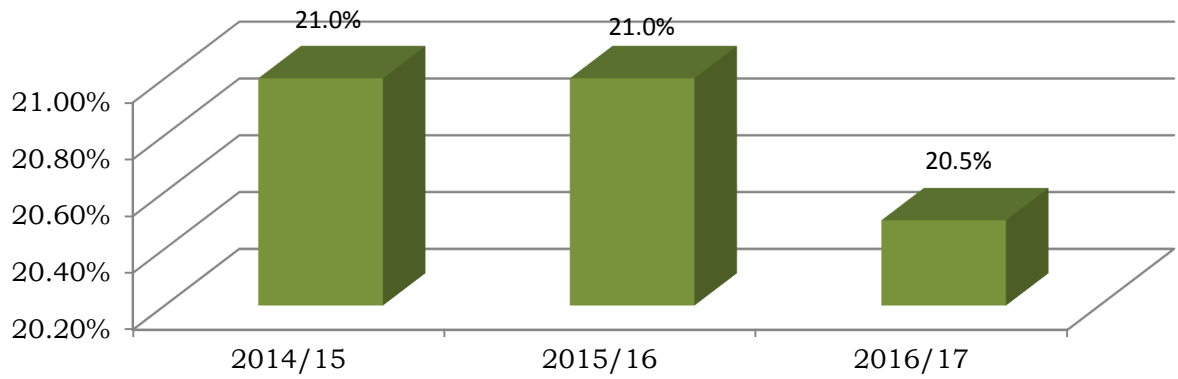


Walled Lake Schools has contracted with an organization known as Graduation Alliance to reach former students who have dropped out. They encourage these former students to continue with their high school career and provide the resources to do so. This is one way that the District has worked to reduce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

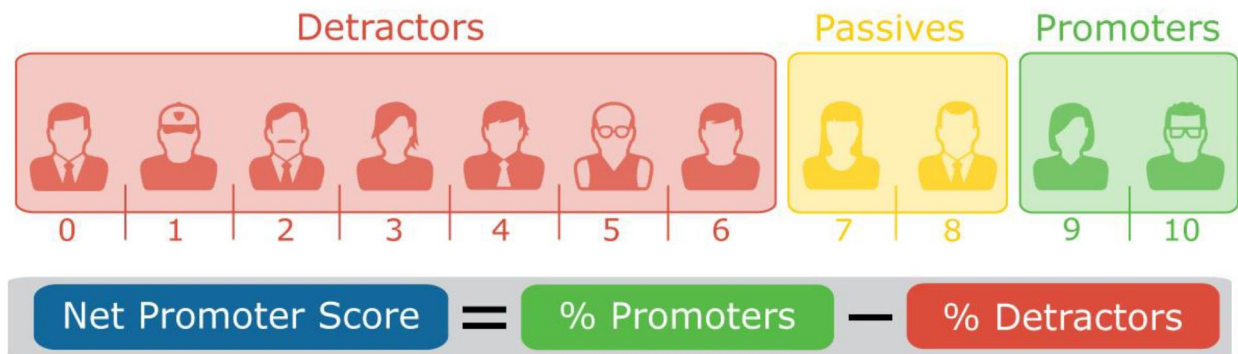
Understanding The Net Promoter Score

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.



18.09%

45.71%

27.62%

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:

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

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.