



Discovery
Creative
Pathways

Harper
Woods



Discovery
Creative
Pathways

Redford

FY 2025-2026 Budget

PREPARED MAY 2025 BY

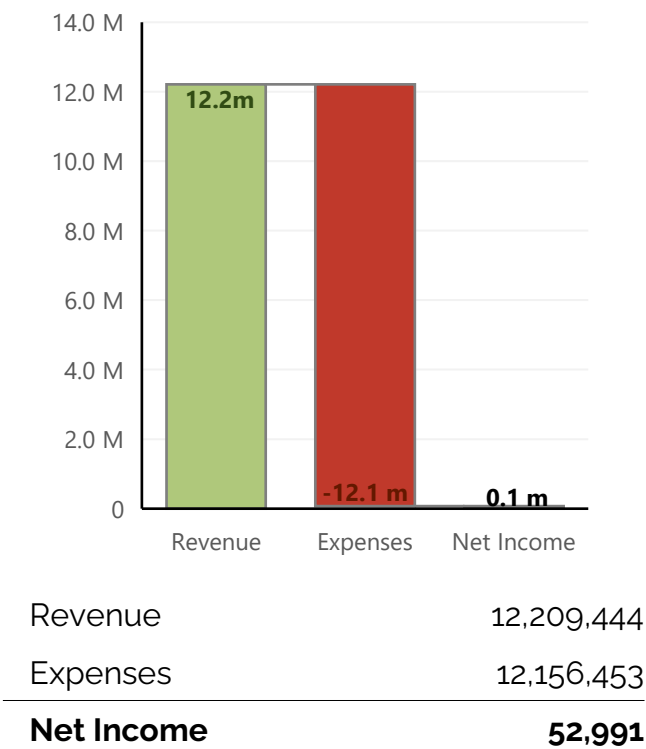
EdOps

Executive Summary

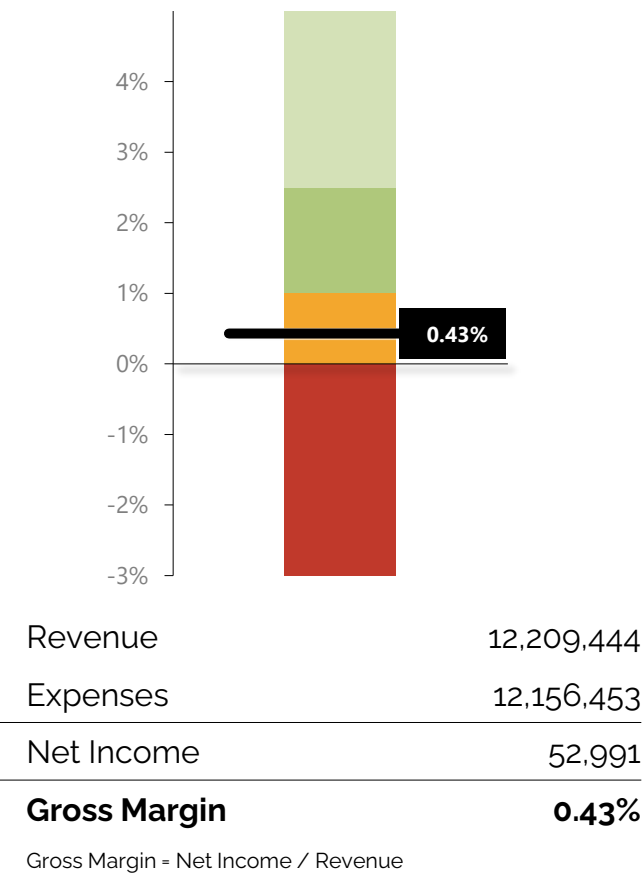
- The FY2026 budget projects a **operating surplus of \$52,991.**
- **Revenue Highlights:** The budget assumes a total enrollment of 880, an increase of 92 scholars compared to Spring 2025.
- **Expense Highlights:** Expenses increased \$1.2M year-over-year, driven by new initiatives to increase teacher capacity.

Key Performance Indicators

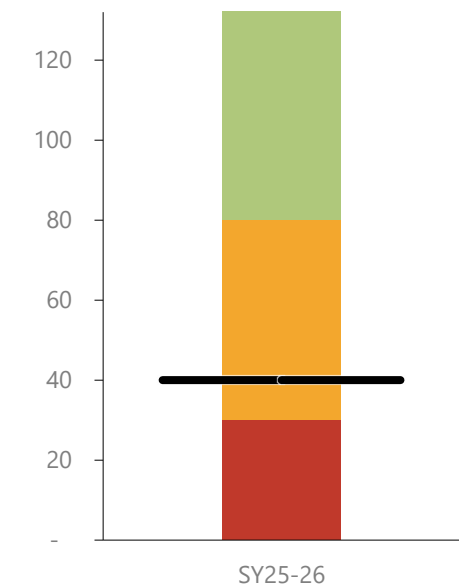
NET INCOME



GROSS MARGIN



DAYS OF CASH



The school is projecting the end the year with 40 days of cash. Based on our analysis, the school does not need to borrow from the State of Michigan in FY25-26.

Strategic Priorities

1. Increasing Scholar Enrollment
2. Increasing Staff Capacity
 - Additional instructional support for teachers
 - Increased teacher retention

Strategic Initiatives in FY25-26 Budget

Staffing Changes:

- As part of the most recent audit, Central Michigan University indicated that both campuses require support positions due to a large number of uncertified teachers.
- New Positions:
 - Harper Woods: 1 New Instructional Coach and 1 Middle School Reading Interventionist
 - Redford: 1 New Instructional Coach

Staff Retention:

- Paid Time Off (PTO) Payout: \$40,000
- Teacher Bonus Plan: \$50,000

Cash Flow

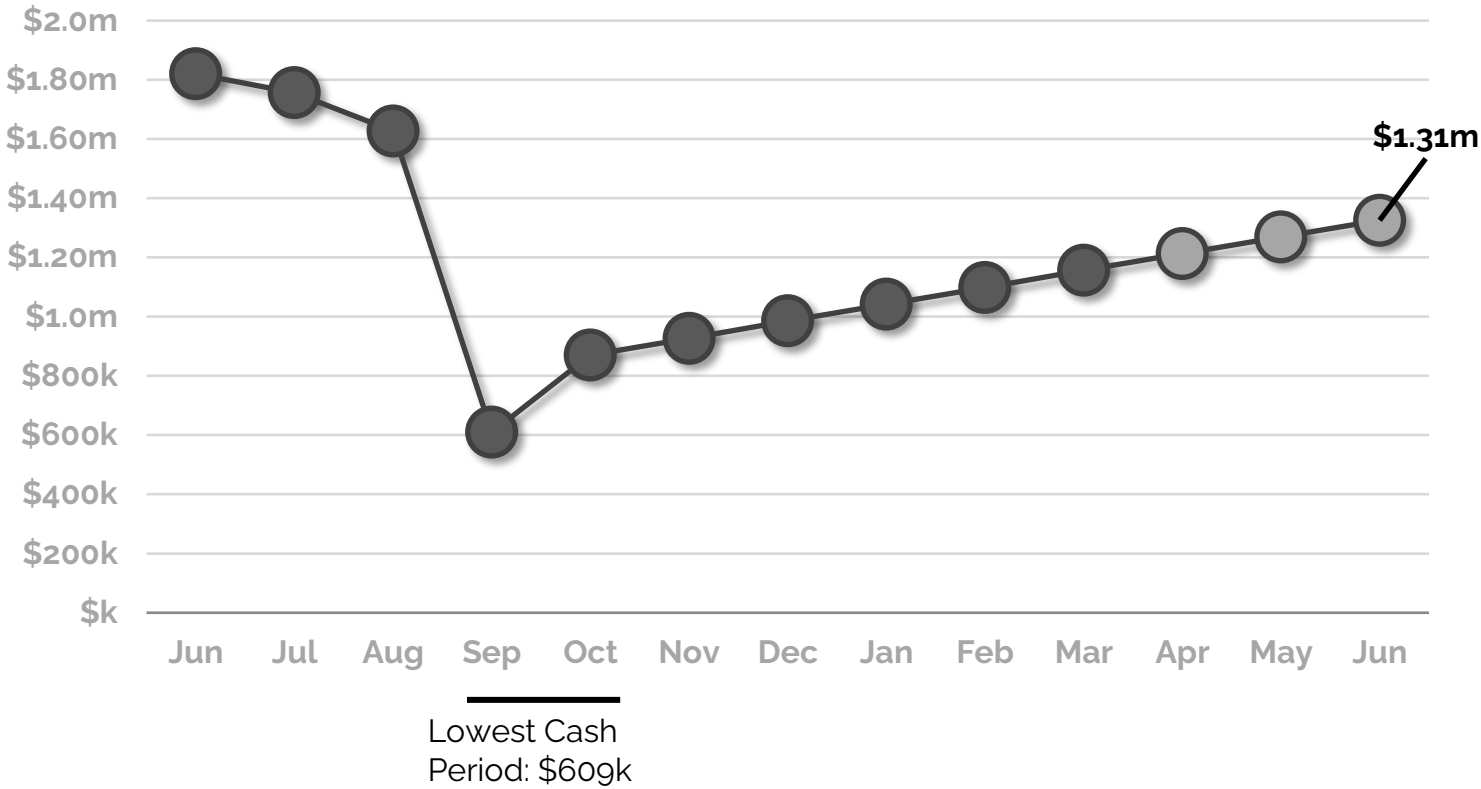
40 Days of Cash at year's end

We conservatively forecast the school's SY25-26 ending cash balance as \$1,313,918. Based on the analysis completed, the school does not need to borrow from the State of Michigan in SY25-26.

Cash balances will exceed forecast if:

- Ballmer Private Grant - Metrics for Attendance and Summer School FTE are met (+\$173k)
- Wayne RESA Enhancement Millage dollars are greater (+\$62k)
- State funding such as District Transportation Costs and Mental Health Supports are approved (offset a portion of existing expenses) (+191k)

As a reminder, cash is also impacted on the ability to fill staff positions and meet enrollment target.



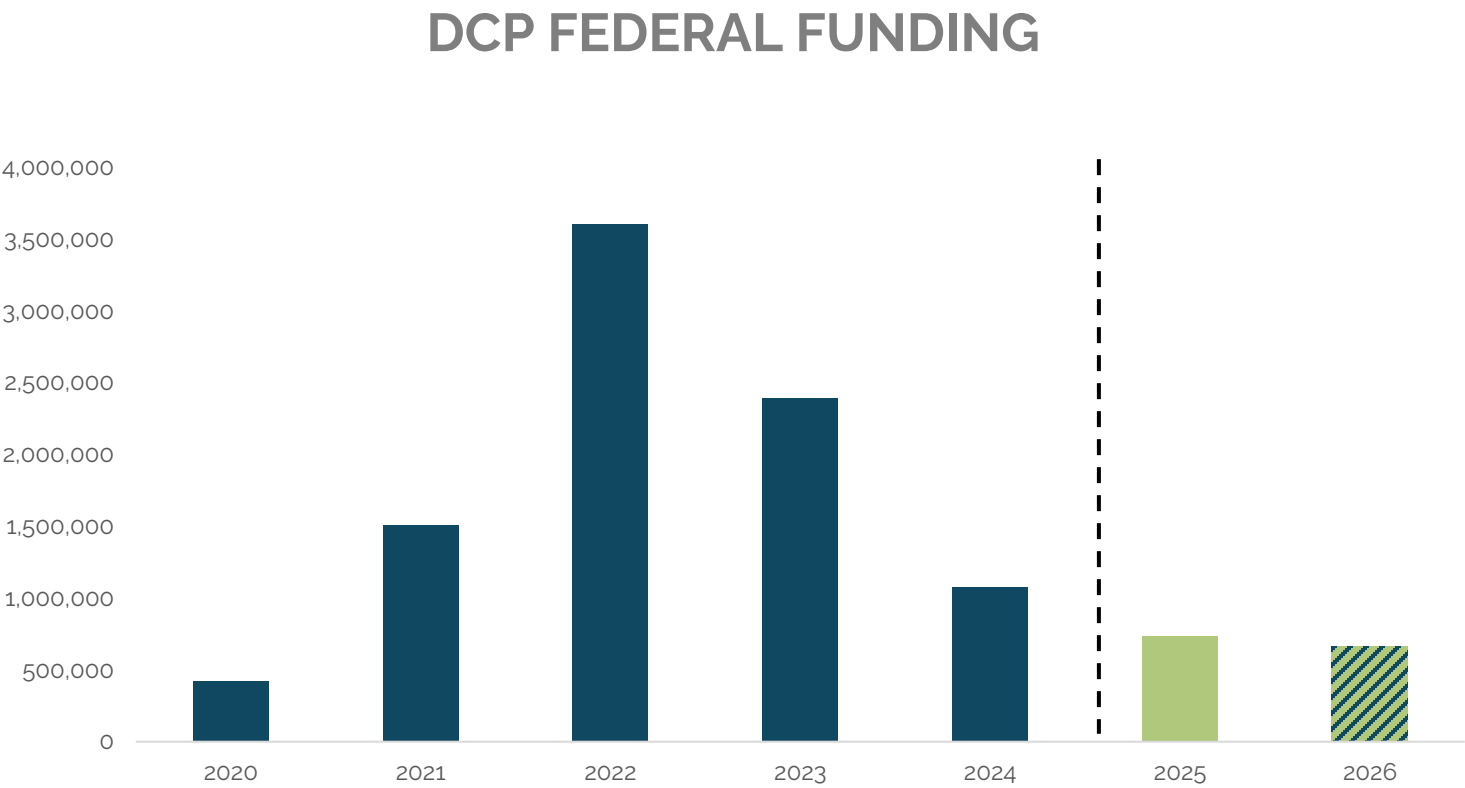
FY26 General Fund Budget (Revenue)

REVENUE	FY2025	FY2026
Local Revenue	994,670	624,909
State Revenue	9,945,786	10,222,494
Federal Revenue	749,109	659,931
Total Revenue	11,689,564	11,507,334

REVENUE

- We have budgeted **\$11,507,334** in general fund revenue. The largest component of the school's revenue is State School Aid Funding based on a projection of 880 students (88% of total revenue).
- Governor's Whitmer's budget proposal includes a \$10,000 per pupil foundation allowance to schools. This is assumption used to create the school's annual budget.
- Enrollment will be monitored closely up to the October count day and right sizing of expenditures will occur in correlation to the results of the count day.
- The budget includes \$250,000 of Wayne RESA Enhancement Millage funds.

Federal Grants



Schools across the State of Michigan have entered the Post-COVID Funding Cliff phase. As a result, schools are seeing a significant decline in federal funding.

FY26 General Fund Budget (Expenses)

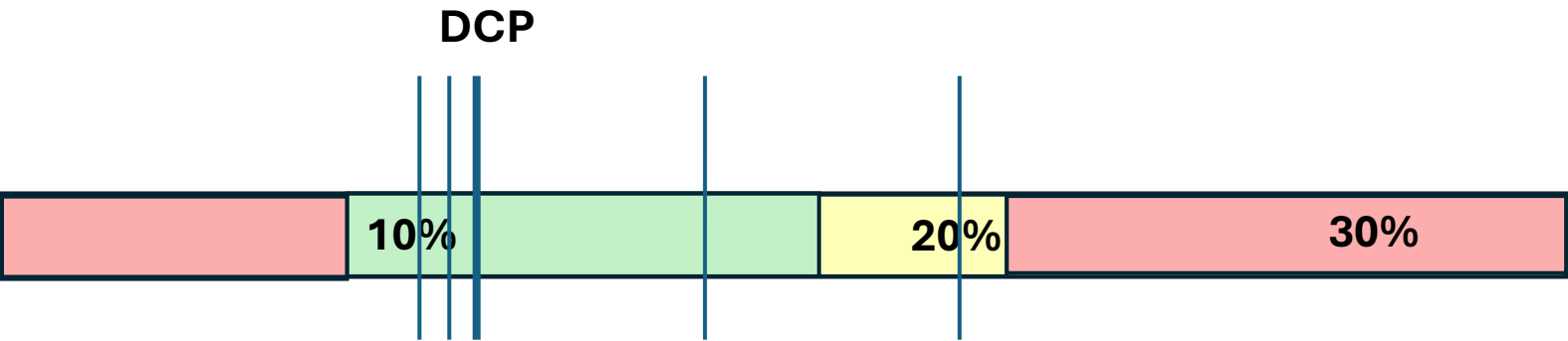
EXPENSES	FY2025	FY2026
110 Instructional	4,270,335	4,022,918
120 Added Needs	1,226,040	1,360,700
210 Pupil Support Services	611,913	649,872
220 Support Services – Instructional	164,751	346,820
230 General Administration	295,296	382,812
240 School Administration	861,128	745,654
250 Support Services Business	1,508,509	1,422,447
260 Operations/Maintenance	1,699,194	1,661,427
270 Transportation	574,662	518,000
280 Support Services - Central	207,976	332,447
300 Community Services	24,777	11,248
511 Debt Service	0	0
Total Expenses	11,444,580	11,454,344

EXPENSES

- We have budgeted **\$11,454,344** in general fund expenses. The largest component of the school's expenses is salaries and benefits. A 3% salary increase was given to staff.
- Each school has added additional positions to assist with lowering the student to teacher ratio. (Instructional Coaches and Interventionist)
 - Harper Woods: 1 Instructional Coach and 1 Reading Interventionist (120 Added Needs and 220 Support Services – Instructional)
 - Redford: 1 Instructional Coach (220 Support Services – Instructional)
- Key expense drivers of the budget include creating a revised and robust staffing model, investing in different teacher retention strategies, right sizing expenditures based on student needs.
- \$92,400 investment in scholar technology needs (110 Instructional)
- Outsourced transportation services and provides a buffer of \$30k for any mandated repairs for when current lease ends.

Added Needs Analysis (% of Total Expenses)

PEER GROUP ANALYSIS



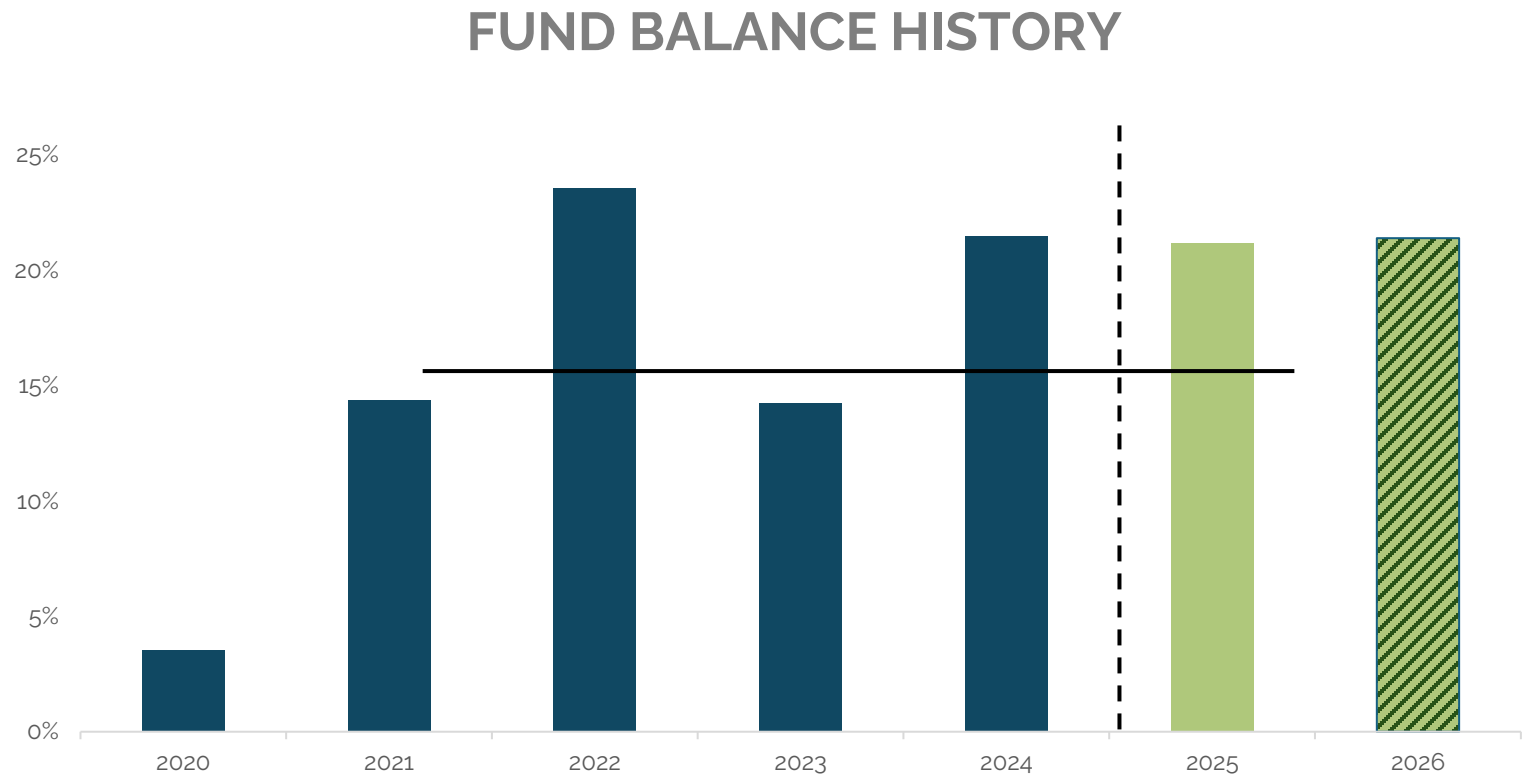
Compared to other charter schools with similar enrollment across the State, the new budget investments within the Added Needs category align with other peer group schools. This also shows that the school should continue to make investments toward supporting intervention in the future.

FY26 General Fund Budget

The FY2026 budget projects a **operating surplus of \$52,991**, which yields a 0.43% gross margin.

REVENUE	FY2025	FY2026
Local Revenue	994,670	624,909
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Federal Revenue	749,109	659,931
Total Revenue	11,689,564	11,507,334
EXPENSES		
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511 Debt Service	0	0
Total Expenses	11,444,580	11,454,344

General Fund Balance



Per Michigan School Business Officials (MSBO), a school should aim to have a 15-20% fund balance of total revenue to maintain adequate reserves to protect against unbudgeted expenditures, cash flow shortages and economic uncertainty.



QUESTIONS?

Please contact your
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Appendix: FY26 Food Service Budget

REVENUE	
State Revenue	8,410
Federal Revenue	693,699
Total Revenue	702,109
EXPENSES	
Food Service	702,109
Total Expenses	702,109
Net Income	0

REVENUE AND EXPENSES

We have budgeted **\$702,109** in revenue and expenses based on 880 students. We are maintaining a zero-based budget to ensure we are in compliance with the food service fund balance rules of the State of Michigan. Revenue and expenses are subject to change depending on enrollment.