

# WALLED LAKE CONSOLIDATED SCHOOL DISTRICT



## BUDGET

Fiscal Year

July 1, 2019 – June 30, 2020



*All-State honors  
winning District  
musicians*

Walled Lake Consolidated  
Schools  
**Educational Services  
Center**

850 Ladd Road – Building D  
Walled Lake, MI 48390

Phone: 248-956-2000  
Fax: 248-956-2145  
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*Every Child, Every Day!*

**Proposed 2019-2020 Budget**  
**Walled Lake Consolidated School District**

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## WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

### Executive Summary

*Champ visiting  
with students*



*Every Child, Every Day!*



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

# WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget  
for the Fiscal Year 2018–2019.

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

**Charles E. Peterson, Jr. MBA, PRSBA, SFO**  
President

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

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

**Walled Lake Consolidated School District  
Proposed 2019-2020 Budget  
Executive Summary**

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## **Board of Education**

### **Peggy Casagrande, President**

*Term Expires 12/31/2024*

Mrs. Peggy Casagrande was re-elected to the School Board in November of 2018 after serving as a Board member since 2008. She and her husband, Ken, live in Commerce Township; she has been a resident of the School District since 1998. They have three children who are Walled Lake Central High School alumni and one who currently attends 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, Vice President**

*Term Expires 12/31/2020*

Mr. Janicki lives in West Bloomfield with his wife, Maria, and is the proud parent of Adam and Allison, both graduates of Walled Lake Schools. He is director, Executive MBA program, for Michigan State University. Mr. Janicki is also a trustee for the Walled Lake Foundation for Excellence.

Mr. Janicki's goals for the Walled Lake 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."

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

*Term Expires 12/31/2022*

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

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

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



**Marc Siegler, Secretary**  
*Term Expires 12/31/2024*

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 Secretary 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.

**Denise Dunn, Trustee**  
*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 20 years. They have four children who are graduates of Walled Lake Central High School. Mr. Titus 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.

**Stephanie Kaplan, Trustee**  
*Term Expires 12/31/2020*

Mrs. Kaplan is the proud parent of three Walled Lake graduates.

Mrs. Kaplan has extensive experience serving WLCSD in multiple capacities. She has been PTA president at Glengary Elementary and Walnut Creek Middle School, and president of

the Walled Lake School's PTSA Council for three years. She served on the Glengary, Creek and WL PTSA Council executive boards. She is currently the President of the Walled Lake Central Music Boosters and completed her three year term in June of 2019. She has also served on the Parenting Fair committee for the past six years.

Mrs. Kaplan is passionate about building strong relationships with the Board, in order to support the amazing educational experiences and programs offered to the children and community of Walled Lake.

## **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 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 2019/2020. The following is a summary calendar of the process.

November 2018	Budget process begins
January 2019	Preliminary budget projections
February 2019	Projections shared with Leadership
March/April 2019	Board study sessions held
June 2019	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 only 2% came from State sources. In 2018/2019, 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. This millage rate will be 1.6198 mills for 2019/2020.

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. While the State budget is not yet available, it is expected that for 2019/2020, the blended count will be calculated using 90% of the October 2019 count and 10% of the

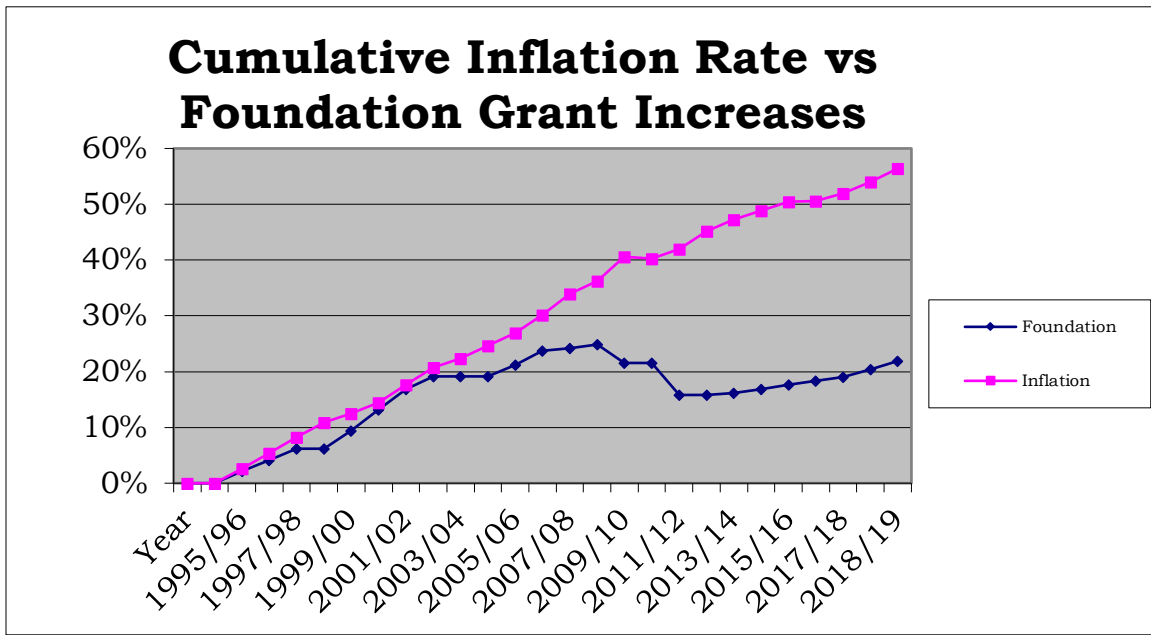
February 2019 count. Allowing districts to count a portion of the previous school year's count is helpful when a district is experiencing declining enrollment as Walled Lake Schools is currently.

The foundation grant is determined annually by the State of Michigan through their annual budgeting process. The grant is expected to be \$8,675 for the 2019/2020 fiscal year.

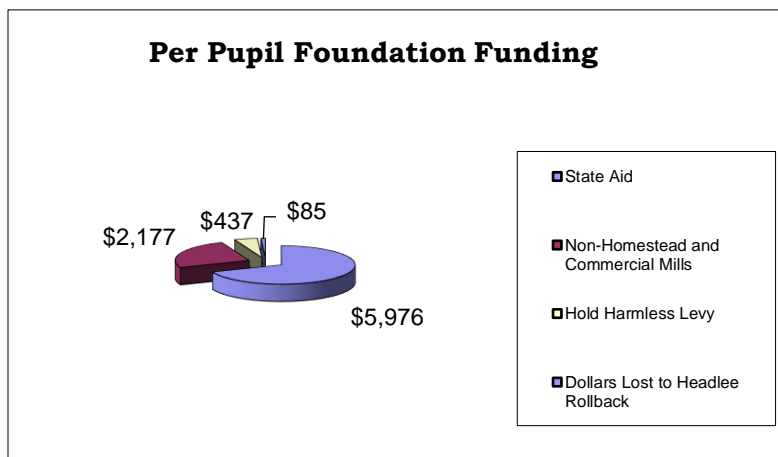
As the following table and graph indicate, since the inception of Proposal A, revenue increases in the per pupil foundation have not kept pace with the inflation rate overall. As this funding source represents 73% of our total revenues, it is imperative that the District continue its cost containment 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	8,555*	120	1.42%	2.10%
2019/2020	8,675	120	1.40%	2.40%



The breakdown of the \$8,675 per pupil foundation is shown below.



For 2019/2020, the District's estimated per pupil foundation of \$8,675 is projected to be generated as shown above with \$2,177 resulting from the 17.3429 mills levied by the District on non-homestead properties and the 6.9627 mills levied on commercial personal property. State Aid provides an amount equaling \$5,976 per pupil.

\$437 will be generated by the hold harmless levy of 1.6198 mills on homesteads, industrial personal property and commercial personal property. The District's blended pupil count for 2019/2020 is projected to be 13,367. As mentioned, a rate of 1.6198 mills is the proposed levy for July 2019.

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 each year since have also been impacted by Headlee. For 2019/2020, \$85 per pupil will be lost as a result of this amendment. This trend 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 17.3429 mills for 2019/2020. 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 \$1,136,000 in lost tax revenue for purposes of operations for 2019/2020.

The Sinking fund levy is also subject to a rollback and will be reduced from .5 mills to .4802 mills. This will result in a loss of approximately \$101,000.

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 \$2.4 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.

<b>School Year</b>		<b>Taxable</b>		<b>Tax Rates</b>	
		<b>Value</b>		<b>Operating</b>	
				<b>Homestead</b>	<b>Non-Homestead</b>
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 revised 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
2019/2020	5,069,530,820	1.6198	6.9627	17.3429
* - 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. Historical and current rates follow.

School Year	Taxable Value	Sinking Fund	Debt
		All Properties	
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
2019/2020	5,069,530,820	0.4802	4.1300

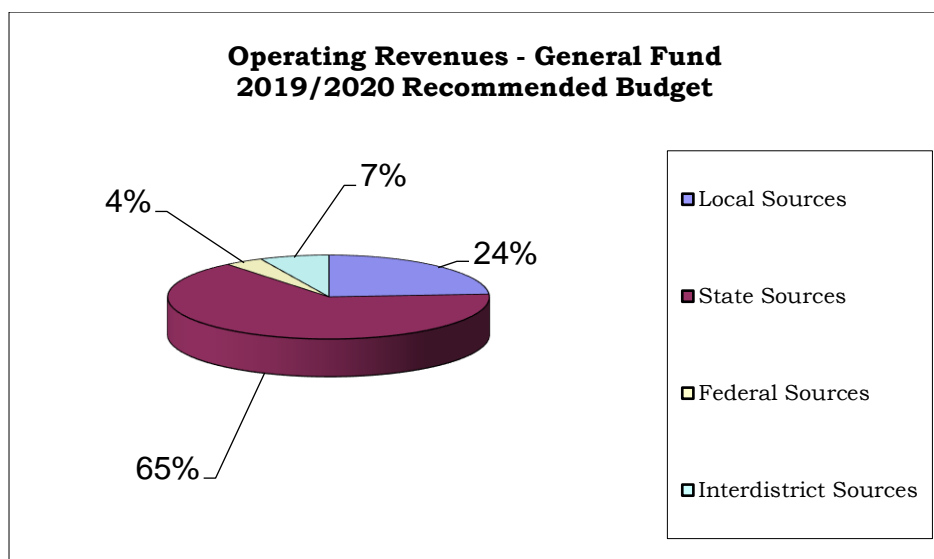
## Operating Revenue – General Fund

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

2018/2019		2019/2020	
Amended	2018/2019	Recommended	2019/2020
Budget	% of Total	Budget	% of Total

### Revenue

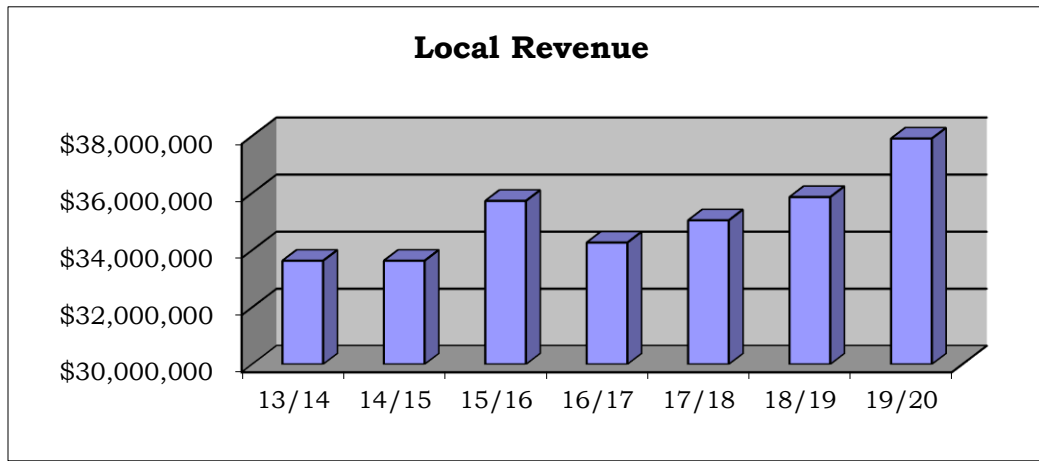
Local Sources	\$ 35,859,978	22.63%	\$ 37,908,784	23.96%
State Sources	106,017,950	66.90%	103,211,046	65.22%
Federal Sources	6,041,871	3.81%	6,100,919	3.86%
Interdistrict Sources	10,559,332	6.66%	11,028,768	6.97%
<b>TOTAL REVENUE</b>	<b>\$ 158,479,131</b>	<b>100.00%</b>	<b>\$ 158,249,517</b>	<b>100.00%</b>



### Local Revenue

Local property taxes account for 88% of local revenue and makes up 30% 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 2017/2018 as well as the amended budget for 2018/2019 and the recommended budget for 2019/2020.



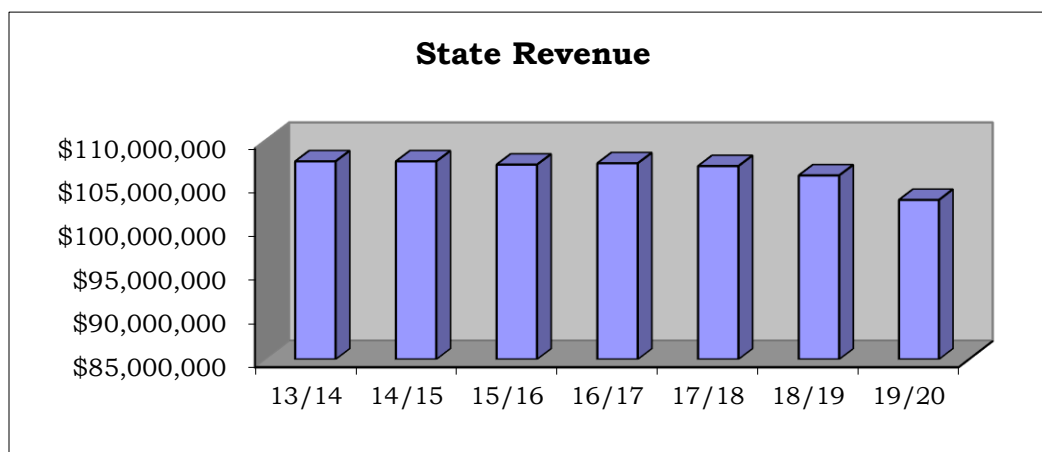
## State Revenue

State revenue consists of the foundation grant and categorical funding. The majority is from the per pupil foundation, of which 69% will come from state aid. The expected per pupil foundation of \$8,675 will be generated on 13,367 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 \$8,238 (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 which shows the history over the last 15 years.

<b>Year</b>	<b>Blended Special Education Student FTE</b>	<b>Revenue</b>	<b>Expenditures</b>	<b>Deficit</b>
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
2018/2019	504.57	\$ 17,625,576	\$ 27,237,685	\$ 9,612,109

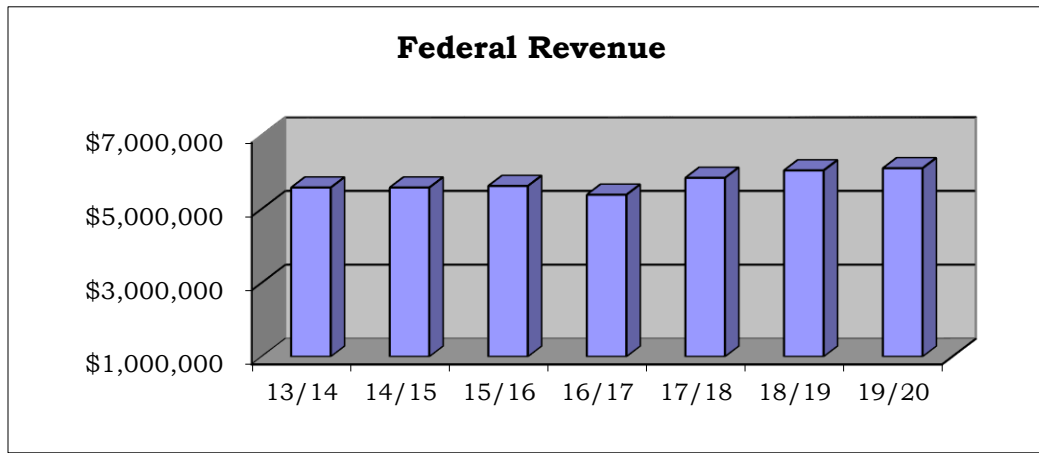
For reference purposes, the following bar graph shows the funding levels of State revenue over the past five years as well as the amended budget for 2018/2019 and the recommended budget for 2019/2020.



## Federal Revenue

We expect Federal funding to remain fairly stable for 2019/2020.

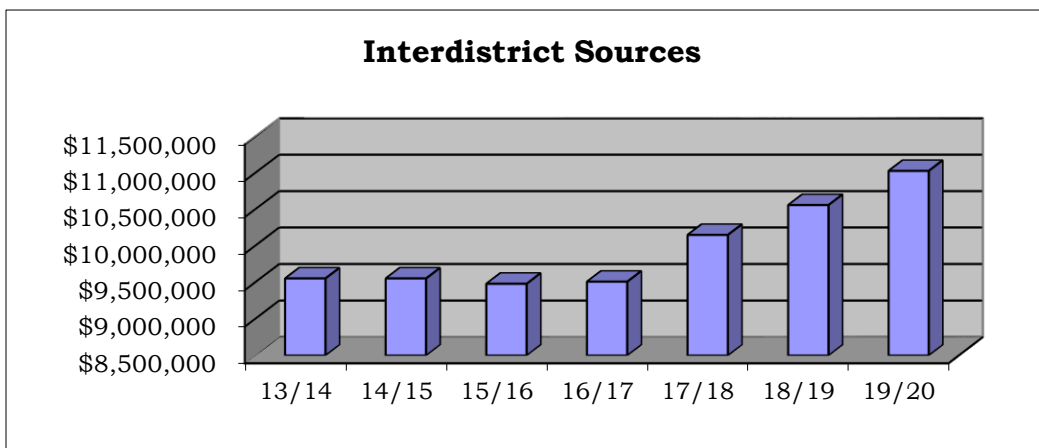
The following bar graph provides the five year history of Federal revenue as well as the amended budget for 2018/2019 and the recommended budget for 2019/2020.



### 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 2018/2019 and the recommended budget for 2019/2020.



## **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 1.6198 for operations. Millage on commercial personal property will be 6.9627 for operations. Millage on non-homesteads will be 17.3429 mills for operations.
3. The total per pupil foundation grant is expected to be \$8,675 for 2019/2020. This represents a \$120 increase from 2018/2019.
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. Additional State allocations, including Hold Harmless funding and a relatively new High School funding are expected to continue for 2019/2020.
6. 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 2019/2020.
7. The number of pupils for 2019/2020, based on a blended count of 90/10, will be 13,367, representing a decrease of 309 students compared to 2018/2019.
8. Two property sales are expected to take place during 2019/2020. A parcel of District-owned property has been put on the market for sale and an offer has been accepted. The offer is contingent upon the City approving the proposed housing development. While there have been several delays, it is anticipated that the sale will finalize during 2019/2020. Another large piece of property in downtown Walled Lake will also be put on the market soon and is expected to sell during 2019/2020.
9. Increases in taxable values of property in Oakland County are expected to increase the PA 18 allocation by approximately two percent.

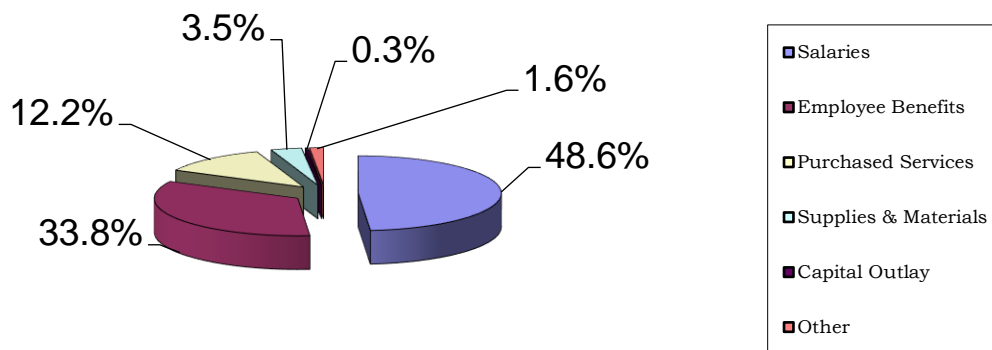
## Operating Expenditures – General Fund

The following table and graph show the makeup of expenditures and the proposed General Fund expenditure budget for 2018/19 and 2019/2020.

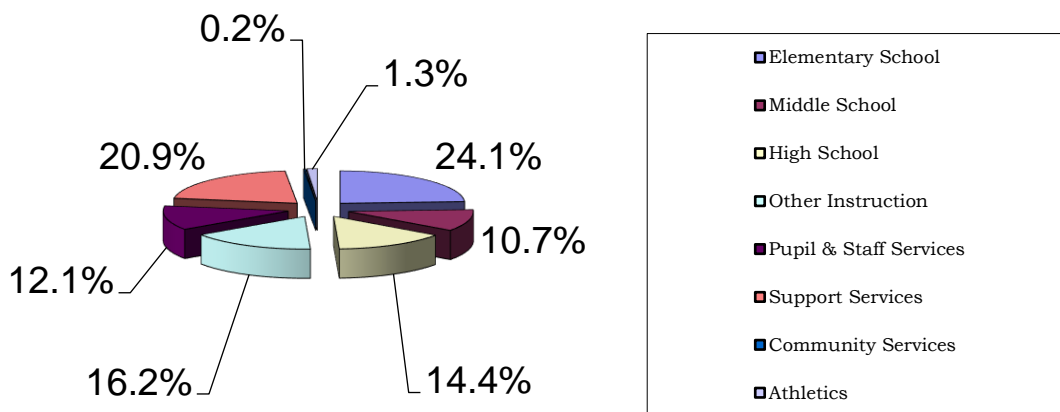
	2018/2019		2019/2020	
	Amended	2018/2019	Recommended	2019/2020
	Budget	% of Total	Budget	% of Total
<b>Expenditures</b>				
Basic Programs	\$ 81,242,805	50.74%	\$ 78,829,620	49.79%
Added Needs	23,523,289	14.69%	24,827,972	15.68%
Total Instruction	104,766,094	65.43%	103,657,592	65.47%
Pupil Services	14,241,898	8.89%	13,849,140	8.75%
Instructional Staff Services	5,246,644	3.28%	5,240,697	3.31%
General Administration	817,658	0.51%	824,654	0.52%
School Administration	9,091,730	5.68%	9,073,963	5.73%
Business Services	2,519,106	1.57%	2,075,673	1.31%
Operations and Maintenance	10,587,704	6.61%	10,602,529	6.70%
Pupil Transportation	6,187,147	3.86%	6,261,773	3.96%
Central Services	4,239,291	2.65%	4,269,435	2.70%
Athletics	2,162,390	1.35%	2,136,012	1.35%
Total Support Services	55,093,568	34.41%	54,333,876	34.32%
Community Services	267,029	0.17%	326,984	0.21%
<b>TOTAL EXPENDITURES</b>	160,126,691	<u>100.00%</u>	158,318,452	<u>100.00%</u>
Excess Revenue over (under)				
Expenditures	(1,647,560)		(68,935)	
Beginning Fund Balance	<u>11,975,811</u>		<u>10,328,251</u>	
Ending Fund Balance	<u>\$ 10,328,251</u>		<u>\$ 10,259,316</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 - 2019/2020 General Fund Budget



### Expenditures by Function - 2019/2020 General Fund Budget





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

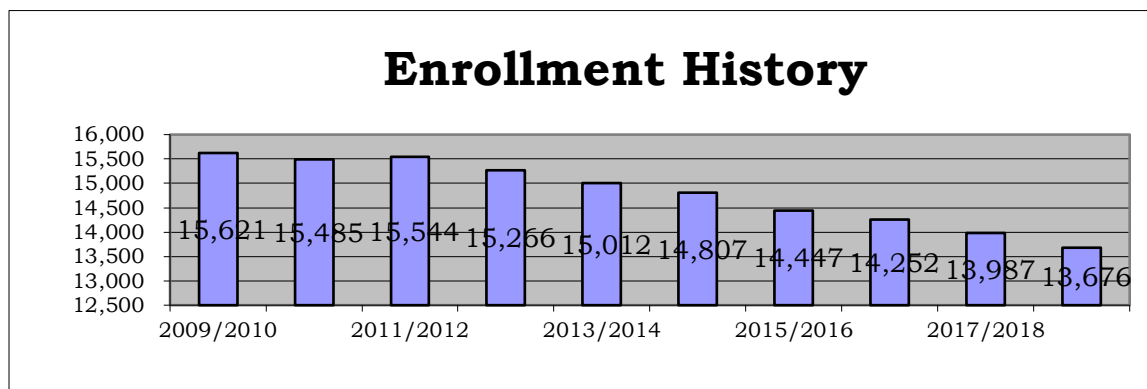
1. Contracts have been settled and established for three of our employee groups. Discussions with the final groups are ongoing. The details of concessions already negotiated vary by bargaining group, however, concessions for each are comparable and include such items as wage concessions and furlough 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 2019/2020 is calculated to be 27.31%, which is 1.14 percentage points higher than 2018/2019.
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 1.9% for 2018/2019. As a result, the District's cost for health insurance for employees is expected to increase by \$736,000. The increase in insurance premiums no longer has a direct impact on the direct expenses of districts.
4. Utility rates are expected to remain flat for 2019/2020 given current utility contracts.
5. Transportation costs are expected to increase 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 2019/2020 school year.

Grade	Enrollment	Sections	Average Class Size
Kindergarten	1093 Students	42 Sections	26.0
First Grade	970 Students	39 Sections	24.9
Second Grade	978 Students	40 Sections	24.5
Third Grade	948 Students	37 Sections	25.6
Fourth Grade	1003 Students	36 Sections	27.9
Fifth Grade	1024 Students	39 Sections	26.3
Sixth - Eighth Grades	3102 Students	-	34.0
Ninth - Twelfth Grades	4401 Students	-	34.0

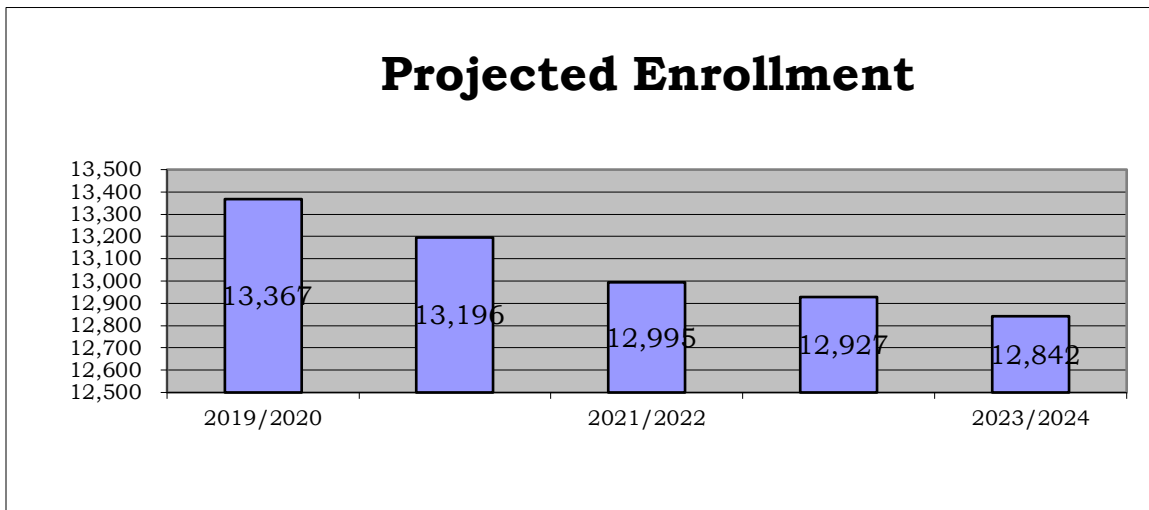
The graph that follows shows the changes in student blended count enrollment over the last ten years.



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 suffered for many years with unemployment rates in the double digits. As a result, many families left Michigan in search of jobs. The current downward trend no longer relates to outmigration but instead is a result of lower birth rates. The graduating classes have been larger than the incoming Kindergarten classes and this shift is expected to continue. Many districts in the State are experiencing similar declines.

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.

During 2018/2019, the facility study was updated to once again review utilization and building conditions. It was reported that buildings are fully occupied and utilization is optimal.

## Personnel Trends

As of June 2019, Walled Lake Consolidated Schools has 1,317 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>2015/ 2016</b>	<b>2016/ 2017</b>	<b>2017/ 2018</b>	<b>2018/ 2019</b>	<b>Projected 2019/2020</b>
<b>Instructional</b>					
Building Administrators & Secretaries	76.43	76.18	72.81	79.50	77.50
Teachers	732.48	734.78	681.33	718.09	711.09
Other Instructional Staff	175.84	197.71	187.10	196.00	196.00
Guidance Staff	28.50	29.70	25.00	18.60	18.60
Psychological Staff	7.20	7.50	6.50	7.50	7.50
Speech and Audiology	18.30	19.30	18.80	19.70	19.70
Social Workers	12.70	16.70	15.80	17.70	17.70
Special Ed. Teacher Consultants	14.00	14.00	15.00	13.90	13.90
Other Pupil Services Staff	40.69	35.16	27.29	24.28	24.28
Library Personnel	10.71	10.48	10.48	9.58	9.58
Computer Assisted Instruction	2.36	2.00	2.00	2.00	2.00
Other Instructional Supervisors	9.64	11.30	9.28	11.14	11.14
<b>Total Instructional Staff</b>	<b>1,128.85</b>	<b>1,154.81</b>	<b>1,071.39</b>	<b>1,117.99</b>	<b>1,108.99</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	10.25	10.25
Food Services Staff	74.37	81.86	67.54	58.40	58.40
Operations and Maintenance	24.62	25.24	23.62	21.50	21.50
Transportation Staff	1.00	1.00	0.00	0.00	0.00
Central Support Services	21.21	21.59	21.09	22.59	22.59
Other Support Staff	2.00	2.00	2.00	2.00	2.00
Community Services	70.15	77.85	52.80	82.76	82.76
<b>Total Non-Instructional Staff</b>	<b>204.60</b>	<b>220.79</b>	<b>178.30</b>	<b>199.50</b>	<b>199.50</b>
<b>Total Staff</b>	<b>1,333.45</b>	<b>1,375.60</b>	<b>1,249.69</b>	<b>1,317.49</b>	<b>1,308.49</b>

Several positions were open when staff were measured for 2017/2018. Therefore, the majority of the increase in staff from 2017/2018 to 2018/2019 was the result of filling those positions rather than adding new positions.

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. We have restructured many of our departments, privatized our Custodial and Transportation departments, asked staff for wage and benefit concessions and made cuts in all possible areas. We have also used a large portion of the District fund balance. Unfortunately, as a service organization where the majority of costs relate to people, the District has had to make significant reductions in staff as shown below.

	<b>2004/ 2005</b>	<b>2019/ 2020</b>	<b>Difference</b>	<b>Percentage Difference</b>
<b>Instructional</b>				
Building Administrators & Secretaries	96.24	77.50	(18.74)	-19.47%
Teachers	802.35	711.09	(91.26)	-11.37%
Other Instructional Staff	144.96	196.00	51.04	35.21%
Guidance Staff	46.20	25.00	(21.20)	-45.89%
Psychological Staff	8.00	7.50	(0.50)	-6.25%
Speech and Audiology	16.80	19.70	2.90	17.26%
Social Workers	12.00	17.70	5.70	47.50%
Special Ed. Teacher Consultants	31.40	13.90	(17.50)	-55.73%
Other Pupil Services Staff	72.67	24.28	(48.39)	-66.59%
Library Personnel	38.41	9.58	(28.83)	-75.06%
Computer Assisted Instruction	6.00	2.00	(4.00)	-66.67%
Other Instructional Supervisors	14.00	11.14	(2.86)	-20.43%
Other Staff Services Personnel	7.97	0.00	(7.97)	-100.00%
<b>Total Instructional Staff</b>	1297.00	1,115.39	(181.61)	-14.00%
<b>Non-Instructional</b>				
Executive Administration	2.00	2.00	0.00	0.00%
Business Services	11.88	10.25	(1.63)	-13.72%
Food Services Staff	79.73	68.40	(11.33)	-14.21%
Operations and Maintenance	124.50	21.50	(103.00)	-82.73%
Transportation Staff	132.79	0.00	(132.79)	-100.00%
Central Support Services	21.74	22.59	0.85	3.91%
Other Support Staff	2.50	1.50	(1.00)	-40.00%
Community Services	72.10	82.76	10.66	14.79%
<b>Total Non-Instructional Staff</b>	447.24	209.00	(238.24)	-53.27%
<b>Total Staff</b>	1744.24	1,324.39	(419.85)	-24.07%

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.

## 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.

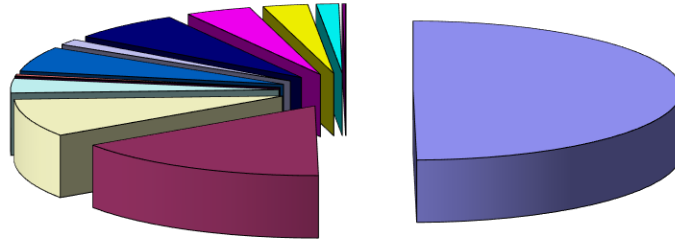
Professional development of both teachers and administrators is another area that is directly correlated to student growth. It is, therefore, valued and financially supported to ensure that all students are benefiting from current best practices.

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 2017/2018 as well as the budgets for 2018/2019 and 2019/2020.

	<b>Actual 2017/18</b>	<b>Amended Budget 2018/19</b>	<b>Recommended Budget 2019/20</b>
<b>Instructional Services - Basic Instruction</b>	\$ 82,232,731	\$ 81,242,805	\$ 78,829,620
Classroom instruction, textbooks and supplies			
<b>Instructional Services - Added Needs</b>	22,142,201	23,523,289	24,827,972
Classroom instruction, textbooks and supplies			
<b>Pupil Services</b>	13,538,137	14,241,898	13,849,140
Guidance, health, speech, social worker, teacher consultants			
<b>Instructional Support</b>	4,966,957	5,246,644	5,240,697
Assistant superintendents, program development, computer assistance			
<b>Board of Education</b>	350,717	221,950	222,000
School Board, clerical staff			
<b>Executive Administration</b>	613,568	595,708	602,654
Superintendent, clerical and support staff			
<b>Office of Principal</b>	9,276,580	9,091,730	9,073,963
Principals, assistant principals, clerical and support staff, related materials			
<b>Business Services</b>	1,982,653	2,519,106	2,075,673
Assistant Superintendent, Finance, Purchasing			
<b>Operations and Maintenance</b>	9,946,555	10,587,704	10,602,529
Staff, equipment and supplies for care, upkeep and operation of facilities			
<b>Pupil Transportation</b>	6,138,591	6,187,147	6,261,773
<b>Central Services</b>	4,166,565	4,239,291	4,269,435
Personnel, Community Relations, Data Processing			
<b>Athletics</b>	2,157,536	2,162,390	2,136,012
<b>Community Services</b>	243,097	267,029	326,984
<b>Transfers Out</b>	-	-	-
<b>Total Expenditures</b>	\$ 157,755,888	\$ 160,126,691	\$ 158,318,452
<b>Pupil Count</b>	13,987	13,676	13,367
<b>Operating Expense per Pupil</b>	\$ 11,279	\$ 11,709	\$ 11,844

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 2019/2020 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	2019/2020 Cost per Pupil	Percent of Total
Instructional Services - Basic	\$ 5,897	49.79%
Instructional Services - Added	1,857	15.68%
Pupil Services	1,036	8.75%
Instructional Support	392	3.31%
Board of Education	17	0.14%
Executive Administration	45	0.38%
School Site Leadership	679	5.73%
Business Services	155	1.31%
Operations and Maintenance	793	6.70%
Pupil Transportation	468	3.96%
Central Services	319	2.70%
Athletics	160	1.35%
Community Services	24	0.21%
<b>Total Expenditures</b>	<b>\$ 11,844</b>	<b>100.00%</b>



## Fund Balance

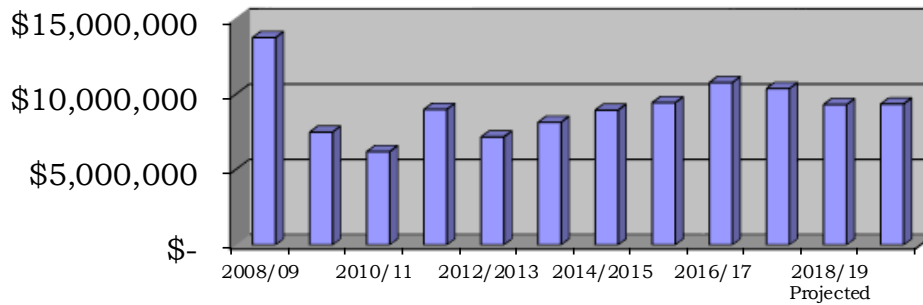
The District's fund balance is a cumulative figure that is a result of all prior year revenues over (under) expenditures. The ten year history of the District's General Fund fund balance including the percentage of each year's respective expenses follows. Also included are projected balances for 2018/2019 and 2019/2020.

Year	Total Fund Balance	Reserved Fund Balance	Unreserved		Unreserved as a Percentage of Expenditures
			Designated Fund Balance	Undesignated Fund Balance	
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%
2017/2018	11,975,811	1,006,925	578,887	10,389,999	6.59%
2018/19 Projected	10,328,251	1,007,325	131,882	9,320,926	5.88%
2019/20 Projected	10,259,316	900,000	-	9,359,316	5.92%
* - In 2010/2011 Governmental Accounting Standards Board (GASB) 54 was implemented which changed fund balance categories.					

The next graph displays the history of unreserved/unassigned fund balance and how it has changed over time.

### **Unreserved/Unassigned Fund Balance**



In a typical school year, the cash inflows generated from revenues do not match the outflows caused by expenses. The District receives State Aid payments from October through August, with no payment in September. In addition, tax receipts vary tremendously from month to month. Having an undesignated/unassigned fund balance available allows the District to cover day-to-day operating expenses without the need to borrow. As part of the annual budget process, the Superintendent recommends and the Board agrees on a desired fund balance level, with consideration given to the above items while also being cognizant of the wage and benefit concessions that employees have experienced for many years.

Given the economic climate and the severe financial cuts that the District 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. For several years following that time, Administration and the Board of Education worked hard to increase fund balance. When land was sold or other one time revenue was generated, a concerted effort was made to not commit those dollars and instead to build back up 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. A small amount will also be used to balance the 2019/2020 budget.

## Debt

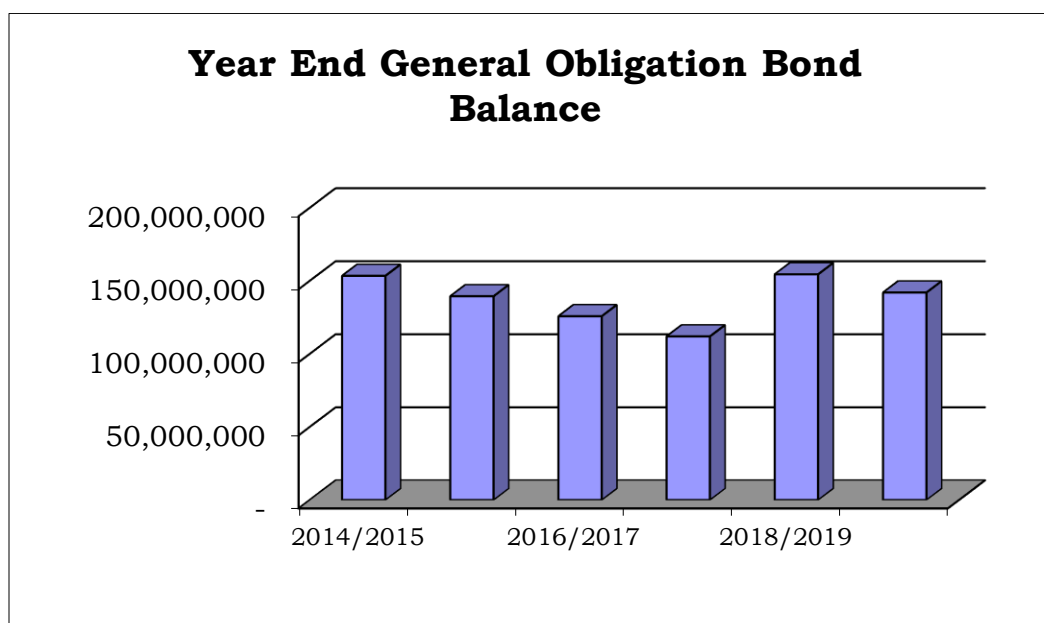
At the end of 2018/2019, the School District has \$154.5 million in General Obligation Bonds outstanding versus \$112 million at the end of 2017/2018.

As mentioned earlier, the Facility Study performed years ago, was updated during the 2018/2019 school year. As a result of the findings and list of building needs, a bond proposal was brought to the community. The \$316 million School Building and Site Bond proposal was overwhelmingly supported and passed in May 2019. This bond, known as the 2019 Building, Infrastructure and Equity Bond, will provide exactly that. It will allow for a replacement elementary school, major addition and renovation to the oldest high school, and the building of an Early Childhood Center. Every building in the district will be updated as all of them have infrastructure needs. Funds will also be used to enhance certain buildings to ensure that there are equitable facilities across the district.

The bond will be sold in series, the first of which occurred during 2018/2019.

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 2019/2020 activity.

School Year	Beginning			
	Balance	Additions	Reductions	Ending Balance
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
2018/2019	\$ 111,970,000	\$ 54,420,000	\$ 11,915,000	\$ 154,475,000
Projected 2019/2020	\$ 154,475,000	\$ -	\$ 12,450,000	\$ 142,025,000



## ALL FUNDS

The following includes a summary by object of the 2019/2020 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	\$ 8,926,480	\$ 21,492,234	\$ 2,850,000
State Sources	170,668	-	-
Federal Sources	1,850,000	-	-
Interdistrict Sources	-	-	-
Total Revenue	10,947,148	21,492,234	2,850,000
<b>Expenditures</b>			
Salaries	2,870,498	-	-
Benefits	1,712,797	-	-
Purchased Services	3,728,681	-	-
Supplies and Materials	2,196,588	-	-
Capital Outlay	21,650	-	-
Other	407,713	-	-
Capital Projects/Land	-	-	14,882,744
Debt Service	-	17,281,694	-
Total Expenditures	10,937,927	17,281,694	14,882,744
<b>Other Financing Uses - Transfers Out</b>	(400,000)	-	-
<b>Net Change in Fund Balances</b>	(390,779)	4,210,540	(12,032,744)
<b>Fund Balances</b> - Beginning of year	3,565,629	7,621,914	68,450,743
<b>Fund Balances</b> - End of year	\$ 3,174,850	\$ 11,832,454	\$ 56,417,999

## Special Revenue Funds

There are five District Special Revenue funds, one of which was added during 2018/2019. Governmental Accounting Standards Board (GASB) 84 requires that districts report some student related accounts differently than how they have been recorded in the past. As a result, we have added a new Special Revenue fund for that purpose.

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, including the new 2019 Debt Service fund. 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. There are currently three Capital Projects funds, the 2014 Bond Fund, the 2019 Bond Fund and the Sinking Fund.

The tables included next display the budgeted revenues and expenditures for each fund of the District.

### Revenues

	2018/2019 Amended Budget	2019/2020 Proposed Budget	Percent Change from Prior Year
<b>General Fund</b>	\$ 158,479,131	\$ 158,249,517	-0.14%
<b>Special Revenue Funds</b>			
Cafeteria Fund	4,693,209	4,724,209	0.66%
Community Education	699,500	695,500	-0.57%
Preschool	498,334	501,128	0.56%
Enrichment/Prime Time Care	1,832,100	1,849,900	0.97%
Student Activities	-	3,176,411	
<b>Debt Retirement Funds</b>	22,204,473	21,492,234	-3.21%
<b>Capital Projects Funds</b>	67,516,793	2,850,000	-95.78%
<b>TOTAL</b>	<u>\$ 255,923,540</u>	<u>\$ 193,538,899</u>	<u>-24.38%</u>

## Expenses

	2018/2019 Amended Budget	2019/2020 Proposed Budget	Percent Change from Prior Year
<b>General Fund</b>	\$ 160,126,691	\$ 158,318,452	-1.13%
<b>Special Revenue Funds</b>			
Cafeteria Fund	4,752,849	4,795,094	0.89%
Community Education	706,614	704,360	-0.32%
Preschool	478,276	564,228	17.97%
Enrichment/Prime Time Care	2,085,815	2,097,834	0.58%
Student Activities	-	3,176,411	
<b>Debt Retirement Funds</b>	17,533,567	17,281,694	-1.44%
<b>Capital Projects Funds</b>	6,180,276	14,882,744	140.81%
<b>TOTAL</b>	<u>\$ 191,864,088</u>	<u>\$ 201,820,817</u>	<u>5.19%</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.

Capital Project fund revenue is inflated in 2018/2019 as the new bond proceeds are recorded.

The remaining projects related to the 2014 Safety, Security and Technology Bond, are expected to be completed during 2019/2020, spending all remaining dollars. The first series of the 2019 Building, Infrastructure and Equity bond will begin to be spent during 2019/2020 as projects begin to get underway.

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

## Revenues

	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>Budget Projected</b>	<b>Budget Projected</b>	<b>Budget Projected</b>
<b>General Fund</b>	\$ 158,554,373	\$ 159,883,036	\$ 161,397,032
<b>Special Revenue Funds</b>			
Cafeteria Fund	4,771,451	4,819,166	4,867,357
Community Education	702,455	709,480	716,574
Preschool	506,139	511,201	516,313
Enrichment/Prime Time Care	1,868,399	1,887,083	1,905,954
Student Activities	3,208,175	3,240,257	3,272,659
<b>Debt Retirement Funds</b>	7,178,289	15,575,554	6,159,235
<b>Capital Projects Funds</b>	2,693,100	2,556,431	2,579,995
<b>TOTAL</b>	<u>\$ 179,482,382</u>	<u>\$ 189,182,206</u>	<u>\$ 181,415,120</u>

## Expenses

	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>Budget Projected</b>	<b>Budget Projected</b>	<b>Budget Projected</b>
<b>General Fund</b>	\$ 159,827,418	\$ 161,394,894	\$ 162,980,883
<b>Special Revenue Funds</b>			
Cafeteria Fund	4,859,478	4,924,904	4,991,390
Community Education	706,625	708,913	711,224
Preschool	568,396	572,607	576,859
Enrichment/Prime Time Care	1,812,663	1,877,641	1,892,768
Student Activities	3,224,057	3,272,418	3,321,504
<b>Debt Retirement Funds</b>	17,282,494	16,685,094	6,161,768
<b>Capital Projects Funds</b>	31,599,706	18,476,503	14,082,272
<b>TOTAL</b>	<u>\$ 219,880,839</u>	<u>\$ 207,912,973</u>	<u>\$ 194,718,669</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 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 was 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 students show colleges what they know and how well they 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.

The informational section of this document includes M-STEP results since implementation through 2017/2018, the most recent scores available. SAT results are presented for 2015/2016, 2016/2017 and 2017/2018. 2018/2019 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.

Walled Lake Schools was visited by an AdvancED Engagement Review Quality Assurance Team during 2018/2019 and was once again accredited. AdvancED provides the Index of Education Quality® (IEQ®) as a holistic measure of overall performance based on a comprehensive set of standards and review criteria. A formative tool for improvement, it identifies areas of success as well as areas in need of focus. The Index of Educational Quality (IEQ) score for our district is 323.06. The national IEQ score average is 283.

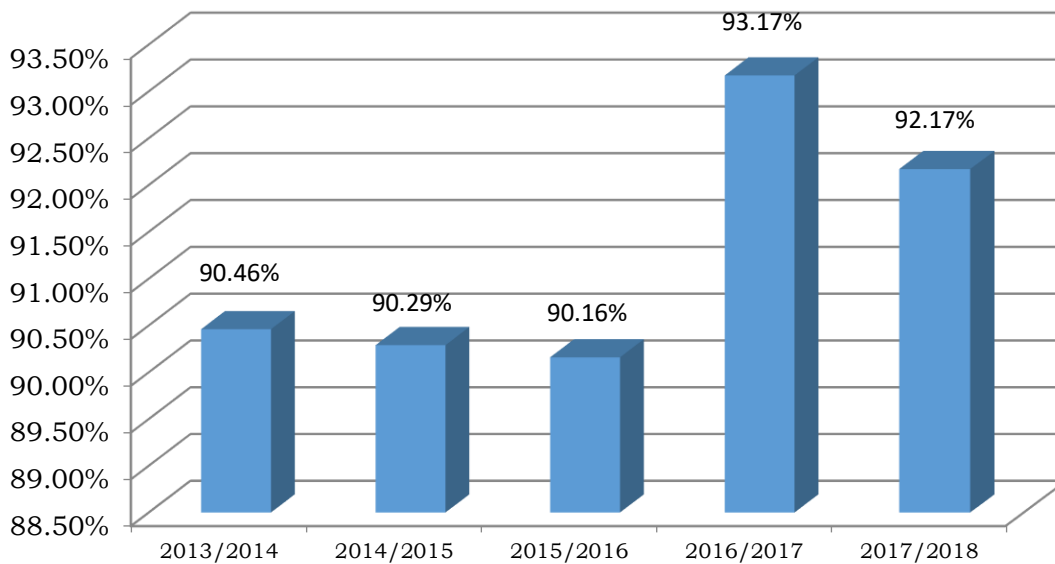
The report summary states: "The Walled Lake Consolidated School system promotes an outstanding level of support for "Every Child, Every Day" with positive cultures in the schools and high levels of achievement on the part of students. High student achievement, stakeholder involvement, fiscally responsible resource management and a pervasive positive culture stand out as on-going and established priorities of the system."

## **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.

## Graduation Rates



## 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 collaboration
- ❖ 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
- ❖ Freshman academy at one high school which is designed to assist struggling ninth grade students
- ❖ 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 and information meetings
- 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:

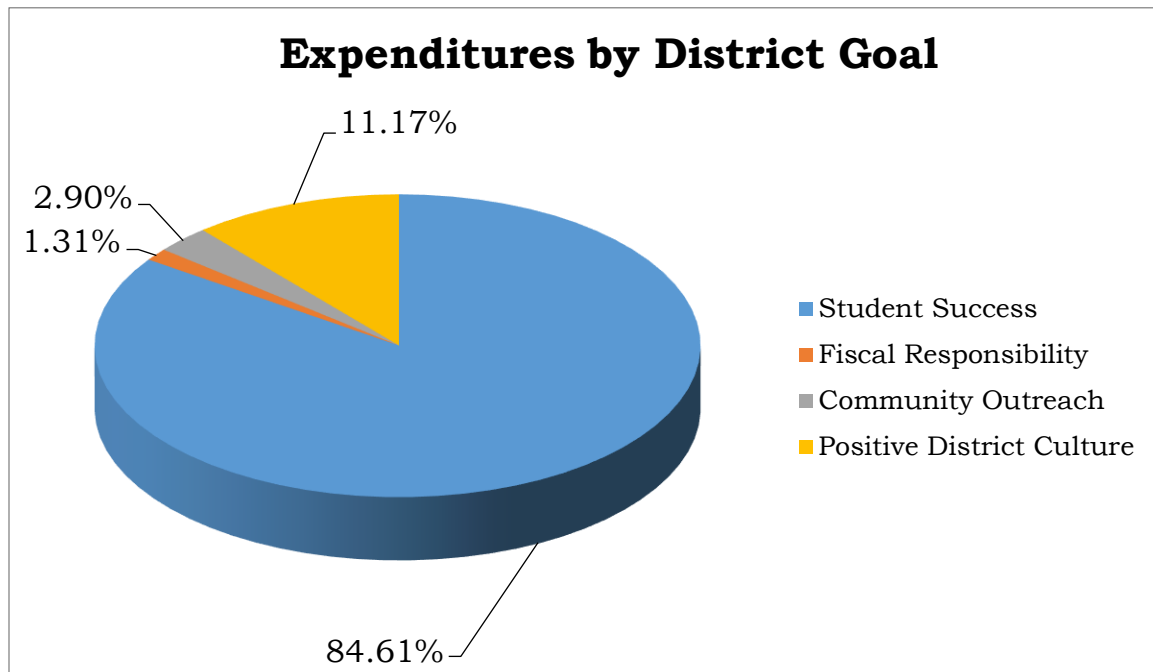
- Conduct numerous emergency drills
- Operate surveillance cameras
- Inspect and improve health and cleanliness of schools
- Provide additional hall monitors
- Provide police officers that rotate through the District
- Therapy dogs at two buildings to assist students with anxiety and other social emotional needs

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.

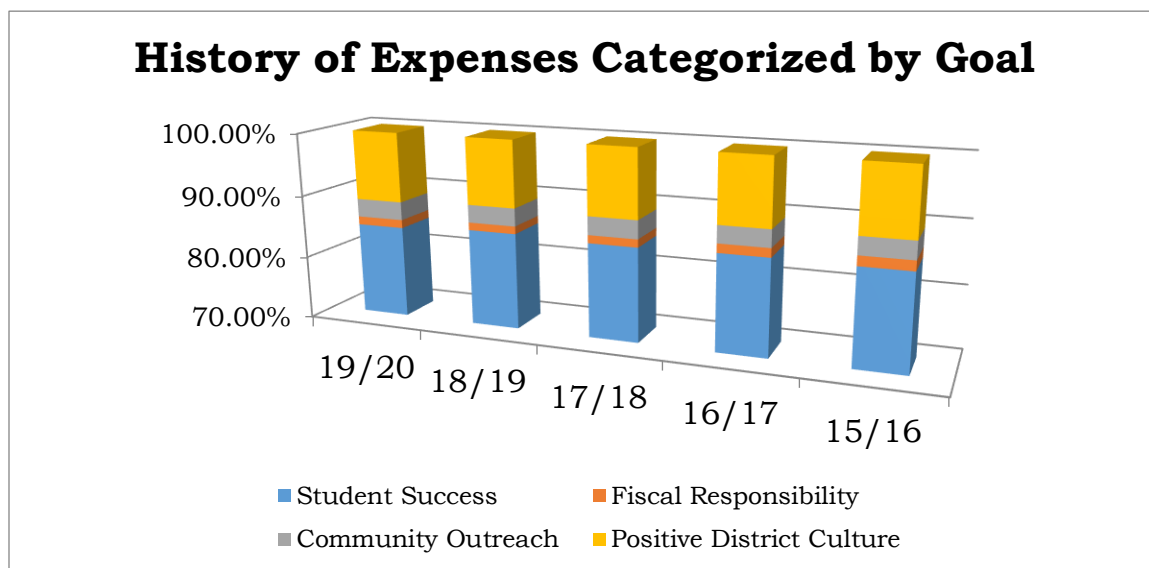
In addition, the 2014 Safety, Security and Technology Bond has allowed for many upgrades to the safety and security of each District building. This will continue with the new 2019 Building, Infrastructure and Equity bond.

### **Expenditures by District Goal**

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



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



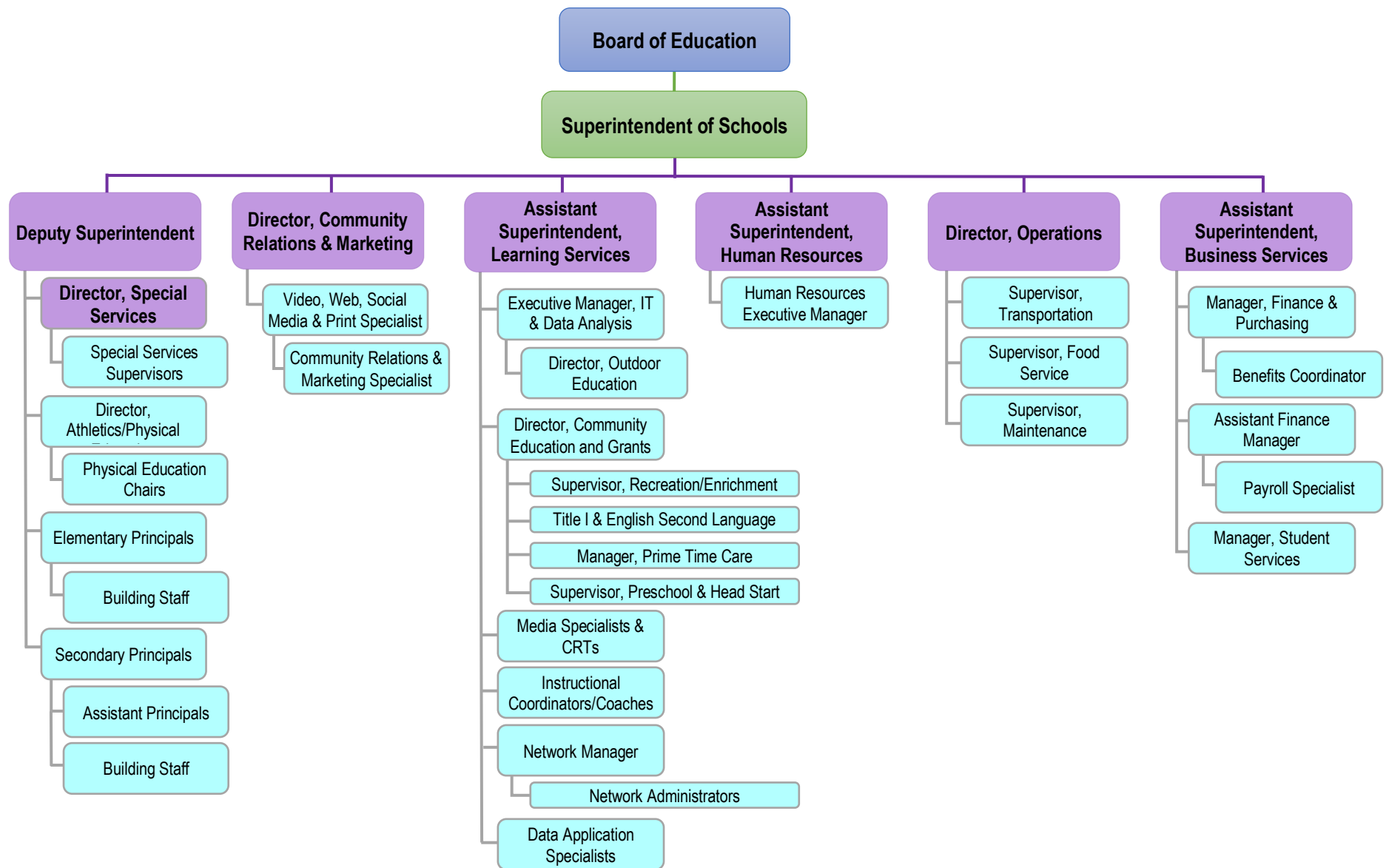


# WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

## Organizational Section

*The Lion King*  
Hickory Woods  
Elementary





## **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.

**Peggy Casagrande, President**

*Term Expires 12/31/2024*

**Greg Janicki, Vice President**

*Term Expires 12/31/2020*

**Nancy van Leuwen, Treasurer**

*Term Expires 12/31/2022*

**Marc Siegler, Secretary**

*Term Expires 12/31/2024*

**Denise Dunn, Trustee**

*Term Expires 12/31/2022*

**Christopher Titus, Trustee**

*Term Expires 12/31/2022*

**Stephanie Kaplan, Trustee**

*Term Expires 12/31/2020*



# **THE DISTRICT ENTITY**

## **Community Overview**

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

The District has 12 elementary schools (K-5), four middle schools (6-8), three high schools (9-12), an educational services center, a maintenance/transportation building and an outdoor education center. There are currently 13,676 students as of the 2018/2019 school year. The District is legally autonomous and is fiscally independent. The legal name of the school district is Walled Lake Consolidated Schools.

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

<https://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 five 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 (Latchkey) Programs. The Preschool Fund accounts for all monies generated from the preschool programs run by the District. The Student Activities fund was established as a result of Governmental Accounting Standards Board (GASB) 84 which requires that certain student related accounts be recorded like other special revenue funds.

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 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. The 2019 Debt Retirement Fund was created for school building and site improvements.

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

The District currently has two (3) Capital Project Funds. The 2014 and 2019 Bond Issue Project Funds contain the proceeds and account for the capital outlay of the respective bond issues. 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 some of the Student Activity Accounts that the District maintains accounting records for. With the implementation of GASB 84, the classification of several student groups and the resulting accounting have changed. In the past all school groups were accounted for in Student Activity Accounts and were not included in this document as there was no requirement to adopt budgets for them. GASB 84 requires that some be accounted for as Special Revenue accounts. Budgets and activity are presented in this document for those accounts. Those student activities that are still considered fiduciary in nature are not included in this documents.

# 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 1.6198 mills, 17.3429 mills on non-homesteads, 4.1300 mills for debt on all properties, and 0.4802 mills for the District sinking fund, which is also levied on all properties. Industrial personal property is exempt from the 17.3429 mills operating levy. Commercial personal property is exempt from 12 of the 17.3429 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 \$1,136,000 in lost tax revenue for purposes for operations for the 2019/2020 school year.

The Hold Harmless maximum allowed millage will also be reduced from 3.7940 mills to 3.7461 mills. This will not have a financial impact on our district this year since we only need to levy 1.6198 mills to generate the \$437 per pupil that this funding provides.

The Sinking fund levy is also subject to a rollback and will be reduced by an additional .0062 mills to .4802 mills. This will result in a loss of approximately \$101,000.

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 agrees on 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, 2019.

### **Budget Development Timeline**

November 2018	Superintendent and Assistant Superintendent of Business Services meet to discuss budget process
December 2018	Standardized costs for staffing requests developed
December 2018	Review timeline and parameters with Cabinet team
December 2018	Budget calendar available
December 2018	Resolution sent to local municipalities for summer tax collection agreements
January 2019	Preliminary budget projections available
January 2019	Cabinet study session(s)
February 2019	Preliminary budget report at Leadership Team meeting
Jan-Feb-March	Board study sessions as needed
Feb-March	Preliminary budget review & updates
February 2019	Discussion regarding layoffs within all groups
February 2019	Student projections & preliminary staffing needs identified
March 2019	Layoff Notices, Unaffiliated Administrators, staff
March 2019	Budget update at Leadership Team meeting
April-May	Budget email address active for staff/community feedback

April 2019	Additional Board study sessions as needed
April 2019	Discussion regarding layoffs with WLEA, WLSAA
April 2019	Budget update at Leadership Team
April 2019	Layoff Notices WLEA, WLSAA
May 2019	Preliminary budget changes completed
May 2019	Preliminary budget presented to Board of Education in study session
06/12/19	Publish notice for millage rates
06/20/19	Board establishes debt and general fund millage rates
6/12/19	Publish notice for budget hearing
06/20/19	Preliminary budget available for review
06/20/19	Board conducts public hearing on Budget for 2019-2020
06/20/19	Board adopts 2019-20 budget
June 2019	Layoff notices, WLSSA, Para Educators, WLESP, 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 where available and estimated for others. Estimates were also used 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. Capital needs were also identified. This process resulted in expenditures exceeding revenues by \$4.1 million. It was agreed that the potential solutions to the budget deficit should involve four main strategies:

**Leverage what we have** – Time was spent exploring ways to enhance programs and opportunities for kids while relieving the general fund. This involved using grant dollars in new and more effective ways.

**Increased revenues** – The Board of Education approved opening a second School of Choice window in hopes of attracting additional families and students to our district. School of Choice allows families in surrounding districts to choose to come to Walled Lake Schools.



It was also decided to more fully capture the excess revenues generated by some of the self-supporting programs and to raise rates for tuition based programs where appropriate.

Long term plans include building an Early Childhood Center to more fully attract families to our district. Currently the Preschool programs offered by the district are housed in various elementary buildings. Freeing up this space will also enable the development of an Early Fives Program, something that is desirable to our community.

**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. Expenses will be reduced or delayed where possible. This will include the elimination of two secretarial positions and the delay of textbook purchases.

**Benefit from savings** –Each year there are natural savings that occur due to the retirement of teachers and others. Typically when staff retire they are at the top of the respective salary schedule whereas new employees would begin at or near the bottom of the scale. In addition, significant time is spent on staffing and ensuring that buildings are staffed as efficiently as possible given current enrollment.

Unfortunately, after years of reducing budgets, it has become more difficult to find creative solutions and areas to reduce. The four strategies identified above will not be enough to balance the budget. As a result, we have and will once again be asking employee groups for wage and benefit concessions. Contracts have been settled for three of our employee groups. Discussions with the final groups are ongoing.

## **Key Factors in the Development of the 2019/2020 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 2019/2020 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 27.31 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 1.9% for 2019/2020.
- 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 2019/2020, based on a blended count of 90/10, will be 13,367, representing a decrease of 309 students compared to 2018/2019. The blend will be based on 90% of the Fall 2019 count and 10% will be based on the Spring 2019 count.
- A \$120 per pupil increase to the foundation allowance from the State of Michigan is anticipated for 2019/2020. 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 2019/2020. 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 year.
- The District will continue to explore and implement cost savings and cost containment measures as mentioned earlier.
- Budget and financial reports will be prepared in accordance with excellence award standards.

## **Capital Budget**

For the last many years, the majority of capital expenditures are within the bond or sinking funds as general fund dollars are not available. During the budget process for 2019/2020, vehicle needs were identified and an installment purchase agreement was pursued to finance the purchase, the payments for which will be paid for through the general fund. This is one way to stretch out the cost beyond one year.

A master project list is maintained by the District maintenance department based on the needs identified at the various buildings. This master list is updated on a regularly basis.

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.

In May 2019, the Walled Lake Schools community once again approved a bond, the Buildings, Infrastructure and Equity Bond. This \$316 million bond will enable many infrastructure needs to be addressed, the replacement of an elementary building, significant reconstruction of one of the high schools, the building of an Early Childhood Center and much more.

### **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 2018/2019 school year, amendments were made in December 2018 and February 2019. The final amendment was processed in June 2019.

# 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 and will span over many years. 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 collaboration
- ❖ 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
- ❖ Freshman Academy at one high school which is designed to assist struggling ninth grade students
- ❖ 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:

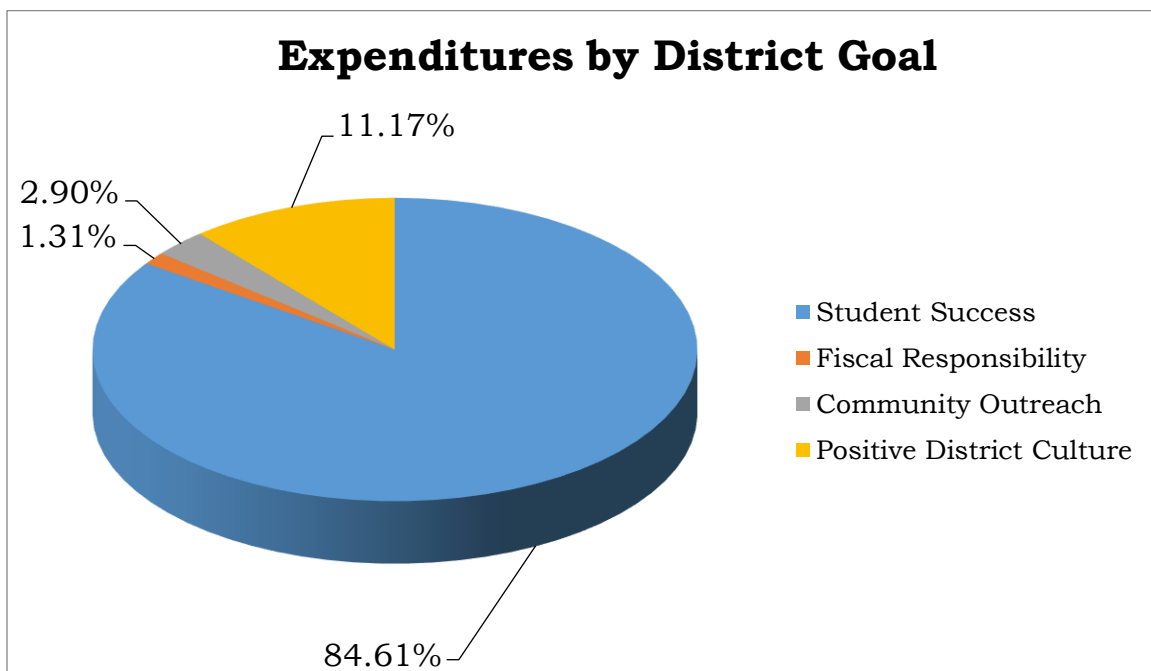
- Conduct numerous emergency drills
- Operate surveillance cameras
- Inspect and improve health and cleanliness of schools
- Provide additional hall monitors
- Provide police officers that rotate through the District
- Therapy dogs at two buildings to assist students with anxiety and other social emotional needs

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.

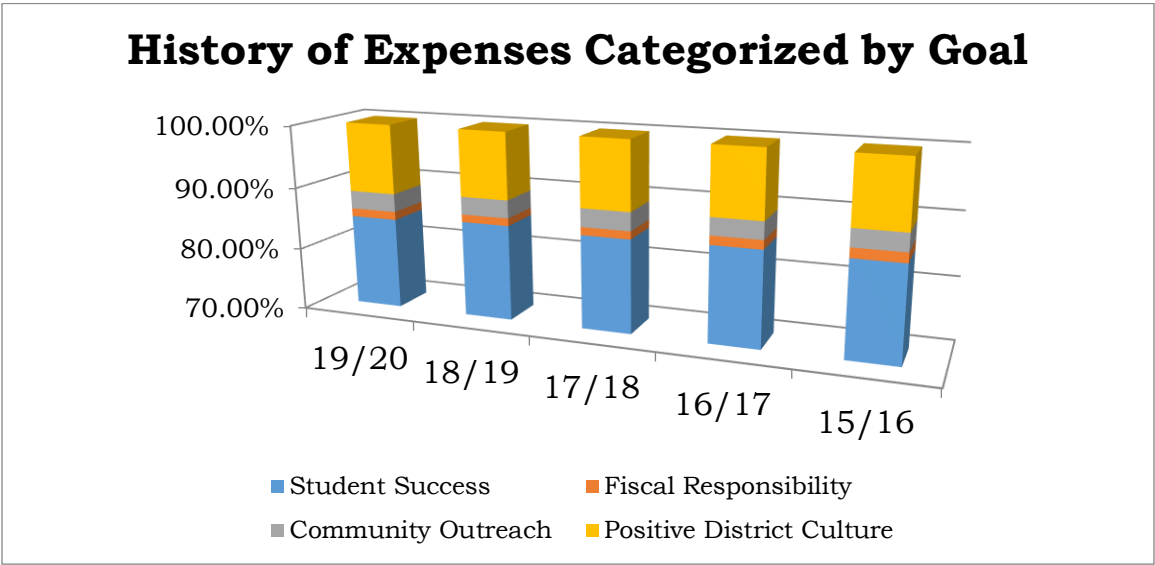
In addition, the 2014 Safety, Security and Technology Bond has allowed for many upgrades to the safety and security of each District building. This will continue with the new 2019 Building, Infrastructure and Equity Bond.

### **Expenditures by District Goal**

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



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





# WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

## FINANCIAL SECTION

***"FUN RUN"***  
*Wixom Elementary*



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



2019-2020 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	\$37,186,414	\$8,926,480	\$21,492,234	\$2,850,000	\$70,455,128
State Sources	103,211,046	170,668	-	-	103,381,714
Federal Sources	6,100,919	1,850,000	-	-	7,950,919
Interdistrict Sources	11,028,768	-	-	-	11,028,768
Total Revenue	157,527,147	10,947,148	21,492,234	\$2,850,000	192,816,529
<b>Expenditures</b>					
Salaries	77,012,354	2,870,498	-	-	79,882,852
Benefits	53,576,376	1,712,797	-	-	55,289,173
Purchased Services	19,372,873	3,728,681	-	-	23,101,554
Supplies and Materials	5,469,554	2,196,588	-	-	7,666,142
Capital Outlay	402,306	21,650	-	-	423,956
Other	2,484,989	407,713	-	-	2,892,702
Capital Projects/Land	-	-	-	14,882,744	14,882,744
Debt Service	-	-	17,281,694	-	17,281,694
Total Expenditures	158,318,452	10,937,927	17,281,694	14,882,744	201,420,817
<b>Other Financing Sources (Uses)</b>					
Transfers In	722,370	-	-	-	722,370
Transfers Out	-	(400,000)	-	-	(400,000)
<b>Total Other Financing Sources (Uses)</b>	722,370	(400,000)	-	-	322,370
<b>Net Change in Fund Balances</b>	(68,935)	(390,779)	4,210,540	(12,032,744)	(8,281,918)
<b>Fund Balances</b> - Beginning of year	10,328,251	3,565,629	7,621,914	68,450,743	89,966,537
<b>Fund Balances</b> - End of year	\$10,259,316	\$3,174,850	\$11,832,454	\$56,417,999	\$81,684,619

## Operating Funds Summary

### 2015-16 Through 2022-23

#### Revenues By Source and Expenditures By Object

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b>								
Local Sources	\$ 39,393,552	\$ 39,802,461	\$ 40,277,045	\$ 40,734,928	\$ 44,984,269	\$ 45,434,112	\$ 45,888,453	\$ 46,347,338
State Sources	107,142,867	107,585,736	107,249,199	106,188,618	103,381,714	104,415,531	105,459,686	106,514,283
Federal Sources	6,871,553	7,134,815	7,611,617	7,891,871	7,950,919	7,999,924	8,049,266	8,098,948
Interdistrict Sources	9,560,384	9,509,147	10,149,170	10,559,332	11,028,768	11,139,056	11,250,446	11,362,950
Total Revenue	162,968,356	164,032,159	165,287,031	165,374,749	167,345,670	168,988,622	170,647,851	172,323,519
<b>Expenditures</b>								
Salaries	84,649,363	82,311,099	83,723,444	82,592,159	79,882,852	80,550,208	81,355,711	82,169,268
Benefits	51,605,906	50,969,618	51,803,803	53,125,793	55,289,173	55,766,761	56,324,429	56,887,673
Purchased Services	19,276,067	19,860,745	20,378,986	20,343,532	23,101,554	23,274,889	23,537,620	23,806,059
Supplies and Materials	7,138,728	7,175,834	7,492,588	8,221,015	7,666,142	7,720,712	7,794,247	7,868,923
Capital Outlay	568,064	629,936	389,918	630,297	423,956	423,956	423,956	423,956
Other	1,052,282	1,004,406	1,293,275	2,837,449	2,892,702	3,162,112	3,165,414	3,168,751
Total Expenditures	164,290,410	161,951,638	165,082,014	167,750,245	169,256,379	170,898,638	172,601,377	174,324,630
<b>Other Financing Sources (Uses)</b>								
Transfers In	300,000	300,000	400,000	590,000	722,370	522,370	372,370	322,370
Transfers Out	(300,000)	(300,000)	(400,000)	(400,000)	(400,000)	(100,000)	(150,000)	(150,000)
Proceeds from sale of fixed assets	2,017,530	39,695	125,980	237,525	1,128,625	100,000	30,000	30,000
Total Other Fin. Sources (Uses)	2,017,530	39,695	125,980	427,525	1,450,995	522,370	252,370	202,370
<b>Net Change in Fund Balance</b>	695,476	2,120,216	330,997	(1,947,971)	(459,714)	(1,387,646)	(1,701,156)	(1,798,741)
<b>Fund Balances</b> - Beginning of year	10,743,375	11,438,851	13,559,067	13,890,064	13,893,880	13,434,166	12,046,520	10,345,364
<b>Fund Balances</b> - End of year	\$ 11,438,851	\$ 13,559,067	\$ 13,890,064	\$ 11,942,093	\$ 13,434,166	\$ 12,046,520	\$ 10,345,364	\$ 8,546,624
<b>Note: Operating Funds include the District General Fund and Special Revenue Funds</b>								

Operating Funds Summary								
2015-16 Through 2022-23								
Expenditures by Function								
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Instruction</b>								
Elementary	\$ 39,757,204	\$ 38,475,370	\$ 39,259,140	\$ 39,145,007	\$ 38,174,845	\$ 38,538,754	\$ 38,906,303	\$ 39,277,527
Middle School	18,958,388	18,445,396	17,840,015	17,893,011	17,014,374	17,176,657	17,340,563	17,506,109
High School	24,582,036	24,489,331	24,349,953	23,348,859	22,807,768	23,011,488	23,217,246	23,425,061
Other Basic Programs	943,142	883,101	783,623	855,928	832,633	839,787	847,012	854,310
Special Education	16,378,259	16,435,328	17,832,191	18,592,470	18,903,739	19,077,978	19,253,960	19,431,702
Vocational Education	1,027,667	1,074,160	1,073,034	1,060,070	1,081,671	1,092,146	1,102,726	1,113,411
Other Added Needs and Adult Ed	3,060,806	3,057,311	3,236,976	3,870,749	4,842,562	4,888,415	4,934,726	4,981,500
Total Instruction	104,707,502	102,859,997	104,374,932	104,766,094	103,657,592	104,625,225	105,602,536	106,589,618
<b>Supporting Services</b>								
Guidance Services	3,836,138	3,429,703	3,427,799	3,440,120	3,303,453	3,336,159	3,369,192	3,402,556
Health Services	965,246	971,246	961,167	1,047,861	1,055,371	1,055,611	1,055,854	1,056,100
Psychological Services	1,070,560	1,104,300	1,147,162	1,177,316	1,174,048	1,184,607	1,195,271	1,206,042
Speech Services	2,616,710	2,541,590	2,782,371	2,759,985	2,636,609	2,662,747	2,689,146	2,715,810
Social Work	1,780,446	1,741,073	1,940,609	2,174,384	2,134,950	2,124,887	2,146,094	2,167,513
T/C Special Education	1,851,343	1,838,583	1,895,342	1,868,251	1,709,841	1,726,840	1,744,010	1,761,351
Other Pupil Services	1,503,389	1,725,155	1,383,687	1,773,981	1,834,868	1,847,686	1,860,631	1,873,707
Improvement of Instruction	1,645,275	1,483,376	1,530,372	1,745,187	1,468,662	1,480,207	1,491,867	1,503,643
Library Services	1,014,407	1,021,545	996,225	998,774	1,032,068	1,041,920	1,051,870	1,061,919
Audio/Visual	341,249	324,680	328,409	364,357	366,590	369,888	373,218	376,582
Instructional Staff Supervision	1,783,081	1,814,848	2,024,756	1,953,780	2,192,110	2,213,228	2,234,557	2,256,099
Media Services	99,341	83,105	87,195	184,283	181,004	181,732	182,466	183,208
Other Instruction Staff	253	21	-	263	263	-	-	-
Board of Education	153,526	220,705	350,717	221,950	222,000	223,030	224,065	225,105
Executive Administration	555,649	527,912	613,568	595,708	602,654	613,244	618,788	624,388
Office of Principal	9,022,348	8,924,202	9,276,580	9,091,730	9,073,963	9,163,389	9,253,710	9,344,933
Fiscal Services	1,689,350	1,289,820	1,398,952	1,540,298	1,470,622	1,482,872	1,495,245	1,507,741
Other Business Services	666,594	542,193	583,701	978,808	605,051	606,764	608,495	610,243
Custodial/Maintenance	9,523,566	9,808,947	9,946,555	10,587,704	10,602,529	10,706,944	10,812,404	10,918,918
Transportation	5,754,854	5,918,973	6,138,591	6,187,147	6,261,773	6,406,527	6,569,667	6,737,284
Testing/Community Relations	534,584	528,248	634,191	586,402	582,085	585,964	589,882	593,839
Personnel	976,778	947,648	905,632	1,061,071	1,086,045	1,095,637	1,105,325	1,115,110
Pupil Accounting	331,197	352,539	359,175	387,836	383,979	387,710	391,479	395,285
Data Processing	2,596,525	2,427,480	2,267,567	2,203,982	2,217,326	2,228,623	2,240,034	2,251,558
Athletics	2,021,784	2,060,196	2,157,536	2,162,390	2,136,012	2,145,724	2,155,533	2,165,440
Total Supporting Services	52,334,193	51,628,088	53,137,859	55,093,568	54,333,876	54,871,939	55,458,802	56,054,373
<b>Community Services</b>	225,754	217,247	243,097	267,029	326,984	330,254	333,556	336,892
<b>Cafeteria</b>	4,532,805	4,584,827	4,562,065	4,752,849	4,795,094	4,859,478	4,924,904	4,991,390
<b>Community Education</b>	735,158	748,788	729,122	706,614	704,360	706,625	708,913	711,224
<b>Preschool</b>	402,622	355,890	381,456	478,276	564,228	568,396	572,607	576,859
<b>Enrichment/Prime Time Care</b>	1,652,376	1,856,801	2,053,483	2,085,815	2,097,834	1,812,663	1,877,641	1,892,768
<b>Student Activity Accounts</b>	-	-	-	-	3,176,411	3,224,057	3,272,418	3,321,504
<b>Total Expenditures and Other Uses</b>	\$ 164,590,410	\$ 162,251,638	\$ 165,482,014	\$ 168,150,245	\$ 169,656,379	\$ 170,998,638	\$ 172,751,377	\$ 174,474,629

**General Fund 2015-16 Through 2022-23**  
**Revenues By Source and Expenditures By Object**

				2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	2015/2016	2016/2017	2017/2018	Amended	Recommended	Projected	Projected	Projected
	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget
<b>Revenue</b>								
Local Sources	\$ 33,585,516	\$ 33,925,927	\$ 34,519,424	\$ 35,032,453	\$ 36,057,789	\$ 36,418,367	\$ 36,782,551	\$ 37,150,376
State Sources	106,954,038	107,413,170	107,089,774	106,017,950	103,211,046	104,243,156	105,285,588	106,338,444
Federal Sources	5,119,135	5,381,881	5,840,817	6,041,871	6,100,919	6,131,424	6,162,081	6,192,891
Interdistrict Sources	9,560,384	9,509,147	10,149,170	10,559,332	11,028,768	11,139,056	11,250,446	11,362,951
Total Revenue	155,219,073	156,230,125	157,599,185	157,651,606	156,398,522	157,932,003	159,480,666	161,044,662
<b>Expenditures</b>								
Salaries	81,826,797	79,461,230	81,002,349	79,739,652	77,012,354	77,651,006	78,427,516	79,211,791
Benefits	50,368,713	49,701,048	50,195,723	51,449,020	53,576,376	54,036,836	54,577,205	55,122,977
Purchased Services	18,759,188	19,280,874	19,817,264	19,793,012	19,372,873	19,498,561	19,712,932	19,932,285
Supplies and Materials	4,919,719	4,929,332	5,311,134	6,026,427	5,469,554	5,484,310	5,517,234	5,550,488
Capital Outlay	547,381	573,642	373,938	608,647	402,306	402,306	402,306	402,306
Other	845,651	759,206	1,055,480	2,509,933	2,484,989	2,754,399	2,757,701	2,761,037
Total Expenditures	157,267,449	154,705,332	157,755,888	160,126,691	158,318,452	159,827,418	161,394,894	162,980,883
<b>Other Financing Sources (Uses)</b>								
Transfers In	300,000	300,000	400,000	590,000	722,370	522,370	372,370	322,370
Proceeds from sale of fixed assets	2,017,530	39,695	125,980	237,525	1,128,625	100,000	30,000	30,000
Total Other Fin. Sources (Uses)	2,317,530	339,695	525,980	827,525	1,850,995	622,370	402,370	352,370
<b>Net Change in Fund Balance</b>	269,154	1,864,488	369,277	(1,647,560)	(68,935)	(1,273,046)	(1,511,858)	(1,583,851)
<b>Fund Balances</b> - Beginning of year	9,472,892	9,742,046	11,606,534	11,975,811	10,328,251	10,259,316	8,986,270	7,474,412
<b>Fund Balances</b> - End of year	\$ 9,742,046	\$ 11,606,534	\$ 11,975,811	\$ 10,328,251	\$ 10,259,316	\$ 8,986,270	\$ 7,474,412	\$ 5,890,560

General Fund 2015-16 Through 2022-2023								
Expenditures by Function								
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Instruction</b>								
Elementary	\$ 39,757,204	\$ 38,475,370	\$ 39,259,140	\$ 39,145,007	\$ 38,174,845	\$ 38,538,754	\$ 38,906,303	\$ 39,277,527
Middle School	18,958,388	18,445,396	17,840,015	17,893,011	17,014,374	17,176,657	17,340,563	17,506,109
High School	24,582,036	24,489,331	24,349,953	23,348,859	22,807,768	23,011,488	23,217,246	23,425,061
Other Basic Programs	943,142	883,101	783,623	855,928	832,633	839,787	847,012	854,310
Special Education	16,378,259	16,435,328	17,832,191	18,592,470	18,903,739	19,077,978	19,253,960	19,431,702
Vocational Education	1,027,667	1,074,160	1,073,034	1,060,070	1,081,671	1,092,146	1,102,726	1,113,411
Other Added Needs and Adult Ed	3,060,806	3,057,311	3,236,976	3,870,749	4,842,562	4,888,415	4,934,726	4,981,500
Total Instruction	104,707,502	102,859,997	104,374,932	104,766,094	103,657,592	104,625,225	105,602,535	106,589,618
<b>Supporting Services</b>								
Guidance Services	3,836,138	3,429,703	3,427,799	3,440,120	3,303,453	3,336,159	3,369,192	3,402,556
Health Services	965,246	971,246	961,167	1,047,861	1,055,371	1,055,611	1,055,854	1,056,100
Psychological Services	1,070,560	1,104,300	1,147,162	1,177,316	1,174,048	1,184,607	1,195,271	1,206,042
Speech Services	2,616,710	2,541,590	2,782,371	2,759,985	2,636,609	2,662,747	2,689,146	2,715,810
Social Work	1,780,446	1,741,073	1,940,609	2,174,384	2,134,950	2,124,887	2,146,094	2,167,513
T/C Special Education	1,851,343	1,838,583	1,895,342	1,868,251	1,709,841	1,726,840	1,744,010	1,761,351
Other Pupil Services	1,503,389	1,725,155	1,383,687	1,773,981	1,834,868	1,847,686	1,860,631	1,873,707
Improvement of Instruction	1,645,275	1,483,376	1,530,372	1,745,187	1,468,662	1,480,207	1,491,867	1,503,643
Library Services	1,014,407	1,021,545	996,225	998,774	1,032,068	1,041,920	1,051,870	1,061,919
Audio/Visual	341,249	324,680	328,409	364,357	366,590	369,888	373,218	376,582
Instructional Staff Supervision	1,783,081	1,814,848	2,024,756	1,953,780	2,192,110	2,213,228	2,234,557	2,256,099
Media Services	99,341	83,105	87,195	184,283	181,004	181,732	182,466	183,208
Other Instruction Staff	253	21	-	263	263	-	-	-
Board of Education	153,526	220,705	350,717	221,950	222,000	223,030	224,065	225,105
Executive Administration	555,649	527,912	613,568	595,708	602,654	613,244	618,788	624,388
Office of Principal	9,022,348	8,924,202	9,276,580	9,091,730	9,073,963	9,163,389	9,253,710	9,344,933
Fiscal Services	1,689,350	1,289,820	1,398,952	1,540,298	1,470,622	1,482,872	1,495,245	1,507,741
Other Business Services	666,594	542,193	583,701	978,808	605,051	606,764	608,495	610,243
Custodial/Maintenance	9,523,566	9,808,947	9,946,555	10,587,704	10,602,529	10,706,944	10,812,404	10,918,918
Transportation	5,754,854	5,918,973	6,138,591	6,187,147	6,261,773	6,406,527	6,569,667	6,737,284
Testing/Community Relations	534,584	528,248	634,191	586,402	582,085	585,964	589,882	593,839
Personnel	976,778	947,648	905,632	1,061,071	1,086,045	1,095,637	1,105,325	1,115,110
Pupil Accounting	331,197	352,539	359,175	387,836	383,979	387,710	391,479	395,285
Data Processing	2,596,525	2,427,480	2,267,567	2,203,982	2,217,326	2,228,623	2,240,034	2,251,558
Athletics	2,021,784	2,060,196	2,157,536	2,162,390	2,136,012	2,145,724	2,155,533	2,165,440
Total Supporting Services	52,334,193	51,628,088	53,137,859	55,093,568	54,333,876	54,871,939	55,458,802	56,054,373
<b>Community Services</b>	225,754	217,247	243,097	267,029	326,984	330,254	333,556	336,892
<b>Transfers Out</b>	-	-	-	-	-	-	-	-
<b>Total Expenditures and Other Uses</b>	\$ 157,267,449	\$ 154,705,332	\$ 157,755,888	\$ 160,126,691	\$ 158,318,452	\$ 159,827,418	\$ 161,394,894	\$ 162,980,883

# Walled Lake Consolidated Schools

## Cafeteria Fund

2015/2016 Through 2022/2023

### Revenues By Source and Expenditures By Object

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b>								
Local Sources	\$ 2,802,259	\$ 2,795,956	\$ 2,723,988	\$ 2,672,541	\$ 2,703,541	\$ 2,730,576	\$ 2,757,882	\$ 2,785,461
State Sources	188,829	172,566	159,425	170,668	170,668	172,375	174,098	175,839
Federal Sources	1,752,418	1,752,934	1,770,800	1,850,000	1,850,000	1,868,500	1,887,185	1,906,057
Total Revenue	4,743,506	4,721,456	4,654,213	4,693,209	4,724,209	4,771,451	4,819,166	4,867,357
<b>Expenditures</b>								
Salaries	1,585,985	1,559,724	1,463,543	1,508,475	1,523,475	1,538,710	1,554,097	1,569,638
Benefits	739,233	722,638	907,057	909,524	933,524	942,859	952,288	961,811
Purchased Services	61,531	83,440	88,245	124,000	124,000	124,000	124,000	124,000
Supplies and Materials	2,028,393	2,042,333	1,961,492	1,990,700	1,990,700	2,030,514	2,071,124	2,112,547
Capital Outlay	20,683	56,294	15,980	21,650	21,650	21,650	21,650	21,650
Other	96,980	120,398	125,748	198,500	201,745	201,745	201,745	201,745
Total Expenditures	4,532,805	4,584,827	4,562,065	4,752,849	4,795,094	4,859,478	4,924,904	4,991,390
<b>Net Change in Fund Balance</b>	210,701	136,629	92,148	(59,640)	(70,885)	(88,027)	(105,738)	(124,033)
<b>Fund Balances</b> - Beginning of year	387,026	597,727	734,356	826,504	766,864	695,979	607,952	502,214
<b>Fund Balances</b> - End of year	\$ 597,727	\$ 734,356	\$ 826,504	\$ 766,864	\$ 695,979	\$ 607,952	\$ 502,214	\$ 378,181
<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

2015/2016 Through 2022/2023

### Revenues By Source and Expenditures By Object

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	Actual	Actual	Actual	Amended Budget	Recommended Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenue</b>								
Local Sources	\$ 747,185	\$ 776,217	\$ 768,752	\$ 699,500	\$ 695,500	\$ 702,455	\$ 709,480	\$ 716,574
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	747,185	776,217	768,752	699,500	695,500	702,455	709,480	716,574
<b>Expenditures</b>								
Salaries	147,541	146,698	132,723	136,396	134,142	135,483	136,838	138,207
Benefits	78,065	79,732	88,508	92,391	92,391	93,315	94,248	95,191
Purchased Services	399,360	430,921	404,162	373,600	373,600	373,600	373,600	373,600
Supplies and Materials	57,107	56,383	72,009	56,500	56,500	56,500	56,500	56,500
Capital Outlay	-	-	-	-	-	-	-	-
Other	28,085	35,054	31,720	47,727	47,727	47,727	47,727	47,727
Total Expenditures	710,158	748,788	729,122	706,614	704,360	706,625	708,913	711,224
<b>Other Financing Sources</b>								
Transfers Out	(25,000)	-	-	-	-	-	-	-
<b>Total Other Financing Sources</b>	(25,000)	-	-	-	-	-	-	-
<b>Net Change in Fund Balance</b>	12,027	27,429	39,630	(7,114)	(8,860)	(4,170)	566	5,350
<b>Fund Balances</b> - Beginning of year	148,101	160,128	187,557	227,187	220,073	211,213	207,043	207,609
<b>Fund Balances</b> - End of year	\$ 160,128	\$ 187,557	\$ 227,187	\$ 220,073	\$ 211,213	\$ 207,043	\$ 207,609	\$ 212,959

**Walled Lake Consolidated Schools**

**Preschool Fund**

**2015/2016 Through 2022/2023**

**Revenues By Source and Expenditures By Object**

				2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	2015/2016	2016/2017	2017/2018	Amended	Recommended	Projected	Projected	Projected
	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget
<b>Revenue</b>								
Local Sources	\$ 376,503	\$ 354,738	\$ 397,949	\$ 498,334	\$ 501,128	\$ 506,139	\$ 511,201	\$ 516,313
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	376,503	354,738	397,949	498,334	501,128	506,139	511,201	516,313
<b>Expenditures</b>								
Salaries	226,006	214,690	208,861	242,917	246,917	249,386	251,880	254,399
Benefits	100,221	95,954	131,298	164,925	169,925	171,624	173,340	175,074
Purchased Services	17,329	14,532	14,895	20,700	20,700	20,700	20,700	20,700
Supplies and Materials	21,012	15,341	10,213	18,445	18,445	18,445	18,445	18,445
Capital Outlay	-	-	-	-	-	-	-	-
Other	13,054	15,373	16,189	31,289	108,241	108,241	108,241	108,241
Total Expenditures	377,622	355,890	381,456	478,276	564,228	568,396	572,607	576,859
<b>Other Financing Uses</b> - Transfers Out	(25,000)	-	-	-	-	-	-	-
<b>Net Change in Fund Balance</b>	(26,119)	(1,152)	16,493	20,058	(63,100)	(62,257)	(61,406)	(60,546)
<b>Fund Balances</b> - Beginning of year	282,784	256,665	255,513	272,006	292,064	228,964	166,707	105,301
<b>Fund Balances</b> - End of year	\$ 256,665	\$ 255,513	\$ 272,006	\$ 292,064	\$ 228,964	\$ 166,707	\$ 105,301	\$ 44,755



**Walled Lake Consolidated Schools  
Enrichment/Prime Time Care Fund**

**2015/2016 Through 2022/2023**

**Revenues By Source and Expenditures By Object**

	<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>2022/2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Recommended</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
<b>Revenue</b>								
Local Sources	\$ 1,882,089	\$ 1,949,623	\$ 1,866,932	\$ 1,832,100	\$ 1,849,900	\$ 1,868,399	\$ 1,887,083	\$ 1,905,954
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenue	1,882,089	1,949,623	1,866,932	1,832,100	1,849,900	1,868,399	1,887,083	1,905,954
<b>Expenditures</b>								
Salaries	863,034	928,757	915,968	964,719	965,964	975,624	985,380	995,234
Benefits	319,674	370,246	481,217	509,933	516,957	522,127	527,348	532,621
Purchased Services	38,659	50,978	54,420	32,220	33,970	33,970	33,970	33,970
Supplies and Materials	112,497	132,445	137,740	128,943	130,943	130,943	130,943	130,943
Capital Outlay	-	-	-	-	-	-	-	-
Other	68,512	74,375	64,138	50,000	50,000	50,000	50,000	50,000
Total Expenditures	1,402,376	1,556,801	1,653,483	1,685,815	1,697,834	1,712,663	1,727,641	1,742,768
<b>Other Financing Uses</b> - Transfers Out	(250,000)	(300,000)	(400,000)	(400,000)	(400,000)	(100,000)	(150,000)	(150,000)
<b>Net Change in Fund Balance</b>	229,713	92,822	(186,551)	(253,715)	(247,934)	55,736	9,442	13,185
<b>Fund Balances</b> - Beginning of year	452,572	682,285	775,107	588,556	334,841	86,907	142,643	152,085
<b>Fund Balances</b> - End of year	\$ 682,285	\$ 775,107	\$ 588,556	\$ 334,841	\$ 86,907	\$ 142,643	\$ 152,085	\$ 165,270

## Revenues By Source and Expenditures By Object

* GASB 84 changed the treatment of many of our Student Activity accounts, which are now classified as Special Revenue Funds. This standard will be implemented with the 2019/2020 fiscal year.								

**Walled Lake Consolidated Schools**  
**2006 Debt Fund**  
**2015/2016 Through 2022/2023**

	<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>2022/2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Recommended</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
<b>Revenue - Local Sources</b>	\$ 311,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>								
Principal Payments	60,000	-	-	-	-	-	-	-
Interest and Other	193,838	-	-	-	-	-	-	-
Total Expenditures	253,838	-	-	-	-	-	-	-
<b>Excess of Revenue Over (Under) Expenditures</b>	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>	(54,513)	-	-	-	-	-	-	-
<b>Fund Balances - Beginning of year</b>	54,513	-	-	-	-	-	-	-
<b>Fund Balances - End of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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.

[illegible]

**Walled Lake Consolidated Schools**  
**2012 Debt Fund**  
**2015/2016 Through 2022/2023**

	<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>2022/2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended Budget</b>	<b>Recommended Budget</b>	<b>Projected Budget</b>	<b>Projected Budget</b>	<b>Projected Budget</b>
<b>Revenue - Local Sources</b>	\$ 1,775,280	\$ 1,812,139	\$ 1,825,879	\$ 586,804	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>								
Principal Payments	1,610,000	1,705,000	1,670,000	590,000	-	-	-	-
Interest and Other	170,806	122,972	72,348	18,882	-	-	-	-
Total Expenditures	1,780,806	1,827,972	1,742,348	608,882	-	-	-	-
<b>Excess of Revenue Over (Under) Expenditures</b>	(5,526)	(15,833)	83,531	(22,078)	-	-	-	-
<b>Other Financing Sources (Uses)</b>								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(239,152)	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(239,152)	-	-	-	-
<b>Net Change in Fund Balances</b>	(5,526)	(15,833)	83,531	(261,230)	-	-	-	-
<b>Fund Balances - Beginning of year</b>	199,058	193,532	177,699	261,230	-	-	-	-
<b>Fund Balances - End of year</b>	\$ 193,532	\$ 177,699	\$ 261,230	\$ -	\$ -	\$ -	\$ -	\$ -

Walled Lake Consolidated Schools								
2014 Debt Fund								
2015/2016 Through 2022/2023								
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023			
	Amended	Recommended	Projected	Projected	Projected			
	Budget	Budget	Budget	Budget	Budget			
Revenue - Local Sources	\$    3,056,627	\$    3,880,462	\$    4,357,453	\$    5,482,098	\$    5,450,189	\$    1,798,465	\$    4,467,974	\$    4,528,375
Expenditures								
Principal Payments	-	750,000	1,075,000	1,155,000	1,305,000	1,430,000	1,555,000	1,680,000
Interest and Other	3,068,010	3,074,451	3,061,562	3,040,744	3,016,094	2,963,394	2,906,194	2,842,268
Total Expenditures	3,068,010	3,824,451	4,136,562	4,195,744	4,321,094	4,393,394	4,461,194	4,522,268
Excess of Revenue Over (Under) Expenditures	(11,383)	56,011	220,891	1,286,354	1,129,095	(2,594,929)	6,780	6,107
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(11,383)	56,011	220,891	1,286,354	1,129,095	(2,594,929)	6,780	6,107
Fund Balances - Beginning of year	353,300	341,917	397,928	618,819	1,905,173	3,034,268	439,339	446,119
Fund Balances - End of year	\$     341,917	\$     397,928	\$     618,819	\$    1,905,173	\$    3,034,268	\$     439,339	\$     446,119	\$     452,227

Walled Lake Consolidated Schools 2015 Debt Fund 2015/2016 Through 2022/2023								
	2015/2016 Actual	2016/2017 Actual	2017/2018 Actual	2018/2019 Amended Budget	2019/2020 Recommended Budget	2020/2021 Projected Budget	2021/2022 Projected Budget	2022/2023 Projected Budget
Revenue - Local Sources	\$ 7,712,634	\$ 7,447,091	\$ 7,657,433	\$ 6,275,964	\$ 6,479,104	\$ 2,711,374	\$ 4,831,775	\$ -
Expenditures								
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	1,757,737	1,514,439	1,274,971	968,376	756,500	524,750	266,250	-
Total Expenditures	7,847,737	7,584,439	7,294,971	5,128,376	5,391,500	5,694,750	5,401,250	-
Excess of Revenue Over (Under) Expenditures	(135,103)	(137,348)	362,462	1,147,588	1,087,604	(2,983,376)	(569,475)	-
Other Financing Sources (Uses)								
Transfers In	-	-	-	239,152	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Proceeds and premium on refunding	-	-	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-	-	-
Premium on Bond Refunding	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	239,152	-	-	-	-
Net Change in Fund Balances	(135,103)	(137,348)	362,462	1,386,740	1,087,604	(2,983,376)	(569,475)	-
Fund Balances - Beginning of year	988,496	853,393	716,045	1,078,507	2,465,247	3,552,851	569,475	-
Fund Balances - End of year	\$ 853,393	\$ 716,045	\$ 1,078,507	\$ 2,465,247	\$ 3,552,851	\$ 569,475	\$ -	\$ -

<b>Walled Lake Consolidated Schools</b>								
<b>2016 Debt Fund</b>								
<b>2015/2016 Through 2022/2023</b>								
	<b>2015/2016</b>	<b>2016/2017</b>	<b>2016/2017</b>	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>	<b>2021/2022</b>	<b>2022/2023</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Amended</b>	<b>Recommended</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
<b>Revenue</b> - Local Sources	\$ 130,074	\$ 314,719	\$ 374,219	\$ 1,921,834	\$ 1,910,686	\$ 1,348,571	\$ 1,717,680	\$ 1,630,860
<b>Expenditures</b>								
Principal Payments	-	-	-	1,010,000	1,575,000	1,555,000	1,535,000	1,510,000
Interest and Other	205,944	348,380	348,640	351,624	316,100	253,100	190,900	129,500
Total Expenditures	205,944	348,380	348,640	1,361,624	1,891,100	1,808,100	1,725,900	1,639,500
<b>Excess of Revenue Over (Under) Expenditures</b>	(75,870)	(33,661)	25,579	560,210	19,586	(459,529)	(8,220)	(8,640)
<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)	25,579	560,210	19,586	(459,529)	(8,220)	(8,640)
<b>Fund Balances</b> - Beginning of year	-	68,625	34,964	60,543	620,753	640,339	180,810	172,590
<b>Fund Balances</b> - End of year	\$ 68,625	\$ 34,964	\$ 60,543	\$ 620,753	\$ 640,339	\$ 180,810	\$ 172,590	\$ 163,950



[illegible]

[illegible]

[illegible]

# Descriptions and Assumptions

## Major Revenue Sources and Expenditure Categories

### Revenue Sources

#### **Local Sources**

**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.

Local sources found within the Capital Project funds consist of property tax revenue and interest earnings.

**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 lessor of inflation or 5% annually. Oakland County taxable values remained flat during 2013 and increased 1.65%, 3.69%, 1.72%, 3.67%, and 4.71% in 2014, 2015, 2016, 2017 and 2018 respectively. Projected increases of 5%, 4.5% and 4.5% are expected for 2019, 2020 and 2021.

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

#### **State Sources**

**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 2019/2020, including a net per pupil increase of \$120. The per-pupil funding has been applied to our projected student count to calculate the projected foundation revenue. Additional components of the State budget were also included in the 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. Legislators continue to battle for competing needs including higher education and road funding. 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 (ISD) 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% are budgeted for each of 2019, 2020 and 2021.

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 2019/2020 and estimates for those contracts not yet settled. 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 2019/2020 those limits have increased by 1.9% and will be \$6,685.17 for single person coverage, \$13,980.75 for two-person coverage and \$18,232.31 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 2019/2020 for our district is calculated to be 27.31 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 with modest 1% increases for 2019/2020 compared to 2018/2019.

### ***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.

Capital outlay budgets in the 2019 Capital Projects Fund are based on the estimated cost of projects planned for the year.

### ***Other***

**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.

A small portion of fund balance within the general fund has been committed for the purchase of vehicles to occur in 2019/2020. No portions of fund balance in the general fund are classified as restricted 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 – Capital Project Funds</i></b>
--

**Assumption and Significant Trends** – Fund balance in the 2014 Bond Fund continues to decline as projects are completed. The fund balance in the 2019 Bond Fund is quite large as the funds were received just prior to year-end and very little has been spent. Fund balance within the Sinking Fund remains fairly stable.

**Classifications per GASB 54** – Fund balance in the Capital Project Funds is

# **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 preliminary list of projects scheduled to be completed during the 2019/2020 school year includes replacing deteriorated turf fields, doors, windows, sidewalks and fencing among others.

## **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.

The remaining funds in the 2014 Bond Fund will be spent during 2019/2020 on furniture throughout the district.

## **2019 Capital Project Fund**

In May 2019, the Walled Lake Consolidated School District communities approved a \$316 million Buildings, Infrastructure and Equity Bond. The sale of the bonds will take place in three series, the first of which occurred in June 2019 for \$54,420,000. Projects planned include:

- Renovate Walled Lake Western High School.
- Rebuild Dublin Elementary.
- Construct and Early Childhood Center.
- Upgrade the infrastructure, building systems, and technology at all 23 of the Walled Lake School's buildings – 19 schools and 4 ancillary facilities.
- Attend to building renovations including roofs, windows, boilers, parking lots, paving and more at all 23 Walled Lake Schools and District buildings.
- Improve safety.
- Purchase buses.

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 two bonds listed above has ensured that the burden of these expenses did not impact the General Fund of the District.

## SCHEDULE OF BONDED INDEBTEDNESS

### Principal Payments

June 30	2011 Debt Principal	2014 Debt Principal	2015 Debt Principal	2016 Debt Principal	2019 Debt Principal
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	100,000
2025	-	1,890,000	-	-	775,000
2026	-	1,980,000	-	-	860,000
2027	-	2,075,000	-	-	945,000
2028	-	2,175,000	-	-	995,000
2029	-	2,280,000	-	-	1,055,000
2030	-	2,385,000	-	-	1,265,000
2031	-	2,480,000	-	-	1,640,000
2032	-	2,580,000	-	-	1,745,000
2033	-	2,690,000	-	-	1,845,000
2034	-	2,800,000	-	-	1,945,000
2035	-	2,925,000	-	-	2,055,000
2036	-	3,050,000	-	-	2,135,000
2037	-	3,200,000	-	-	2,250,000
2038	-	3,350,000	-	-	2,310,000
2039	-	3,500,000	-	-	2,345,000
2040	-	3,670,000	-	-	2,440,000
2041	-	3,820,000	-	-	2,535,000
2042	-	3,995,000	-	-	2,640,000
2043	-	4,160,000	-	-	2,770,000
2044	-	-	-	-	2,905,000
2045	-	-	-	-	3,055,000
2046	-	-	-	-	3,205,000
2047	-	-	-	-	3,365,000
2048	-	-	-	-	3,530,000
2049	-	-	-	-	3,710,000
	<u>\$14,670,000</u>	<u>\$62,780,000</u>	<u>\$14,940,000</u>	<u>\$7,665,000</u>	<u>\$54,420,000</u>

#### Notes

\* These bonds are not part of the general fund and therefore have no impact on current or future operating budgets.

\* The payments above do not include interest payments required each year or other administrative costs. As a result, payments above will not match totals presented in the financial statements included earlier in the document.

## **COMPUTATION OF LEGAL DEBT MARGIN**

### **June 30, 2019**

Taxable Value - 2019/2020	<u><u>\$ 5,069,530,820</u></u>
Statutory Bonding Limit*	\$ 760,429,623
General Obligation Bonds Outstanding - June 30, 2019	<u>-</u>
<b>Legal Debt Margin</b>	<u><u>\$ 760,429,623</u></u>

\* - Public Act No. 451 of Michigan 1976, Sec. 1351 provides debt limits as follows:  
The bonded indebtedness of a school district shall not exceed 15 percent of all assessed valuation of the district. Bonds not included in the computation of the legal debt margin are:

1. Refunding bonds
2. Any bond qualified under Article IX, Sec. 16 of the 1963 Michigan Constitution
3. Deficit budget bonds as authorized by Sec. 1356



# WALLED LAKE CONSOLIDATED SCHOOL DISTRICT

## INFORMATIONAL SECTION

### *2019 Foundation For Excellence Grant Award*



# PROPERTY TAX INFORMATION FOR SCHOOL YEARS 2015/2016 – 2018/2019 AND PROJECTED INFORMATION FOR SCHOOL YEARS 2020 – 2023

## Assessed Value of Taxable Property

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

## Tax Rates and Tax Bills

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

## Taxable Values and Collections

School Year	Taxable Value	Total Adjusted Tax Levy *	Tax Collections
2014/2015	4,145,505,640	\$52,886,331	\$51,828,604
2015/2016	4,304,481,830	\$53,077,410	\$52,015,862
2016/2017	4,374,861,000	\$53,428,462	\$52,529,848
2017/2018	4,552,897,830	\$54,741,738	\$54,174,559
2018/2019	4,777,592,560	\$56,572,214	\$56,180,518
Projected 2020	5,069,530,820	\$56,964,466	\$55,825,177
Projected 2021	5,323,007,361	\$59,812,689	\$58,616,436
Projected 2022	5,562,542,692	\$62,504,260	\$61,254,175
Projected 2023	5,812,857,113	\$65,316,952	\$64,010,613

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

	2017/2018				2018/2019			
		Homestead				Homestead		
	Non-	Commerical	Industrial		Non-	Commerical	Industrial	
	Homestead	Personal	Personal	Other	Homestead	Personal	Personal	Other
School District:								
Operating	17.7417	7.6700	1.9283	1.9283	17.5500	7.3325	1.7825	1.7825
Sinking Fund	0.4896	0.4896	0.4896	0.4896	0.4864	0.4864	0.4864	0.4864
Debt	4.5279	4.5279	4.5279	4.5279	4.5279	4.5279	4.5279	4.5279
Total Levied	22.7592	12.6875	6.9458	6.9458	22.5643	12.3468	6.7968	6.7968
State Education Tax	6.0000	6.0000	0.0000	6.0000	6.0000	6.0000	0.0000	6.0000
Oakland County Operating	4.0400	4.0400	4.0400	4.0400	4.0400	4.0400	4.0400	4.0400
Parks & Recreation	0.2368	0.2368	0.2368	0.2368	0.2349	0.2349	0.2349	0.2349
Huron-Clinton Authority	0.2140	0.2140	0.2140	0.2140	0.2129	0.2129	0.2129	0.2129
Oakland I.S.D.	3.3079	3.3079	3.3079	3.3079	3.2813	3.2813	3.2813	3.2813
Oakland Community College	1.5550	1.5550	1.5550	1.5550	1.5431	1.5431	1.5431	1.5431
OCPTA	0.9863	0.9863	0.9863	0.9863	1.0000	1.0000	1.0000	1.0000
City of Walled Lake*	20.8277	20.8277	20.8277	20.8277	20.5152	20.5152	20.5152	20.5152
City of Farmington Hills*	16.2213	16.2213	16.2213	16.2213	16.1311	16.1311	16.1311	16.1311
City of Novi*	10.5376	10.5376	10.5376	10.5376	10.5376	10.5376	10.5376	10.5376
City of Orchard Lake*	7.8270	7.8270	7.8270	7.8270	8.3229	8.3229	8.3229	8.3229
City of Wixom*	15.2429	15.2429	15.2429	15.2429	15.1029	15.1029	15.1029	15.1029
Village of Wolverine Lake*	9.5730	9.5730	9.5730	9.5730	9.5730	9.5730	9.5730	9.5730
Commerce Township*	3.0752	3.0752	3.0752	3.0752	3.0711	3.0711	3.0711	3.0711
West Bloomfield Township*	12.0487	12.0487	12.0487	12.0487	11.9618	11.9618	11.9618	11.9618
White Lake Township*	9.5209	9.5209	9.5209	9.5209	10.1043	10.1043	10.1043	10.1043
<b>Totals:</b>								
City of Walled Lake	59.9269	49.8552	38.1135	44.1135	59.3917	49.1742	37.6242	43.6242
City of Farmington Hills	55.3205	45.2488	33.5071	39.5071	55.0076	44.7901	33.2401	39.2401
City of Novi	49.6368	39.5651	27.8234	33.8234	49.4141	39.1966	27.6466	33.6466
City of Orchard Lake	46.9262	36.8545	25.1128	31.1128	47.1994	36.9819	25.4319	31.4319
City of Wixom	54.3421	44.2704	32.5287	38.5287	53.9794	43.7619	32.2119	38.2119
Village of Wolverine Lake	48.6722	38.6005	26.8588	32.8588	48.4495	38.2320	26.6820	32.6820
Commerce Township	42.1744	32.1027	20.3610	26.3610	41.9476	31.7301	20.1801	26.1801
West Bloomfield Township	51.1479	41.0762	29.3345	35.3345	50.8383	40.6208	29.0708	35.0708
White Lake Township	48.6201	38.5484	26.8067	32.8067	48.9808	38.7633	27.2133	33.2133
*All municipalities in the district, Treasurers' Offices.								
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)**

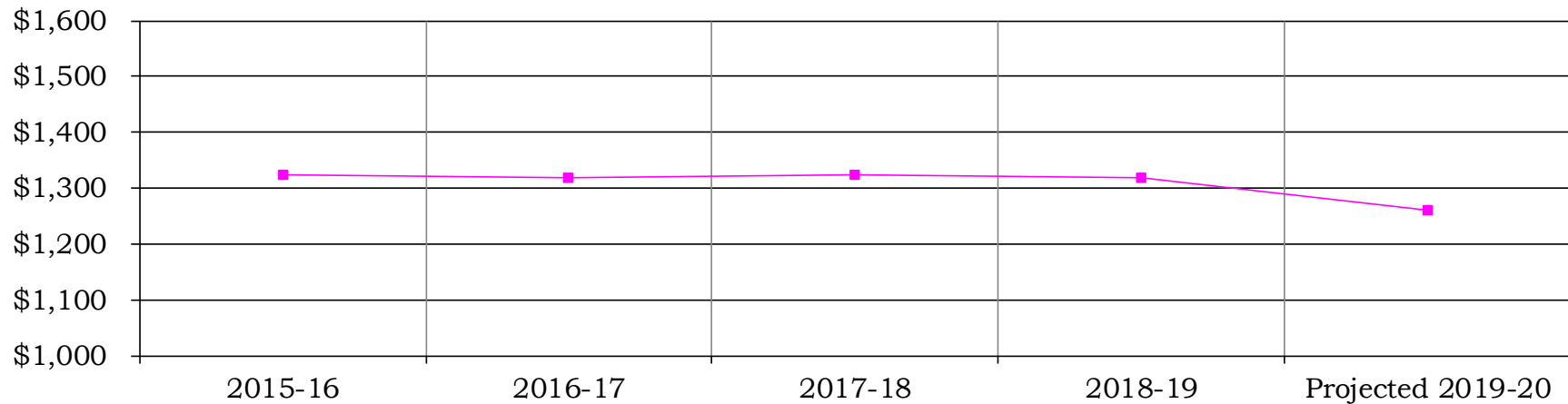
	<b>Projected 2019/2020</b>						
	Homestead						
	Non-Homestead	Commerical Personal	Industrial Personal	Other***			
School District:							
Operating	17.3429	6.9627	1.6198	1.6198			
Sinking Fund	0.4802	0.4802	0.4802	0.4802			
Debt	4.1300	4.1300	4.1300	4.1300			
Total Levied	21.9531	11.5729	6.2300	6.2300			
State Education Tax	6.0000	6.0000	0.0000	6.0000			
Oakland County Operating	4.0400	4.0400	4.0400	4.0400			
Parks & Recreation	0.2349	0.2349	0.2349	0.2349			
Huron-Clinton Authority	0.2129	0.2129	0.2129	0.2129			
Oakland I.S.D.	3.2813	3.2813	3.2813	3.2813			
Oakland Community College	1.5431	1.5431	1.5431	1.5431			
OCPTA	1.0000	1.0000	1.0000	1.0000			
City of Walled Lake*	20.5152	20.5152	20.5152	20.5152			
City of Farmington Hills*	16.1311	16.1311	16.1311	16.1311			
City of Novi*	10.5376	10.5376	10.5376	10.5376			
City of Orchard Lake*	8.3229	8.3229	8.3229	8.3229			
City of Wixom*	15.1029	15.1029	15.1029	15.1029			
Village of Wolverine Lake*	9.5730	9.5730	9.5730	9.5730			
Commerce Township*	3.0711	3.0711	3.0711	3.0711			
West Bloomfield Township*	11.9618	11.9618	11.9618	11.9618			
White Lake Township*	10.1043	10.1043	10.1043	10.1043			
<b>Totals:</b>							
City of Walled Lake	58.7805	48.4003	37.0574	43.0574			
City of Farmington Hills	54.3964	44.0162	32.6733	38.6733			
City of Novi	48.8029	38.4227	27.0798	33.0798			
City of Orchard Lake	46.5882	36.2080	24.8651	30.8651			
City of Wixom	53.3682	42.9880	31.6451	37.6451			
Village of Wolverine Lake	47.8383	37.4581	26.1152	32.1152			
Commerce Township	41.3364	30.9562	19.6133	25.6133			
West Bloomfield Township	50.2271	39.8469	28.5040	34.5040			
White Lake Township	48.3696	37.9894	26.6465	32.6465			

\*All municipalities in the district, Treasurers' Offices.

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

# Impact of School Millage Rate on Homeowners - Sample

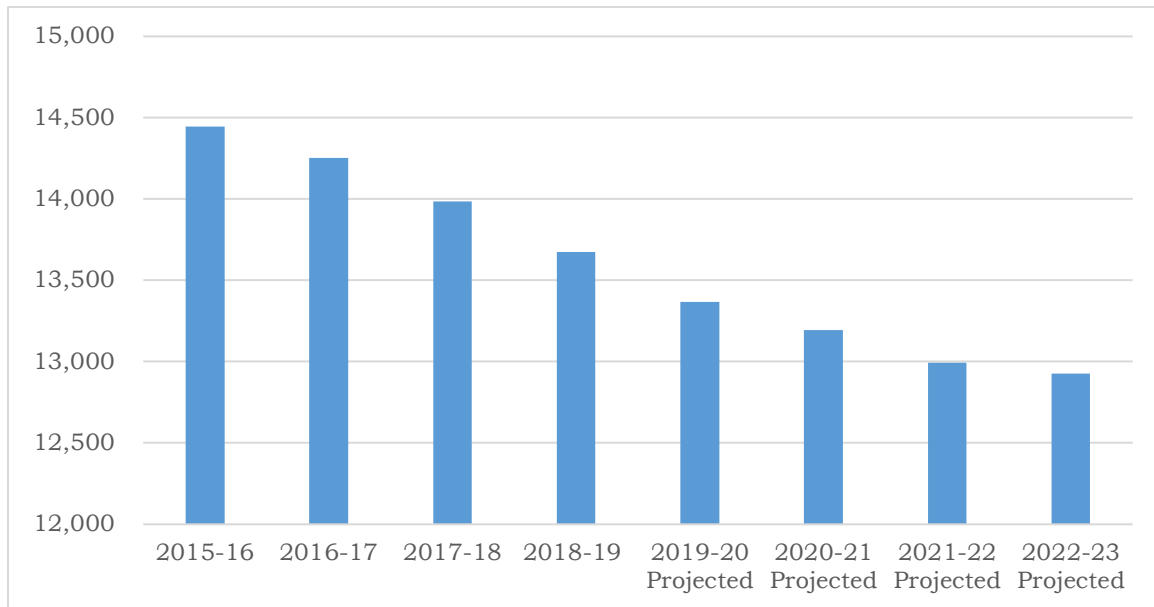
## 2015/2016 - 2018/2019 and Projected 2019/2020



	2015-16	2016-17	2017-18	2018-19	Projected 2019-20
Market value of a home (1) - Sample to begin with \$200,000 for ease	\$ 200,000	\$ 214,060	\$ 227,032	\$ 236,454	\$ 248,277
Taxable Value (2)	\$ 100,000	\$ 102,100	\$ 104,244	\$ 106,850	\$ 108,987
WLCS + State Education Property Tax levied - mills (3)	13.2445	12.9197	12.6875	12.3468	11.5729
Property Tax \$ Paid to Schools	\$ 1,324	\$ 1,319	\$ 1,323	\$ 1,319	\$ 1,261
Property Tax \$ Increase (Decrease) from prior year	\$ -	\$ (5)	\$ 3	\$ (3)	\$ (58)

- (1) Assumes the market value and SEV of this home increases 7.03% in 2016-2017, 6.06% in 2017-2018, 4.15% in 2018-2019 and is projected to increase 5% in 2019-2020.
- (2) In Michigan, the taxable value is capped at the rate of inflation, or 5 percent, whichever is less. The rate of inflation was 2.1% in 2016, 2.1% in 2017, 2.5% in 2018 and is projected to be 2.0% for 2019. 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.

## DISTRICT ENROLLMENT HISTORY AND PROJECTED ENROLLMENT FOR 2019/2020 – 2022/2023



The actual numbers for years 2015-16 through 2018-19 represent full-time equivalent students including all special education students that the school district receives funding for. The State provided Foundation Allowance is received each year for the total of 90% of students attending in the Fall of that school year and 10% of students attending the prior Spring. The combination is known as the blended count. The forecasted enrollment for years 2019-20 through 2022-23 were 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.

<b>Walled Lake Consolidated Schools</b>					
<b>Personnel Allocations - Measured in Full Time Equivalents</b>					
<b>Actual for 2015-2016 through 2018-2019 and Projected 2019-2020</b>					
	<b>2015/ 2016</b>	<b>2016/ 2017</b>	<b>2017/ 2018</b>	<b>2018/ 2019</b>	<b>Projected 2019/2020</b>
<b>Instructional</b>					
Building Administrators & Secretaries	76.43	76.18	72.81	79.50	77.50
Teachers	732.48	734.78	681.33	718.09	711.09
Other Instructional Staff	175.84	197.71	187.10	196.00	196.00
Guidance Staff	28.50	29.70	25.00	18.60	25.00
Psychological Staff	7.20	7.50	6.50	7.50	7.50
Speech and Audiology	18.30	19.30	18.80	19.70	19.70
Social Workers	12.70	16.70	15.80	17.70	17.70
Special Ed. Teacher Consultants	14.00	14.00	15.00	13.90	13.90
Other Pupil Services Staff	40.69	35.16	27.29	24.28	24.28
Library Personnel	10.71	10.48	10.48	9.58	9.58
Computer Assisted Instruction	2.36	2.00	2.00	2.00	2.00
Other Instructional Supervisors	9.64	11.30	9.28	11.14	11.14
<b>Total Instructional Staff</b>	<b>1,128.85</b>	<b>1,154.81</b>	<b>1,071.39</b>	<b>1,117.99</b>	<b>1,115.39</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	10.25	10.25
Food Services Staff	74.37	81.86	67.54	58.40	68.40
Operations and Maintenance	24.62	25.24	23.62	21.50	21.50
Transportation Staff	1.00	1.00	0.00	0.00	0.00
Central Support Services	21.21	21.59	21.09	22.59	22.59
Other Support Staff	2.00	2.00	2.00	1.50	1.50
Community Services	70.15	77.85	52.80	82.76	82.76
<b>Total Non-Instructional Staff</b>	<b>204.60</b>	<b>220.79</b>	<b>178.30</b>	<b>199.00</b>	<b>209.00</b>
<b>Total Staff</b>	<b>1,333.45</b>	<b>1,375.60</b>	<b>1,249.69</b>	<b>1,316.99</b>	<b>1,324.39</b>
<b>Notes</b>					
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.

In May 2019, the Walled Lake Consolidated School District communities approved a \$316 million Buildings, Infrastructure and Equity Bond. The sale of the bonds will take place in three series, the first of which occurred in June 2019 for \$54,420,000. Projects planned include:

- Renovate Walled Lake Western High School.
- Rebuild Dublin Elementary.
- Construct an Early Childhood Center.
- Upgrade the infrastructure, building systems, and technology at all 23 of the Walled Lake School's buildings – 19 schools and 4 ancillary facilities.
- Attend to building renovations including roofs, windows, boilers, parking lots, paving and more at all 23 Walled Lake Schools and District buildings
- Improve safety.
- Purchase buses.

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>2014 Debt Principal</b>	<b>2015 Debt Principal</b>	<b>2016 Debt Principal</b>	<b>2019 Debt Principal</b>
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	100,000
2025	-	1,890,000	-	-	775,000
2026	-	1,980,000	-	-	860,000
2027	-	2,075,000	-	-	945,000
2028	-	2,175,000	-	-	995,000
2029	-	2,280,000	-	-	1,055,000
2030	-	2,385,000	-	-	1,265,000
2031	-	2,480,000	-	-	1,640,000
2032	-	2,580,000	-	-	1,745,000
2033	-	2,690,000	-	-	1,845,000
2034	-	2,800,000	-	-	1,945,000
2035	-	2,925,000	-	-	2,055,000
2036	-	3,050,000	-	-	2,135,000
2037	-	3,200,000	-	-	2,250,000
2038	-	3,350,000	-	-	2,310,000
2039	-	3,500,000	-	-	2,345,000
2040	-	3,670,000	-	-	2,440,000
2041	-	3,820,000	-	-	2,535,000
2042	-	3,995,000	-	-	2,640,000
2043	-	4,160,000	-	-	2,770,000
2044	-	-	-	-	2,905,000
2045	-	-	-	-	3,055,000
2046	-	-	-	-	3,205,000
2047	-	-	-	-	3,365,000
2048	-	-	-	-	3,530,000
2049	-	-	-	-	3,710,000
	<b><u>\$14,670,000</u></b>	<b><u>\$62,780,000</u></b>	<b><u>\$14,940,000</u></b>	<b><u>\$7,665,000</u></b>	<b><u>\$54,420,000</u></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.

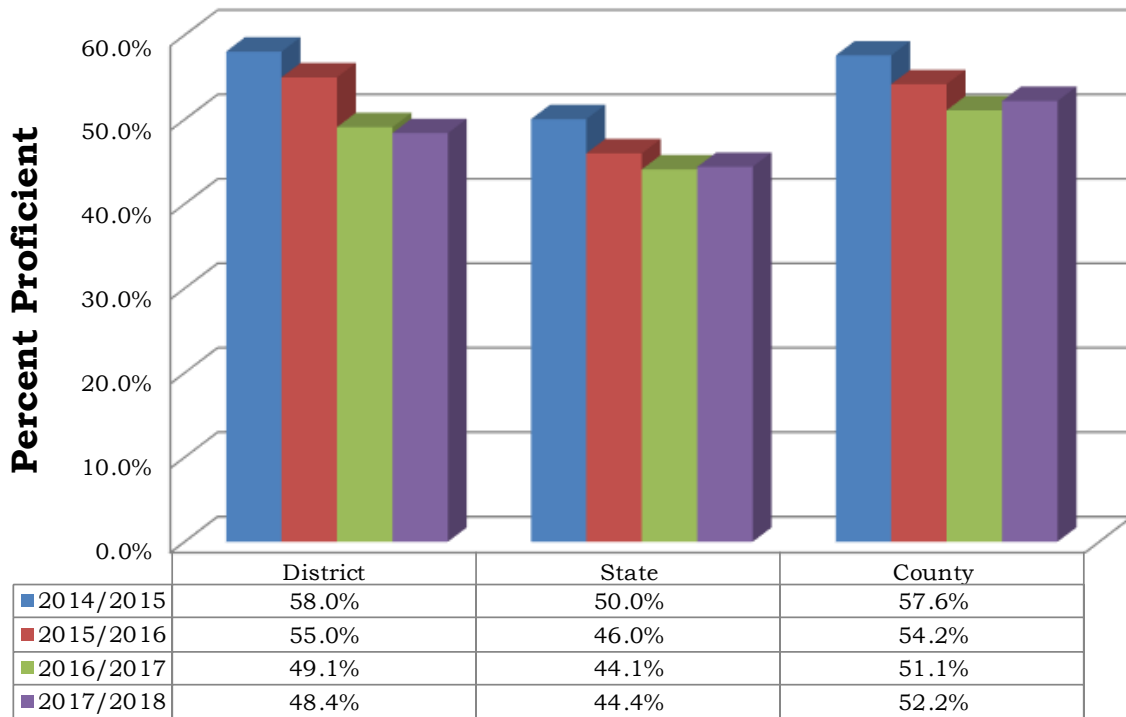
The Michigan Merit Examination (MME) in 11th grade consists of WorkKeys (a work skills assessment), the M-STEP summative assessments which will measure student growth in science, and social studies and the SAT.

The following graphs display M-STEP scores for the District, the County and the State for the three years available. The scores for 2018/2019 are not currently available.

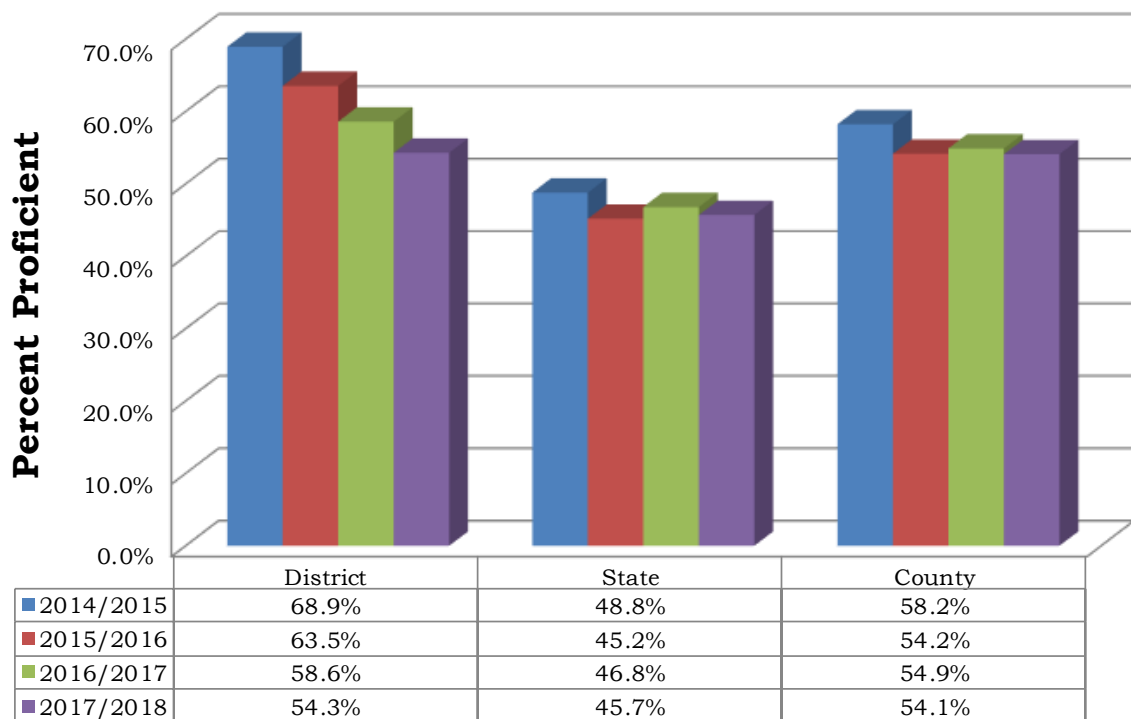


## M-STEP Scores

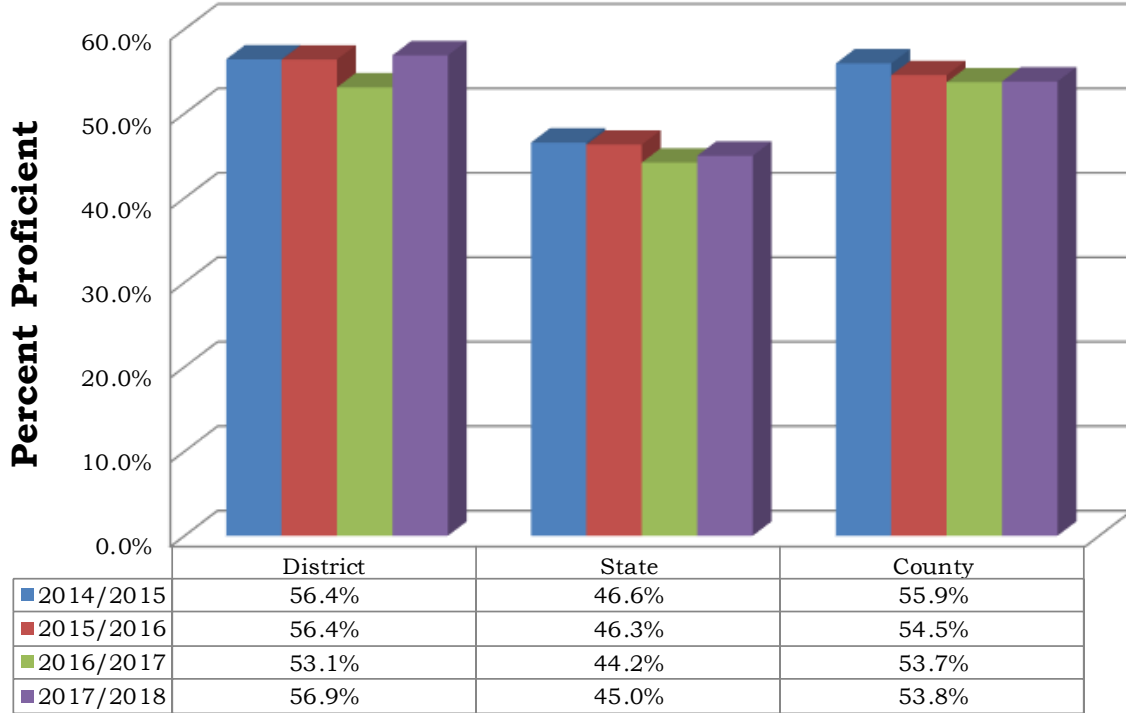
### Third Grade English Language Arts



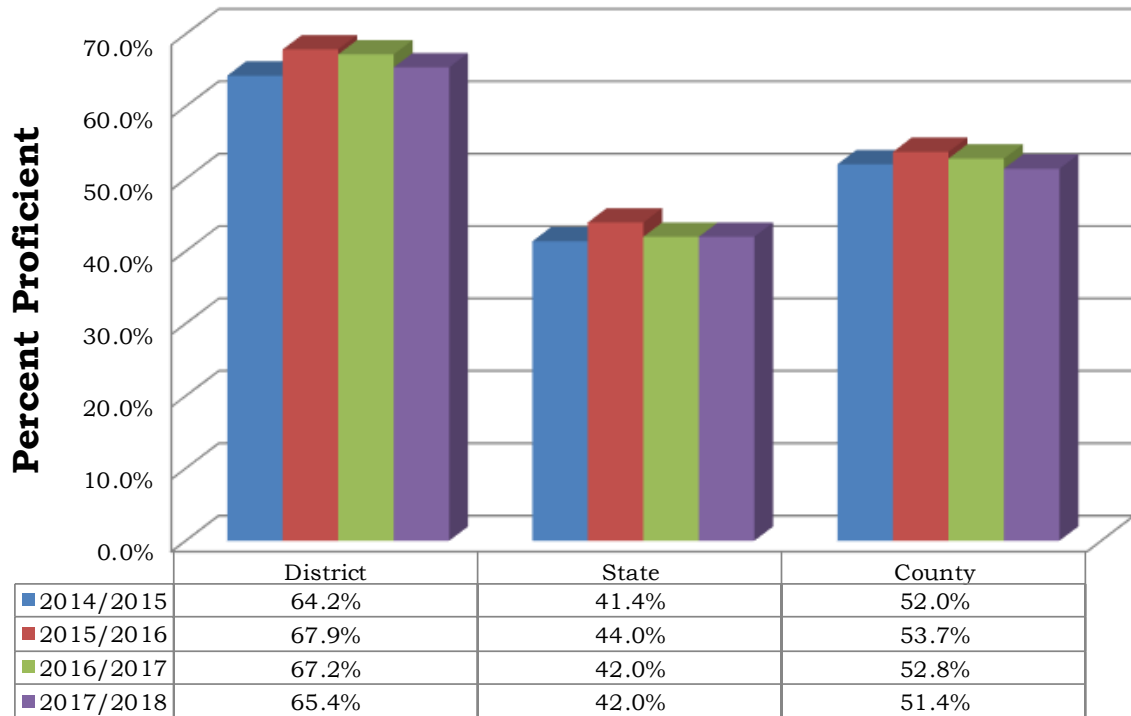
### Third Grade Math



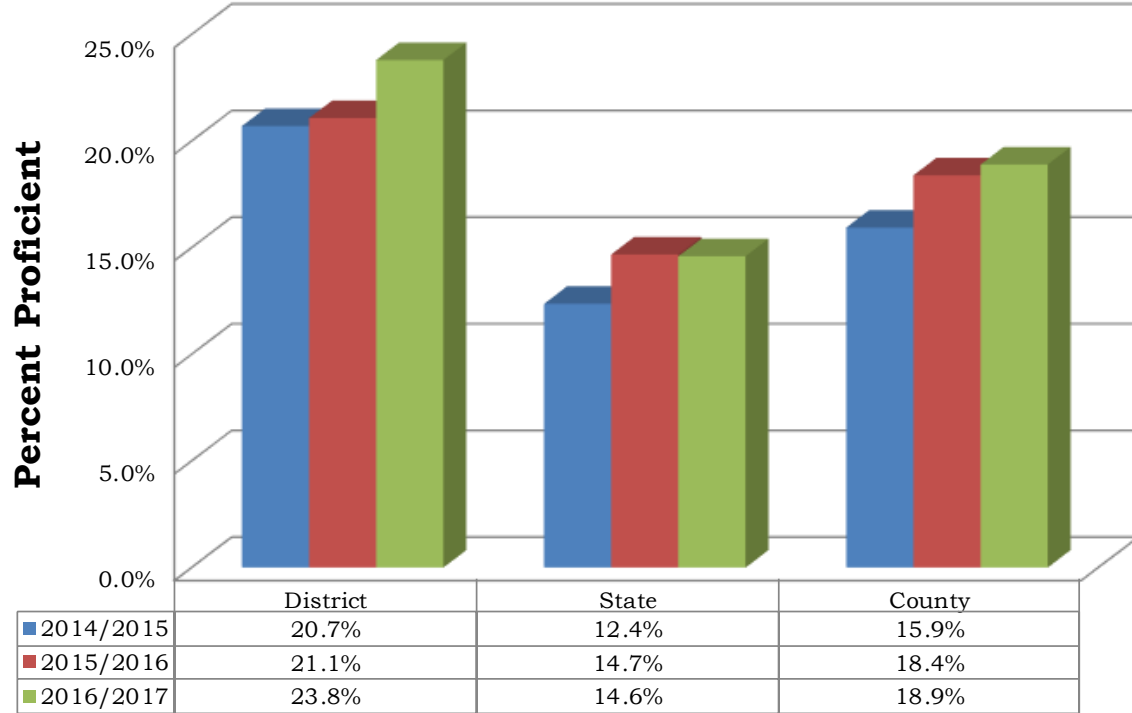
### Fourth Grade English Language Arts



### Fourth Grade Math

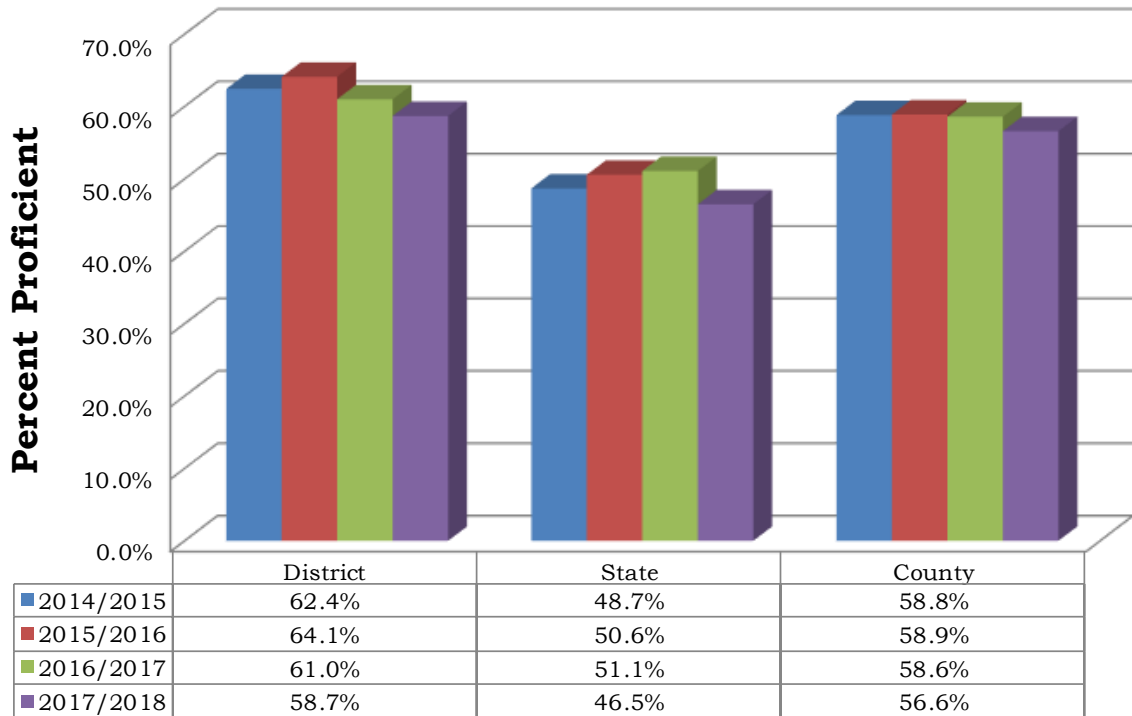


### Fourth Grade Science

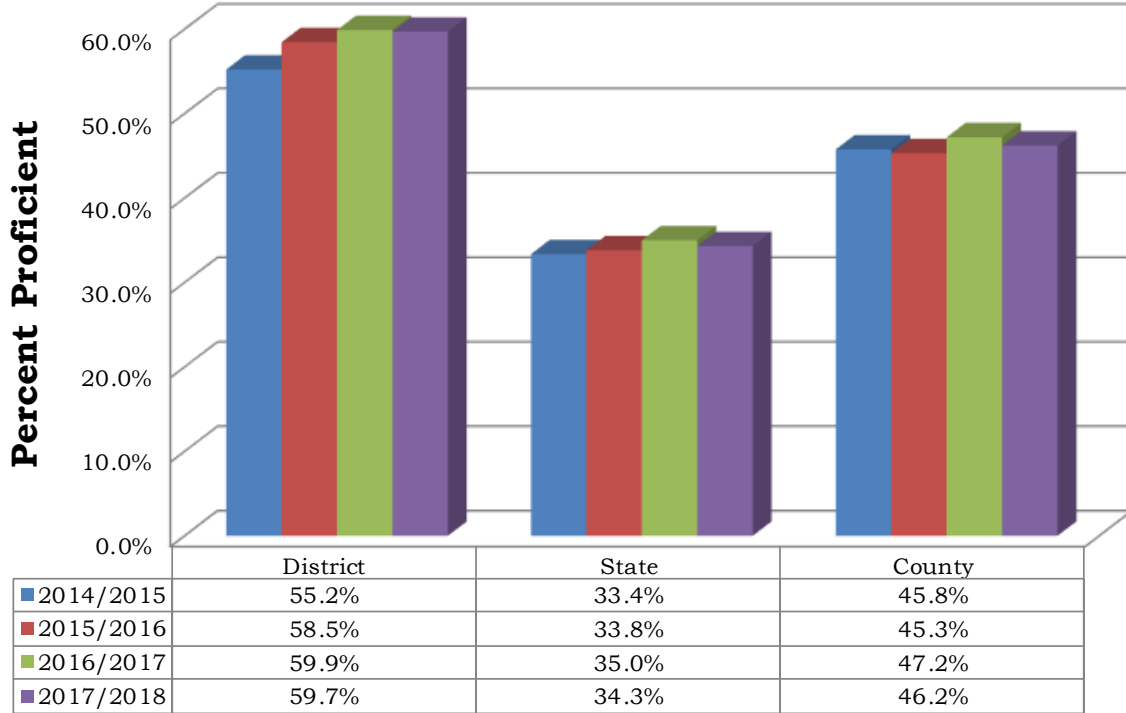


**Note: Science was not tested in 2017/2018**

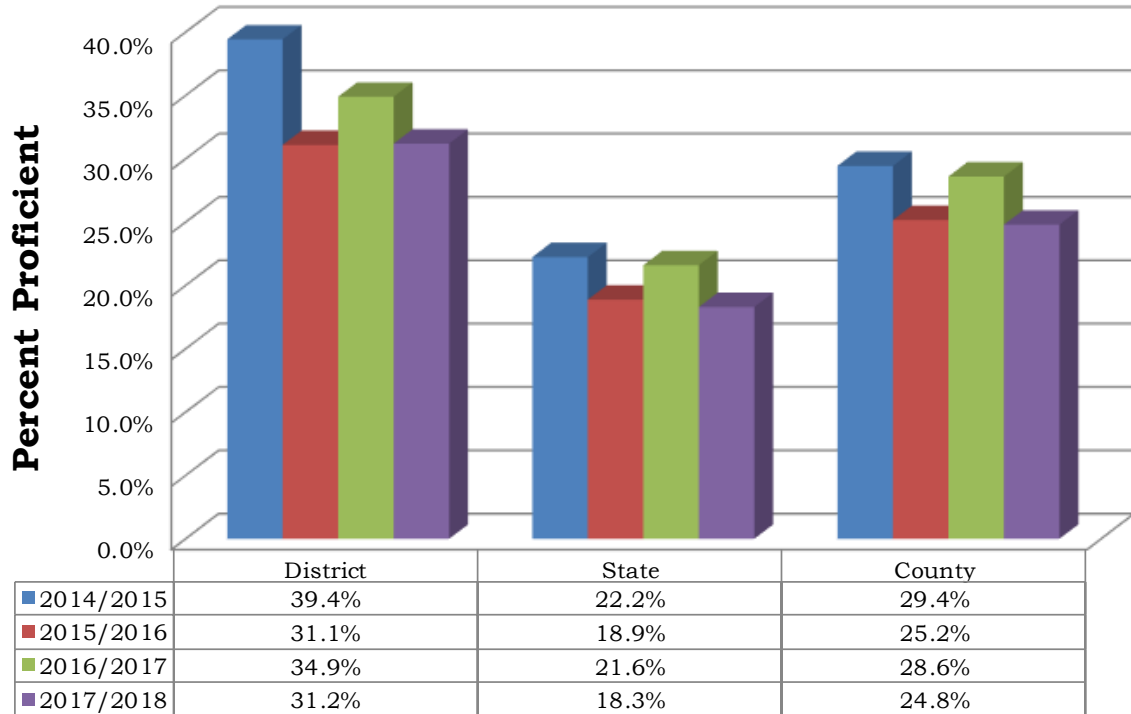
### Fifth Grade English Language Arts



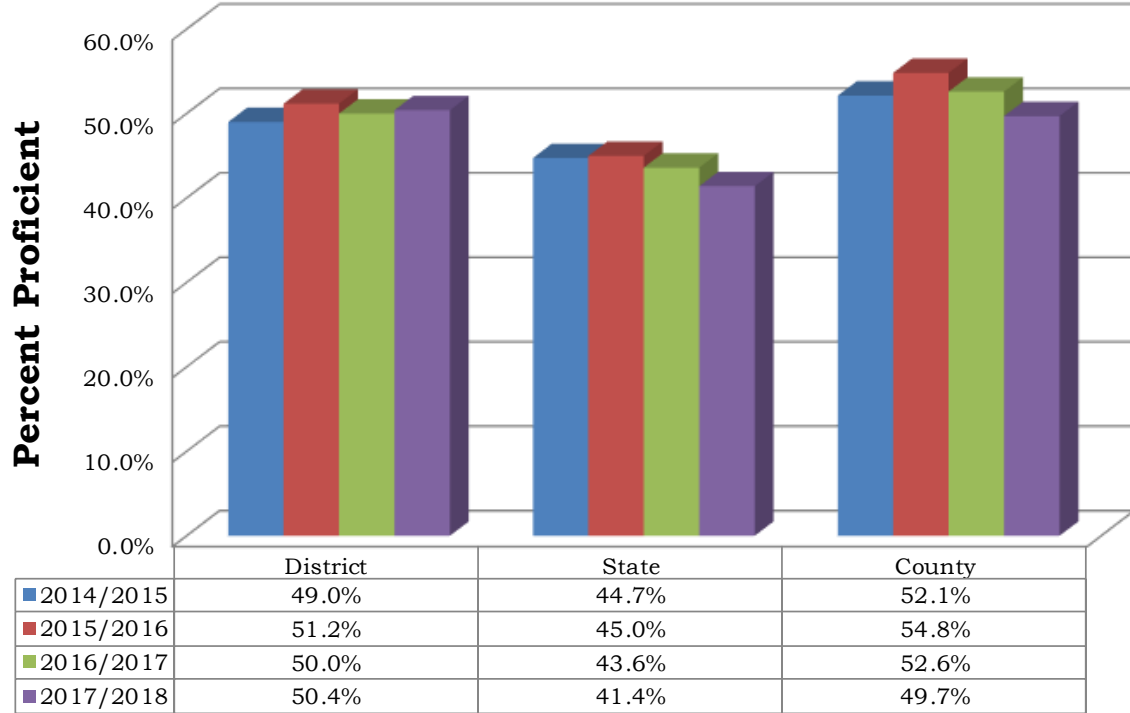
## Fifth Grade Math



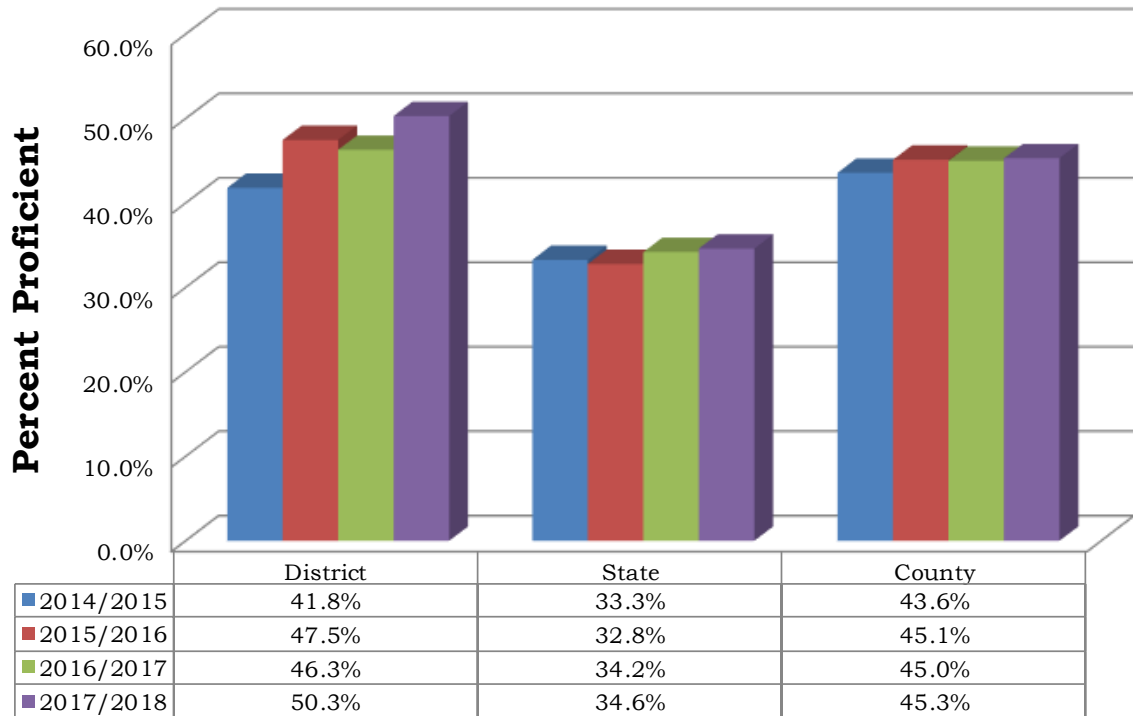
## Fifth Grade Social Studies



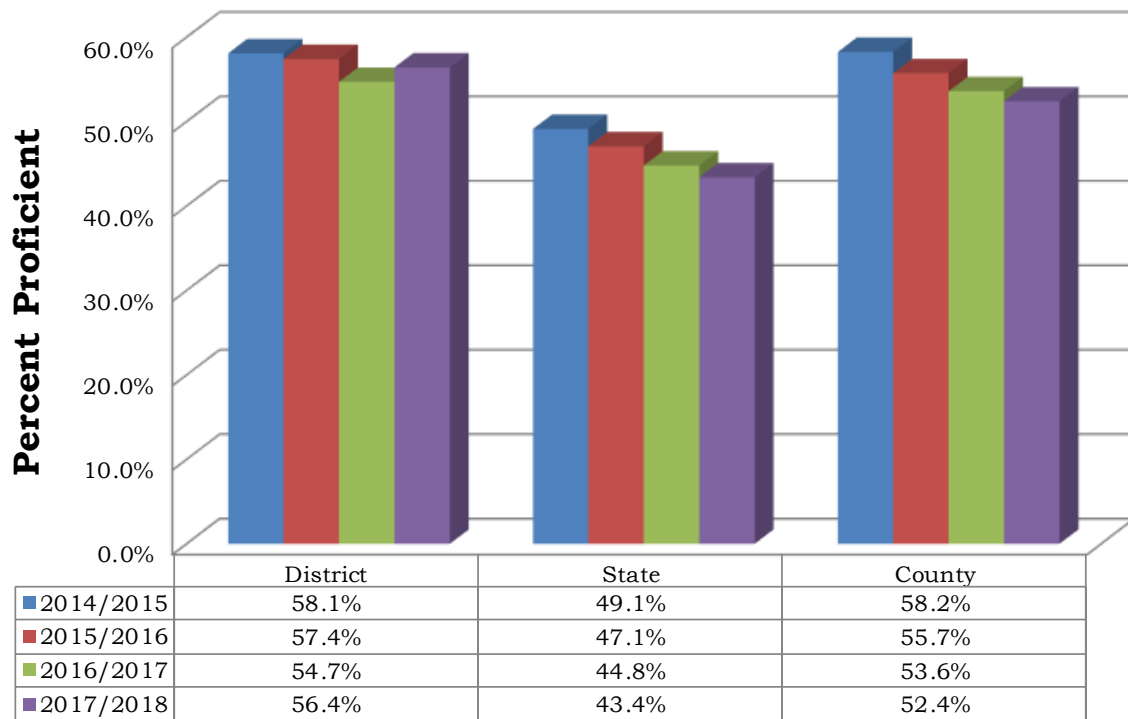
## Sixth Grade English Language Arts



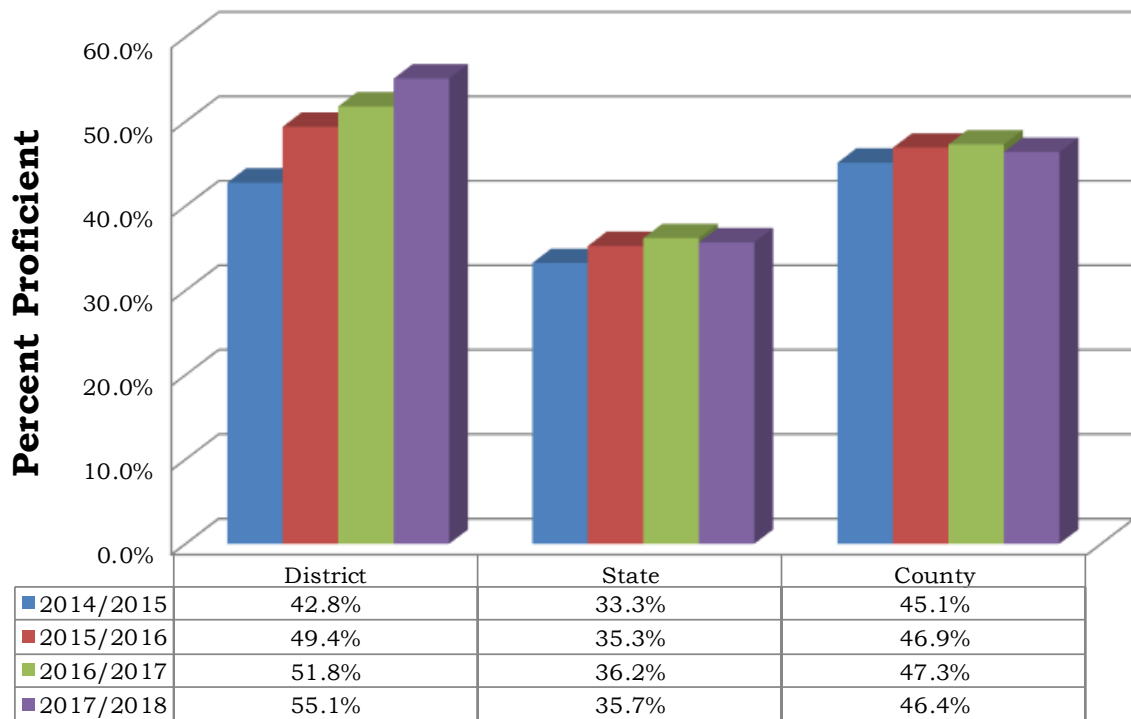
## Sixth Grade Math



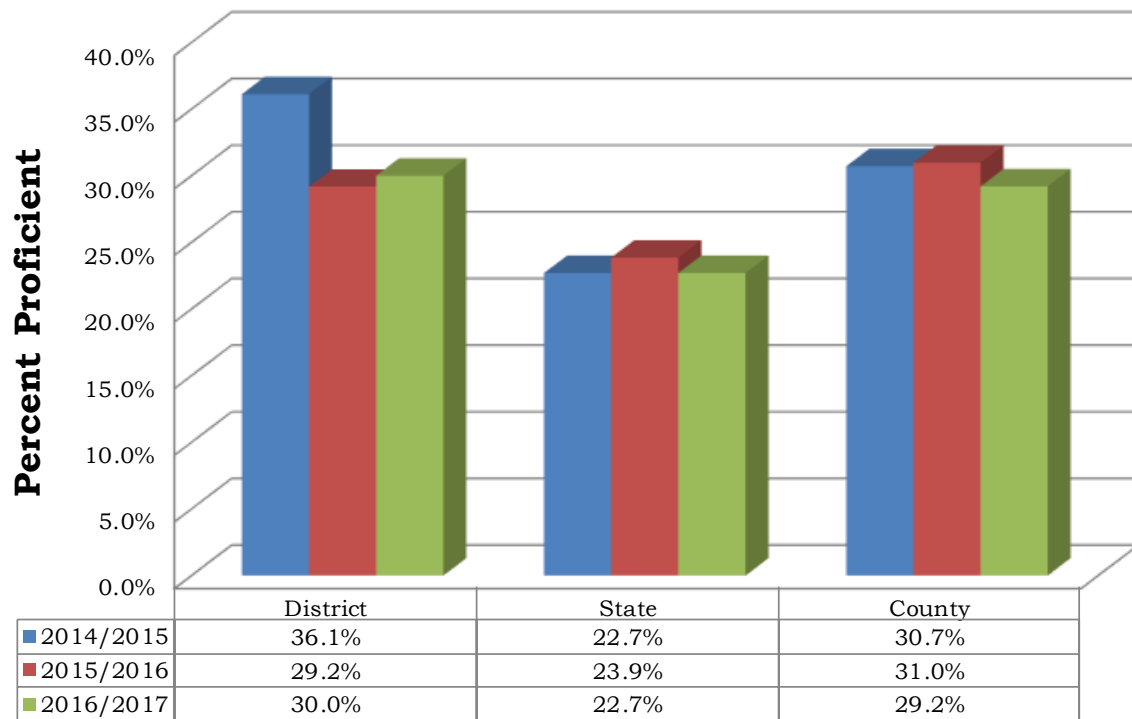
## Seventh Grade English Language Arts



## Seventh Grade Math

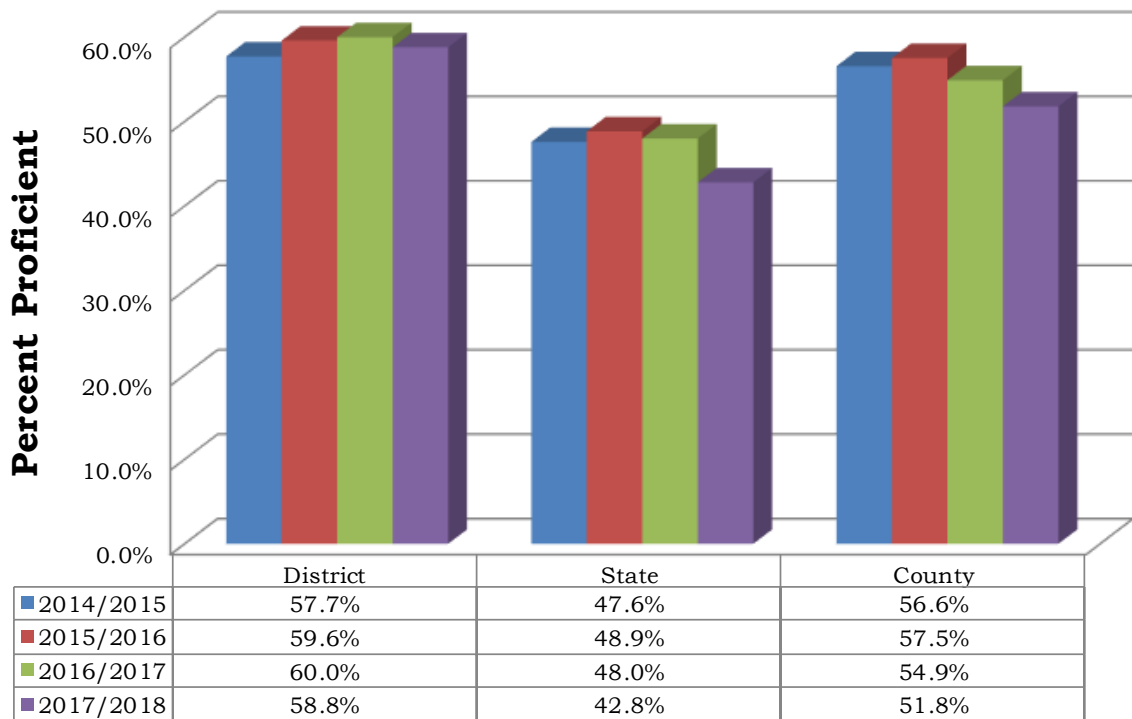


## Seventh Grade Science

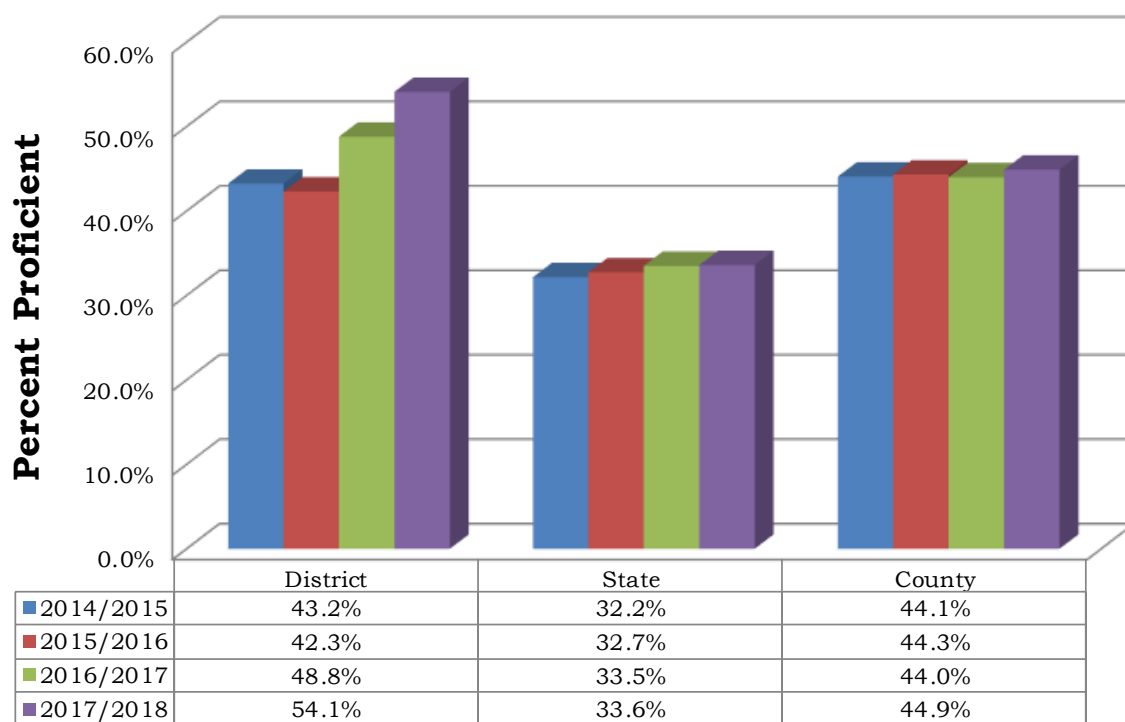


**Note: Science was not tested in 2017/2018**

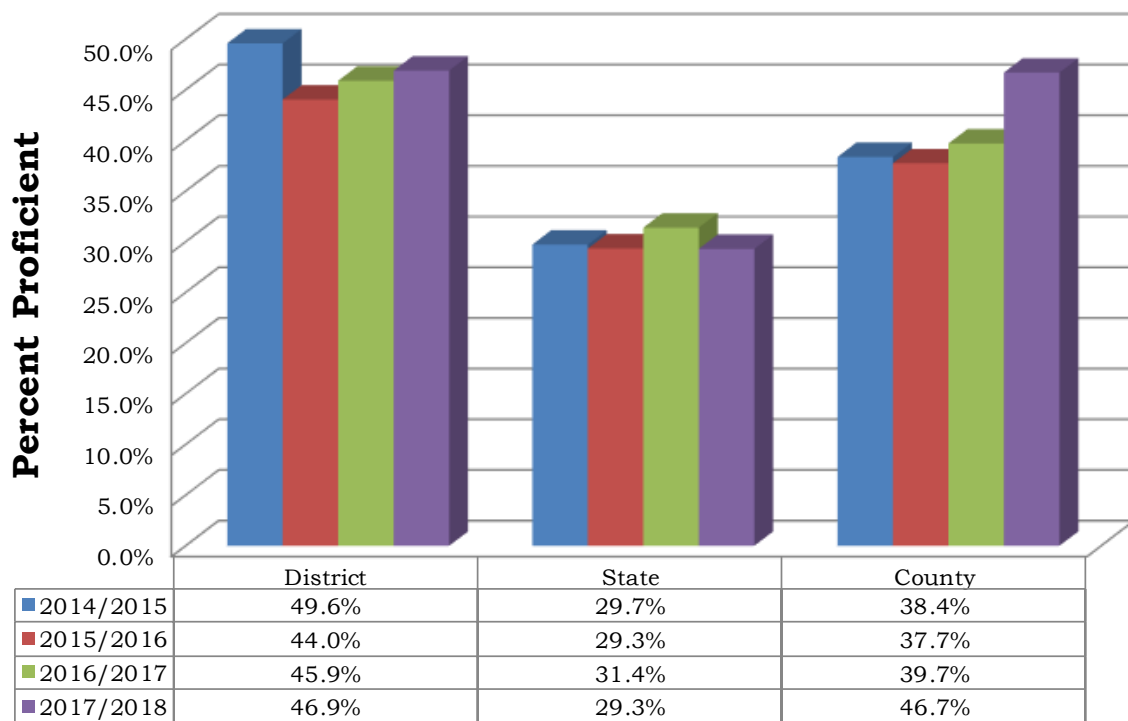
## Eighth Grade English Language Arts



## Eighth Grade Math

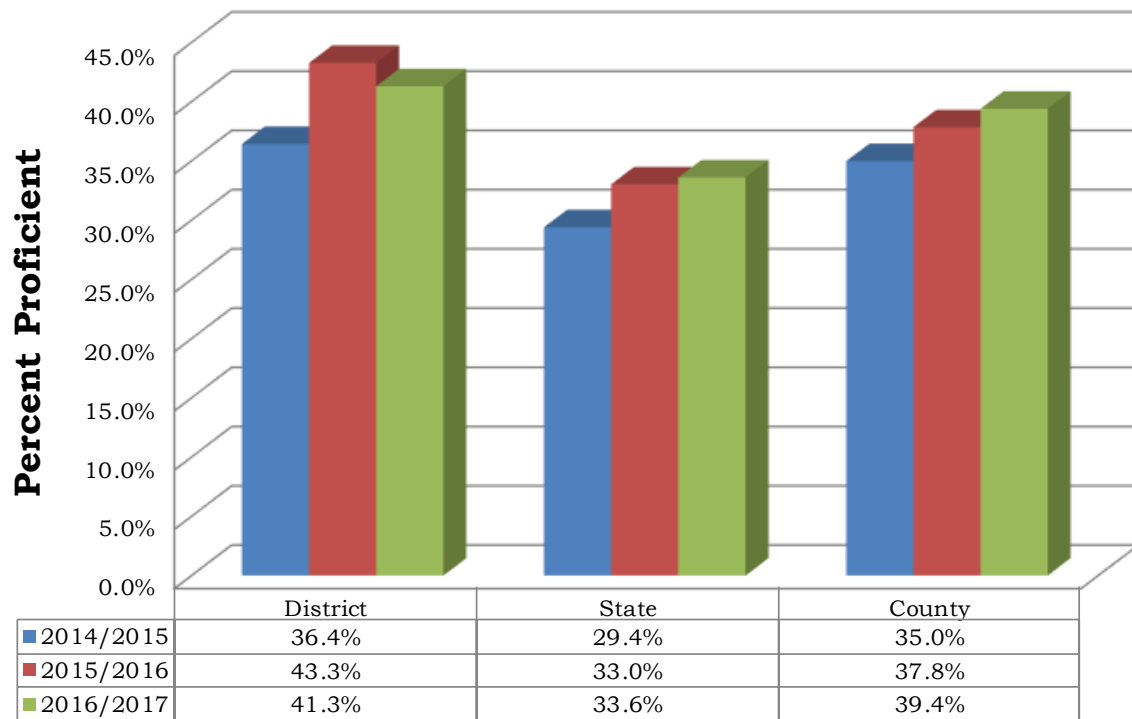


## Eighth Grade Social Studies



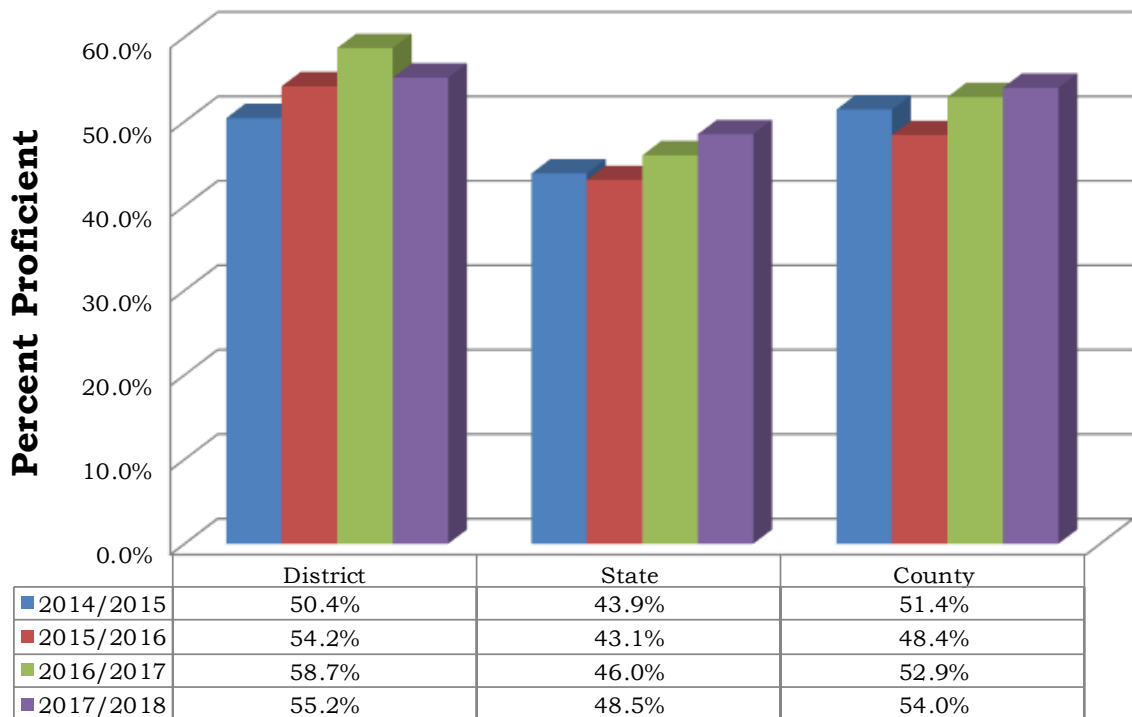


## Eleventh Grade Science



**Note: Science was not tested in 2017/2018**

## Eleventh Grade Social Studies



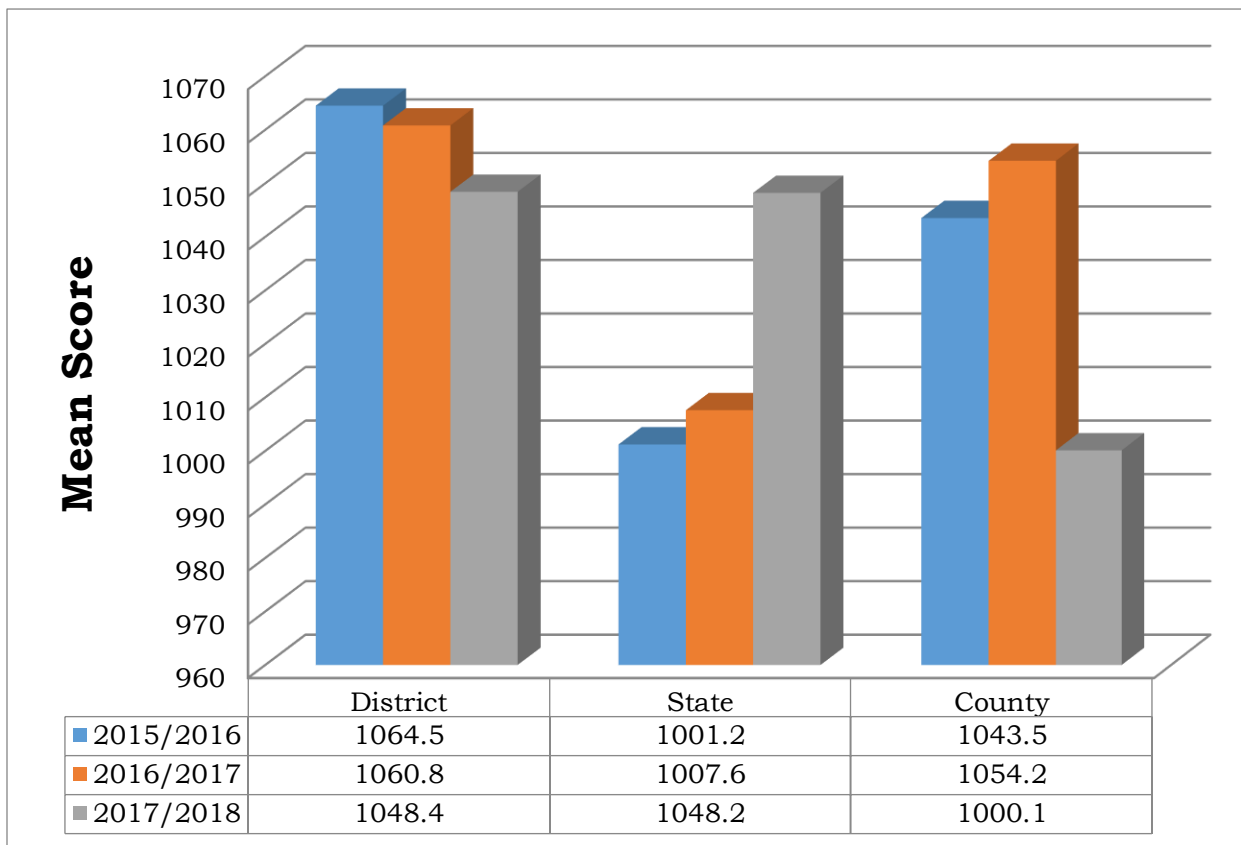
## SAT Scores

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 2018/2019.

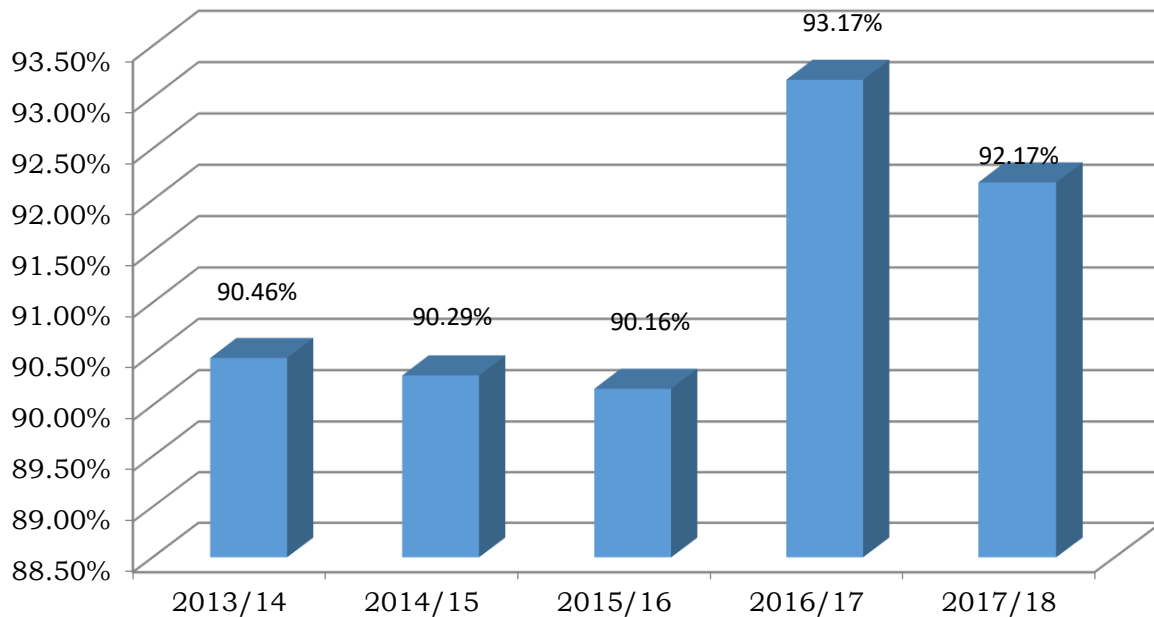


## Graduation Rates

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.

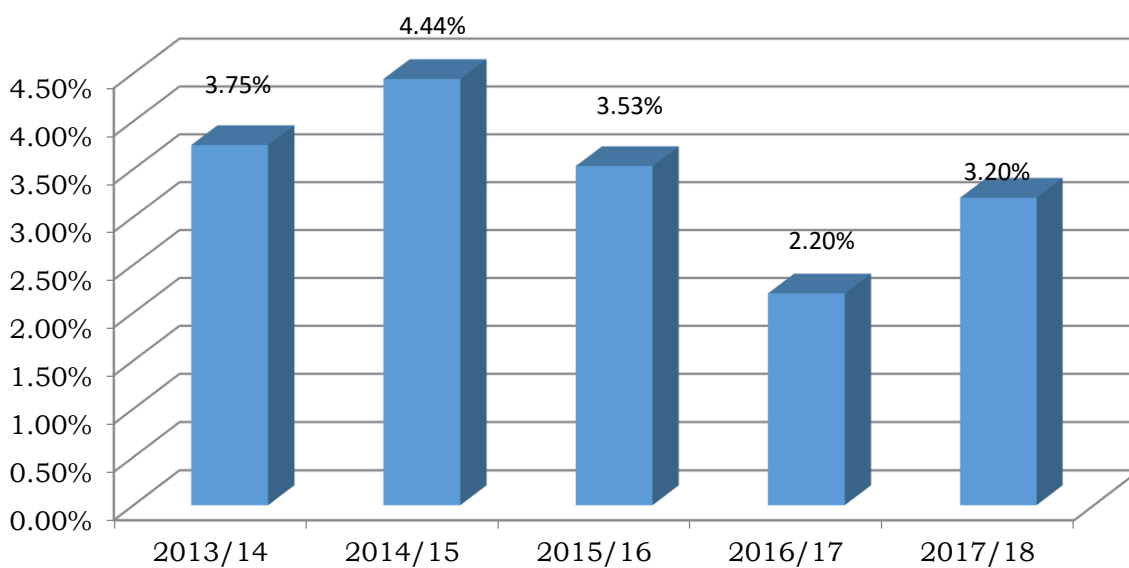
## Graduation Rates



## Dropout Rate

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

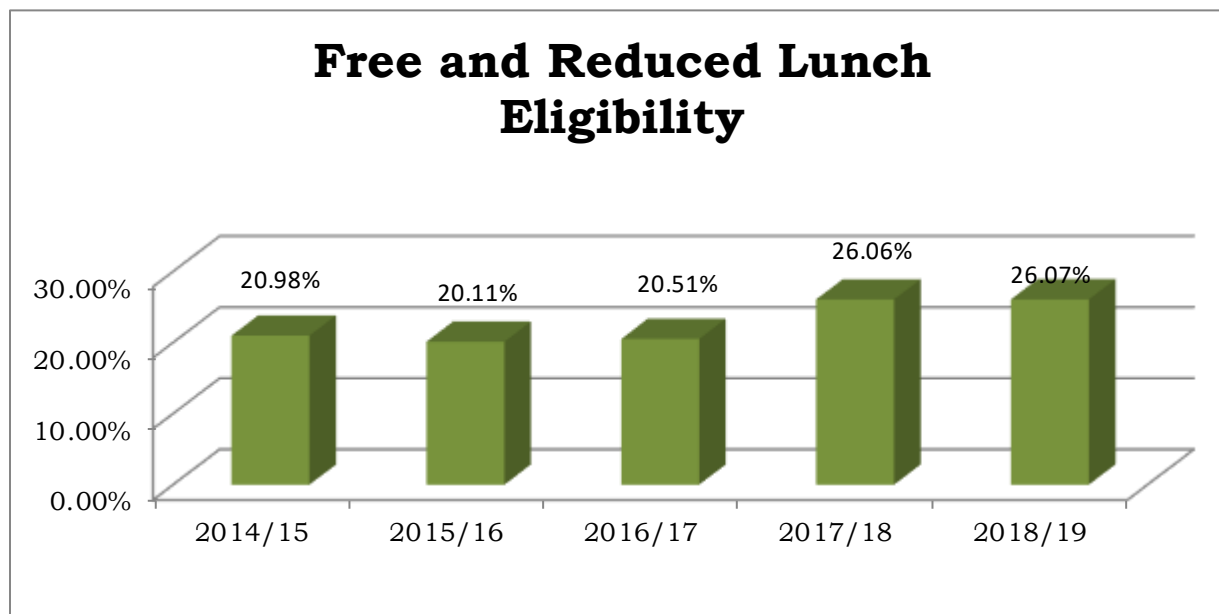
## Drop Out Rate



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

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

One of the most difficult 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 five years.



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 2019 a survey was sent to parents, district staff and community members. 585 responses were received. In addition to demographic information, the survey asked several perception questions regarding the District. Of the 585 respondents:

- ✓ 71.2% believe that the District's mission is clearly focused on student success. 14.7% were neutral.
- ✓ 66.9% believe that the District has established goals and a plan for improving student learning. 20% were neutral.
- ✓ 60.2% believe that the District's Board of Education operate responsibly and function effectively. 24.3% were neutral.
- ✓ 69.2% believe that the District has high expectations for students in all classes. 14.7% were neutral.
- ✓ 69.9% believe that the District shares responsibility for student learning with its parents, staff and community. 14.7% were neutral.
- ✓ 63.1% believe the District communicates effectively about their school goals and activities. 16.4% were neutral.
- ✓ 79.7% believe that the District provides opportunities for parents, staff and the community to be involved in the schools and District. 12.1% were neutral.
- ✓ 68.4% believe that their child's teachers work to meet his/her learning needs. 13.7% were neutral.
- ✓ 55.6% believe that their child's teachers keep them informed regularly of how their child is progressing. 19.3% were neutral.
- ✓ 45.5% believe that their child has at least one adult advocate in the school. 40.3% answered maybe but that they are not aware of an advocate.
- ✓ 86.7% believe that their child has access to computers and other technology to learn.
- ✓ 75.9% believe that the District provides qualified staff members to support student learning. 13% were neutral.
- ✓ 78.9% believe that the District provides safe learning environments in facilities that support student learning. 12.3% were neutral.
- ✓ 78.8% believe that the District provides opportunities for students to participate in activities that interest them. 13% were neutral.
- ✓ 54% believe that the District ensures the effective use of financial resources. 23.9% were neutral.
- ✓ 71.1% believe that their child is prepared for success in the next school year. 13.8% were 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 AND ACRONYMS**

**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.

**CODE COMPLIANCE (CC)** – one of several reasons why capital items are repaired or replaced.

**CONSUMER PRICE INDEX (CPI)** – a measure of the average change over time in the prices paid for a market basket of consumer goods and services.

**CURRICULUM IMPROVEMENT (CI)** - one of several reasons why capital items are repaired or replaced.

**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.

**ENERGY CONSERVATION (EC)** - one of several reasons why capital items are repaired or replaced.

**ENGLISH AS A SECOND LANGUAGE (ESL)** – denotes a program for our students who are learning English and speak another language at home.

**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.

**FEDERAL INSURANCE CONTRIBUTIONS ACT (FICA)** - 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 (FTE) 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.

**HEALTH SAFETY (HS)** - one of several reasons why capital items are repaired or replaced.

**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.

**INDIVIDUALS WITH DISABILITIES ACT (IDEA)** – is a law that makes available a free appropriate public education to eligible children with disabilities. The District receives grant funding under this program.

**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 (ISD)** - 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.

**LOCAL DEVELOPMENT FINANCE AUTHORITY (LDFA)** -allows the use of tax increment financing to fund public infrastructure improvements within certain boundaries of a municipality.

**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 BUSINESS TAX (MBT)** – imposes a business income tax on businesses within the State of Michigan.

**MICHIGAN DEPARTMENT OF EDUCATION (MDE)** – is a State agency of Michigan and oversees public school districts in the State.

**MICHIGAN EDUCATIONAL ASSESSMENT PROGRAM (MEAP)** – was a standardized test that was given to students in the State until it was replaced in 2014/2015 by the Michigan Student Test of Educational Progress (M-STEP).

**MICHIGAN MERIT EXAMINATION** – assesses students in grade 11 and includes College Board SAT, WorkKeys® job skills assessments in Workplace Documents, Applied Math, and Graphic Literacy and M-STEP Science and Social Studies.

**MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (MPERS)** - 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.

**OPERATIONAL NEED** - one of several reasons why capital items are repaired or replaced.

**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.

**PRELIMINARY SAT** - a standardized test that functions as a practice for the SAT. It is administered in tenth and/or eleventh grade.

**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.

**SAT** – Originally Scholastic Aptitude Test. Now SAT is simply a brand, not an acronym.

**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 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.

**USEFUL LIFE (UL)** - one of several reasons why capital items are repaired or replaced.

**WALLED LAKE EDUCATION ASSOCIATION (WLEA)** – is a labor union that represents the teaching staff of Walled Lake Schools.

**WALLED LAKE EDUCATION SUPPORT PERSONNEL (WLESP)** – is a labor union that represents a portion of the support staff of Walled Lake Schools. This includes maintenance staff and food service staff.

**WALLED LAKE SCHOOLS SECRETARIES ASSOCIATION (WLSSA)** – is a labor union that represents the secretarial staff of Walled Lake Schools.