



# WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

# BUDGET

*Fiscal Year*

*July 1, 2018 -*

*June 30, 2019*



**Walled Lake  
Consolidated Schools**

**Educational Services  
Center**

850 Ladd Road - Building D  
Walled Lake, MI 48390

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***Every Child, Every Day!***

**Proposed 2018-2019 Budget**  
**Walled Lake Consolidated School District**

# **Table of Contents**

## **Executive Summary**

Meritorious Budget Award – Association of School  
Business Officials International  
Executive Summary Title Page  
Board of Education  
Superintendent’s Administrative Team  
Superintendent’s Letter  
Executive Summary

## **Organizational Section**

Organizational Chart  
Board of Education  
The District Entity  
District Attendance Area Maps  
Fund Structure  
System of Revenue and Expenditure Classification  
Basis of Accounting  
Legal Policies and Procedures Related to the Budget  
District Mission Statement and Goals

## **Financial Section**

All Fund Summary  
Operating Funds Summary – Expenditures by Object  
Operating Funds Summary – Expenditures by Function  
General Fund - Revenues by Source and Expenditures  
by Object  
General Fund – Expenditures by Function  
Cafeteria Fund  
Community Education Fund  
Preschool Fund  
Enrichment/Prime Time Care Fund  
2005 Debt Fund  
2006 Debt Fund  
2011 Debt Fund  
2012 Debt Fund  
2014 Debt Fund  
2015 Debt Fund  
2016 Debt Fund  
2014 Bond Fund  
Sinking Fund

Descriptions and Assumptions – Major Revenue  
Sources and Expenditure Categories  
Fund Balance – Description and Discussion  
Capital Improvements  
Schedule of Bonded Indebtedness  
Computation of Legal Debt Margin

## **Informational Section**

Property Tax Information  
Summary of Property Tax Rates Levied  
Impact of School Millage Rates on Homeowners  
Enrollment History and Projected Enrollment  
Enrollment History by Building  
Enrollment Projections by Building  
Personnel Allocations  
Outstanding Bond Issues and Amortization Schedule  
Amortization Schedule of Outstanding Bonds  
Student Performance  
M-STEP Scores  
SAT Scores  
Graduation Rates  
Free and Reduced Lunch Eligibility  
Community Survey Results  
Glossary of Terms



# WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

Executive  
Summary

*Addams Family*  
Walled Lake  
Northern High School



*Every Child, Every Day!*



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ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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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 2017–2018.

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



A handwritten signature in black ink, reading 'Anthony N. Dragona'.

**Anthony N. Dragona, Ed.D., RSBA**  
President

A handwritten signature in black ink, reading 'John D. Musso'.

**John D. Musso, CAE, RSBA**  
Executive Director

**Walled Lake Consolidated School  
District  
Proposed 2018-2019 Budget  
Executive Summary**

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## **Board of Education**

### **Kathy Lyall, President**

*Term Expires 12/31/2020*

Mrs. Kathy Lyall and her husband, Brant, have lived in Commerce Township and the Walled Lake School District since 1999. They have two children who are alumni of Walled Lake Central High School.

Mrs. Lyall works as the Vice President of Specialty Programs at a national 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.

### **Peggy Casagrande, Vice President**

*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; she has been a resident of the School District since 1998. They have two children who are Walled Lake Central High School alumni and two who currently attend Walled Lake Central.

Mrs. Casagrande is a technical project manager for a global defense contractor. Mrs. Casagrande earned a Bachelor of Arts in Journalism from Michigan State University and a Master of Science in Strategic Management from Walsh College.

She has been a PTA/PTSA volunteer for many years and served as the legislative representative for the District's PTSA Council.

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

**Denise Dunn, Secretary**  
*Term Expires 12/31/2022*

Mrs. Denise Dunn and her husband, Jason, have lived in the Walled Lake School District for 15 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 School District's Special Education Parent Advisory Committee.

**Christopher Titus, Trustee**  
*Term Expires 12/31/2022*

Mr. Christopher Titus and his wife, Christine, have lived in Commerce Township for over 25 years. They have four children who are graduates of Walled Lake Central High School. Mr. Titus serves on the Lakes Area Youth Assistance (LAYA) Volunteer Board and has served as a PTA president, 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.

**Nancy van Leuwen, Trustee**

*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.

**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 25th year as a member of the Walled Lake Consolidated School District Board of Education. Mr. Siegler is the current President of 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.

## **Superintendent's Administrative Team**

Kenneth Gutman, *Superintendent of Schools*

Christopher Delgado, *Deputy Superintendent of Schools*

Michael Lonze, *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*

## **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 as 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.

No significant changes were made to the budget process or policies for 2018/2019. The following is a summary calendar of the process.

November 2017	Budget process begins
January 2018	Preliminary budget projections
February 2018	Projections shared with Leadership
March/April 2018	Board study sessions held
June 2018	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 the current method of distribution for 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 2017/2018, 20% 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 originally included businesses, commercial and industrial property as well as any home that was 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.

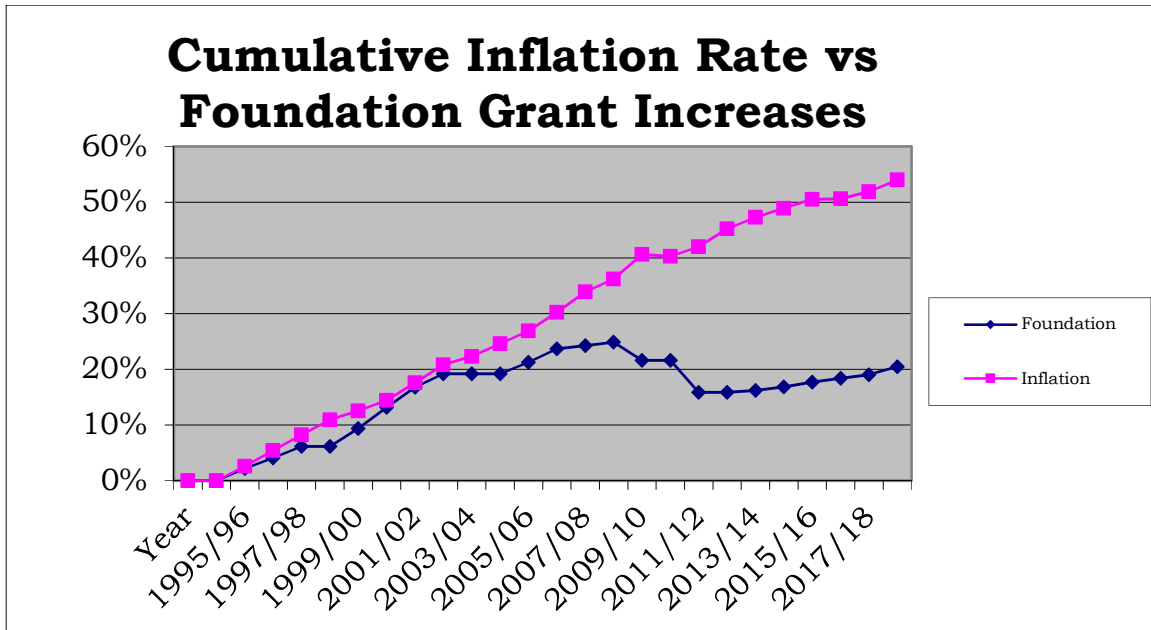
The foundation system distribution formula is allocated based on the number of students in a district multiplied by the foundation grant. The student number is determined by a blend of students attending on various count days, the specifics of which have changed over time. For 2018/2019, the blend will be calculated using 90% of the October 2018 count and 10% of the February 2018 count. Allowing districts to count a portion of the previous school 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 \$8,549 for the 2018/2019 fiscal year.

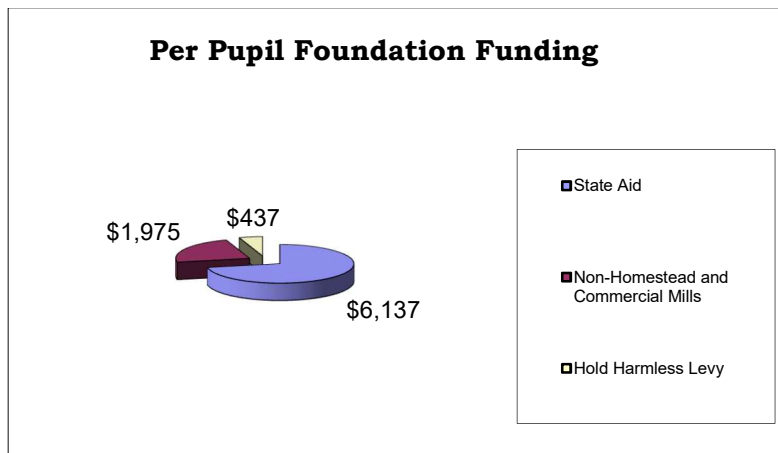
As the following table and graph indicate, since the inception of Proposal A, revenue increases in the per pupil foundation have not kept pace with the inflation rate overall. As this funding source represents 75% of our total revenues, it is imperative that the District continue its cost containment 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	8,429	54	0.64%	1.30%
2018/2019	8,549	120	1.42%	2.10%



The breakdown of the \$8,549 per pupil foundation is shown below.



For 2018/2019, the District's estimated per pupil foundation of \$8,549 is projected to be generated as shown above with \$1,975 resulting from the 17.5500 mills levied by the District on non-homestead properties and the 5.5500 mills levied on commercial personal property. State Aid provides an amount equaling \$6,137 per pupil.

The balance of \$437 will be generated by the hold harmless levy of 1.7825 mills on homesteads, industrial personal property and commercial personal property. The District's blended pupil count for 2018/2019 is projected to be 13,800. A rate of 1.7825 mills is the proposed levy for July 2018.

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 2016/2017, 2017/2018, and 2018/2019 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 17.5500 mills for 2018/2019. 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 \$727,000 in lost tax revenue for purposes of operations for 2018/2019.

The Sinking fund levy is also subject to a rollback and will be reduced from .5 mills to .4864 mills. This will result in a loss of approximately \$65,000.

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 \$1.3 million 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
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
2018/2019	4,777,592,560	1.7825	7.3325	17.5500
* - Principal Residential, Qualified Agriculture, Qualified Forest and Industrial Personal Properties				

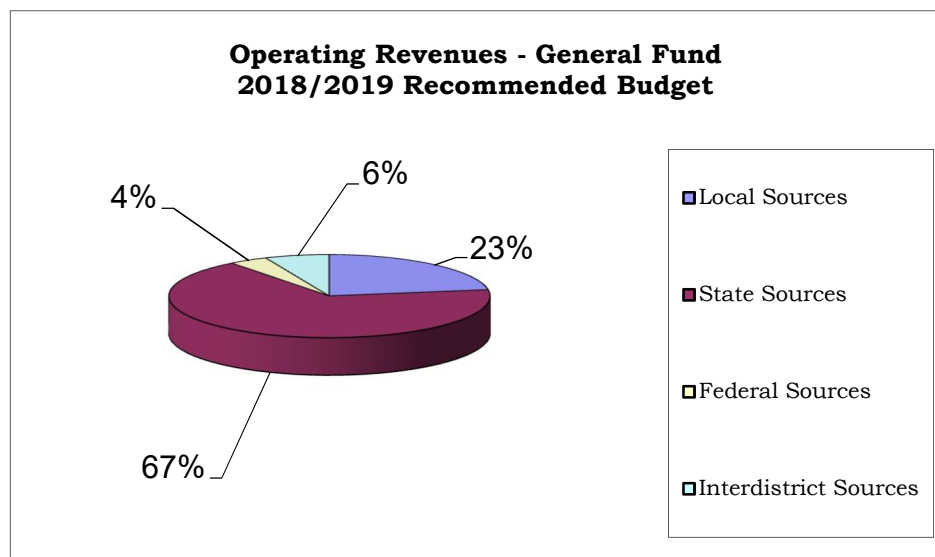
The Debt and Sinking fund millages are levied on all properties. This did not change with the classification change. See below for historical and current rates.

School Year	Taxable Value	Sinking Fund	Debt
		All Properties	
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
2017/2018	4,552,897,830	0.4896	4.5279
2018/2019	4,777,592,560	0.4864	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.

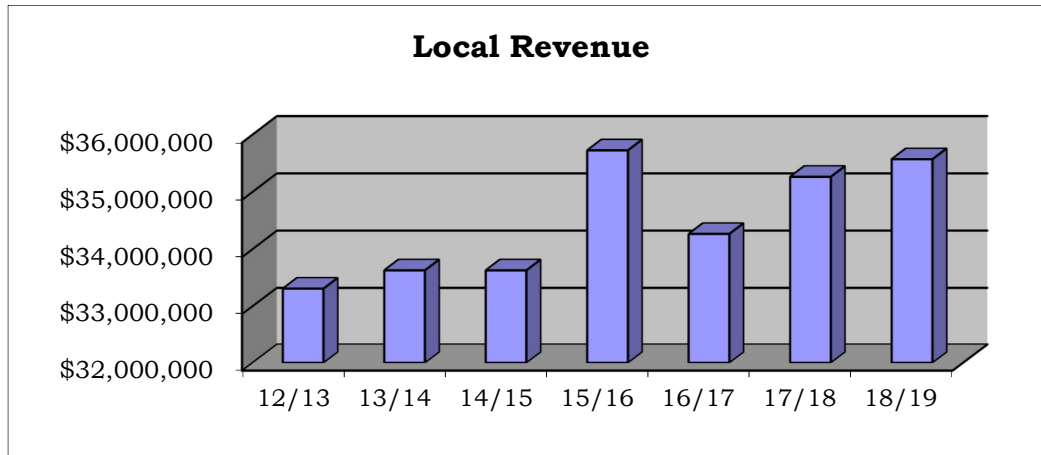
	<b>2017/2018</b>		<b>2018/2019</b>	
	<b>Amended</b>	<b>2017/2018</b>	<b>Recommended</b>	<b>2018/2019</b>
	<b>Budget</b>	<b>% of Total</b>	<b>Budget</b>	<b>% of Total</b>
<b>Revenue</b>				
Local Sources	\$ 35,263,419	22.20%	\$ 35,570,599	22.59%
State Sources	107,273,936	67.52%	105,482,351	67.00%
Federal Sources	6,160,642	3.88%	6,155,210	3.91%
Interdistrict Sources	10,174,455	6.40%	10,229,806	6.50%
<b>TOTAL REVENUE</b>	<b>\$ 158,872,452</b>	<b>100.00%</b>	<b>\$ 157,437,966</b>	<b>100.00%</b>



### Local Revenue

Local property taxes account for 89% of local revenue and makes up 28% 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 2016/2017 as well as the amended budget for 2017/2018 and the recommended budget for 2018/2019.



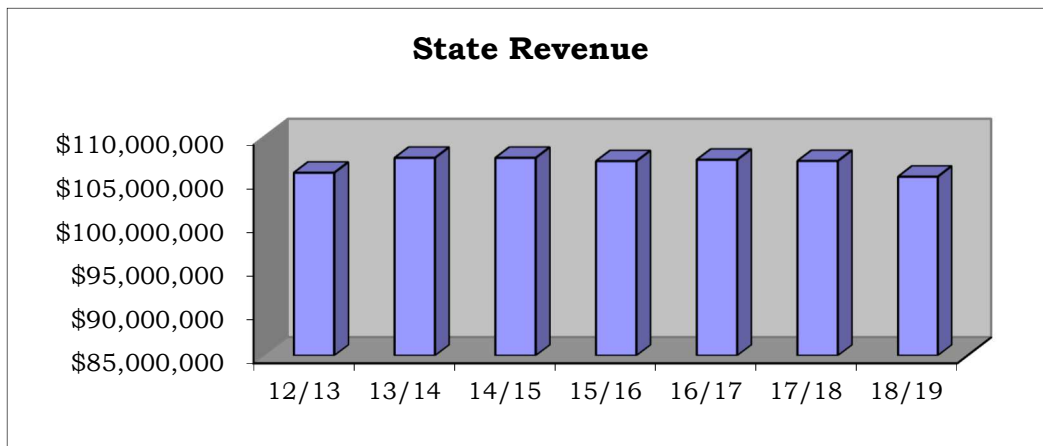
### State Revenue

State revenue consists of the foundation grant and categorical funding. The majority is from the per pupil foundation, of which 72% will come from state aid. The expected per pupil foundation of \$8,549 will be generated on 13,800 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 \$8,112 (State per pupil foundation less \$437 hold harmless revenue) per special education student. Voters approved a County special education millage during 2001/2002 which helps to cover a larger portion of the costs. Even with this additional funding, however, ensuring the special needs of the student population are met requires considerably more as evidenced by the following chart.

<b>Year</b>	<b>Blended Special Education Student FTE</b>	<b>Revenue</b>	<b>Expenditures</b>	<b>Deficit</b>
2001/2002	335.26	\$ 8,625,530	\$ 14,104,317	\$ 5,478,787
2002/2003	336.16	\$ 9,785,462	\$ 14,382,749	\$ 4,597,287
2003/2004	347.89	\$ 13,498,831	\$ 16,208,496	\$ 2,709,665
2004/2005	374.90	\$ 14,080,473	\$ 17,429,243	\$ 3,348,770
2005/2006	381.34	\$ 13,447,047	\$ 18,385,261	\$ 4,938,214
2006/2007	404.74	\$ 14,385,364	\$ 20,544,980	\$ 6,159,616
2007/2008	372.95	\$ 16,634,127	\$ 21,749,708	\$ 5,115,581
2008/2009	375.99	\$ 17,120,325	\$ 23,010,072	\$ 5,889,747
2009/2010	382.48	\$ 17,073,898	\$ 22,817,710	\$ 5,743,812
2010/2011	405.66	\$ 15,845,252	\$ 21,745,356	\$ 5,900,104
2011/2012	403.06	\$ 14,924,556	\$ 21,995,628	\$ 7,071,072
2012/2013	394.78	\$ 14,418,315	\$ 22,739,859	\$ 8,321,544
2013/2014	401.81	\$ 14,618,711	\$ 23,220,495	\$ 8,601,784
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
2017/2018	481.98	\$ 16,939,974	\$ 25,509,021	\$ 8,569,047

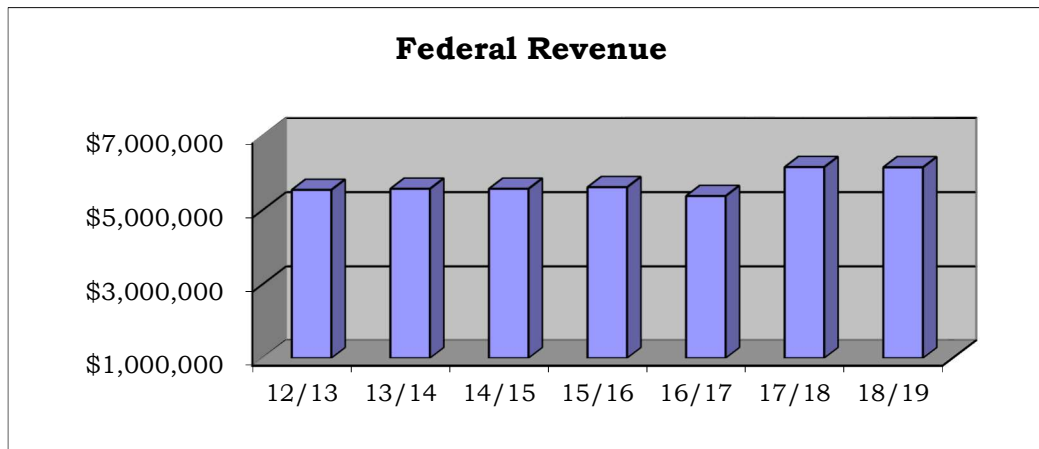
For reference purposes, the following bar graph shows the funding levels of State revenue over the past five years as well as the amended budget for 2017/2018 and the recommended budget for 2018/2019.



## Federal Revenue

We expect Federal funding to remain fairly stable for 2018/2019.

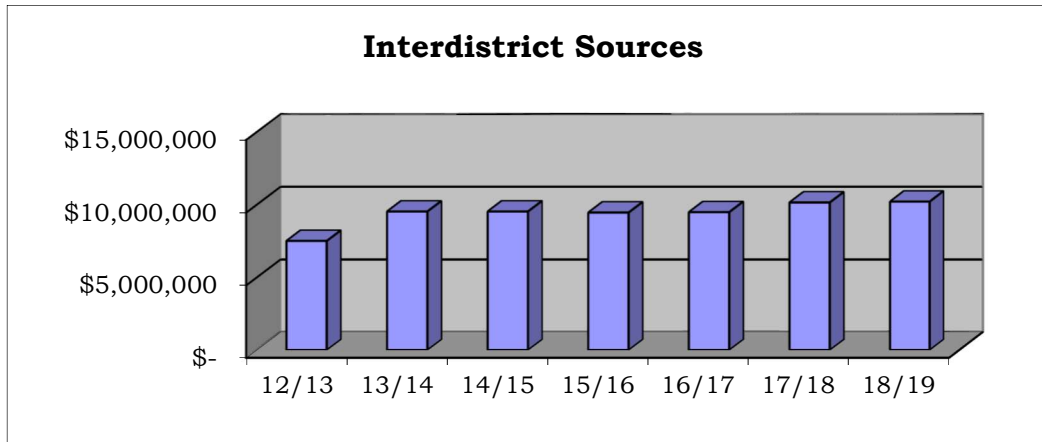
The following bar graph provides the five year history of Federal revenue as well as the amended budget for 2017/2018 and the recommended budget for 2018/2019.



## 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 2017/2018 and the recommended budget for 2018/2019.



### **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 1.7825 for operations. Millage on commercial personal property will be 7.3325 for operations. Millage on non-homesteads will be 17.5500 mills for operations.
3. The total per pupil foundation grant is expected to be \$8,549 for 2018/2019. This represents a \$120 increase from 2017/2018 and represents the larger increase in over a decade.
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 2018/2019. 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 State introduced a new category for funding during 2017/2018 to provide an additional \$25 per high school student. This allocation recognizes that it costs more to educate a child at the secondary level. This funding is expected to continue.
7. During 2017/2018, the State changed the criteria for Districts to be eligible for At Risk funding. Walled Lake Schools is now eligible for approximately one third of the regular allocation, which is provided to

assist districts in meeting the needs of students considered to be at risk of failing. This funding is expected to continue for 2018/2019.

8. The number of pupils for 2018/2019, based on a blended count of 90/10, will be 13,800, representing a decrease of 198 students compared to 2017/2018.
9. 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 2018/2019. An additional small piece of property is also expected to be sold during the year for approximately \$90,000.
10. Increases in taxable values of property in Oakland County will mean an increased PA 18 allocation of approximately \$300,000.
11. The use of nearly \$600,000 is also planned to balance the 2018/2019 budget.

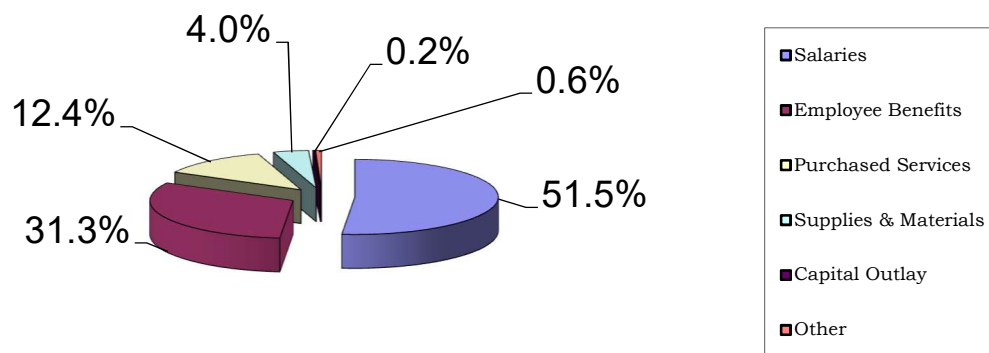
## Operating Expenditures – General Fund

The following table and graph show the makeup of expenditures and the proposed General Fund expenditure budget for 2017/2018 and 2018/2019.

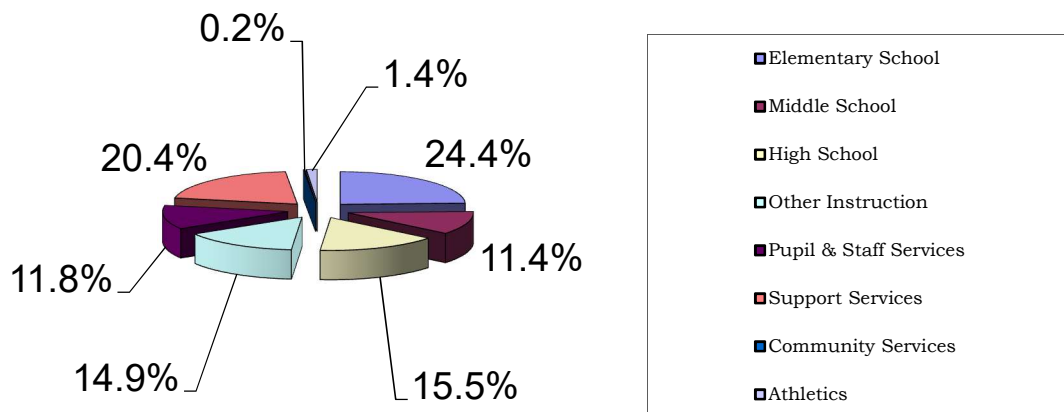
	2017/2018		2018/2019	
	Amended Budget	2017/2018 % of Total	Recommended Budget	2018/2019 % of Total
<b>Expenditures</b>				
Basic Programs	\$ 82,483,828	52.04%	\$ 82,145,240	51.99%
Added Needs	22,151,749	13.98%	22,581,564	14.29%
Total Instruction	104,635,577	66.02%	104,726,804	66.28%
 Pupil Services	13,734,406	8.67%	13,695,722	8.67%
Instructional Staff Services	5,108,784	3.22%	4,923,636	3.12%
General Administration	892,080	0.56%	874,767	0.55%
School Administration	9,419,147	5.94%	9,238,802	5.85%
Business Services	1,984,049	1.25%	1,921,105	1.22%
Operation and Maintenance	9,943,721	6.27%	9,928,909	6.28%
Pupil Transportation	6,038,458	3.81%	6,040,613	3.82%
Central Services	4,314,115	2.72%	4,228,232	2.68%
Athletics	2,153,280	1.36%	2,175,464	1.38%
Total Support Services	53,588,040	33.81%	53,027,250	33.56%
 Community Services	263,845	0.17%	262,799	0.17%
 <b>TOTAL EXPENDITURES</b>	158,487,462	<u>100.00%</u>	158,016,853	<u>100.00%</u>
 Excess Revenue over (under)				
Expenditures	384,990		(578,887)	
 Beginning Fund Balance	<u>11,606,534</u>		<u>11,991,524</u>	
 Ending Fund Balance	<u>\$ 11,991,524</u>		<u>\$ 11,412,637</u>	

As with any service organization, the majority of expenses are for salaries and employee benefits at approximately 82%. 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 - 2018/2019 General Fund Budget



### Expenditures by Function - 2018/2019 General Fund Budget



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

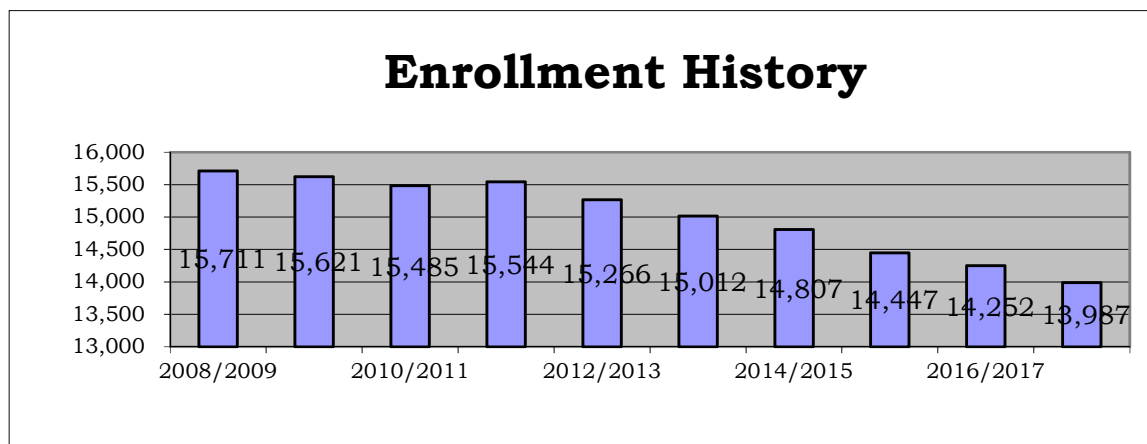
1. All but one employee group have agreed to concessionary agreements for the 2018/2019. Discussions with the final group are ongoing. The details of concessions already negotiated vary by bargaining group, however, concessions for each are comparable and include such items as wage concessions and furlough 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 2018/2019 is calculated to be 26.17%, which is .76 percentage points higher than 2017/2018.
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 3.4% for 2018/2019. As a result, the District's cost for health insurance for employees will increase by 3.4% or approximately \$521,000. The increase in insurance premiums no longer has a direct impact on districts.
4. Utility rates are expected to remain flat for 2018/2019 given current utility contracts.
5. Transportation costs are expected to increase 2.5% in accordance with our current agreement with Dean Transportation, our third party provider.

## 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 2018/2019 school year.

Grade	Enrollment	Sections	Average Class Size
Kindergarten	1078 Students	42 Sections	25.7
First Grade	988 Students	41 Sections	24.1
Second Grade	944 Students	39 Sections	24.2
Third Grade	993 Students	39 Sections	25.5
Fourth Grade	1017 Students	38 Sections	26.8
Fifth Grade	1011 Students	35 Sections	28.9
Sixth - Eighth Grades	3217 Students	-	34.0
Ninth - Twelfth Grades	4511 Students	-	34.0

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



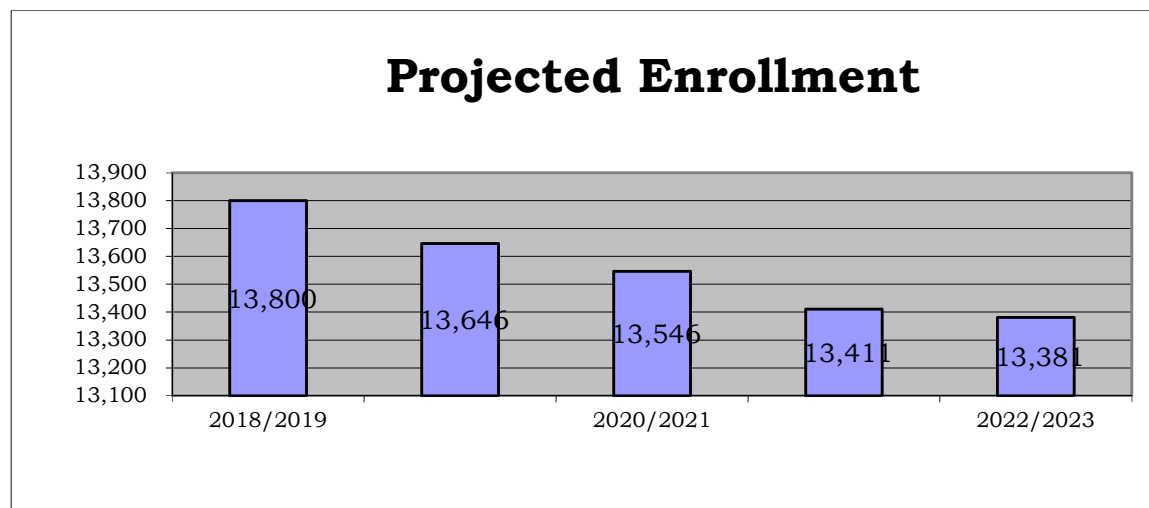
In 2007/2008, for the first time since 1986, enrollment declined for Walled Lake Consolidated Schools and has continued on a downward trend with a minor recovery in only one of the last ten years. Michigan's economy has suffered for several years now, but there are many indicators that a recovery is fully underway. Oakland County is in its 9<sup>th</sup> year of recovery from the Great Recession. According to the Oakland County Economic Outlook report, the County's average annual job growth between 2010 and 2017 of 2.6%, has outpaced both the Nation's and the State's rate of 1.8%.

The unemployment rate for Oakland County has declined each year since it peaked in 2009 at 13%. In 2017, the reported unemployment rate was only

3.5%, representing the lowest rate recorded since 2000 when Unemployment was only 2.6%.

The U.S. economy is also expanding, the local housing sector is consistently improving and vehicle sales have increased each year since 2009, with the exception of a small decline in 2017. Regardless, the level of sales still represent a healthy year according to the Oakland County report.

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 the two buildings, utilization among the elementary buildings was approximately 95%. Even with enrollment declines, utilization remains at over 90%

## Personnel Trends

As of June 2018, Walled Lake Consolidated Schools has approximately 1,250 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).

	<b>2014/ 2015</b>	<b>2015/ 2016</b>	<b>2016/ 2017</b>	<b>2017/ 2018</b>	<b>Projected 2018/2019</b>
<b>Instructional</b>					
Building Administrators & Secretaries	76.55	76.43	76.18	72.81	76.81
Teachers	755.45	732.48	734.78	681.33	708.33
Other Instructional Staff	163.02	175.84	197.71	187.10	195.10
Guidance Staff	30.00	28.50	29.70	25.00	29.70
Psychological Staff	7.20	7.20	7.50	6.50	25.00
Speech and Audiology	18.64	18.30	19.30	18.80	18.80
Social Workers	14.60	12.70	16.70	15.80	17.80
Special Ed. Teacher Consultants	13.57	14.00	14.00	15.00	15.00
Other Pupil Services Staff	39.83	40.69	35.16	27.29	27.29
Library Personnel	10.62	10.71	10.48	10.48	10.48
Computer Assisted Instruction	2.49	2.36	2.00	2.00	2.00
Other Instructional Supervisors	11.64	9.64	11.30	9.28	9.28
<b>Total Instructional Staff</b>	<b>1,143.61</b>	<b>1,128.85</b>	<b>1,154.81</b>	<b>1,071.39</b>	<b>1,135.59</b>
<b>Non-Instructional</b>					
Executive Administration	2.00	2.00	2.00	2.00	2.00
Business Services	9.25	9.25	9.25	9.25	10.25
Food Services Staff	79.11	74.37	81.86	67.54	72.54
Operations and Maintenance	24.24	24.62	25.24	23.62	25.62
Transportation Staff	1.00	1.00	1.00	0.00	0.00
Central Support Services	22.21	21.21	21.59	21.09	21.09
Other Support Staff	2.00	2.00	2.00	2.00	2.00
Community Services	71.45	70.15	77.85	52.80	62.80
<b>Total Non-Instructional Staff</b>	<b>211.26</b>	<b>204.60</b>	<b>220.79</b>	<b>178.30</b>	<b>196.30</b>
<b>Total Staff</b>	<b>1,354.87</b>	<b>1,333.45</b>	<b>1,375.60</b>	<b>1,249.69</b>	<b>1,331.89</b>

As a result of budget constraints, in addition to restructuring many of our departments, privatizing our Custodial and Transportation departments, making cuts in all possible areas and using a large portion of the District fund balance, the District has had to make significant reductions in staff.

Employee groups have agreed to significant concessions for six of the last seven years. Additional concessions have been negotiated with all but one group for 2018/2019. Discussions are ongoing with the final group.

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.

	<b>2003/ 2004</b>	<b>2018/ 2019</b>	<b>Difference</b>	<b>Percentage Difference</b>
<b>Instructional</b>				
Building Administrators & Secretaries	98.08	76.81	(21.27)	-21.69%
Teachers	799.77	708.33	(91.44)	-11.43%
Other Instructional Staff	139.56	195.10	55.54	39.80%
Guidance Staff	45.13	29.70	(15.43)	-34.19%
Psychological Staff	7.00	25.00	18.00	257.14%
Speech and Audiology	16.80	18.80	2.00	11.90%
Social Workers	12.00	17.80	5.80	48.33%
Special Ed. Teacher Consultants	31.45	15.00	(16.45)	-52.31%
Other Pupil Services Staff	80.24	27.29	(52.95)	-65.99%
Library Personnel	47.00	10.48	(36.52)	-77.70%
Computer Assisted Instruction	6.00	2.00	(4.00)	-66.67%
Other Instructional Supervisors	15.40	9.28	(6.12)	-39.74%
Other Staff Services Personnel	9.80	0.00	(9.80)	-100.00%
<b>Total Instructional Staff</b>	1308.23	1,135.59	(172.64)	-13.20%
<b>Non-Instructional</b>				
Executive Administration	2.00	2.00	0.00	0.00%
Business Services	13.00	10.25	(2.75)	-21.15%
Food Services Staff	81.03	72.54	(8.49)	-10.48%
Operations and Maintenance	160.50	25.62	(134.88)	-84.04%
Transportation Staff	133.04	0.00	(133.04)	-100.00%
Central Support Services	22.00	21.09	(0.91)	-4.14%
Other Support Staff	2.50	2.00	(0.50)	-20.00%
Community Services	62.95	62.80	(0.15)	-0.24%
<b>Total Non-Instructional Staff</b>	477.02	196.30	(280.72)	-58.85%
<b>Total Staff</b>	1785.25	1,331.89	(453.36)	-25.39%

## **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 21<sup>st</sup> 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 students.

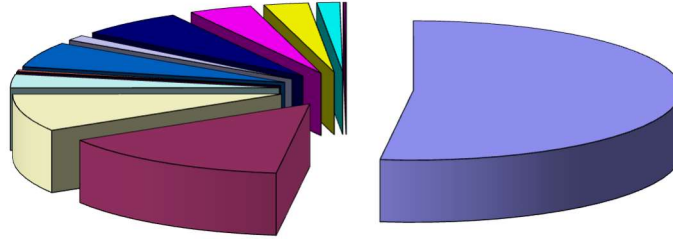
Professional development of both teachers and administrators is another area that is directly correlated to student growth. It is, therefore, valued and financially supported to ensure that all students are benefiting from current best practices.

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 2016/2017 as well as the budgets for 2017/2018 and 2018/2019.

	<table><tr><th>Actual</th><th>Amended Budget</th><th>Recommended</th></tr><tr><th>2016/17</th><th>2017/18</th><th>Budget</th></tr><tr><th></th><th></th><th>2018/19</th></tr></table>			Actual	Amended Budget	Recommended	2016/17	2017/18	Budget			2018/19
Actual	Amended Budget	Recommended										
2016/17	2017/18	Budget										
		2018/19										
<b>Instructional Services - Basic Instruction</b>	\$ 82,293,198	\$ 82,483,828	\$ 82,145,240									
Classroom instruction, textbooks and supplies												
<b>Instructional Services - Added Needs</b>	20,566,799	22,151,749	22,581,564									
Classroom instruction, textbooks and supplies												
<b>Pupil Services</b>	13,351,650	13,734,406	13,695,722									
Guidance, health, speech, social worker, teacher consultants												
<b>Instructional Support</b>	4,727,575	5,108,784	4,923,636									
Assistant superintendents, program development, computer assistance												
<b>Board of Education</b>	220,705	347,500	327,500									
School Board, clerical staff												
<b>Executive Administration</b>	527,912	544,580	547,267									
Superintendent, clerical and support staff												
<b>Office of Principal</b>	8,924,202	9,419,147	9,238,802									
Principals, assistant principals, clerical and support staff, related materials												
<b>Business Services</b>	1,832,013	1,984,049	1,921,105									
Assistant Superintendent, Finance, Purchasing												
<b>Operations and Maintenance</b>	9,808,947	9,943,721	9,928,909									
Staff, equipment and supplies for care, upkeep and operation of facilities												
<b>Pupil Transportation</b>	5,918,973	6,038,458	6,040,613									
<b>Central Services</b>	4,255,915	4,314,115	4,228,232									
Personnel, Community Relations, Data Processing												
<b>Athletics</b>	2,060,196	2,153,280	2,175,464									
<b>Community Services</b>	217,247	263,845	262,799									
<b>Transfers Out</b>	-	-	-									
<b>Total Expenditures</b>	\$ 154,705,332	\$ 158,487,462	\$ 158,016,853									
<b>Pupil Count</b>	14,252	13,987	13,800									
<b>Operating Expense per Pupil</b>	\$ 10,855	\$ 11,331	\$ 11,450									

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 2018/2019 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	

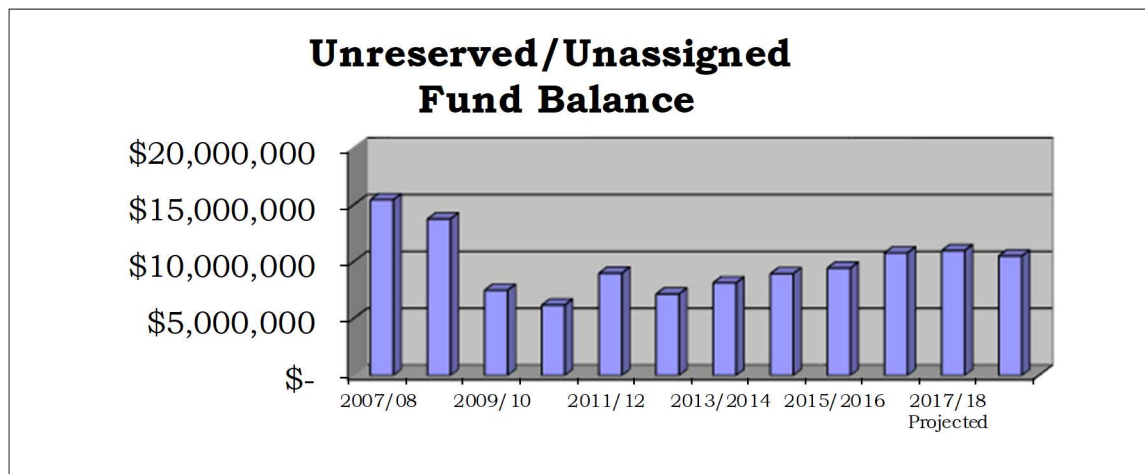
Category of Expense	2018/2019 Cost per Pupil	Percent of Total
Instructional Services - Basic	\$ 5,953	51.99%
Instructional Services - Added	1,636	14.29%
Pupil Services	992	8.67%
Instructional Support	357	3.12%
Board of Education	24	0.21%
Executive Administration	40	0.35%
School Site Leadership	669	5.85%
Business Services	139	1.22%
Operations and Maintenance	719	6.28%
Pupil Transportation	438	3.82%
Central Services	306	2.68%
Athletics	158	1.38%
Community Services	19	0.17%
<b>Total Expenditures</b>	<b>\$ 11,450</b>	<b>100.00%</b>

## Fund Balance

The District's fund balance is a cumulative figure that is a result of all prior year revenues over (under) expenditures. The ten year history of the District's General Fund fund balance including the percentage of each year's respective expenses follows. Also included are projected balances for 2017/2018 and 2018/2019.

Year	Total Fund Balance	Reserved Fund Balance	Unreserved		Unreserved as a Percentage of Expenditures
			Designated Fund Balance	Undesignated Fund Balance	
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%
2016/2017	11,606,534	820,572	-	10,785,962	6.88%
2017/18 Projected	11,991,524	1,007,325	-	10,984,199	6.93%
2018/19 Projected	11,412,637	900,000	-	10,512,637	6.65%
**** - 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 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 2018/2019 budget.

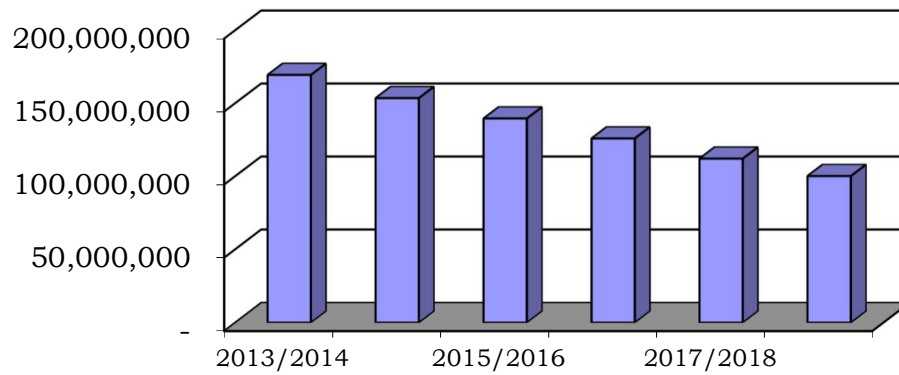
## **Debt**

At the end of 2017/2018, the School District has \$112 million in General Obligation Bonds outstanding versus \$125.8 million at the end of 2016/2017.

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 2017/2018 activity.

<b>School Year</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
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
2017/2018	\$ 125,810,000	\$ -	\$ 13,840,000	\$ 111,970,000
Projected 2018/2019	\$ 111,970,000	\$ -	\$ 11,915,000	\$ 100,055,000

### Year End General Obligation Bond Balance



## ALL FUNDS

The following includes a summary by object of the 2018/2019 proposed budget for each additional fund type maintained by the District.

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Project Funds</b>
<b>Revenue</b>			
Local Sources	\$ 5,854,860	\$ 21,879,737	\$ 2,347,000
State Sources	162,200	-	-
Federal Sources	1,685,000	-	-
Interdistrict Sources	-	-	-
Total Revenue	7,702,060	21,879,737	2,347,000
<b>Expenditures</b>			
Salaries	2,718,406	-	-
Benefits	1,616,466	-	-
Purchased Services	561,270	-	-
Supplies and Materials	2,197,861	-	-
Capital Outlay	21,650	-	-
Other	233,500	-	-
Capital Projects/Land	-	-	6,986,216
Debt Service	-	17,310,394	-
Total Expenditures	7,349,153	17,310,394	6,986,216
<b>Other Financing Uses - Transfers Out</b>	(400,000)	-	-
<b>Net Change in Fund Balances</b>	(47,093)	4,569,343	(4,639,216)
<b>Fund Balances</b> - Beginning of year	1,940,489	2,937,663	6,993,458
<b>Fund Balances</b> - End of year	\$ 1,893,396	\$ 7,507,006	\$ 2,354,242

## 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 12<sup>th</sup> grade programs.

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

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

## 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

	2017/2018 Amended Budget	2018/2019 Proposed Budget	Percent Change from Prior Year
<b>General Fund</b>	\$ 158,872,452	\$ 157,437,966	-0.90%
<b>Special Revenue Funds</b>			
Cafeteria Fund	4,692,200	4,649,200	-0.92%
Community Education	760,500	760,500	0.00%
Preschool	394,960	420,560	6.48%
Enrichment/Prime Time Care	1,871,800	1,871,800	0.00%
<b>Debt Retirement Funds</b>	20,802,466	22,117,578	6.32%
<b>Capital Projects Funds</b>	2,344,541	2,347,000	0.10%
<b>TOTAL</b>	<u>\$ 189,738,919</u>	<u>\$ 189,604,604</u>	<u>-0.07%</u>

## Expenses

	2017/2018 Amended Budget	2018/2019 Proposed Budget	Percent Change from Prior Year
<b>General Fund</b>	\$ 158,487,462	\$ 158,016,853	-0.30%
<b>Special Revenue Funds</b>			
Cafeteria Fund	4,614,904	4,616,349	0.03%
Community Education	726,001	728,133	0.29%
Preschool	369,266	372,222	0.80%
Enrichment/Prime Time Care	1,621,333	1,632,449	0.69%
<b>Debt Retirement Funds</b>	19,816,024	17,548,235	-11.44%
<b>Capital Projects Funds</b>	4,554,761	6,986,216	53.38%
<b>TOTAL</b>	<u>\$ 190,189,751</u>	<u>\$ 189,900,457</u>	<u>-0.15%</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 is not significantly reduced.

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

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

The remaining projects related to the 2014 Safety, Security and Technology Bond are expected to be completed during 2018/2019 spending all remaining dollars.

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

## Revenues

	<b>2019/2020 Budget Projected</b>	<b>2020/2021 Budget Projected</b>	<b>2021/2022 Budget Projected</b>
<b>General Fund</b>	\$ 158,984,534	\$ 159,895,380	\$ 161,492,034
<b>Special Revenue Funds</b>			
Cafeteria Fund	4,695,692	4,742,649	4,790,075
Community Education	768,105	775,786	783,544
Preschool	424,766	429,013	433,303
Enrichment/Prime Time Care	1,890,518	1,909,423	1,928,517
<b>Debt Retirement Funds</b>	11,529,807	17,307,624	15,599,304
<b>Capital Projects Funds</b>	2,335,070	2,353,371	2,376,904
<b>TOTAL</b>	<u>\$ 180,628,492</u>	<u>\$ 187,413,246</u>	<u>\$ 187,403,682</u>

## Expenses

	<b>2019/2020 Budget Projected</b>	<b>2020/2021 Budget Projected</b>	<b>2021/2022 Budget Projected</b>
<b>General Fund</b>	\$ 159,533,928	\$ 161,093,186	\$ 162,670,759
<b>Special Revenue Funds</b>			
Cafeteria Fund	4,680,230	4,745,152	4,811,133
Community Education	730,398	732,686	734,998
Preschool	375,452	378,715	382,010
Enrichment/Prime Time Care	1,996,639	2,010,971	2,025,447
<b>Debt Retirement Funds</b>	17,306,194	17,307,494	16,710,094
<b>Capital Projects Funds</b>	3,175,162	2,588,708	2,614,595
<b>TOTAL</b>	<u>\$ 187,798,003</u>	<u>\$ 188,856,912</u>	<u>\$ 189,949,036</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. Beginning with the spring 2018 testing cycle, science has been changed to be tested 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 11<sup>th</sup> grade students. In addition, MDE required all 9<sup>th</sup> and 10<sup>th</sup> 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 four years since implementation. SAT results are presented for 2015/2016 and 2016/2017 only. 2017/2018 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.

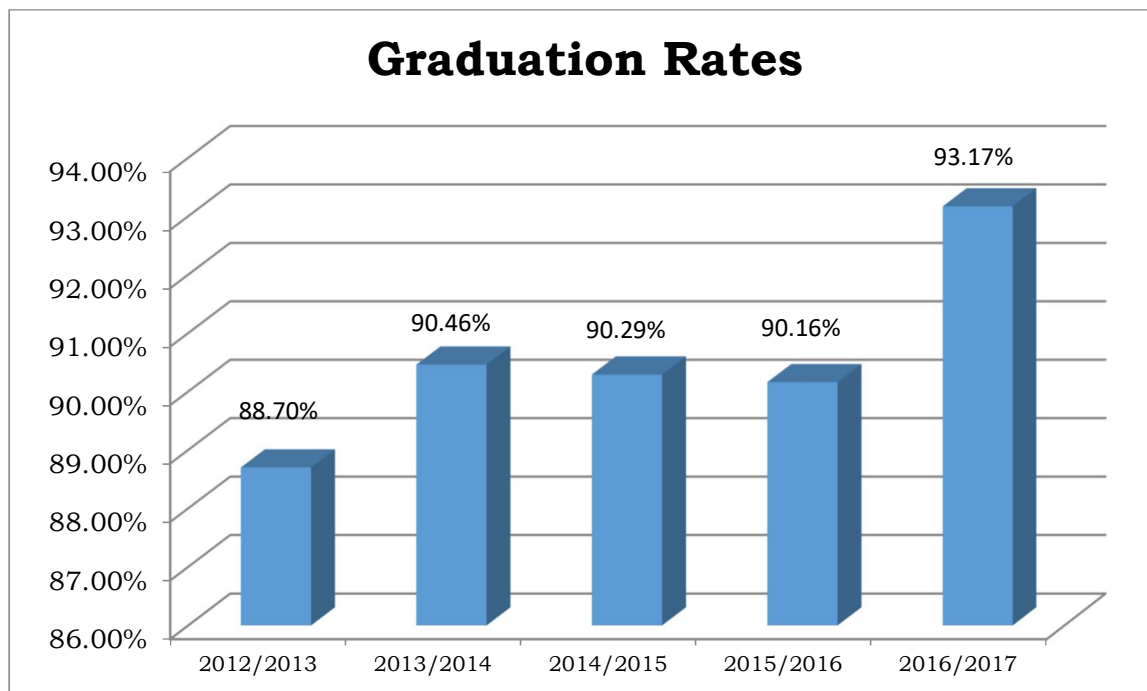
The AdvancED accreditation model helps the entire School District keep the activities and relationships within classrooms at the heart of all improvement strategies while at the same time supporting those which are both systematic and system-wide.

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:

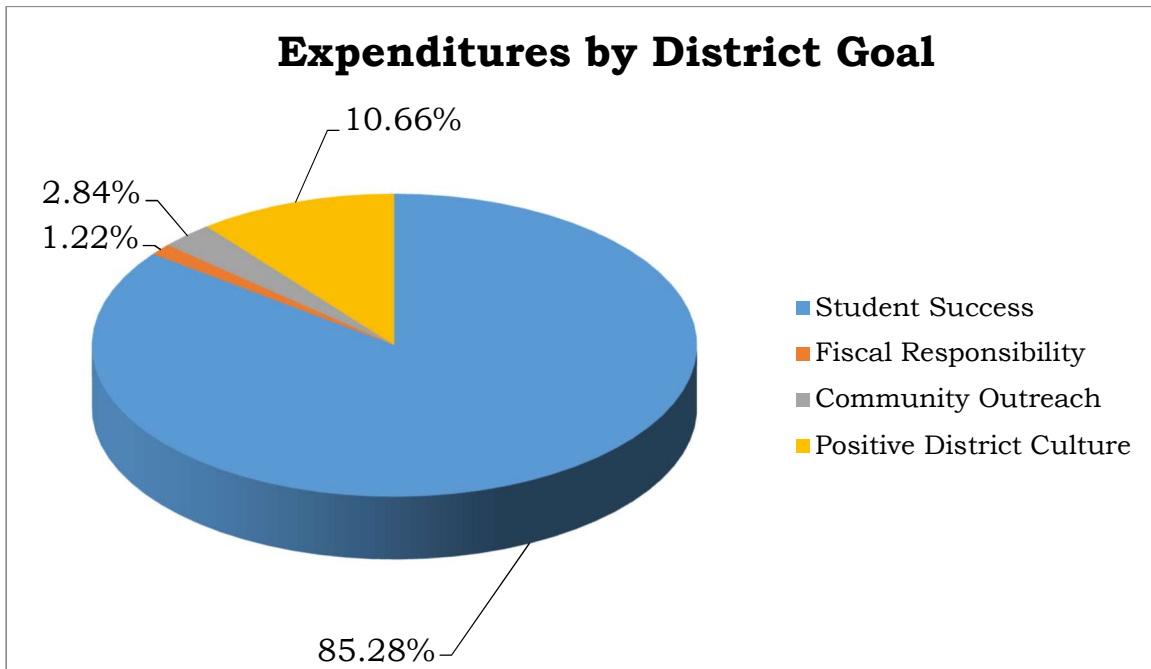
- Conduct numerous emergency drills
- Operate surveillance cameras
- Inspect and improve health and cleanliness of schools
- Provide additional hall monitors
- Provide police officers that rotate through the District

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.

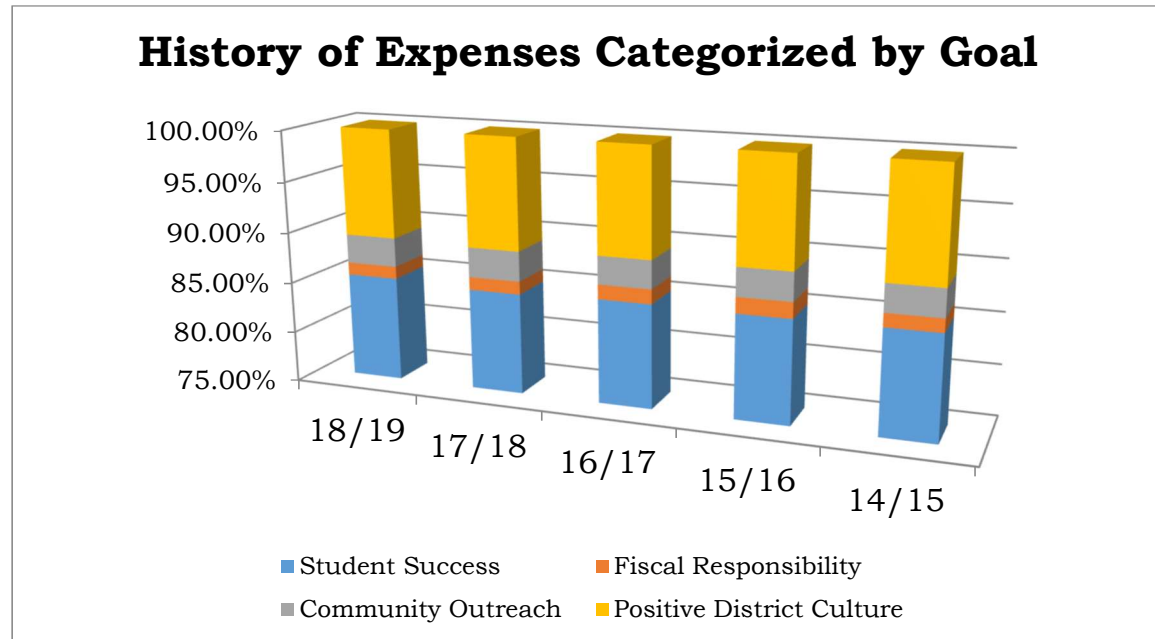
In addition, the 2014 Safety, Security and Technology Bond has allowed for many upgrades to the safety and security of each District building.

## **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.



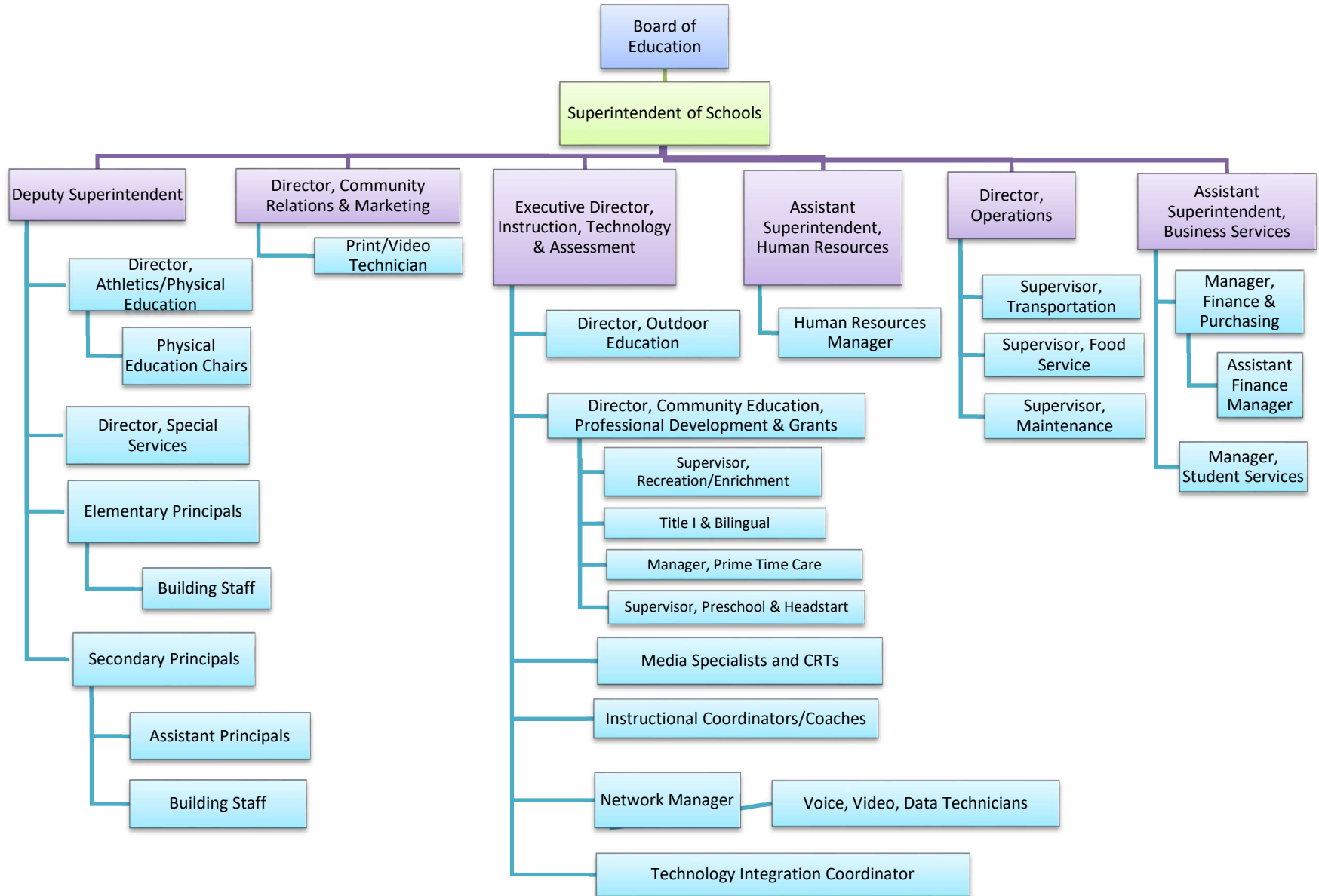


# WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

*Fun Run*  
Commerce  
Elementary



*Every Child, Every Day!*



## **Board of Education**

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

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

**Kathy Lyall, President**

*Term Expires 12/31/2020*

**Peggy Casagrande, Vice President**

*Term Expires 12/31/2018*

**Greg Janicki, Treasurer**

*Term Expires 12/31/2020*

**Denise Dunn, Secretary**

*Term Expires 12/31/2022*

**Christopher Titus, Trustee**

*Term Expires 12/31/2022*

**Nancy van Leuwen, Trustee**

*Term Expires 12/31/2022*

**Marc Siegler, Trustee**

*Term Expires 12/31/2018*

# **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 13,998 students as of the 2017/2018 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 Principles (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.

**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 principles. 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 1.7825 mills, 17.5500 mills on non-homesteads, 4.5279 mills for debt on all properties, and 0.4864 mills for the District sinking fund, which is also levied on all properties. Industrial personal property is exempt from the 17.5500 mills operating levy. Commercial personal property is exempt from 12 of the 17.5500 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 since 2015/2016 has resulted in additional roll backs each year.

The largest impact is the reduction to the 18 mills typically levied on all non-homestead properties. 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 \$727,000 in lost tax revenue for purposes for operations for the 2018/2019 school year.

The Hold Harmless maximum allowed millage will also be reduced from 3.8185 mills to 3.7940 mills. This will not have a financial impact on our district this year since we only need to levy 1.7825 mills.

The Sinking fund levy is also subject to a rollback and will be reduced by an additional .0032 mills to .4864 mills. This will result in a loss of approximately \$65,000.

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 \$10 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, 2018.

### **Budget Development Timeline**

November 2017	Superintendent and Assistant Superintendent of Business Services meet to discuss budget process
December 2017	Standardized costs for staffing requests developed
December 2017	Review timeline and parameters with Cabinet team
December 2017	Budget calendar available
December 2017	Resolution sent to local municipalities for summer tax collection agreements
January 2018	Preliminary budget projections available
January 2018	Cabinet study session(s)
February 2018	Preliminary budget report at Leadership Team meeting
Jan-Feb-March	Board study sessions as needed
Feb-March	2018-19 preliminary budget review & updates
February 2018	Discussion regarding layoffs within all groups
February 2018	2018-19 student projections & preliminary staffing needs identified
March 2018	Layoff Notices, Unaffiliated Administrators, staff
March 2018	Budget update at Leadership Team meeting
April-May	Budget email address active for staff/community feedback
April 2018	Budget video created and made available for staff and the community
April 2018	Additional Board study sessions as needed
April 2018	Discussion regarding layoffs with WLEA, WLSAA
April 2018	Budget update at Leadership Team
April 2018	Layoff Notices WLEA, WLSAA
May 2018	Preliminary budget changes completed
May 2018	Preliminary budget presented to Board of Education in study session

06/13/18	Publish notice for millage rates
06/21/18	Board establishes 2018-19 debt and general fund millage rates
6/13/18	Publish notice for budget hearing
06/21/18	Preliminary budget available for review
06/21/18	Board conducts public hearing on Budget for 2018-2019
06/21/18	Board adopts 2018-19 budget
June 2018	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 \$4.4 million. It was agreed that the potential solutions to the budget deficit should involve three considerations:

**Negotiated Concessions** – All employee groups with one exception have agreed to wage concessions of various sorts again for 2018/2019. Discussions with the final group are ongoing. 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. Our focus during 2018/2019 will be cost containment.

**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. As part of the facility study performed, it was recommended in 2010/2011 that the District's Community Education Center be closed and the property sold. Because many programs were housed in this building and it is located in the middle of the community, it was not closed at the time. With continued enrollment declines and dwindling options for reductions, the Board of Education approved the closure of this building as part of the 2017/2018 budget. The building has since been closed and it is anticipated that the property will be available for sale by the end of the 2018/2019 school year.

### **Key Factors in the Development of the 2018/2019 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 2018/2019 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 26.17 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 3.4% for 2018/2019.
- 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 2018/2019, based on a blended count of 90/10, will be 13,800, representing a decrease of 198 students compared to 2017/2018. The blend will be based on 90% of the Fall 2018 count and 10% will be based on the Spring 2018 count.
- A \$120 per pupil increase to the foundation allowance from the State of Michigan is anticipated for 2018/2019. 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 2018/2019. 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.
- Federal Funds are expected to remain level for 2018/2019.
- The District will continue to explore and implement cost savings and cost containment measures.

- 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 have allowed the District to improve safety and security in every building and to 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 line items, 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 2017/2018 school year, an amendment was made in January 2017. The final amendment was in June 2018.

# **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:

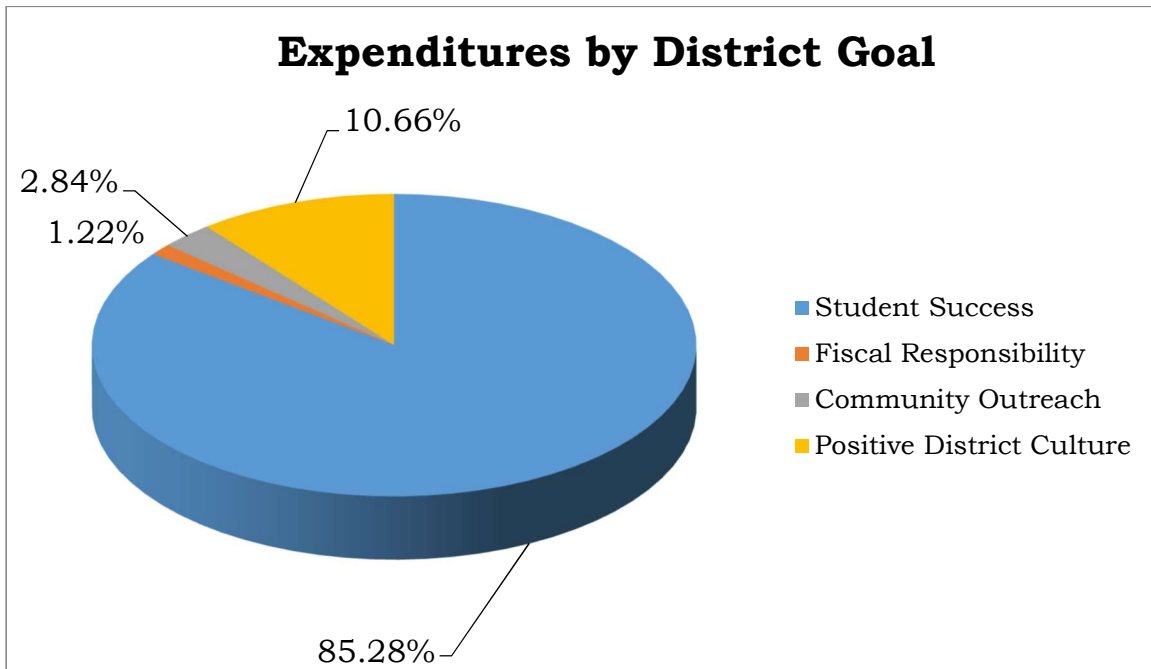
- Conduct numerous emergency drills
- Operate surveillance cameras
- Inspect and improve health and cleanliness of schools
- Provide additional hall monitors
- Provide police officers that rotate through the District

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.

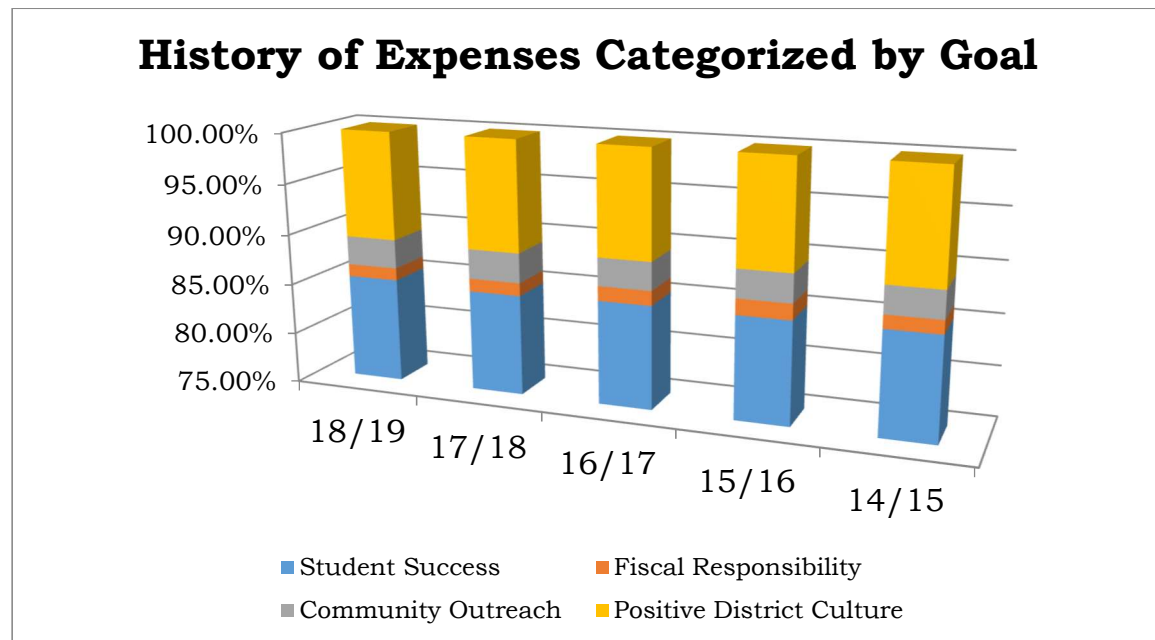
In addition, the 2014 Safety, Security and Technology Bond has allowed for many upgrades to the safety and security of each District building.

## **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.





# WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

*Washington D.C.*  
Sarah Banks  
Middle School



*Every Child, Every Day!*

2018-2019 Recommended Budget					
All Fund Summary					
Revenues By Source and Expenditures By Object					
	General	Special	Debt	Capital	
	Fund	Revenue	Service	Project	
	Fund	Funds	Funds	Funds	Total
<b>Revenue</b>					
Local Sources	\$35,170,599	\$5,854,860	\$21,879,737	\$2,347,000	\$65,252,196
State Sources	105,482,351	162,200	-	-	105,644,551
Federal Sources	6,155,210	1,685,000	-	-	7,840,210
Interdistrict Sources	10,229,806	-	-	-	10,229,806
Total Revenue	157,037,966	7,702,060	21,879,737	\$2,347,000	188,966,763
<b>Expenditures</b>					
Salaries	81,326,252	2,718,406	-	-	84,044,658
Benefits	49,515,489	1,616,466	-	-	51,131,955
Purchased Services	19,544,230	561,270	-	-	20,105,500
Supplies and Materials	6,289,339	2,197,861	-	-	8,487,200
Capital Outlay	315,721	21,650	-	-	337,371
Other	1,025,822	233,500	-	-	1,259,322
Capital Projects/Land	-	-	-	6,986,216	6,986,216
Debt Service	-	-	17,310,394	-	17,310,394
Total Expenditures	158,016,853	7,349,153	17,310,394	6,986,216	189,662,616
<b>Other Financing Sources (Uses)</b>					
Transfers In	400,000	-	-	-	400,000
Transfers Out	-	(400,000)	-	-	(400,000)
<b>Total Other Financing Sources (Uses)</b>	400,000	(400,000)	-	-	-
<b>Net Change in Fund Balances</b>	(578,887)	(47,093)	4,569,343	(4,639,216)	(695,853)
<b>Fund Balances</b> - Beginning of year	11,991,524	1,940,489	2,937,663	6,993,458	23,863,134
<b>Fund Balances</b> - End of year	\$11,412,637	\$1,893,396	\$7,507,006	\$2,354,242	\$23,167,281

**Operating Funds Summary**  
**2014-15 Through 2021-22**  
**Revenues By Source and Expenditures By Object**

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b>								
Local Sources	\$ 38,553,913	\$ 39,393,552	\$ 39,802,461	\$ 40,594,699	\$ 40,506,834	\$ 40,911,902	\$ 41,321,021	\$ 41,734,232
State Sources	108,024,710	107,142,867	107,585,736	107,436,136	105,644,551	106,700,997	107,768,006	108,845,687
Federal Sources	7,206,584	6,871,553	7,134,815	7,860,642	7,840,210	7,918,612	7,997,798	8,077,776
Interdistrict Sources	9,553,161	9,560,384	9,509,147	10,174,455	10,229,806	10,332,104	10,435,425	10,539,779
Total Revenue	163,338,368	162,968,356	164,032,159	166,065,932	164,221,401	165,863,615	167,522,251	169,197,473
<b>Expenditures</b>								
Salaries	84,634,854	84,649,363	82,311,099	84,193,780	84,044,658	84,781,892	85,629,711	86,486,009
Benefits	49,672,756	51,605,906	50,969,618	51,793,853	51,131,955	51,584,737	52,100,584	52,621,590
Purchased Services	18,818,166	19,276,067	19,860,745	20,359,936	20,105,500	20,245,570	20,450,182	20,659,564
Supplies and Materials	7,497,575	7,138,728	7,175,834	7,824,977	8,487,200	8,532,268	8,605,398	8,679,669
Capital Outlay	421,057	568,064	629,936	363,553	337,371	325,238	325,238	325,238
Other	1,540,156	1,052,282	1,004,406	1,282,867	1,259,322	1,496,942	1,499,596	1,502,278
Total Expenditures	162,584,564	164,290,410	161,951,638	165,818,966	165,366,006	166,966,647	168,610,710	170,274,348
<b>Other Financing Sources (Uses)</b>								
Transfers In	325,000	300,000	300,000	400,000	400,000	200,000	200,000	200,000
Transfers Out	(325,000)	(300,000)	(300,000)	(400,000)	(400,000)	(350,000)	(350,000)	(350,000)
Proceeds from sale of fixed assets	233,633	2,017,530	39,695	125,980	518,625	700,000	30,000	30,000
Total Other Fin. Sources (Uses)	233,633	2,017,530	39,695	125,980	518,625	550,000	(120,000)	(120,000)
<b>Net Change in Fund Balance</b>	987,437	695,476	2,120,216	372,946	(625,980)	(553,032)	(1,208,459)	(1,196,875)
<b>Fund Balances</b> - Beginning of year	9,755,938	10,743,375	11,438,851	13,559,067	13,932,013	13,306,033	12,753,001	11,544,542
<b>Fund Balances</b> - End of year	\$ 10,743,375	\$ 11,438,851	\$ 13,559,067	\$ 13,932,013	\$ 13,306,033	\$ 12,753,001	\$ 11,544,542	\$ 10,347,668
<b>Note: Operating Funds include the District General Fund and Special Revenue Funds</b>								

Operating Funds Summary								
2014-15 Through 2021-22								
Expenditures by Function								
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Instruction</b>								
Elementary	\$ 38,906,104	\$ 39,757,204	\$ 38,475,370	\$ 39,179,792	\$ 38,584,909	\$ 38,950,509	\$ 39,321,179	\$ 39,695,556
Middle School	20,466,153	18,958,388	18,445,396	17,927,953	18,056,150	18,226,113	18,397,776	18,571,156
High School	24,317,164	24,582,036	24,489,331	24,372,753	24,505,911	24,724,925	24,946,129	25,169,544
Other Basic Programs	834,731	943,142	883,101	1,003,330	998,270	1,007,196	1,016,211	1,025,316
Special Education	15,582,928	16,378,259	16,435,328	17,743,902	17,592,874	17,753,242	17,915,214	18,078,806
Vocational Education	1,152,411	1,027,667	1,074,160	1,051,258	1,043,438	1,053,579	1,063,822	1,074,167
Other Added Needs and Adult Ed	3,182,421	3,060,806	3,057,311	3,356,589	3,945,252	3,982,138	4,019,392	4,057,019
Total Instruction	104,441,912	104,707,502	102,859,997	104,635,577	104,726,804	105,697,702	106,679,723	107,671,564
<b>Supporting Services</b>								
Guidance Services	3,590,859	3,836,138	3,429,703	3,449,459	3,421,148	3,455,070	3,489,332	3,523,936
Health Services	759,743	965,246	971,246	943,766	813,043	813,212	813,384	813,556
Psychological Services	1,012,635	1,070,560	1,104,300	1,155,774	1,134,678	1,145,122	1,155,671	1,166,326
Speech Services	2,456,555	2,616,710	2,541,590	2,775,370	2,787,502	2,815,074	2,842,921	2,871,047
Social Work	1,736,215	1,780,446	1,741,073	2,074,585	2,234,399	2,256,661	2,279,146	2,301,855
T/C Special Education	1,798,083	1,851,343	1,838,583	1,869,845	1,847,604	1,865,940	1,884,460	1,903,165
Other Pupil Services	1,417,666	1,503,389	1,725,155	1,465,607	1,457,348	1,468,428	1,479,618	1,490,921
Improvement of Instruction	1,437,217	1,645,275	1,483,376	1,577,911	1,543,378	1,555,247	1,567,235	1,579,343
Library Services	936,564	1,014,407	1,021,545	992,020	986,016	995,441	1,004,961	1,014,575
Audio/Visual	323,620	341,249	324,680	349,879	348,372	351,733	355,127	358,555
Instructional Staff Supervision	1,904,494	1,783,081	1,814,848	2,079,330	1,944,477	1,963,162	1,982,033	2,001,093
Media Services	116,022	99,341	83,105	109,091	100,840	101,036	101,234	101,434
Other Instruction Staff	9,634	253	21	553	553	-	-	-
Board of Education	102,933	153,526	220,705	347,500	327,500	320,068	321,643	323,226
Executive Administration	514,660	555,649	527,912	544,580	547,267	551,303	556,288	561,322
Office of Principal	8,702,020	9,022,348	8,924,202	9,419,147	9,238,802	9,329,310	9,421,025	9,513,658
Fiscal Services	1,623,387	1,689,350	1,289,820	1,411,911	1,384,525	1,395,911	1,407,410	1,419,024
Other Business Services	758,509	666,594	542,193	572,138	536,580	538,140	539,716	541,307
Custodial/Maintenance	9,598,379	9,523,566	9,808,947	9,943,721	9,928,909	10,027,361	10,126,797	10,227,227
Transportation	5,658,470	5,754,854	5,918,973	6,038,458	6,040,613	6,179,685	6,336,408	6,497,429
Testing/Community Relations	538,997	534,584	528,248	662,765	575,973	581,315	585,195	589,113
Personnel	895,521	976,778	947,648	930,357	1,061,348	1,070,941	1,080,630	1,090,416
Pupil Accounting	312,154	331,197	352,539	377,695	386,402	390,158	393,951	397,782
Data Processing	2,285,023	2,596,525	2,427,480	2,343,298	2,204,509	2,215,237	2,226,071	2,237,015
Athletics	2,146,201	2,021,784	2,060,196	2,153,280	2,175,464	2,185,247	2,195,128	2,205,108
Total Supporting Services	50,635,561	52,334,193	51,628,088	53,588,040	53,027,250	53,570,799	54,145,382	54,728,434
<b>Community Services</b>	221,457	225,754	217,247	263,845	262,799	265,427	268,081	270,762
<b>Cafeteria</b>	4,593,022	4,532,805	4,584,827	4,614,904	4,616,349	4,680,230	4,745,152	4,811,133
<b>Community Education</b>	831,332	735,158	748,788	726,001	728,133	730,398	732,686	734,998
<b>Preschool</b>	371,679	377,622	355,890	369,266	372,222	375,452	378,715	382,010
<b>Enrichment/Prime Time Care</b>	1,814,601	1,652,376	1,856,801	2,021,333	2,032,449	1,996,639	2,010,971	2,025,447
<b>Total Expenditures and Other Uses</b>	\$ 162,909,564	\$ 164,565,410	\$ 162,251,638	\$ 166,218,966	\$ 165,766,006	\$ 167,316,647	\$ 168,960,710	\$ 170,624,348

**General Fund 2014-15 Through 2021-22**  
**Revenues By Source and Expenditures By Object**

				2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	2014/2015	2015/2016	2016/2017	Amended	Recommended	Projected	Projected	Projected
	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget
<b>Revenue</b>								
Local Sources	\$ 33,070,989	\$ 33,585,516	\$ 33,925,927	\$ 34,737,439	\$ 34,651,974	\$ 34,998,494	\$ 35,348,479	\$ 35,701,963
State Sources	107,629,836	106,954,038	107,413,170	107,273,936	105,482,351	106,537,175	107,602,546	108,678,572
Federal Sources	5,575,874	5,119,135	5,381,881	6,160,642	6,155,210	6,216,762	6,278,930	6,341,719
Interdistrict Sources	9,553,161	9,560,384	9,509,147	10,174,455	10,229,806	10,332,104	10,435,425	10,539,779
Total Revenue	155,829,860	155,219,073	156,230,125	158,346,472	156,519,341	158,084,534	159,665,380	161,262,034
<b>Expenditures</b>								
Salaries	81,845,279	81,826,797	79,461,230	81,475,374	81,326,252	82,036,303	82,856,666	83,685,232
Benefits	48,163,080	50,368,713	49,701,048	50,214,036	49,515,489	49,952,106	50,451,627	50,956,144
Purchased Services	18,221,669	18,759,188	19,280,874	19,798,666	19,544,230	19,684,300	19,888,912	20,098,294
Supplies and Materials	5,329,903	4,919,719	4,929,332	5,608,116	6,289,339	6,294,189	6,326,296	6,358,725
Capital Outlay	388,410	547,381	573,642	341,903	315,721	303,588	303,588	303,588
Other	1,350,589	845,651	759,206	1,049,367	1,025,822	1,263,442	1,266,096	1,268,777
Total Expenditures	155,298,930	157,267,449	154,705,332	158,487,462	158,016,853	159,533,928	161,093,186	162,670,759
<b>Other Financing Sources (Uses)</b>								
Transfers In	325,000	300,000	300,000	400,000	400,000	200,000	200,000	200,000
Proceeds from sale of fixed assets	233,633	2,017,530	39,695	125,980	518,625	700,000	30,000	30,000
Total Other Fin. Sources (Uses)	558,633	2,317,530	339,695	525,980	918,625	900,000	230,000	230,000
<b>Net Change in Fund Balance</b>	1,089,563	269,154	1,864,488	384,990	(578,887)	(549,394)	(1,197,806)	(1,178,726)
<b>Fund Balances</b> - Beginning of year	8,383,329	9,472,892	9,742,046	11,606,534	11,991,524	11,412,637	10,863,243	9,665,437
<b>Fund Balances</b> - End of year	\$ 9,472,892	\$ 9,742,046	\$ 11,606,534	\$ 11,991,524	\$ 11,412,637	\$ 10,863,243	\$ 9,665,437	\$ 8,486,711

General Fund 2014-15 Through 2021-2022								
Expenditures by Function								
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Instruction</b>								
Elementary	\$ 38,906,104	\$ 39,757,204	\$ 38,475,370	\$ 39,179,792	\$ 38,584,909	\$ 38,950,509	\$ 39,321,179	\$ 39,695,556
Middle School	20,466,153	18,958,388	18,445,396	17,927,953	18,056,150	18,226,113	18,397,776	18,571,156
High School	24,317,164	24,582,036	24,489,331	24,372,753	24,505,911	24,724,925	24,946,129	25,169,544
Other Basic Programs	834,731	943,142	883,101	1,003,330	998,270	1,007,196	1,016,211	1,025,316
Special Education	15,582,928	16,378,259	16,435,328	17,743,902	17,592,874	17,753,242	17,915,214	18,078,806
Vocational Education	1,152,411	1,027,667	1,074,160	1,051,258	1,043,438	1,053,579	1,063,822	1,074,167
Other Added Needs and Adult Ed	3,182,421	3,060,806	3,057,311	3,356,589	3,945,252	3,982,138	4,019,392	4,057,019
Total Instruction	104,441,912	104,707,502	102,859,997	104,635,577	104,726,804	105,697,702	106,679,723	107,671,564
<b>Supporting Services</b>								
Guidance Services	3,590,859	3,836,138	3,429,703	3,449,459	3,421,148	3,455,070	3,489,332	3,523,936
Health Services	759,743	965,246	971,246	943,766	813,043	813,212	813,384	813,556
Psychological Services	1,012,635	1,070,560	1,104,300	1,155,774	1,134,678	1,145,122	1,155,671	1,166,326
Speech Services	2,456,555	2,616,710	2,541,590	2,775,370	2,787,502	2,815,074	2,842,921	2,871,047
Social Work	1,736,215	1,780,446	1,741,073	2,074,585	2,234,399	2,256,661	2,279,146	2,301,855
T/C Special Education	1,798,083	1,851,343	1,838,583	1,869,845	1,847,604	1,865,940	1,884,460	1,903,165
Other Pupil Services	1,417,666	1,503,389	1,725,155	1,465,607	1,457,348	1,468,428	1,479,618	1,490,921
Improvement of Instruction	1,437,217	1,645,275	1,483,376	1,577,911	1,543,378	1,555,247	1,567,235	1,579,343
Library Services	936,564	1,014,407	1,021,545	992,020	986,016	995,441	1,004,961	1,014,575
Audio/Visual	323,620	341,249	324,680	349,879	348,372	351,733	355,127	358,555
Instructional Staff Supervision	1,904,494	1,783,081	1,814,848	2,079,330	1,944,477	1,963,162	1,982,033	2,001,093
Media Services	116,022	99,341	83,105	109,091	100,840	101,036	101,234	101,434
Other Instruction Staff	9,634	253	21	553	553	-	-	-
Board of Education	102,933	153,526	220,705	347,500	327,500	320,068	321,643	323,226
Executive Administration	514,660	555,649	527,912	544,580	547,267	551,303	556,288	561,322
Office of Principal	8,702,020	9,022,348	8,924,202	9,419,147	9,238,802	9,329,310	9,421,025	9,513,658
Fiscal Services	1,623,387	1,689,350	1,289,820	1,411,911	1,384,525	1,395,911	1,407,410	1,419,024
Other Business Services	758,509	666,594	542,193	572,138	536,580	538,140	539,716	541,307
Custodial/Maintenance	9,598,379	9,523,566	9,808,947	9,943,721	9,928,909	10,027,361	10,126,797	10,227,227
Transportation	5,658,470	5,754,854	5,918,973	6,038,458	6,040,613	6,179,685	6,336,408	6,497,429
Testing/Community Relations	538,997	534,584	528,248	662,765	575,973	581,315	585,195	589,113
Personnel	895,521	976,778	947,648	930,357	1,061,348	1,070,941	1,080,630	1,090,416
Pupil Accounting	312,154	331,197	352,539	377,695	386,402	390,158	393,951	397,782
Data Processing	2,285,023	2,596,525	2,427,480	2,343,298	2,204,509	2,215,237	2,226,071	2,237,015
Athletics	2,146,201	2,021,784	2,060,196	2,153,280	2,175,464	2,185,247	2,195,128	2,205,108
Total Supporting Services	50,635,561	52,334,193	51,628,088	53,588,040	53,027,250	53,570,799	54,145,382	54,728,434
<b>Community Services</b>	221,457	225,754	217,247	263,845	262,799	265,427	268,081	270,762
<b>Transfers Out</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures and Other Uses</b>	\$ 155,298,930	\$ 157,267,449	\$ 154,705,332	\$ 158,487,462	\$ 158,016,853	\$ 159,533,928	\$ 161,093,186	\$ 162,670,759

Walled Lake Consolidated Schools								
Cafeteria Fund								
2014/2015 Through 2021/2022								
Revenues By Source and Expenditures By Object								
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b>								
Local Sources	\$ 2,551,244	\$ 2,802,259	\$ 2,795,956	\$ 2,830,000	\$ 2,802,000	\$ 2,830,020	\$ 2,858,320	\$ 2,886,903
State Sources	283,254	188,829	172,566	162,200	162,200	163,822	165,460	167,115
Federal Sources	1,630,710	1,752,418	1,752,934	1,700,000	1,685,000	1,701,850	1,718,869	1,736,057
Total Revenue	4,465,208	4,743,506	4,721,456	4,692,200	4,649,200	4,695,692	4,742,649	4,790,075
<b>Expenditures</b>								
Salaries	1,546,510	1,585,985	1,559,724	1,460,804	1,460,804	1,475,412	1,490,166	1,505,068
Benefits	888,115	739,233	722,638	885,050	905,495	914,550	923,695	932,932
Purchased Services	69,556	61,531	83,440	92,500	92,500	92,500	92,500	92,500
Supplies and Materials	1,966,194	2,028,393	2,042,333	2,029,900	2,010,900	2,051,118	2,092,140	2,133,983
Capital Outlay	32,647	20,683	56,294	21,650	21,650	21,650	21,650	21,650
Other	90,000	96,980	120,398	125,000	125,000	125,000	125,000	125,000
Total Expenditures	4,593,022	4,532,805	4,584,827	4,614,904	4,616,349	4,680,230	4,745,152	4,811,133
<b>Net Change in Fund Balance</b>	(127,814)	210,701	136,629	77,296	32,851	15,462	(2,503)	(21,058)
<b>Fund Balances</b> - Beginning of year	514,840	387,026	597,727	734,356	811,652	844,503	859,965	857,463
<b>Fund Balances</b> - End of year	\$ 387,026	\$ 597,727	\$ 734,356	\$ 811,652	\$ 844,503	\$ 859,965	\$ 857,463	\$ 836,405
<b>Notes on Projections:</b>								
Modest 1% increases in revenue								
1% increases in salary & benefits								
2% increase in supplies, consistent with history								

**Walled Lake Consolidated Schools**  
**Community Education Fund**  
**2014/2015 Through 2021/2022**  
**Revenues By Source and Expenditures By Object**

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b>								
Local Sources	\$ 752,975	\$ 747,185	\$ 776,217	\$ 760,500	\$ 760,500	\$ 768,105	\$ 775,786	\$ 783,544
State Sources	12,843	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	765,818	747,185	776,217	760,500	760,500	768,105	775,786	783,544
<b>Expenditures</b>								
Salaries	141,300	147,541	146,698	134,142	134,142	135,483	136,838	138,207
Benefits	97,612	78,065	79,732	90,259	92,391	93,315	94,248	95,191
Purchased Services	471,250	399,360	430,921	403,600	403,600	403,600	403,600	403,600
Supplies and Materials	67,258	57,107	56,383	69,500	69,500	69,500	69,500	69,500
Capital Outlay	-	-	-	-	-	-	-	-
Other	28,912	28,085	35,054	28,500	28,500	28,500	28,500	28,500
Total Expenditures	806,332	710,158	748,788	726,001	728,133	730,398	732,686	734,998
<b>Other Financing Sources</b>								
Transfers Out	(25,000)	(25,000)	-	-	-	-	-	-
<b>Total Other Financing Sources</b>	(25,000)	(25,000)	-	-	-	-	-	-
<b>Net Change in Fund Balance</b>	(65,514)	12,027	27,429	34,499	32,367	37,707	43,100	48,546
<b>Fund Balances</b> - Beginning of year	213,615	148,101	160,128	187,557	222,056	254,423	292,130	335,229
<b>Fund Balances</b> - End of year	\$ 148,101	\$ 160,128	\$ 187,557	\$ 222,056	\$ 254,423	\$ 292,130	\$ 335,229	\$ 383,775

Walled Lake Consolidated Schools								
Preschool Fund								
2014/2015 Through 2021/2022								
Revenues By Source and Expenditures By Object								
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b>								
Local Sources	\$ 411,170	\$ 376,503	\$ 354,738	\$ 394,960	\$ 420,560	\$ 424,766	\$ 429,013	\$ 433,303
State Sources	17,893	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	429,063	376,503	354,738	394,960	420,560	424,766	429,013	433,303
<b>Expenditures</b>								
Salaries	211,204	226,006	214,690	192,107	192,107	194,028	195,968	197,928
Benefits	115,370	100,221	95,954	127,959	130,915	132,224	133,546	134,882
Purchased Services	21,209	17,329	14,532	18,200	18,200	18,200	18,200	18,200
Supplies and Materials	12,638	21,012	15,341	17,000	17,000	17,000	17,000	17,000
Capital Outlay	-	-	-	-	-	-	-	-
Other	11,258	13,054	15,373	14,000	14,000	14,000	14,000	14,000
Total Expenditures	371,679	377,622	355,890	369,266	372,222	375,452	378,715	382,010
<b>Other Financing Uses</b> - Transfers Out	-	(25,000)	-	-	-	-	-	-
<b>Net Change in Fund Balance</b>	57,384	(26,119)	(1,152)	25,694	48,338	49,313	50,299	51,293
<b>Fund Balances</b> - Beginning of year	225,400	282,784	256,665	255,513	281,207	329,545	378,858	429,157
<b>Fund Balances</b> - End of year	\$ 282,784	\$ 256,665	\$ 255,513	\$ 281,207	\$ 329,545	\$ 378,858	\$ 429,157	\$ 480,450

Enrichment/Prime Time Care Fund								
2014/2015 Through 2021/2022								
Revenues By Source and Expenditures By Object								
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	2014/2015	2015/2016	2016/2017	Amended	Recommended	Projected	Projected	Projected
	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget
<b>Revenue</b>								
Local Sources	\$ 1,767,535	\$ 1,882,089	\$ 1,949,623	\$ 1,871,800	\$ 1,871,800	\$ 1,890,518	\$ 1,909,423	\$ 1,928,517
State Sources	80,884	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	1,848,419	1,882,089	1,949,623	1,871,800	1,871,800	1,890,518	1,909,423	1,928,517
<b>Expenditures</b>								
Salaries	890,561	863,034	928,757	931,353	931,353	940,667	950,073	959,574
Benefits	408,579	319,674	370,246	476,549	487,665	492,542	497,467	502,442
Purchased Services	34,482	38,659	50,978	46,970	46,970	46,970	46,970	46,970
Supplies and Materials	121,582	112,497	132,445	100,461	100,461	100,461	100,461	100,461
Capital Outlay	-	-	-	-	-	-	-	-
Other	59,397	68,512	74,375	66,000	66,000	66,000	66,000	66,000
Total Expenditures	1,514,601	1,402,376	1,556,801	1,621,333	1,632,449	1,646,639	1,660,971	1,675,447
<b>Other Financing Uses</b> - Transfers Out	(300,000)	(250,000)	(300,000)	(400,000)	(400,000)	(350,000)	(350,000)	(350,000)
<b>Net Change in Fund Balance</b>	33,818	229,713	92,822	(149,533)	(160,649)	(106,121)	(101,548)	(96,930)
<b>Fund Balances</b> - Beginning of year	418,754	452,572	682,285	775,107	625,574	464,925	358,804	257,256
<b>Fund Balances</b> - End of year	\$ 452,572	\$ 682,285	\$ 775,107	\$ 625,574	\$ 464,925	\$ 358,804	\$ 257,256	\$ 160,326

<b>Walled Lake Consolidated Schools</b> <b>2005 Debt Fund</b> <b>2014/2015 Through 2021/2022</b>								
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b> - Local Sources	\$ 8,916,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>								
Principal Payments	5,800,000	-	-	-	-	-	-	-
Interest and Other	1,324,469	-	-	-	-	-	-	-
Total Expenditures	7,124,469	-	-	-	-	-	-	-
<b>Excess of Revenue Over (Under) Expenditures</b>	1,792,106	-	-	-	-	-	-	-
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	(1,910,998)	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,910,998)	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	(118,892)	-	-	-	-	-	-	-
<b>Fund Balances</b> - Beginning of year	118,892	-	-	-	-	-	-	-
<b>Fund Balances</b> - End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Note: This Bond was issued to partially refund the 2000 Building and Site bond issue. This information continues to be presented for historical purposes only.								

Note: This Bond was issued to partially refund the 2000 Building and Site bond issue. This information continues to be presented for historical purposes only.

Walled Lake Consolidated Schools									
2006 Debt Fund									
2014/2015 Through 2021/2022									
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget	
<b>Revenue</b> - Local Sources	\$ 477,972	\$ 311,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>									
Principal Payments	60,000	60,000	-	-	-	-	-	-	-
Interest and Other	385,944	193,838	-	-	-	-	-	-	-
Total Expenditures	445,944	253,838	-	-	-	-	-	-	-
<b>Excess of Revenue Over (Under) Expenditures</b>	32,028	57,896	-	-	-	-	-	-	-
<b>Other Financing Sources (Uses)</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	(112,409)	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(112,409)	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	32,028	(54,513)	-	-	-	-	-	-	-
<b>Fund Balances</b> - Beginning of year	22,485	54,513	-	-	-	-	-	-	-
<b>Fund Balances</b> - End of year	\$ 54,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Note: This Bond was issued to partially refund the 2004 Building and Site bond issue. This information continues to be presented for historical purposes only.									

<b>Walled Lake Consolidated Schools</b> <b>2011 Debt Fund</b> <b>2014/2015 Through 2021/2022</b>								
	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/2022</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended Budget</b>	<b>Recommended Budget</b>	<b>Projected Budget</b>	<b>Projected Budget</b>	<b>Projected Budget</b>
<b>Revenue</b> - Local Sources	\$ 6,186,482	\$ 7,093,084	\$ 6,475,630	\$ 6,595,476	\$ 7,681,203	\$ 3,644,114	\$ 5,363,325	\$ 4,563,750
<b>Expenditures</b>								
Principal Payments	4,875,000	5,385,000	5,135,000	5,075,000	5,000,000	4,935,000	4,890,000	4,845,000
Interest and Other	1,879,335	1,720,662	1,452,945	1,218,453	999,250	749,250	502,500	258,000
Total Expenditures	6,754,335	7,105,662	6,587,945	6,293,453	5,999,250	5,684,250	5,392,500	5,103,000
<b>Excess of Revenue Over (Under) Expenditures</b>	(567,853)	(12,578)	(112,315)	302,023	1,681,953	(2,040,136)	(29,175)	(539,250)
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	(567,853)	(12,578)	(112,315)	302,023	1,681,953	(2,040,136)	(29,175)	(539,250)
<b>Fund Balances</b> - Beginning of year	1,317,331	749,478	736,900	624,585	926,608	2,608,561	568,425	539,250
<b>Fund Balances</b> - End of year	\$ 749,478	\$ 736,900	\$ 624,585	\$ 926,608	\$ 2,608,561	\$ 568,425	\$ 539,250	\$ -

Walled Lake Consolidated Schools								
2012 Debt Fund								
2014/2015 Through 2021/2022								
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b> - Local Sources	\$ 2,020,416	\$ 1,775,280	\$ 1,812,139	\$ 1,826,671	\$ 583,319	\$ -	\$ -	\$ -
<b>Expenditures</b>								
Principal Payments	1,650,000	1,610,000	1,705,000	1,670,000	590,000	-	-	-
Interest and Other	220,080	170,806	122,972	72,148	17,700	-	-	-
Total Expenditures	1,870,080	1,780,806	1,827,972	1,742,148	607,700	-	-	-
<b>Excess of Revenue Over (Under) Expenditures</b>	150,336	(5,526)	(15,833)	84,523	(24,381)	-	-	-
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(237,841)	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	(237,841)	-	-	-
<b>Net Change in Fund Balances</b>	150,336	(5,526)	(15,833)	84,523	(262,222)	-	-	-
<b>Fund Balances</b> - Beginning of year	48,722	199,058	193,532	177,699	262,222	-	-	-
<b>Fund Balances</b> - End of year	\$ 199,058	\$ 193,532	\$ 177,699	\$ 262,222	\$ -	\$ -	\$ -	\$ -

<b>Walled Lake Consolidated Schools</b> <b>2014 Debt Fund</b> <b>2014/2015 Through 2021/2022</b>								
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b> - Local Sources	\$ 3,270,652	\$ 3,056,627	\$ 3,880,462	\$ 4,354,575	\$ 5,460,846	\$ 2,882,935	\$ 4,406,924	\$ 4,474,224
<b>Expenditures</b>								
Principal Payments	-	-	750,000	1,075,000	1,155,000	1,305,000	1,430,000	1,555,000
Interest and Other	3,070,758	3,068,010	3,074,451	3,061,812	3,044,944	3,021,844	2,969,644	2,912,444
Total Expenditures	3,070,758	3,068,010	3,824,451	4,136,812	4,199,944	4,326,844	4,399,644	4,467,444
<b>Excess of Revenue Over (Under) Expenditures</b>	199,894	(11,383)	56,011	217,763	1,260,902	(1,443,909)	7,280	6,780
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	199,894	(11,383)	56,011	217,763	1,260,902	(1,443,909)	7,280	6,780
<b>Fund Balances</b> - Beginning of year	153,406	353,300	341,917	397,928	615,691	1,876,593	432,684	439,964
<b>Fund Balances</b> - End of year	\$ 353,300	\$ 341,917	\$ 397,928	\$ 615,691	\$ 1,876,593	\$ 432,684	\$ 439,964	\$ 446,744

<b>Walled Lake Consolidated Schools</b> <b>2015 Debt Fund</b> <b>2014/2015 Through 2021/2022</b>								
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b> - Local Sources	\$ -	\$ 7,712,634	\$ 7,447,091	\$ 7,651,528	\$ 6,240,394	\$ 3,517,438	\$ 5,731,325	\$ 4,837,400
<b>Expenditures</b>								
Principal Payments	-	6,090,000	6,070,000	6,020,000	4,160,000	4,635,000	5,170,000	5,135,000
Interest and Other	723,390	1,757,737	1,514,439	1,274,971	970,750	762,750	531,000	272,500
Total Expenditures	723,390	7,847,737	7,584,439	7,294,971	5,130,750	5,397,750	5,701,000	5,407,500
<b>Excess of Revenue Over (Under) Expenditures</b>	(723,390)	(135,103)	(137,348)	356,557	1,109,644	(1,880,312)	30,325	(570,100)
<b>Other Financing Sources (Uses)</b>								
Transfers In	1,910,998	-	-	-	237,841	-	-	-
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	-	-	-	237,841	-	-	-
<b>Net Change in Fund Balances</b>	988,496	(135,103)	(137,348)	356,557	1,347,485	(1,880,312)	30,325	(570,100)
<b>Fund Balances</b> - Beginning of year	-	988,496	853,393	716,045	1,072,602	2,420,087	539,775	570,100
<b>Fund Balances</b> - End of year	\$ 988,496	\$ 853,393	\$ 716,045	\$ 1,072,602	\$ 2,420,087	\$ 539,775	\$ 570,100	\$ -

Walled Lake Consolidated Schools 2016 Debt Fund 2014/2015 Through 2021/2022								
	2014/2015 Actual	2015/2016 Actual	2016/2017 Actual	2017/2018 Amended Budget	2018/2019 Recommended Budget	2019/2020 Projected Budget	2020/2021 Projected Budget	2021/2022 Projected Budget
<b>Revenue</b> - Local Sources	\$ -	\$ 130,074	\$ 314,719	\$ 374,216	\$ 1,913,975	\$ 1,485,320	\$ 1,806,050	\$ 1,723,930
<b>Expenditures</b>								
Principal Payments	-	-	-	-	1,010,000	1,575,000	1,555,000	1,535,000
Interest and Other	-	205,944	348,380	348,640	362,750	322,350	259,350	197,150
Total Expenditures	-	205,944	348,380	348,640	1,372,750	1,897,350	1,814,350	1,732,150
<b>Excess of Revenue Over (Under) Expenditures</b>	-	(75,870)	(33,661)	25,576	541,225	(412,030)	(8,300)	(8,220)
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	112,409	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	9,706,829	-	-	-	-	-	-
Payments to Bond Escrow	-	(9,674,743)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	144,495	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	-	68,625	(33,661)	25,576	541,225	(412,030)	(8,300)	(8,220)
<b>Fund Balances</b> - Beginning of year	-	-	68,625	34,964	60,540	601,765	189,735	181,435
<b>Fund Balances</b> - End of year	\$ -	\$ 68,625	\$ 34,964	\$ 60,540	\$ 601,765	\$ 189,735	\$ 181,435	\$ 173,215

**Walled Lake Consolidated Schools**  
**2014 Bond Fund**  
**2014/2015 Through 2021/2022**

	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/2022</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended Budget</b>	<b>Recommended Budget</b>	<b>Projected Budget</b>	<b>Projected Budget</b>	<b>Projected Budget</b>
<b>Revenue - Local Sources</b>	\$ 211,111	\$ 303,089	\$ 289,432	\$ 85,000	\$ 40,000	\$ 5,000	\$ -	\$ -
<b>Expenditures - Capital Outlay</b>	21,328,950	21,289,328	11,244,471	2,552,104	5,148,897	262,574	-	-
<b>Net Change in Fund Balance</b>	(21,117,839)	(20,986,239)	(10,955,039)	(2,467,104)	(5,108,897)	(257,574)	-	-
<b>Other Financing Sources (Uses)</b>								
Transfers out	-							
Bond proceeds	-							
Premium on debt issued	-							
	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	(21,117,839)	(20,986,239)	(10,955,039)	(2,467,104)	(5,108,897)	(257,574)		
<b>Fund Balances - Beginning of year</b>	60,892,692	39,774,853	18,788,614	7,833,575	5,366,471	257,574	-	-
<b>Fund Balances - End of year</b>	\$ 39,774,853	\$ 18,788,614	\$ 7,833,575	\$ 5,366,471	\$ 257,574	\$ -	\$ -	\$ -

[illegible]

## **Descriptions and Assumptions**

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

#### **Revenue Sources**

<b><i>Local Sources</i></b>
-----------------------------

**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%, 1.72%, and 3.67% in 2014, 2015, 2016 and 2017 respectively. Projected increases of 2.3%, 1.7% and 1.9% are expected for 2018, 2019 and 2020.

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

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

**Assumption and Significant Trends** – State revenue is budgeted based on the anticipated State budget for 2018/2019, including a net per pupil increase of \$120. 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 2.3%, 1.7% and 1.9% are budgeted for 2018, 2019 and 2020.

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 2018/2019. 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 2018/2019 those limits have increased by 3.4% and will be \$6,560.52 for single person coverage, \$13,720.07 for two-person coverage and \$17,892.36 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 2018/2019 for our district is calculated to be 26.17 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 2018/2019 compared to 2017/2018 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.

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

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

## **Fund Balance Description and Discussion**

### ***Fund Balance – General Fund***

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

**Assumption and Significant Trends** – The state of the economy over the last several years has made it increasingly difficult to balance the District budget without severe reductions in staff and programs. As a result, the Board of Education has approved the use of a portion of fund balance to assist in this process. As a part of the annual budget process, the Superintendent has recommended, and the Board has approved, a desired fund balance level. It is the goal of Administration and the Board of Education to maintain a fund balance of \$10 million or more. The District's 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.

<b><i>Fund Balance – Bond Funds</i></b>
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**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's 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 2018/2019 school year.

<b>BUILDING</b>	<b>PROJECT DESCRIPTION</b>	<b>PRIORITY CODE</b>	<b>ESTIMATED COST</b>
Community Education Center	Remove contaminated UST soil	HS/CC	\$225,000
Community Education Center	Remove asbestos materials	HS/CC	\$150,000
Community Education Center	Demolish building	UL	\$750,000
District	Replace deteriorated sidewalks	UL	\$50,000
District	Replace deteriorated doors	UL	\$100,000
District	Replace deteriorated partitions	UL	\$50,000
District	Replace deteriorated fencing	UL	\$25,000
District	Repair pavement and parking lots	UL	\$50,000
District	Replace deteriorated drinking fountains	HS	\$270,000
Educational Services Center	Replace building automation system	OP/EC	\$175,000
Operations Bldg	Replace building automation system	OP/EC	\$125,000
Western High School	Replace deteriorated digital display sign	UL	\$60,000
Wixom Elementary	Replace deteriorated parking lot	UL	\$450,000

## **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.

<b>SCHEDULE OF BONDED INDEBTEDNESS</b>					
<b>Principal Payments</b>					
<b>June 30</b>	<b>2011 Debt Principal</b>	<b>2012 Debt Principal</b>	<b>2014 Debt Principal</b>	<b>2015 Debt Principal</b>	<b>2016 Debt Principal</b>
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><b>\$19,670,000</b></u>	<u><b>\$590,000</b></u>	<u><b>\$63,935,000</b></u>	<u><b>\$19,100,000</b></u>	<u><b>\$8,675,000</b></u>
<b>** - These bonds are not part of the general fund and therefore have no impact on current or future operating budgets</b>					

<b>COMPUTATION OF LEGAL DEBT MARGIN</b>		
<b>June 30, 2018</b>		
Taxable Value - 2018-2019	<b>\$ 4,777,592,560</b>	
Statutory Bonding Limit*	\$ 716,638,884	
General Obligation Bonds Outstanding - June 30, 2018	63,935,000	
<b>Legal Debt Margin</b>	<b>\$ 652,703,884</b>	
* - Public Act No. 451 of Michigan 1976, Sec. 1351 provides debt limits as follows:		
The bonded indebtedness of a school district shall not exceed 15 percent of all		
assessed valuation of the district. Bonds not included in the computation of the		
legal debt margin are:		
1. Refunding bonds		
2. Any bond qualified under Article IX, Sec. 16 of the 1963 Michigan Constitution		
3. Deficit budget bonds as authorized by Sec. 1356		



# WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

*"Pink Out"*  
Walled Lake  
Western High School



*Every Child, Every Day!*

# **PROPERTY TAX INFORMATION FOR SCHOOL YEARS 2015 - 2018 AND PROJECTED INFORMATION FOR SCHOOL YEARS 2019 – 2022**

## **Assessed Value of Taxable Property**

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

## **Tax Rates and Tax Bills**

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

## **Taxable Values and Collections**

<b>School Year</b>	<b>Taxable Value</b>	<b>Total Adjusted Tax Levy *</b>	<b>Tax Collections</b>
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
2018	4,552,897,830	\$54,741,738	\$54,174,559
Projected 2019	4,777,592,560	\$56,572,214	\$55,440,770
Projected 2020	4,858,811,634	\$57,533,942	\$56,383,263
Projected 2021	4,951,129,055	\$58,627,087	\$57,454,545
Projected 2022	4,955,987,866	\$58,684,620	\$57,510,928

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

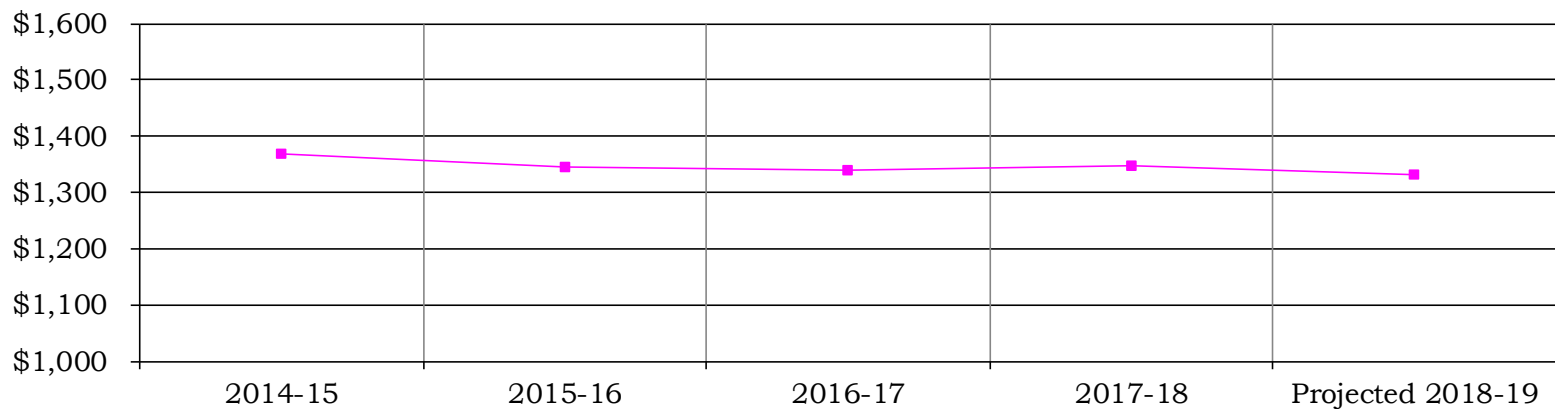
Summary of Property Tax Rates Levied on Property within the School District								
Direct and Overlapping Governments (Per \$1,000 Assessed Value)								
	2014/2015				2015/2016			
		Homestead				Homestead		
	Non-	Commerical	Industrial		Non-	Commerical	Industrial	
	Homestead	Personal	Personal	Other***	Homestead	Personal	Personal	Other***
School District:								
Operating	18.0000	8.1971	2.1971	2.1971	17.9604	8.0869	2.1265	2.1265
Sinking Fund	0.5000	0.5000	0.5000	0.5000	0.4985	0.4985	0.4985	0.4985
Debt	4.9872	4.9872	4.9872	4.9872	4.6591	4.6591	4.6591	4.6591
Total Levied	23.4872	13.6843	7.6843	7.6843	23.1180	13.2445	7.2841	7.2841
State Education Tax	6.0000	6.0000	0.0000	6.0000	6.0000	6.0000	0.0000	6.0000
Oakland County Operating	4.1900	4.1900	4.1900	4.1900	4.0900	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.	3.3690	3.3690	3.3690	3.3690	3.3633	3.3633	3.3633	3.3633
Oakland Community College	1.5844	1.5844	1.5844	1.5844	1.5819	1.5819	1.5819	1.5819
OCPTA	1.0000	1.0000	1.0000	1.0000	0.9998	0.9998	0.9998	0.9998
City of Walled Lake*	17.7347	17.7347	17.7347	17.7347	21.5024	21.5024	21.5024	21.5024
City of Farmington Hills*	13.9362	13.9362	13.9362	13.9394	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*	7.3600	7.3600	7.3600	7.3600	7.8600	7.8600	7.8600	7.8600
City of Wixom*	16.7929	16.7929	16.7929	16.7929	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*	3.4873	3.4873	3.4873	3.4873	3.0871	3.0871	3.0871	3.0871
West Bloomfield Township*	12.2537	12.2537	12.2537	12.2550	12.2112	12.2112	12.2112	12.2112
White Lake Township*	8.8590	8.8590	8.8590	8.8590	9.8133	9.8133	9.8133	9.8133
<b>Totals:</b>								
City of Walled Lake	57.4114	47.6085	35.6085	41.6085	61.1115	51.2380	39.2776	45.2776
City of Farmington Hills	53.6129	43.8100	31.8100	37.8132	55.5855	45.7120	33.7516	39.7516
City of Novi	49.8767	40.0738	28.0738	34.0738	49.8091	39.9356	27.9752	33.9752
City of Orchard Lake	47.0367	37.2338	25.2338	31.2338	47.4691	37.5956	25.6352	31.6352
City of Wixom	56.4696	46.6667	34.6667	40.6667	54.9720	45.0985	33.1381	39.1381
Village of Wolverine Lake	49.2497	39.4468	27.4468	33.4468	49.1821	39.3086	27.3482	33.3482
Commerce Township	43.1640	33.3611	21.3611	27.3611	42.6962	32.8227	20.8623	26.8623
West Bloomfield Township	51.9304	42.1275	30.1275	36.1288	51.8203	41.9468	29.9864	35.9864
White Lake Township	48.5357	38.7328	26.7328	32.7328	49.4224	39.5489	27.5885	33.5885
*All municipalities in the district, Treasurers' Offices.								
***Beginning in 08/09, classification of property by the State was changed.								
Other Homestead includes Principal Residences, Qualified Agricultural and Qualfied Forest properties.								

Summary of Property Tax Rates Levied on Property within the School District								
Direct and Overlapping Governments (Per \$1,000 Assessed Value)								
	2016/2017				2017/2018			
		Homestead				Homestead		
	Non-	Commerical	Industrial		Non-	Commerical	Industrial	
	Homestead	Personal	Personal	Other***	Homestead	Personal	Personal	Other***
School District:								
Operating	17.9047	7.8965	1.9918	1.9918	17.7417	7.6700	1.9283	1.9283
Sinking Fund	0.4953	0.4953	0.4953	0.4953	0.4896	0.4896	0.4896	0.4896
Debt	4.5279	4.5279	4.5279	4.5279	4.5279	4.5279	4.5279	4.5279
Total Levied	22.9279	12.9197	7.0150	7.0150	22.7592	12.6875	6.9458	6.9458
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	4.0400	4.0400	4.0400	4.0400
Parks & Recreation	0.2415	0.2415	0.2415	0.2415	0.2392	0.2392	0.2392	0.2392
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	3.3398	3.3398	3.3398	3.3398
Oakland Community College	1.5819	1.5819	1.5819	1.5819	1.5707	1.5707	1.5707	1.5707
OCPTA	0.9998	0.9998	0.9998	0.9998	0.9941	0.9941	0.9941	0.9941
City of Walled Lake*	21.5024	21.5024	21.5024	21.5024	21.2227	21.2227	21.2227	21.2227
City of Farmington Hills*	15.9764	15.9764	15.9764	15.9764	15.9054	15.9054	15.9054	15.9054
City of Novi*	10.2000	10.2000	10.2000	10.2000	9.9500	9.9500	9.9500	9.9500
City of Orchard Lake*	7.8600	7.8600	7.8600	7.8600	7.8332	7.8332	7.8332	7.8332
City of Wixom*	15.3629	15.3629	15.3629	15.3629	15.3189	15.3189	15.3189	15.3189
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	3.0873	3.0873	3.0873	3.0873
West Bloomfield Township*	12.2112	12.2112	12.2112	12.2112	12.1665	12.1665	12.1665	12.1665
White Lake Township*	9.8133	9.8133	9.8133	9.8133	9.7216	9.7216	9.7216	9.7216
<b>Totals:</b>								
City of Walled Lake	60.9214	50.9132	39.0085	45.0085	60.3803	50.3086	38.5669	44.5669
City of Farmington Hills	55.3954	45.3872	33.4825	39.4825	55.0630	44.9913	33.2496	39.2496
City of Novi	49.6190	39.6108	27.7061	33.7061	49.1076	39.0359	27.2942	33.2942
City of Orchard Lake	47.2790	37.2708	25.3661	31.3661	46.9908	36.9191	25.1774	31.1774
City of Wixom	54.7819	44.7737	32.8690	38.8690	54.4765	44.4048	32.6631	38.6631
Village of Wolverine Lake	48.9920	38.9838	27.0791	33.0791	48.7306	38.6589	26.9172	32.9172
Commerce Township	42.5061	32.4979	20.5932	26.5932	42.2449	32.1732	20.4315	26.4315
West Bloomfield Township	51.6302	41.6220	29.7173	35.7173	51.3241	41.2524	29.5107	35.5107
White Lake Township	49.2323	39.2241	27.3194	33.3194	48.8792	38.8075	27.0658	33.0658

Summary of Property Tax Rates Levied on Property within the School District Direct and Overlapping Governments (Per \$1,000 Assessed Value)							
	Projected 2018/2019						
		Homestead					
	Non-	Commerical	Industrial				
	Homestead	Personal	Personal	Other***			
School District:							
Operating	17.5500	7.3325	1.7825	1.7825			
Sinking Fund	0.4864	0.4864	0.4864	0.4864			
Debt	4.5279	4.5279	4.5279	4.5279			
Total Levied	22.5643	12.3468	6.7968	6.7968			
State Education Tax	6.0000	6.0000	0.0000	6.0000			
Oakland County Operating	4.0400	4.0400	4.0400	4.0400			
Parks & Recreation	0.2368	0.2368	0.2368	0.2368			
Huron-Clinton Authority	0.2140	0.2140	0.2140	0.2140			
Oakland I.S.D.	3.3079	3.3079	3.3079	3.3079			
Oakland Community College	1.5555	1.5555	1.5555	1.5555			
OCPTA	0.9863	0.9863	0.9863	0.9863			
City of Walled Lake*	20.8277	20.8277	20.8277	20.8277			
City of Farmington Hills*	16.2213	16.2213	16.2213	16.2213			
City of Novi*	10.5376	10.5376	10.5376	10.5376			
City of Orchard Lake*	7.8270	7.8270	7.8270	7.8270			
City of Wixom*	15.2429	15.2429	15.2429	15.2429			
Village of Wolverine Lake*	9.5730	9.5730	9.5736	9.5730			
Commerce Township*	3.0752	3.0752	3.0752	3.0752			
West Bloomfield Township*	12.0487	12.0487	12.0487	12.0487			
White Lake Township*	9.5209	9.5209	9.5209	9.5209			
<b>Totals:</b>							
City of Walled Lake	59.7325	49.5150	37.9650	43.9650			
City of Farmington Hills	55.1261	44.9086	33.3586	39.3586			
City of Novi	49.4424	39.2249	27.6749	33.6749			
City of Orchard Lake	46.7318	36.5143	24.9643	30.9643			
City of Wixom	54.1477	43.9302	32.3802	38.3802			
Village of Wolverine Lake	48.4778	38.2603	26.7109	32.7103			
Commerce Township	41.9800	31.7625	20.2125	26.2125			
West Bloomfield Township	50.9535	40.7360	29.1860	35.1860			
White Lake Township	48.4257	38.2082	26.6582	32.6582			

# Impact of School Millage Rate on Homeowners

## 2014/2015 - 2017/2018 and Projected 2018/2019



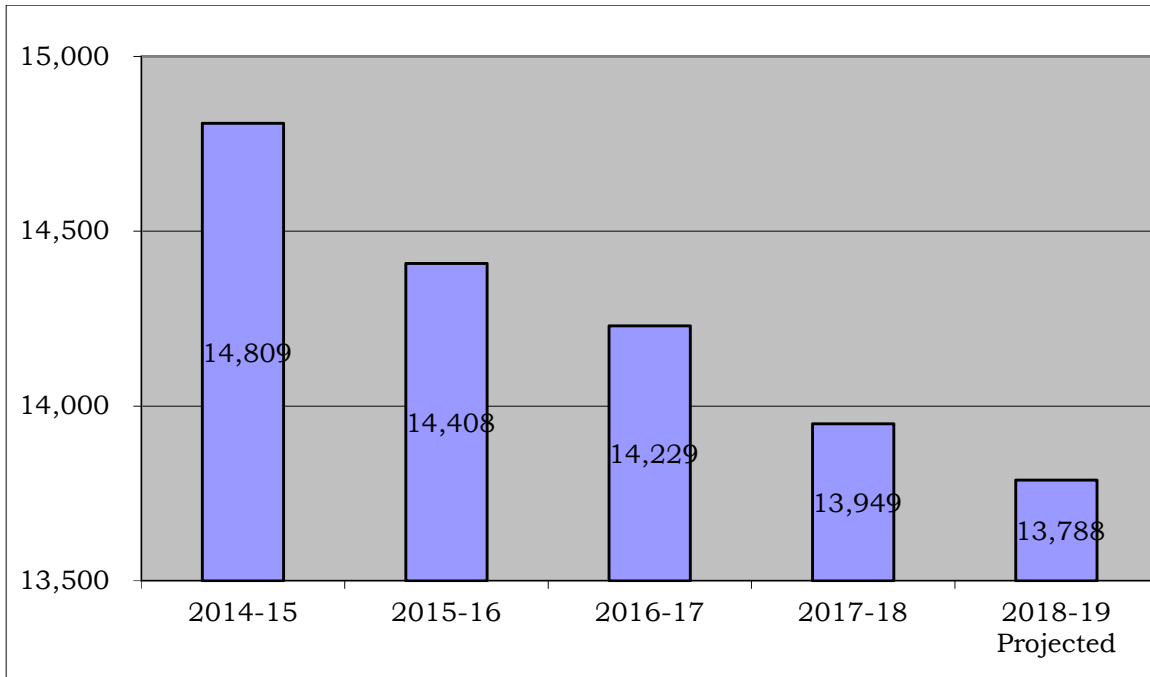
	2014-15	2015-16	2016-17	2017-18	Projected 2018-19
Market value of a home (1)	\$ 200,000	\$ 220,780	\$ 236,301	\$ 250,621	\$ 263,152
Taxable Value (2)	\$ 100,000	\$ 101,600	\$ 103,734	\$ 106,119	\$ 107,924
WLCS + State Education Property Tax levied - mills (3)	13.6843	13.2445	12.9197	12.6875	12.3468
Property Tax \$ Paid to Schools	\$ 1,368	\$ 1,346	\$ 1,340	\$ 1,346	\$ 1,333
Property Tax \$ Increase (Decrease) from prior year	\$ -	\$ (23)	\$ (5)	\$ 6	\$ (14)

(1) Assumes the market value and SEV of this home increases 10.39% for 2015-16, 7.03% in 2016-2017, 6.06% in 2016-2017, and is projected to increase 5% in 2018-2019.

(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 2015, 2.1% in 2016, 2.3% in 2017 and is projected to be 1.7% for 2018. 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 2018/2019



The actual numbers for years 2014-15 through 2017-18 represent full-time equivalent students including all special education students in the fall for each school year. The forecasted enrollment for 2018-19 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 2014/2015 - 2017/2018

	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018
<b>Elementary Buildings</b>				
Commerce	630	624	638	645
Mary Helen Guest	399	396	390	367
Dublin	588	579	601	566
Glengary	371	355	327	305
Hickory Woods	603	603	585	579
Keith	645	655	638	628
Loon Lake	524	529	510	506
Meadowbrook	577	547	551	595
Oakley Park	379	368	356	371
Pleasant Lake	634	615	616	561
Walled Lake	424	407	400	384
Wixom	497	454	421	405
<b>Middle School Buildings</b>				
Clifford Smart	1,023	1,044	1,059	1,099
Sarah Banks	849	821	777	742
Walnut Creek	913	814	780	710
Geisler	756	693	719	716
<b>High School Buildings</b>				
Central	1,751	1,749	1,689	1,665
Western	1,411	1,329	1,256	1,235
Northern	1,611	1,594	1,650	1,614
<b>Total Fall Enrollment</b>	<b>14,585</b>	<b>14,176</b>	<b>13,963</b>	<b>13,693</b>

**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 2018/2019 - 2020/2021

	2018/ 2019	2019/ 2020	2020/ 2021
<b>Elementary Buildings</b>			
Commerce	643	649	652
Mary Helen Guest	368	353	366
Dublin	564	566	569
Glengary	301	302	302
Hickory Woods	586	570	578
Keith	632	643	638
Loon Lake	513	506	522
Meadowbrook	587	609	605
Oakley Park	363	378	376
Pleasant Lake	562	562	554
Walled Lake	393	377	379
Wixom	405	399	399
<b>Middle School Buildings</b>			
Clifford Smart	1,080	1,099	1,082
Sarah Banks	748	671	637
Walnut Creek	709	656	622
Geisler	713	783	750
<b>High School Buildings</b>			
Central	1,633	1,486	1,467
Western	1,242	1,149	1,152
Northern	1,590	1,593	1,625
<b>Total Fall Enrollment</b>	<u>13,632</u>	<u>13,351</u>	<u>13,275</u>

**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 2014-2015 through 2017-2018 and Projected 2018-2019**

	<b>2014/ 2015</b>	<b>2015/ 2016</b>	<b>2016/ 2017</b>	<b>2017/ 2018</b>	<b>Projected 2018/2019</b>
<b>Instructional</b>					
Building Administrators & Secretaries	76.55	76.43	76.18	72.81	76.81
Teachers	755.45	732.48	734.78	681.33	708.33
Other Instructional Staff	163.02	175.84	197.71	187.10	195.10
Guidance Staff	30.00	28.50	29.70	25.00	29.70
Psychological Staff	7.20	7.20	7.50	6.50	25.00
Speech and Audiology	18.64	18.30	19.30	18.80	18.80
Social Workers	14.60	12.70	16.70	15.80	17.80
Special Ed. Teacher Consultants	13.57	14.00	14.00	15.00	15.00
Other Pupil Services Staff	39.83	40.69	35.16	27.29	27.29
Library Personnel	10.62	10.71	10.48	10.48	10.48
Computer Assisted Instruction	2.49	2.36	2.00	2.00	2.00
Other Instructional Supervisors	11.64	9.64	11.30	9.28	9.28
<b>Total Instructional Staff</b>	<b>1,143.61</b>	<b>1,128.85</b>	<b>1,154.81</b>	<b>1,071.39</b>	<b>1,135.59</b>
<b>Non-Instructional</b>					
Executive Administration	2.00	2.00	2.00	2.00	2.00
Business Services	9.25	9.25	9.25	9.25	10.25
Food Services Staff	79.11	74.37	81.86	67.54	72.54
Operations and Maintenance	24.24	24.62	25.24	23.62	25.62
Transportation Staff	1.00	1.00	1.00	0.00	0.00
Central Support Services	22.21	21.21	21.59	21.09	21.09
Other Support Staff	2.00	2.00	2.00	2.00	2.00
Community Services	71.45	70.15	77.85	52.80	62.80
<b>Total Non-Instructional Staff</b>	<b>211.26</b>	<b>204.60</b>	<b>220.79</b>	<b>178.30</b>	<b>196.30</b>
<b>Total Staff</b>	<b>1,354.87</b>	<b>1,333.45</b>	<b>1,375.60</b>	<b>1,249.69</b>	<b>1,331.89</b>

**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**

<b>June 30</b>	<b>2011 Debt Principal</b>	<b>2012 Debt Principal</b>	<b>2014 Debt Principal</b>	<b>2015 Debt Principal</b>	<b>2016 Debt Principal</b>
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	-	-
	<b>\$19,670,000</b>	<b>\$590,000</b>	<b>\$63,935,000</b>	<b>\$19,100,000</b>	<b>\$8,675,000</b>

## **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 that 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. Beginning with the spring 2018 testing cycle, science has been changed to be tested in grades 5 and 8.

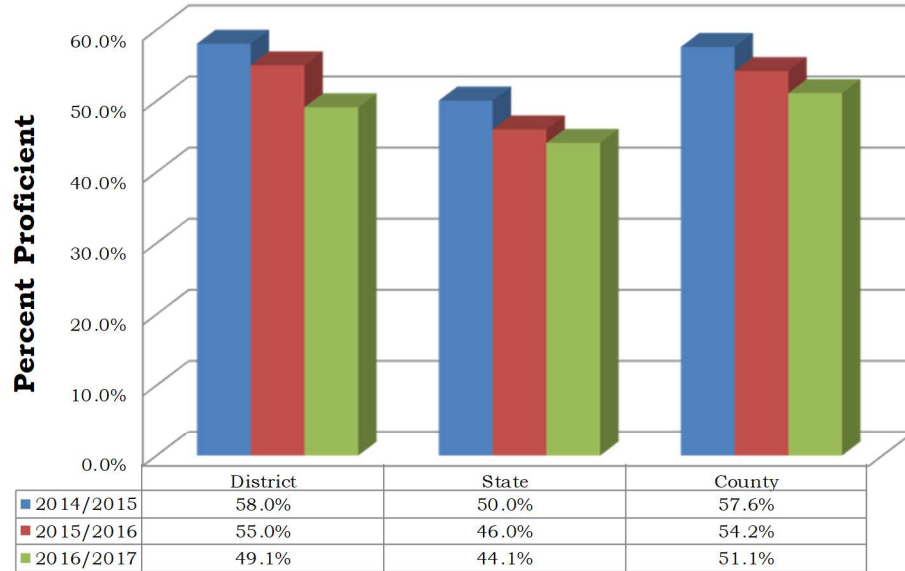
M-STEP replaced the forty year-old Michigan Educational Assessment Program (MEAP) and moved test administration from the fall to the spring of each school year. This allows student measurement to be based upon current versus prior year learning.

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.

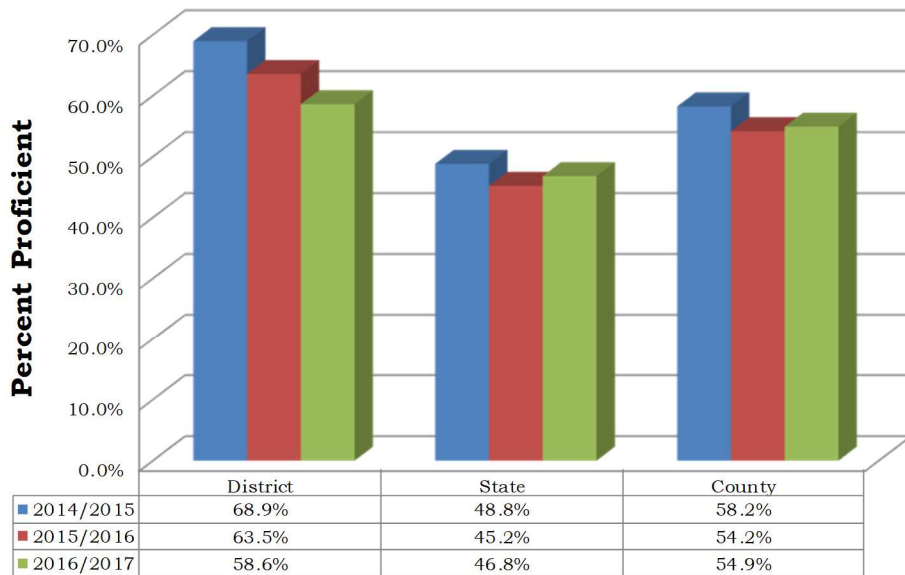
The following graphs display M-STEP scores for the District, the County and the State for the three years available. The scores for 2017/2018 are not currently available.

## M-STEP Scores

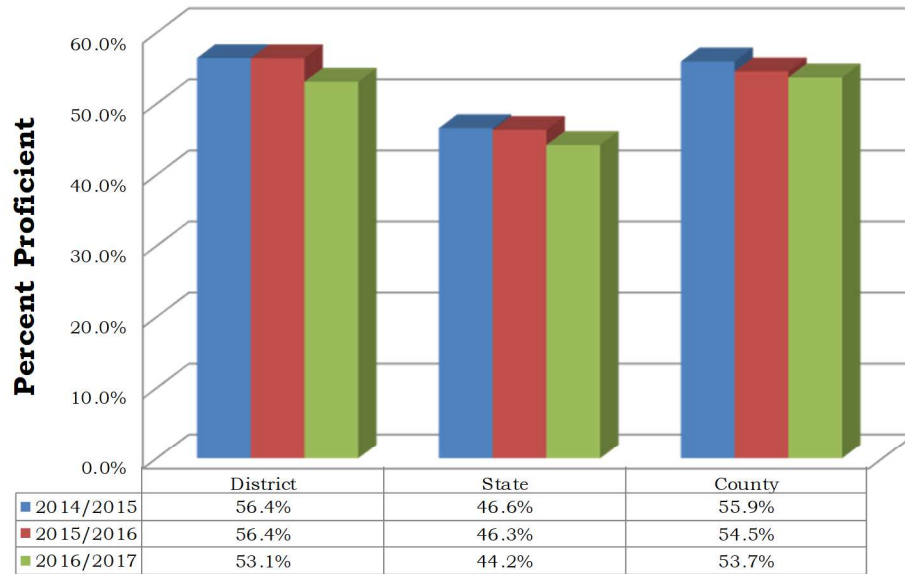
### Third Grade English Language Arts



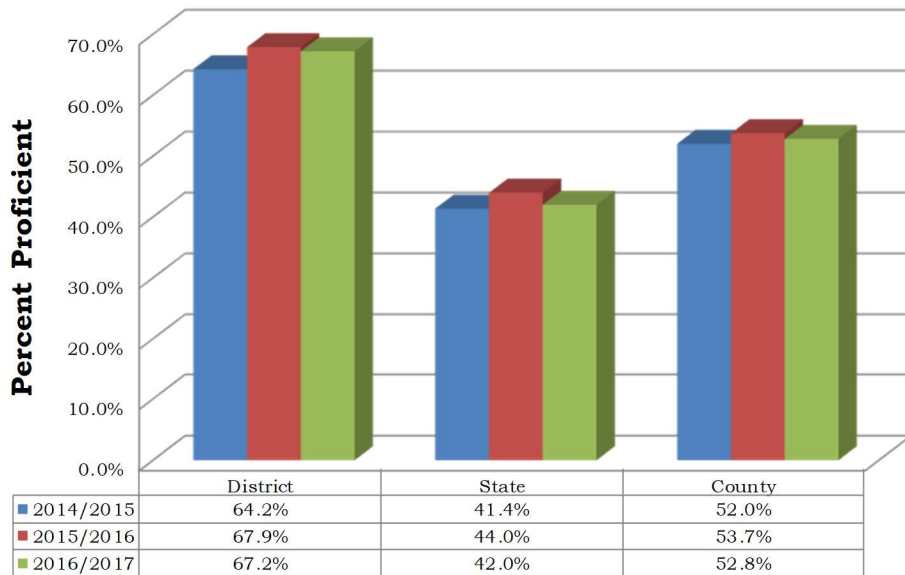
### Third Grade Math



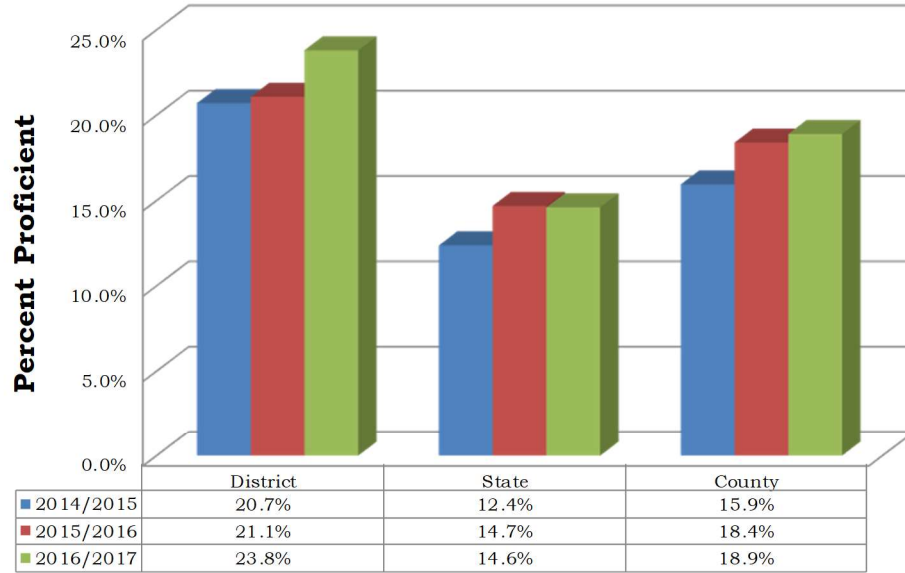
### Fourth Grade English Language Arts



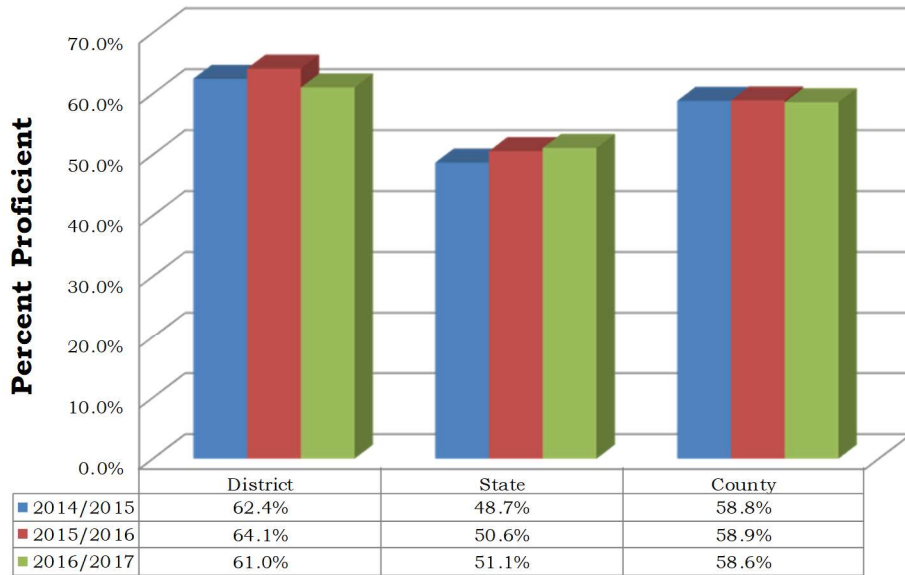
### Fourth Grade Math

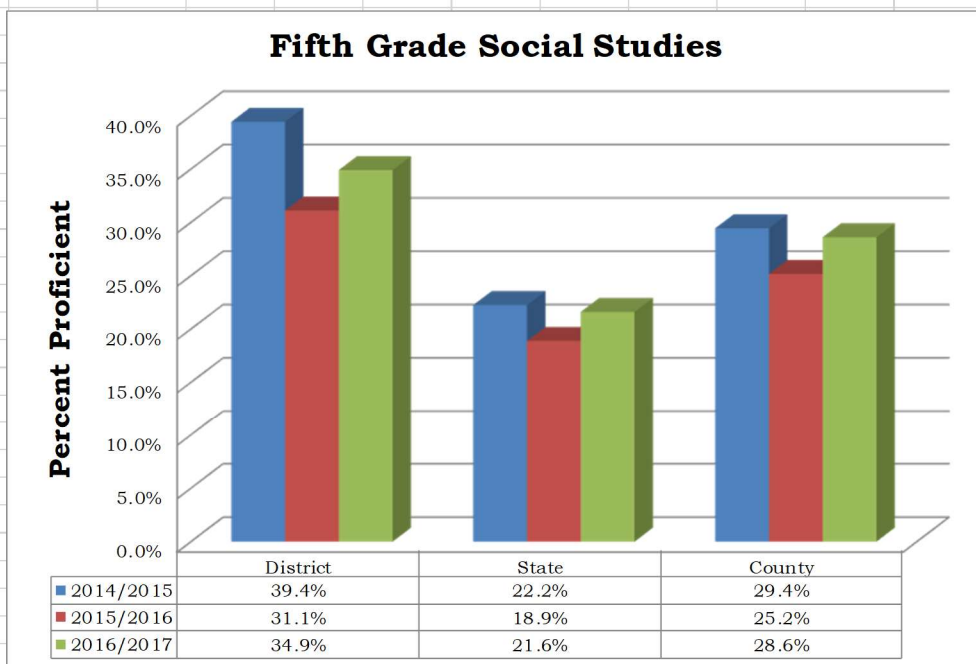
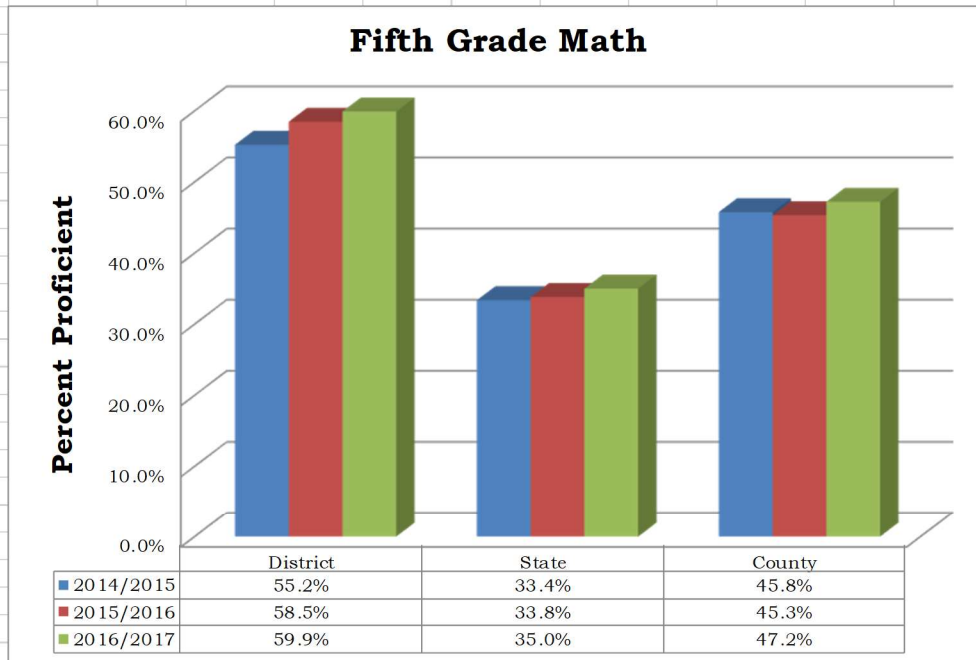


### Fourth Grade Science

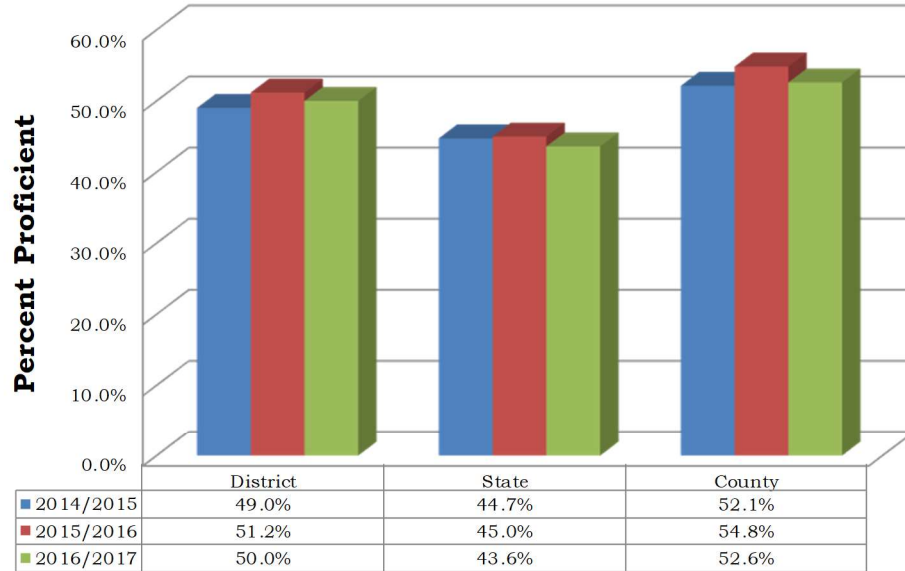


### Fifth Grade English Language Arts

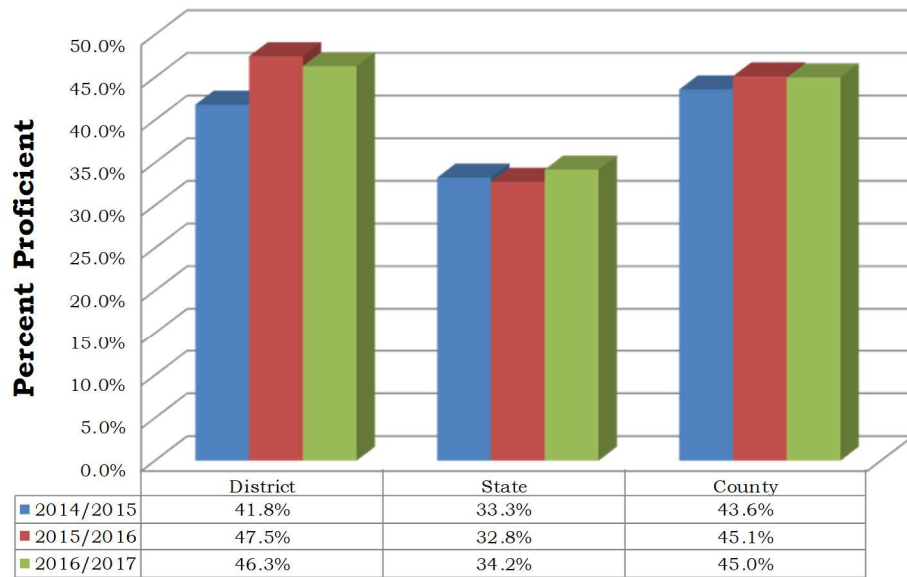




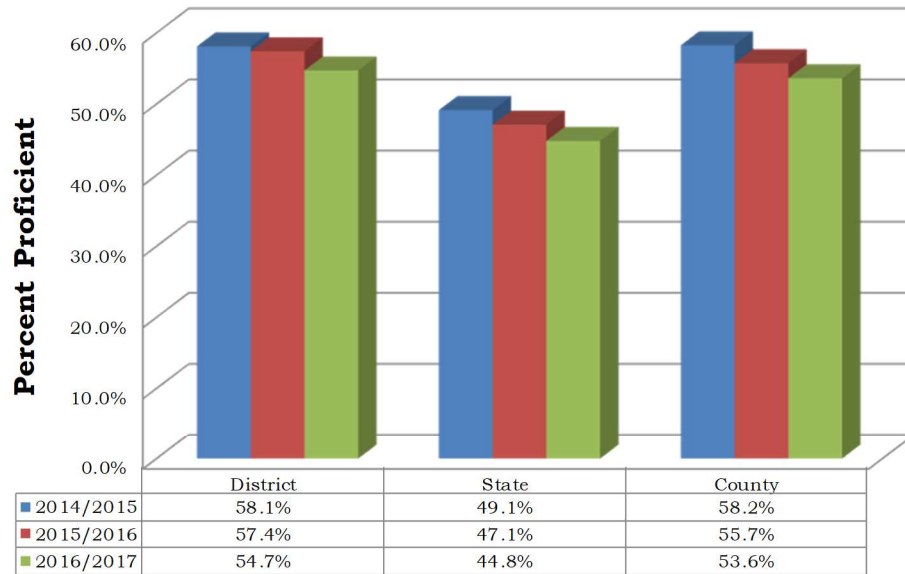
### Sixth Grade English Language Arts



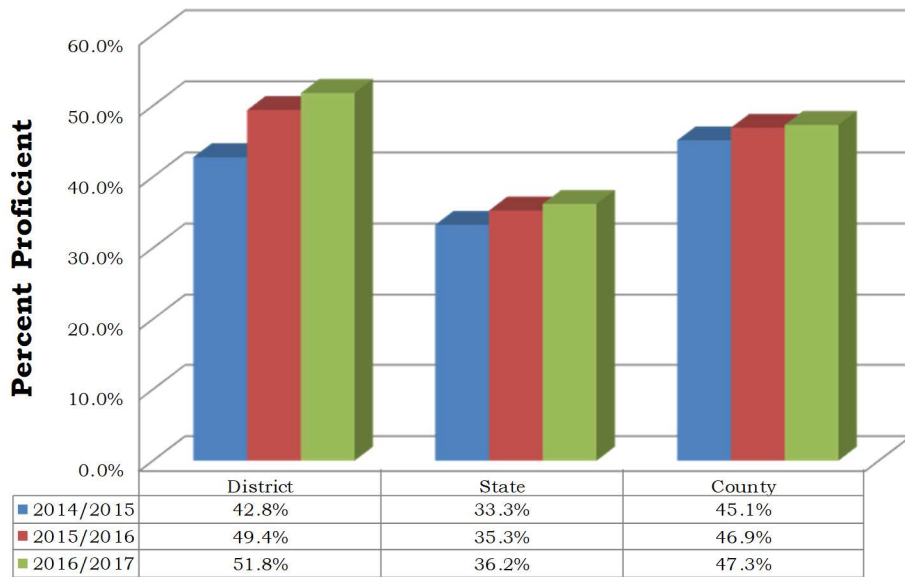
### Sixth Grade Math



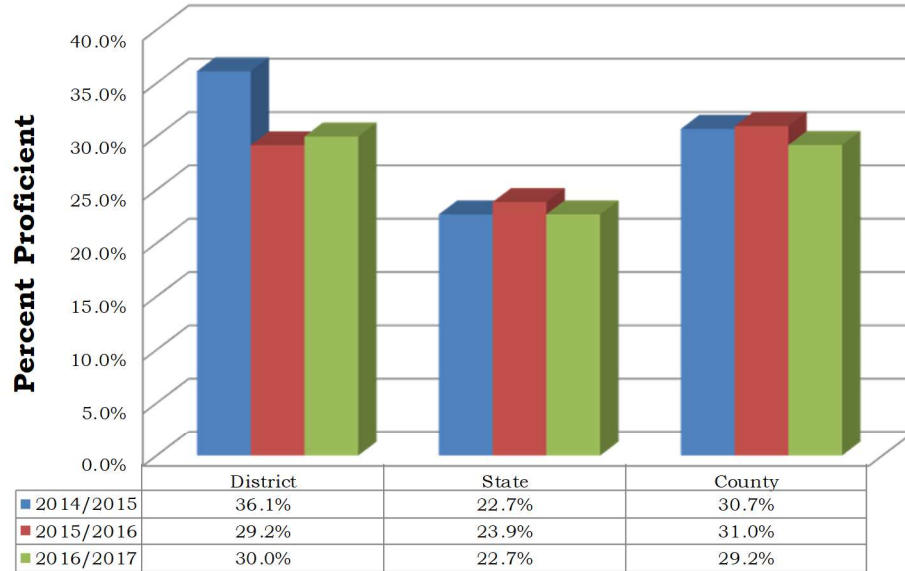
### Seventh Grade English Language Arts



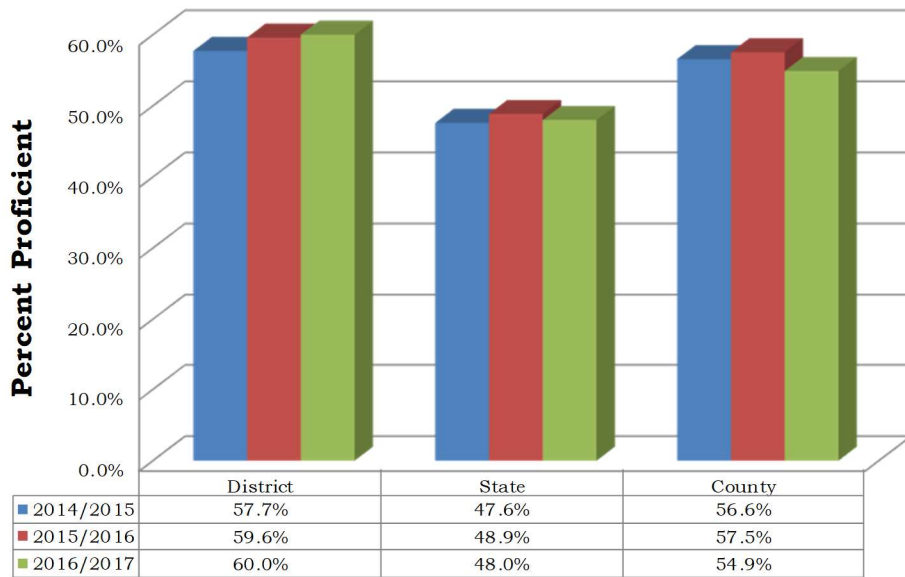
### Seventh Grade Math



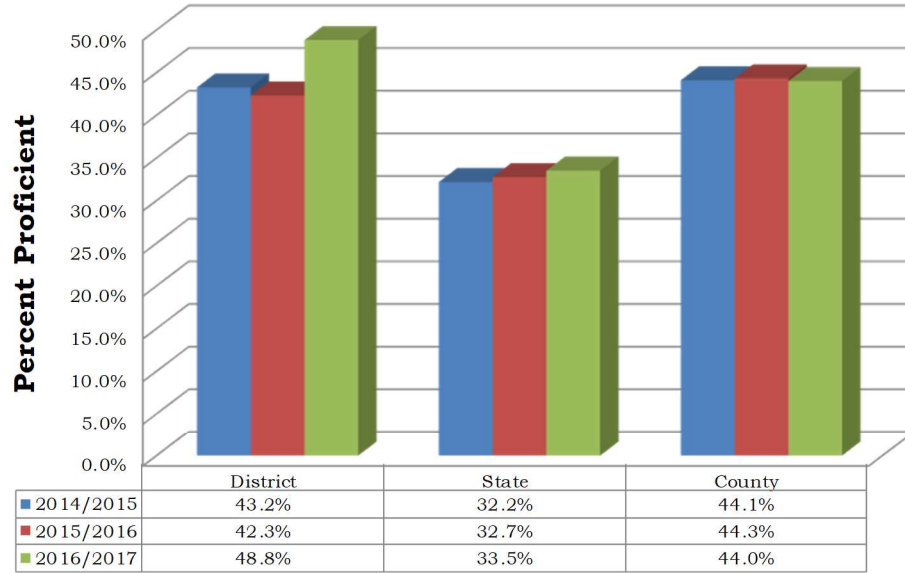
### Seventh Grade Science



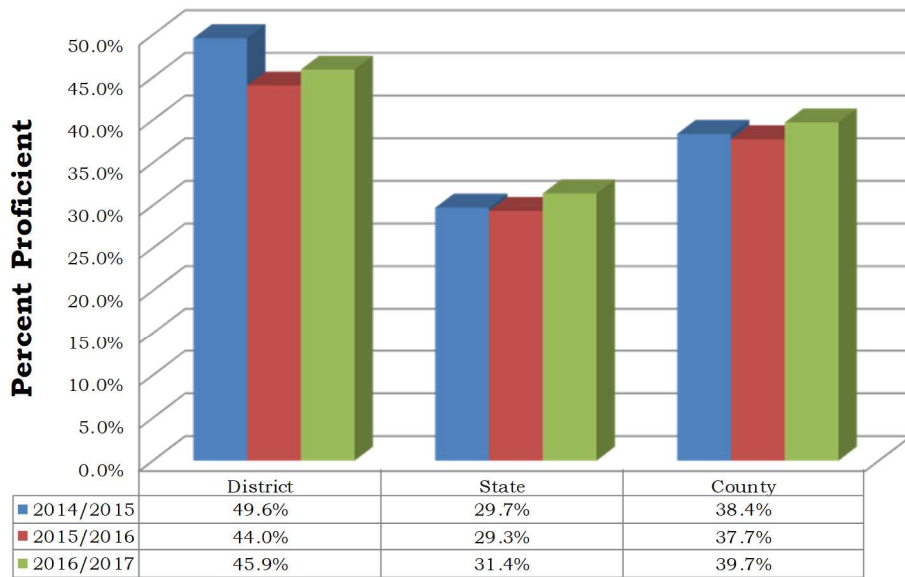
### Eighth Grade English Language Arts



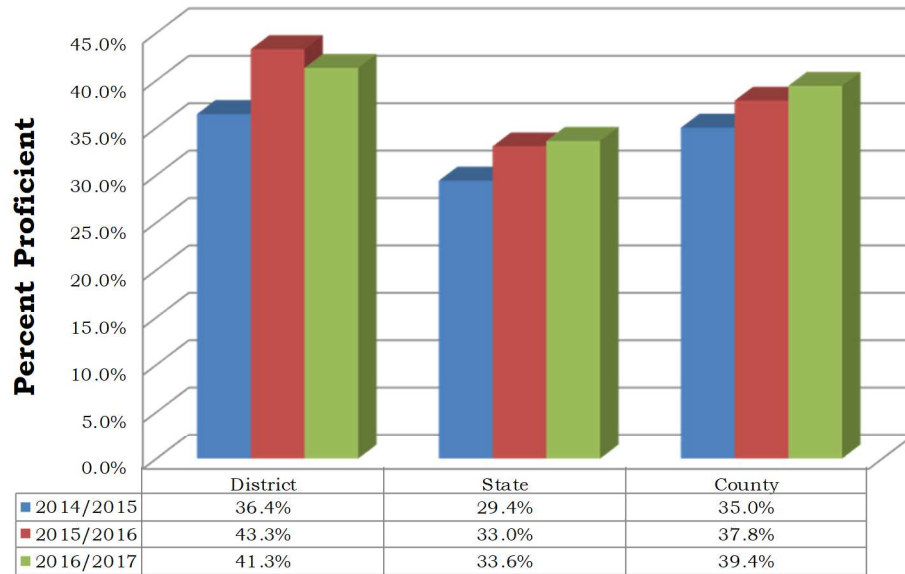
### Eighth Grade Math



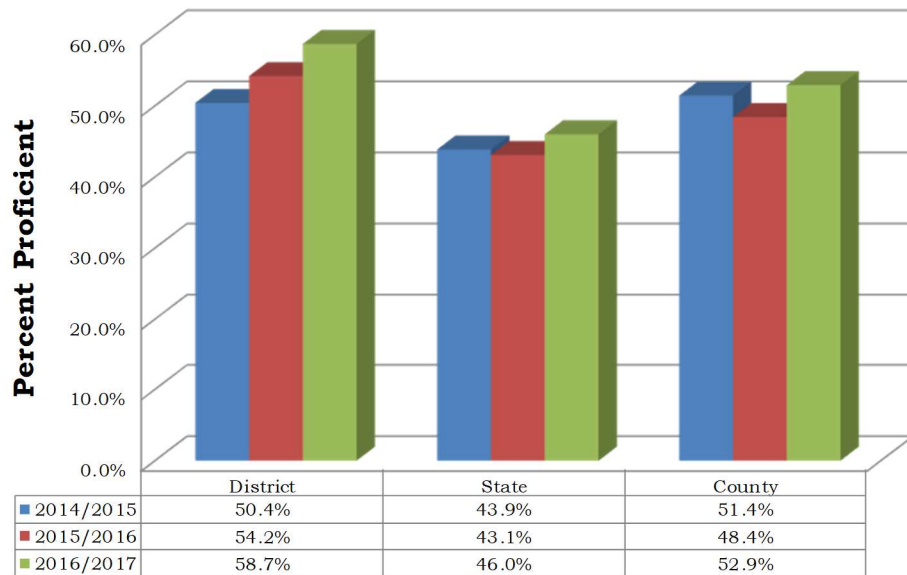
### Eighth Grade Social Studies



### Eleventh Grade Science



### Eleventh Grade Social Studies



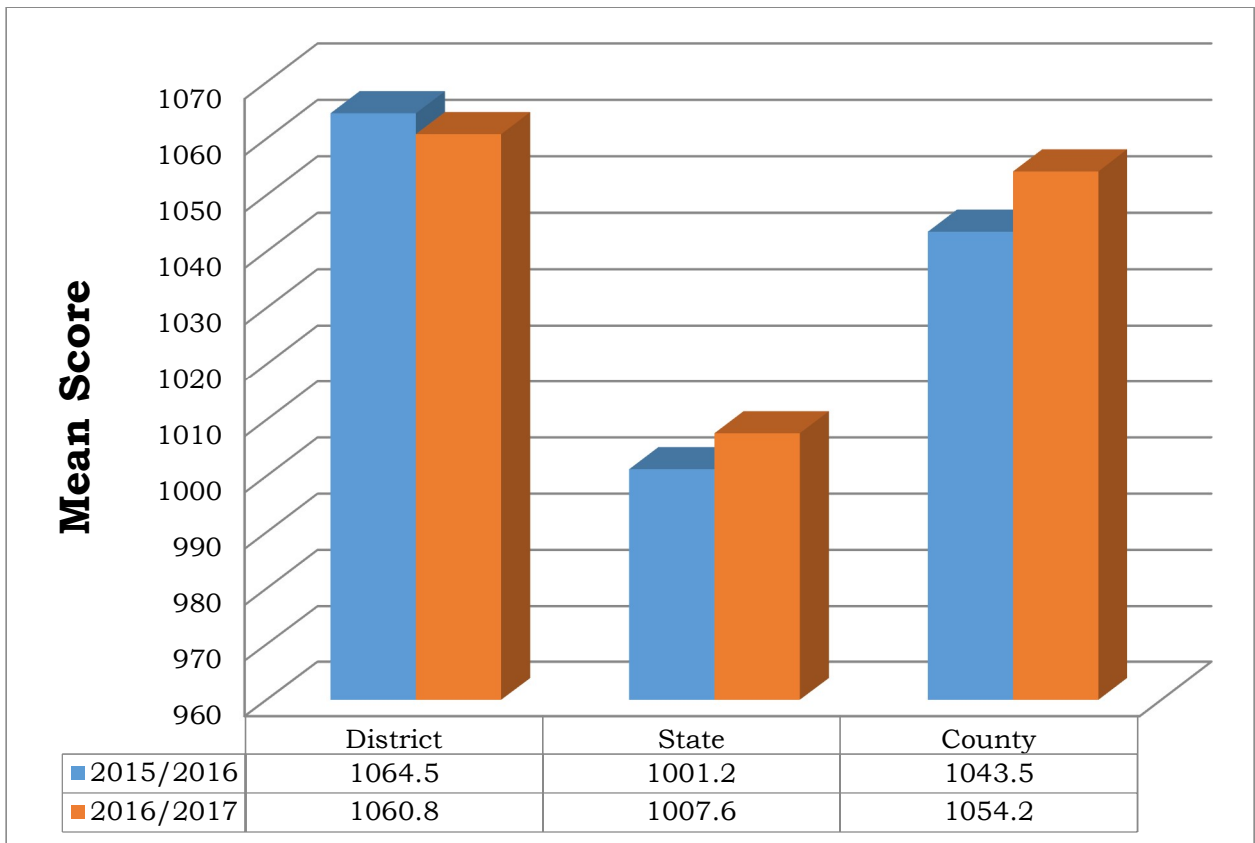
## SAT Scores

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.

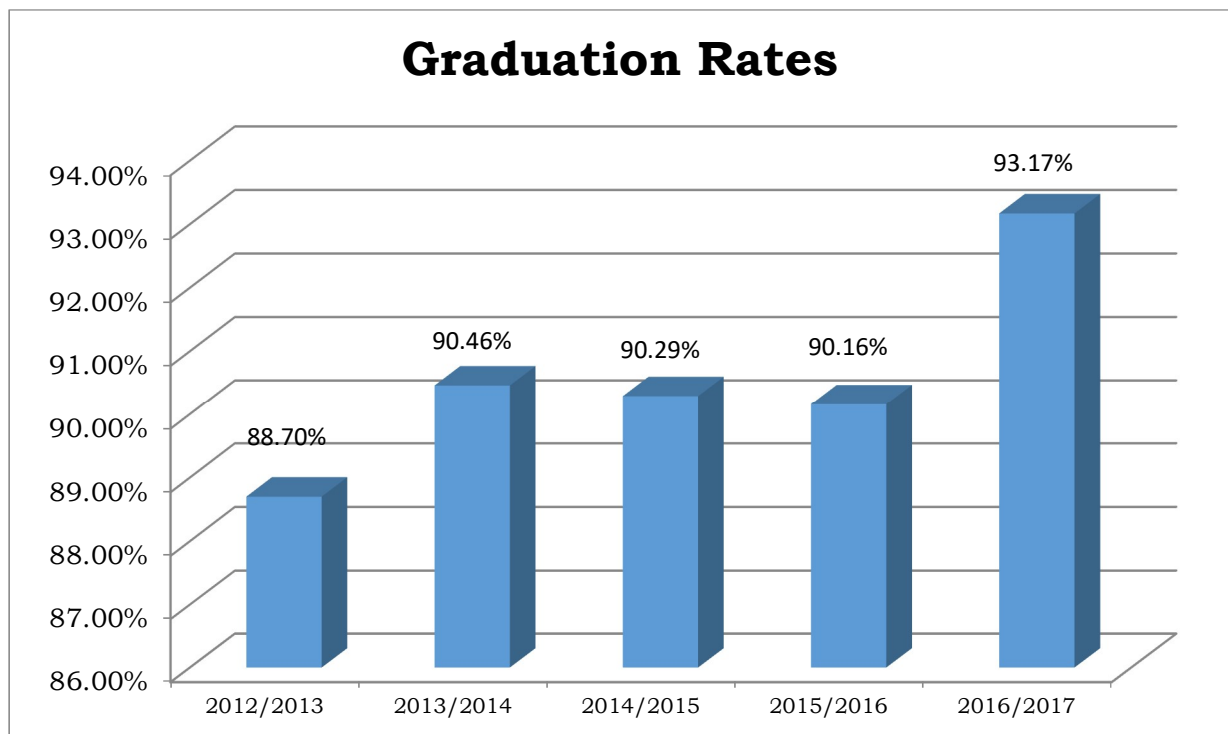
The scores provide a national perspective on test results. Although the full complement of scoring reports have not yet been made available to districts, preliminary scores show Walled Lake at or above the national level for 2017/2018.



## **Graduation Rates**

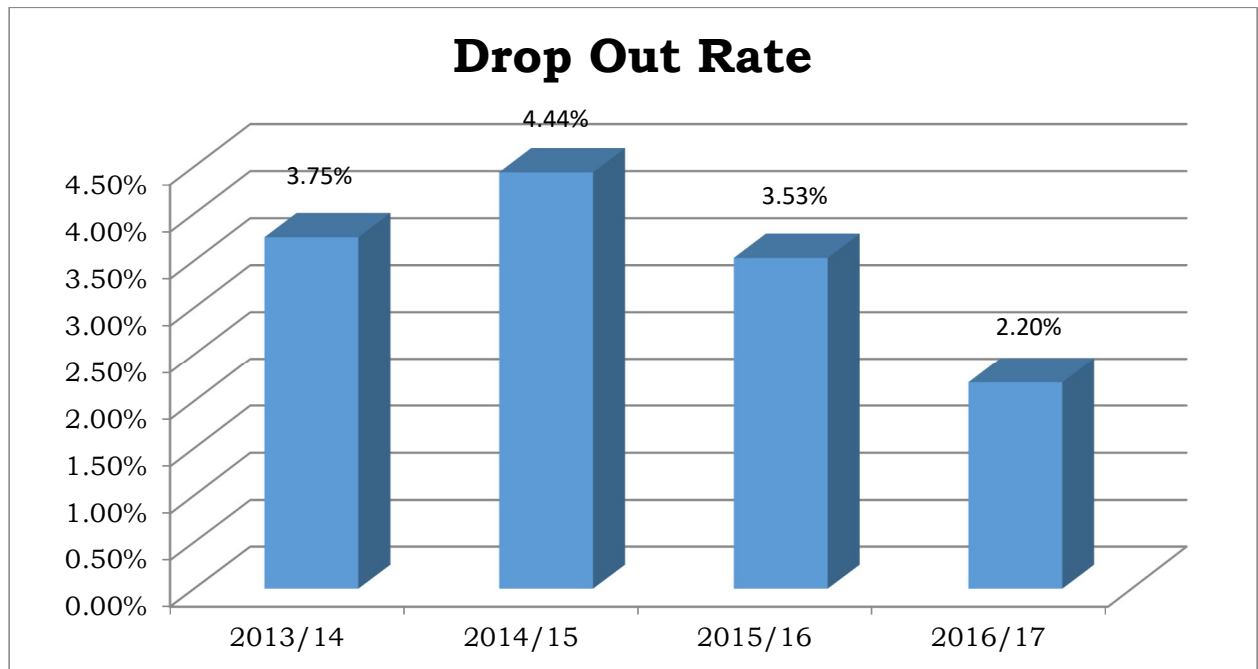
As important as student performance, are the rates of retention and graduation achieved.

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.

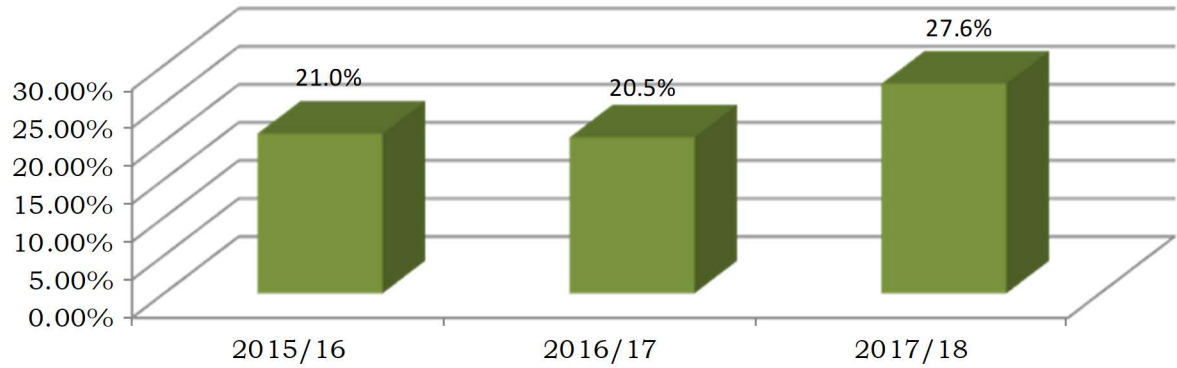


Walled Lake Schools has contracted with an organization known as Graduation Alliance to reach former students who have dropped out. They encourage these former students to continue with their high school career and provide the resources to do so. This is one way that the District has worked to reduce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



The Michigan Department of Education (MDE) received approval from the United States Department of Agriculture (USDA) to participate in the Medicaid Demonstration Project for Direct Certification for the 2017-18 school year. For the first time, children eligible for free or reduced-price meals under Medicaid were directly certified. The change in process had a large impact on the percentage of children eligible for free or reduced-price meals in our district.

## COMMUNITY SURVEY RESULTS

During the spring of 2018 a survey was sent to parents, district staff and community members. 599 responses were received. In addition to demographic information, the survey asked several perception questions regarding the District. Of the 599 respondents:

- ✓ 77.3% believe that the District's mission is clearly focused on student success. 13.2% were neutral.
- ✓ 69.8% believe that the District has established goals and a plan for improving student learning. 18.5% were neutral.
- ✓ 66.2% believe that the District's Board of Education operate responsibly and function effectively. 27% were neutral.
- ✓ 68.1% believe that the District has high expectations for students in all classes. 17.2% were neutral.
- ✓ 70% believe that the District shares responsibility for student learning with its parents, staff and community. 16% were neutral.
- ✓ 62.1% believe the District communicates effectively about their school goals and activities. 17.2% were neutral.
- ✓ 81% believe that the District provides opportunities for parents, staff and the community to be involved in the schools and District.
- ✓ 63.8% believe that their child's teachers work to meet his/her learning needs. 13.2% were neutral.
- ✓ 49.4% believe that their child's teachers keep them informed regularly of how their child is progressing. 17.7% were neutral.
- ✓ 43.1% believe that their child has at least one adult advocate in the school. 38.4% were neutral.
- ✓ 86.4% believe that their child has access to computers and other technology to learn.
- ✓ 76.2% believe that the District provides qualified staff members to support student learning. 13.5% were neutral.
- ✓ 79.3% believe that the District provides opportunities for students to participate in activities that interest them. 12.5% are neutral.
- ✓ 46.1% believe that the District ensures the effective use of financial resources. 28.5% were neutral.
- ✓ 65.9% believe that their child is prepared for success in the next school year. 17% are neutral.

Additional open ended questions provided us with valuable feedback that has been shared with District leadership and teachers. The responses will continue to drive discussions and assist us with developing future goals.

## **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.

**CUSTODIAL/MAINTENANCE EXPENDITURES** - includes costs associated with maintenance of all district buildings including third party 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.

**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.

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

**MICHIGAN STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP)** - is a statewide testing program initiated by the State Board of Education, supported by the Governor and funded by the Legislature

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

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

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

**OBJECT**- see Expenditures by Object.

**OPERATING 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.