



# FY2026 Budget

# FY26 Strategic Priorities

- **Grow Enrollment through More Effective Community Outreach**
- **Budget Conservatively with Contingencies to Build Financial Resilience**
- **Build Cash Balance to Improve Working Capital**

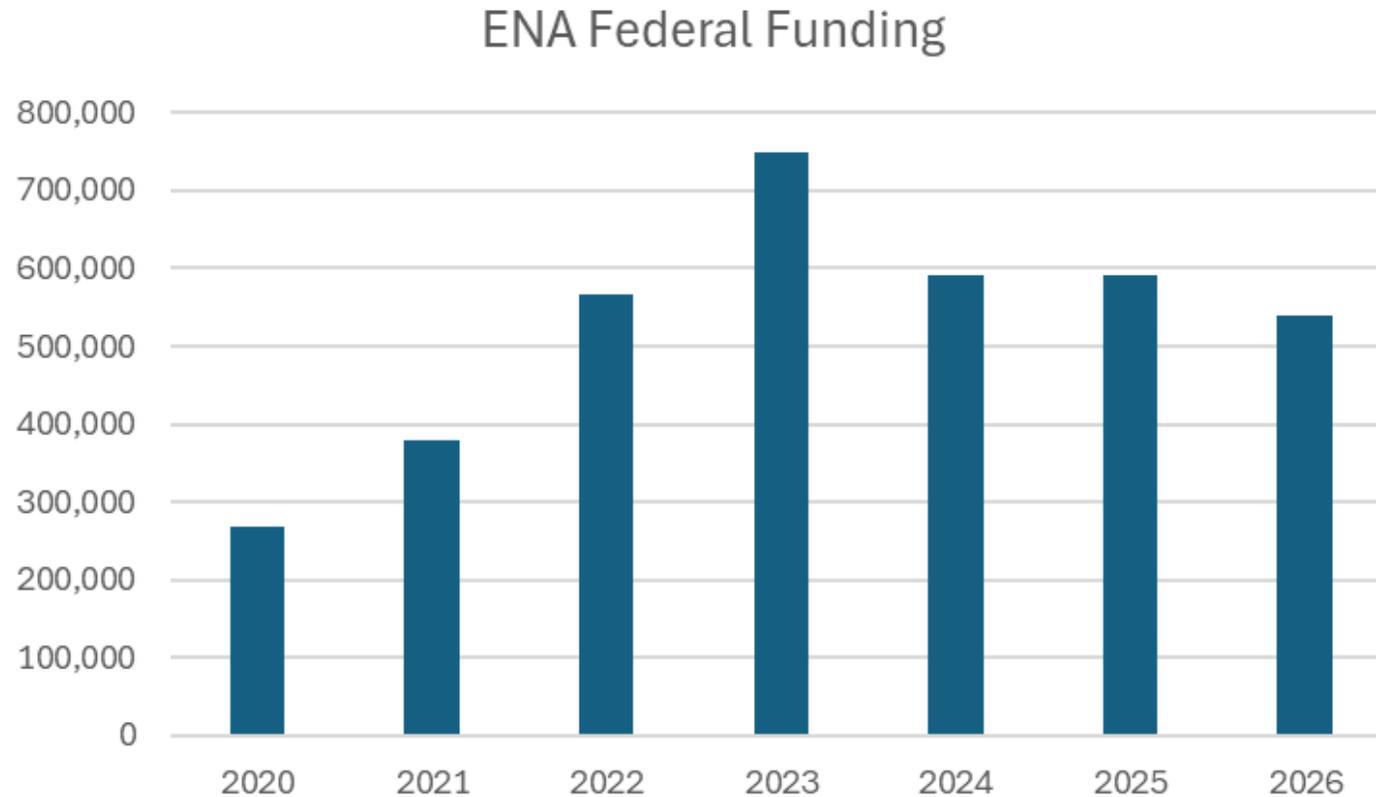
# Executive Summary

- The FY26 budget carries forward many of the strategic initiatives from the previous year, supplemented with conservative contingencies. The combined budgeted **operating surplus is \$39k..**
- **Revenue Highlights:** The Academy is budgeting \$2.96M of revenue, an increase of 1% from FY25. The increase is driven by higher projected enrollment, partly offset by lower federal funding.
- **Expense Highlights:** The Academy is budgeting \$2.92M of expenses, a decrease of 2% from FY25. The decrease is driven by the end of the GECS contract, partly offset by higher enrollment-driven expenses and contingency expenses.

# Macro Context

- The US annual inflation rate stands at 3.2% as of May 2025
- Ongoing uncertainty surrounds the availability of federal grant revenue.
- The Governor's proposed budget demonstrates a commitment to school investment, with continued funding allocated to:
  - Student Mental Health
  - Literacy Improvement
  - Teacher Certification
  - Teacher Mentoring
- Increased funding is anticipated for at-risk and special education student populations

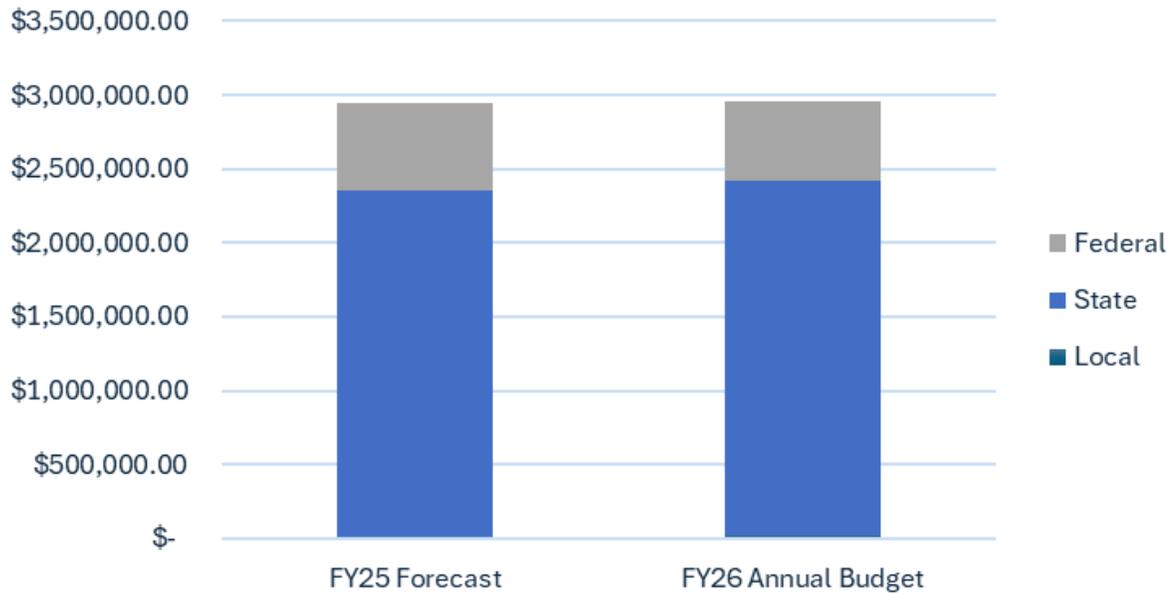
# Federal Grants



Schools across the State of Michigan have entered the post-COVID funding cliff. As a result, schools are seeing significantly lower federal funding.

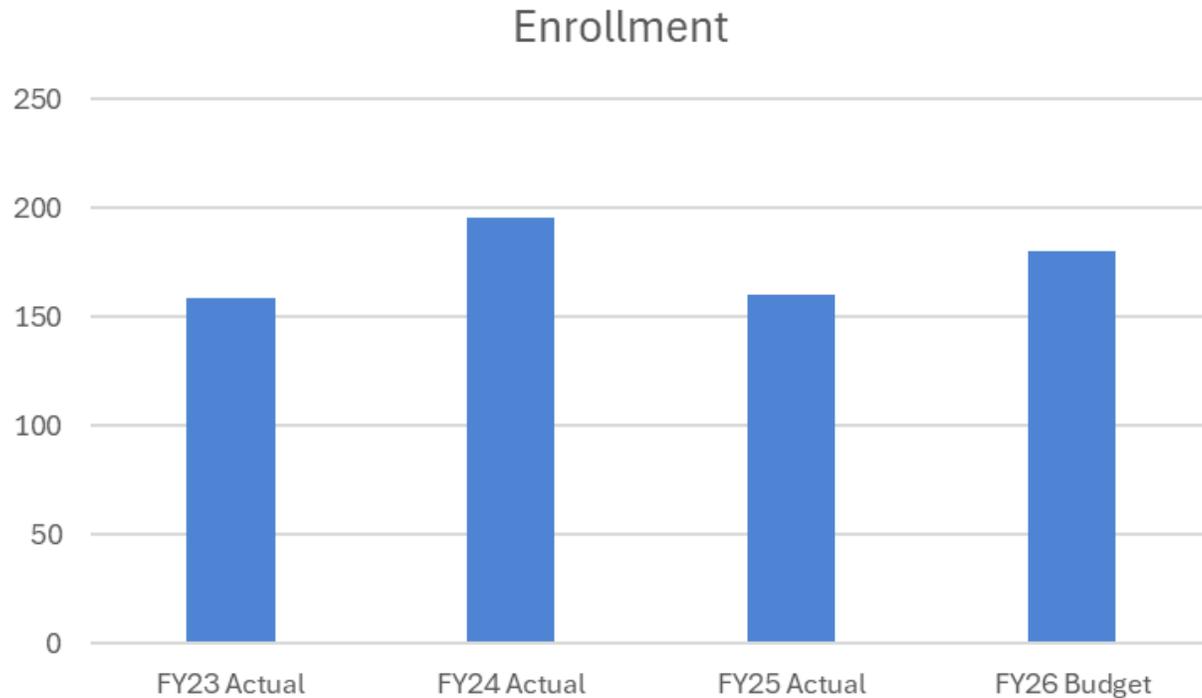
# Key Assumptions - Revenue

## Revenue Components



- Total revenue is budgeted at \$2.96M
- State revenue will grow in FY26 while federal revenue will decrease
- Federal revenue includes Title I, II, IV, IDEA, and meal programs
  - Federal revenue will drop slightly as the last of the COVID era funds sunset
  - \$65K of ESSER funding was received in FY25

# Annual Enrollment Trend



- Total revenue is budgeted at \$2.96M.
- Biggest revenue component is state revenue (\$2.4M), which is driven by pupil count.
  - Per-pupil funding level budgeted at \$10,000
  - Enrollment budgeted at 180 scholars

# FY26 Consolidated Budget

	FY25 Forecast	FY26 Budget	% change
<b>Revenue</b>			
Local Sources	9,460	18,694	98%
State Sources	2,340,365	2,401,279	3%
Federal Sources	591,195	539,322	-9%
<b>Total Income</b>	2,941,020	2,959,295	1%
<b>Expense</b>			
Instruction- Basic Programs	709,377	781,237	10%
Instruction- Added Needs	291,739	278,726	-4%
Support- Pupil Support	82,715	87,858	6%
Support- Instructional Staff	138,905	110,947	-20%
Support- General Administration	89,605	76,303	-15%
Support- School Administration	186,829	190,968	2%
Support- Business Services	535,603	360,998	-33%
Operations & Maintenance	537,446	558,757	4%
Pupil Transportation Services	67,975	77,245	14%
Support- Central Services	25,039	39,488	58%
Food Services	202,258	245,247	21%
Community Services	12,496	10,428	-17%
Debt Service	102,423	102,423	0%
<b>Total Expense</b>	2,982,410	2,920,625	-2%
<b>Net Income</b>	-41,390	38,670	

## Key Changes for FY26

### Revenue

- **State Revenue** – Increased due to enrollment
- **Federal Revenue** – Decreased due to ESSER ending

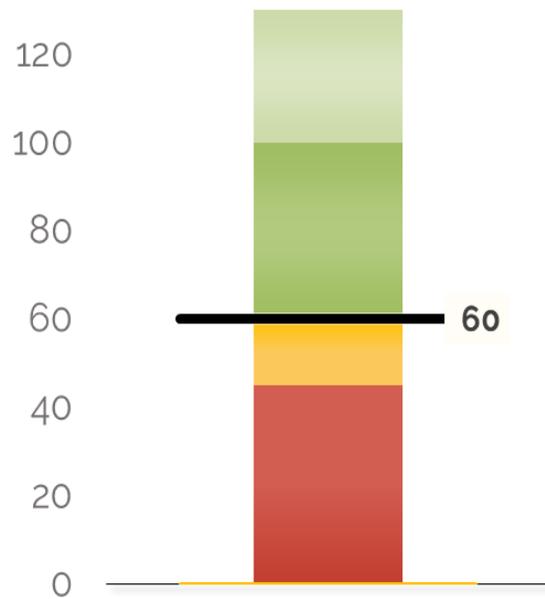
### Expenses

- **Instruction** – Includes one new teaching position and payroll contingency to cover the possibility of mid-year replacements with higher salary
- **Instructional Support** – Reduced to remove one time grant funded items. Instruction Coach position has been changed to the Dean of Academics and Culture
- **General Administration** – High legal fees in FY25
- **Operations and Maintenance** – Includes contingency for unforeseen building repairs
- **Business Services** – Reduced due to end of GECS contract
- **Transportation** – Higher due to projected enrollment
- Gross Margin budgeted at **~1.3% of Revenue**

# Key Performance Indicators

## Days of Cash

Cash balance at year-end divided by average daily expenses

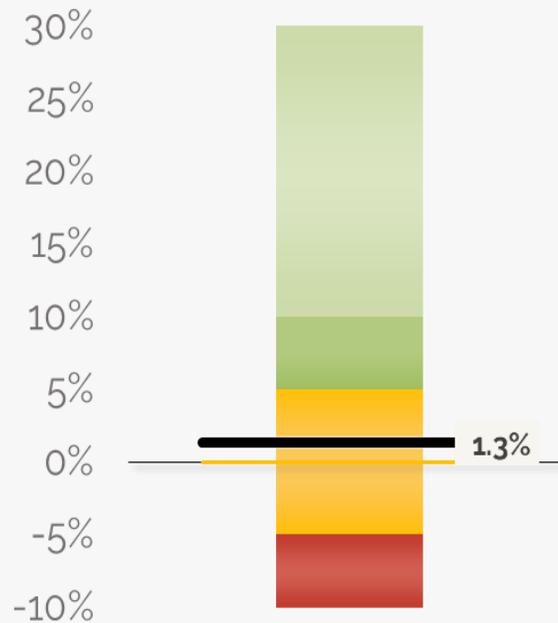


### 60 DAYS OF CASH AT YEAR'S END

The school is budgeted to end the year with 60 days of cash.

## Gross Margin

Revenue less expenses, divided by revenue

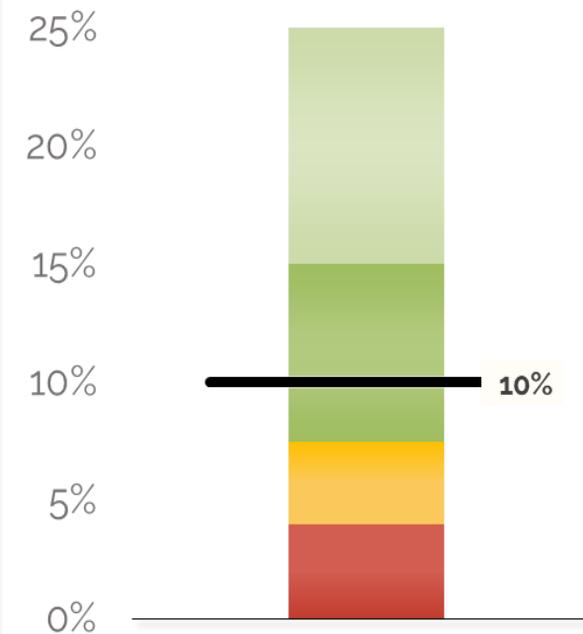


### 1.3% GROSS MARGIN

The forecasted net income is \$39k, which yields a 1.3% gross margin.

## Fund Balance %

Forecasted Ending Fund Balance / Total Expenses



### 10% AT YEAR'S END

The school is projected to end the year with a fund balance of \$259,158.

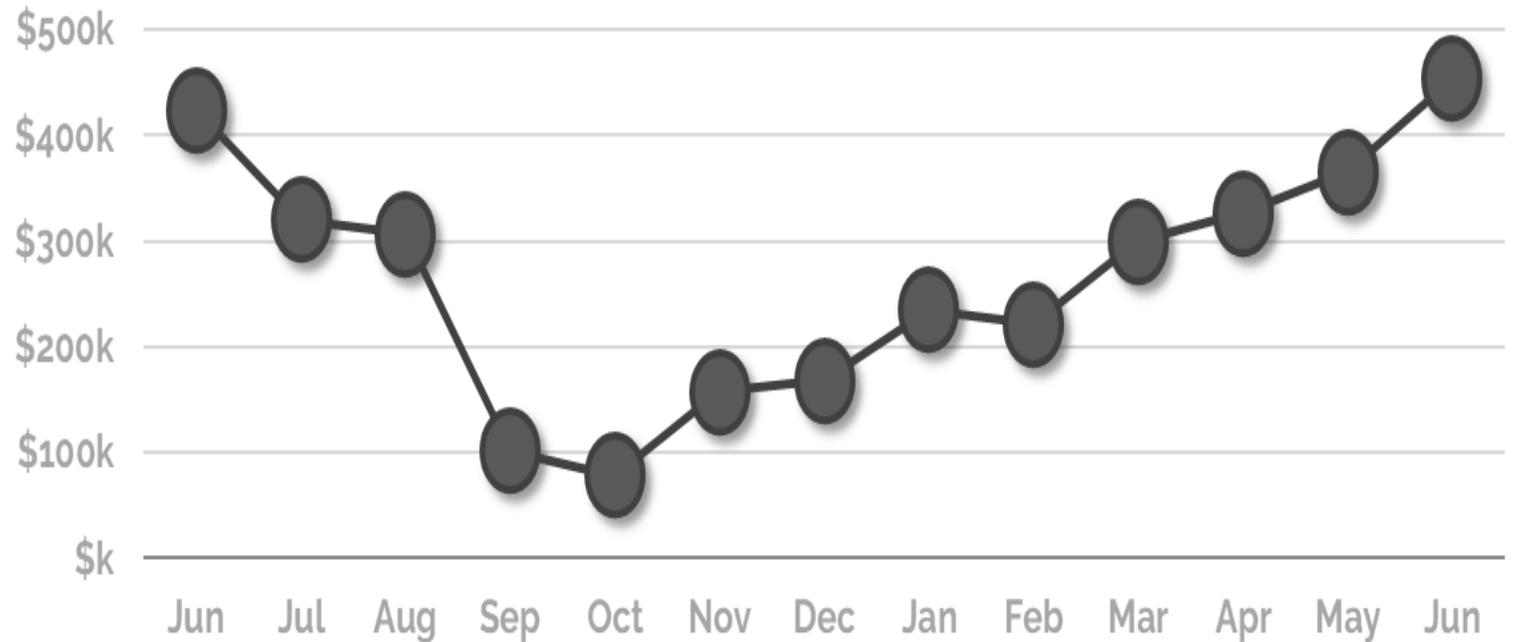
# Monthly Cash Forecast

## 60 Days of Cash at year's end

Ending cash balance is budgeted at **\$454k**.

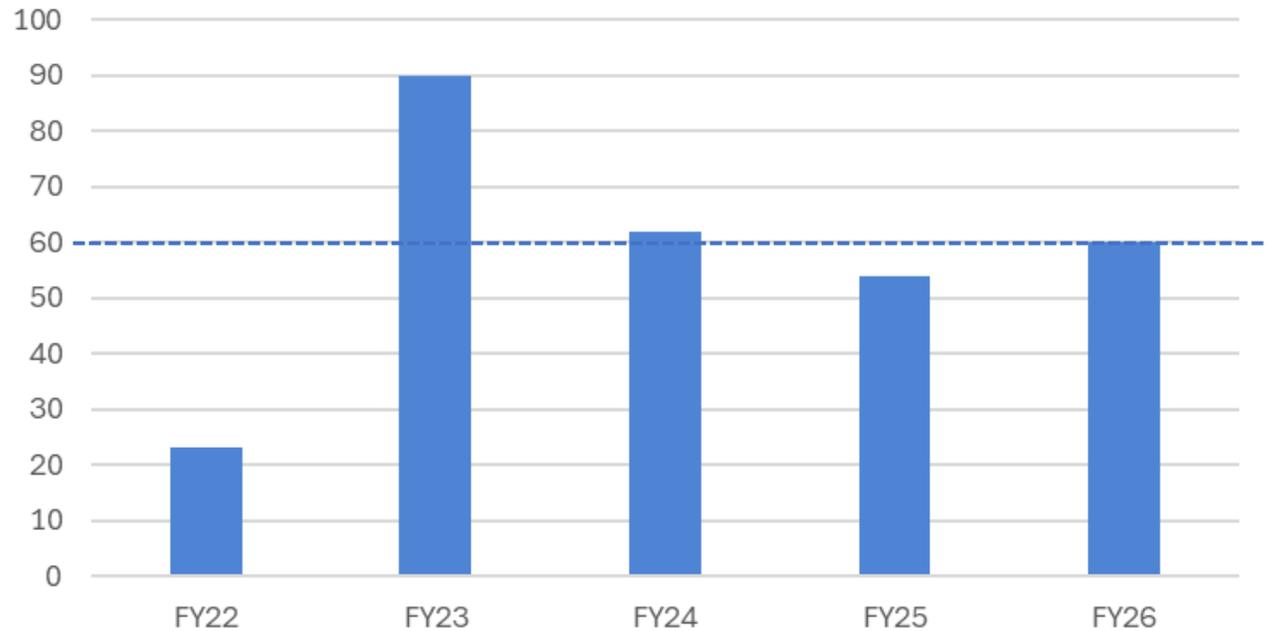
We will hit our low cash point for the year in the fall, due to the lack of state aid payment in September.

By carefully managing timing of payables and receipts, we will be able to avoid a state aid note in FY26.



# Working Capital – Annual Comparison

Days Cash on Hand, June 30



- **Budgeted FY26 Ending Cash Balance** – \$454K
- **Days of Cash on Hand** – Budgeted to increase from 54 to 60 days
- This remains in line with the recommended minimum 60 days



# QUESTIONS?

Please contact your EdOps Finance Specialist:

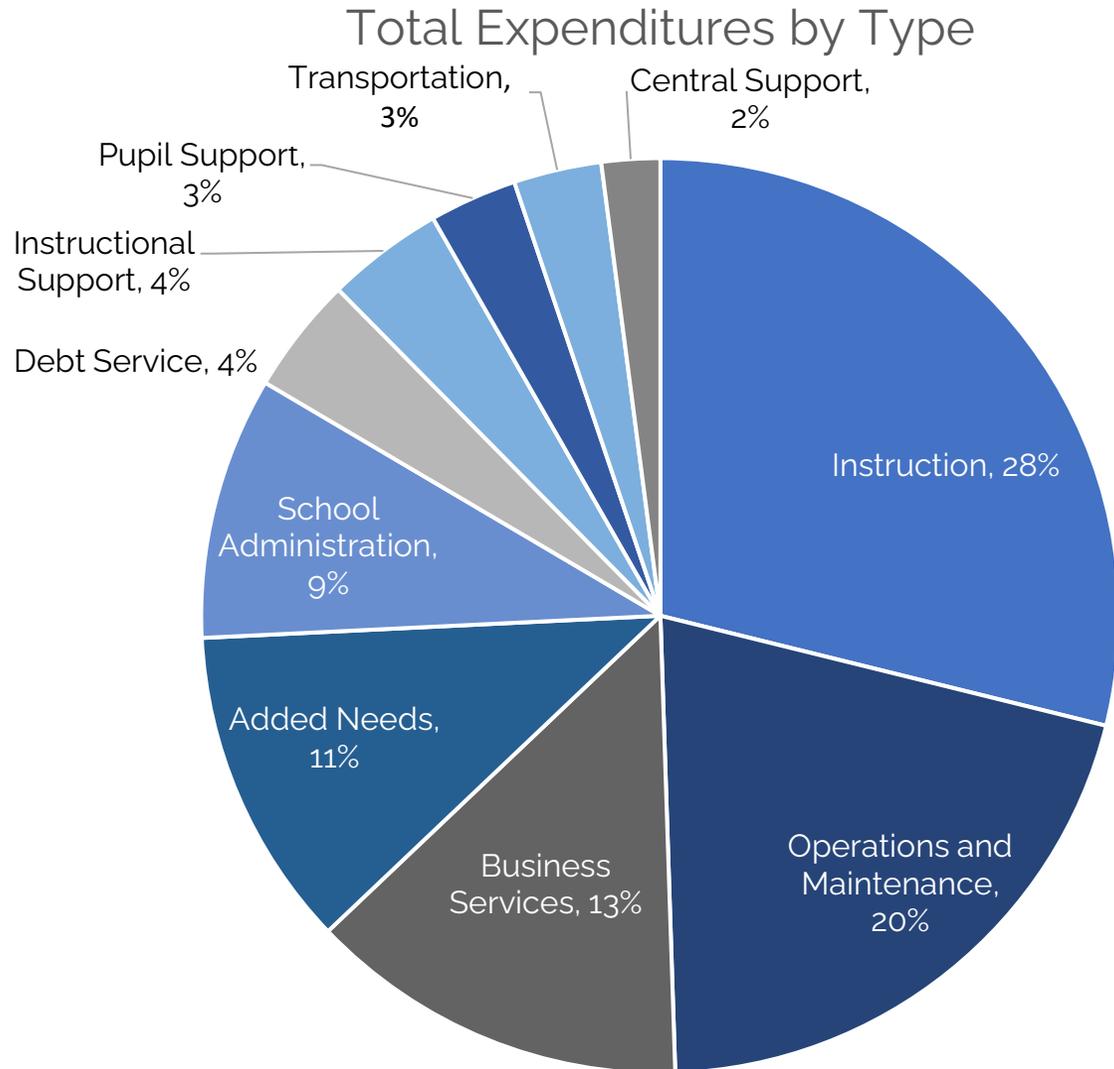
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# Appendix – Expenditure Summary



Functional Category	Percent of Total Expenses
Instruction	28%
Operations and Maintenance	20%
Business Services	13%
Added Needs	11%
School Administration	9%
Debt Service	4%
Instructional Support	4%
Pupil Support	3%
Transportation	3%
Central Support	2%