

LAKE ORION COMMUNITY SCHOOLS

BUDGET FINAL AMENDMENT

FISCAL YEAR 2025-26

Effective June 24, 2026



**Lake Orion Community Schools
Board of Education**

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LAKE ORION COMMUNITY SCHOOLS

Budget Final Amendment - Fiscal Year 2025-26

EXECUTIVE SUMMARY

(As Presented by Fund)

REVENUE OVERVIEW INFORMATION:

Operational funding for Lake Orion Community Schools is categorized into five broad revenue sources. The five types of revenue sources are local source, state source, federal source, payments from other public schools and other financing source revenues. Local source revenues include locally levied property taxes, program-based fees, and investment revenues. State source revenues include state aid foundation allowance funds, categorical funding, and other state funded grants. Federal source revenues are comprised of federally issued grants. Payments from other public schools & governmental entities include public school tuition, ISD collected millage taxes, and Medicaid related revenue. Other financing source revenue examples include operating transfers between funds, indirect revenues, bond proceeds and fund modifications.

EXPENDITURE OVERVIEW INFORMATION:

Operational expenditures fall into three broad function-based categories as defined by the Michigan Public School Accounting Manual. The first category is Instruction which includes the activities dealing directly with the teaching of pupils or the interaction between teacher and pupil. The second category is Support Services which are services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction and to a lesser degree community service. Support services exist as adjuncts for the fulfillment of the objectives of instruction. The third category is Community Services which consists of those activities that are not directly related to providing education for pupils in a school system. Examples would include services provided by the school system for the community as a whole or some segment of the community, such as community recreation programs, civic activities, and programs of custody and care of children, and community welfare activities. Each category of function-based expenditures is further broken down into seven additional cost pools. These include salary & wages, fringe benefits, purchased services, supplies & materials, capital outlay, other expenditures, and outgoing transfers.

This final amendment adjusts multiple funds' operating revenue and expenditure budgets including the General Fund, Community Services Fund, Food Service Fund, School Activity Fund, Debt Service Funds, Building & Site Sinking Fund, 2024 Bond Capital Projects Fund, District Capital Projects Fund, Bond 2025 Series 3A Capital Projects Fund, Bond 2026 Series 3B Capital Projects Fund, and the Internal Services Fund. The adjustments reflect our final year-end expectations.

FUND BALANCE BUDGET CHANGES:

The budgeted fiscal year 2025-26 ending fund balance has been adjusted to reflect the operational revenue and expenditure budget changes included in this document.

GENERAL FUND:

The final amendment budget establishes an operating surplus of \$905,374 which is an increase of \$789,165 from budget amendment 1. The final amendment projected total fund balance represents 11.9% of total budgeted gross expenditures and 13.0% of the total expenditures net of the section 147c, 147g and 27L(2) related pass-through expenditures. The total final amendment ending fund balance is budgeted at \$12,719,021.

During any fiscal year, the district experiences several revenue budget changes. With respect to this “Executive Summary” document and the analysis that has gone into it, we will be presenting discussion on the significant budget changes. We define significant to mean a change in the revenue line-item total of \$100,000 or more. In addition to the significant budget changes, items of particular interest may also be presented regardless of the magnitude of the change.

REVENUE BUDGET CHANGES:**General Fund:**

The General Fund revenue budget increased by a net \$394,316 or 0.37%. The final total revenue budget is \$107,516,584. The following information represents the breakdown of the significant changes by revenue source for the General Fund.

Local Sources:

Local Source revenue has increased by a net \$151,244 to \$14,452,374. Local Source revenue represents 13.44% of the total General Fund revenue. The net increase primarily reflects an increase in a grant received by the Orion Cable Commission.

State Sources:

State Source revenue has increased by a net \$353,056 to \$81,953,418. State Source revenue represents 76.22% of the total General Fund revenue. The net increase primarily relates to an increase in prior year foundation allowance adjustments, 147 MPSERS retirement funding and Vocational Education grant funding.

Federal Sources:

Federal Source revenue has increased by a net \$445,532 to \$2,371,211. Federal Source revenue represents 2.21% of the total General Fund revenue. The net increase primarily relates to a new Filter First grant received.

ISD and Other Sources - Payments from other Public Schools:

Intermediate School District (ISD) and other sources revenues have decreased by a net \$295,516 to \$8,434,581. ISD Source and other sources' revenue represents 7.84% of the total General Fund revenue. The net decrease primarily relates to a decrease in the sale of fixed assets revenue.

Other Sources:

Other Source revenue has decreased by \$260,000 to \$305,000. Other revenue represents 0.28% of General Fund revenue. The decrease relates to a decrease in Community Service transfer and an increase in the Food Service transfer.

EXPENDITURE BUDGET CHANGES:

General Fund:

Total budgeted expenditures have decreased by a net \$394,849 or 0.78% to a new total budget of \$107,638,670. The following information represents the breakdown of significant expenditure budget changes for the General Fund.

Instruction – Basic Programs & Added Needs:

The Instruction Basic Programs & Added Needs expenditure budgets have decreased by a net \$468,899 or 0.73% to \$63,426,617. The net decrease primarily relates to salary and expenditure costs for unfilled positions.

Support Services – Pupil Support Services:

The Pupil Support Services expenditure budgets have decreased by a net \$174,070 or 1.74% to \$9,811,035. The net decrease primarily relates to grant function level reclasses and unfilled salary and benefit costs.

Support Services – Instructional Staff Support Services:

The Instruction Staff Support Services expenditure budgets have decreased by a net \$92,443 or 1.64% to \$5,535,997. The net decrease primarily relates to grant function level reclasses.

Operations and Maintenance:

The Operations and Maintenance expenditure budget has increased by a net \$765,675 or 10.24% to \$8,245,287. The net increase primarily reflects an increase purchased services, natural gas, electricity, hardware, and a new Filter First grant for clean drinking water.

Transportation Services:

The Transportation expenditure budget has decreased by a net \$179,896 or 3.15% to \$5,538,198. The net decrease primarily relates to salary and expenditure costs for unfilled positions.

Technology Services:

The Technology expenditure budget has decreased by a net \$204,486 or 9.53% to \$1,941,337. The net decrease primarily purchased service staffing contract costs being lower due to unfilled positions.

Other District Funds in this Amendment:

The following District funds' revenue and expenditure budgets have been adjusted to reflect year-end final expectations:

- Community Services Special Revenue Fund
 - Revenue decreased by \$283,002 to a revised budget of \$5,299,886
 - Expenditures decreased by \$471,553 to a revised budget of \$5,453,344
- Food Service Special Revenue Fund
 - Revenue increased by \$47,693 to a revised budget of \$4,560,486
 - Expenditures increased by \$134,549 to a revised budget of \$4,423,396
- School Activity Special Revenue Fund
 - Revenue budgets remain unchanged at \$2,105,000
 - Expenditure budgets remain unchanged at \$2,055,000
- Debt Service Special Revenue Fund(s)
 - Revenue increased by \$13,294 to a revised budget of \$22,304,263
 - Other Financing Sources/Uses remain unchanged at a net \$467,844
 - Expenditure increased by \$14,602 to a revised budget of \$19,609,029
- Capital Projects - Sinking Fund
 - Revenue increased by \$13,512 to a revised budget of \$5,474,664
 - Expenditures increased by \$5,404 to a revised budget of \$5,427,968
- Capital Projects – 2024 Bond Fund
This fund was established for sale of limited tax general and bonds for the Orion Center property purchase
 - Revenue budgets remain unchanged at \$2,823
 - Expenditure budgets remain unchanged at \$401,348
- Capital Projects – District Operating Fund
 - Revenue budgets remain unchanged at \$110,000
 - Expenditure budgets remain unchanged at \$47,000
- Capital Projects – Bond 2025 Series 3A Fund – 450
This fund was established for sale of the unlimited tax general obligation bonds related to the 2018 bond election, series 3A.
 - Revenue decreased by \$28,000 to a revised budget of \$257,000
 - Expenditures decreased by \$28,000 to a revised budget of \$13,037,330

- Capital Projects – Bond 2026 Series 3B Fund – 460
This fund was established for sale of the unlimited tax general obligation bonds related to the 2018 bond election, series 3B.
 - Revenue is set at \$5,000
 - Other Financing Sources decreased by \$976,879 to \$14,051,545
 - Expenditures increased by \$66,919 to a revised budget of \$242,675

- Risk Internal Service Fund – 810
 - Revenue budgets remain unchanged at \$1,000,000
 - Expenditures remain unchanged at \$1,000,000