

2/10/2026

L DFA Budget Proposal for FY 2026-2027 V3.0

Expected Revenue:

26/27 TIF	\$ 6,246,805
Interest	\$ 100,000
Excess 25/26 tif	\$ 197,098
Additional funds available	\$ 200,491
Admin Costs	\$ 135,800
26/27 Total Available	\$ 6,608,594

For the 26/27 total available, Marti has informed me that the contract with the City of Ann Arbor will be \$128,800 and an additional insurance cost for the Board of \$7K. We have also identified that the FY 25-26 Contract used a revenue estimate of \$5,898,100 while the actual revenue received was \$6,095,198. Furthermore, Marti also identified a separate surplus from unexpected revenue in the 24/25 FY of \$178K as well as additional interest income that totals \$230,491.

Please note; after a conversation with Marti I only used \$200,491 of the \$230,491 as she suggested keeping a reserve of \$30K could be useful if the Board wanted to either have an enhanced audit performed in the 26/27 FY or if there is a desire to refresh our Strategic Plan. I will defer to the committee if you prefer to carry a \$30K reserve which theoretically could be at risk of being clawed back. I don't know how to quantify this risk as it is a relatively small amount. If the committee would prefer to encumber the \$30K in the proposed budget I would simply add it to the Direct Company support line.

Therefore, the budget proposal below uses a total expected funds amount of \$6,608,594.

	2025-2026		2026-2027	Difference	Percent
Direct Staffing	\$ 900,000		\$ 950,000	\$ 50,000	5.56%
Direct Company Support	\$ 1,100,000		\$ 1,375,491	\$ 275,491	25.04%
Sponsorship, etc	\$ 175,000		\$ 175,000	\$ -	0.00%
Major Events	\$ 475,000		\$ 475,000	\$ -	0.00%
Boot Camp	\$ 50,000		\$ 50,000	\$ -	0.00%
Mobility Support	\$ 290,000		\$ 300,000	\$ 10,000	3.45%
Interns/Talent	\$ 850,000		\$ 862,293	\$ 12,293	1.45%
Software	\$ 88,290		\$ 90,000	\$ 1,710	1.94%
Central Incubator	\$ 375,000		\$ 380,000	\$ 5,000	1.33%
Incubator Improvements	\$ 5,000		\$ -	\$ (5,000)	-100.00%
Accounting/Overhead	\$ 595,000		\$ 560,000	\$ (35,000)	-5.88%
Marketing	\$ 300,000		\$ 300,000	\$ -	0.00%
Ypsilanti					
East OpX	\$ 220,000		\$ 220,000	\$ -	0.00%
Programs	\$ 526,287		\$ 270,810	\$ (255,477)	-48.54%
Youth Talent Program	\$ 150,000		\$ 150,000	\$ -	0.00%
Ypsilanti Total	\$ 896,287		\$ 640,810	\$ (255,477)	-28.50%
GBC	\$ 250,000		\$ 200,000	\$ -	-20.00%
All In	\$ 250,000		\$ 250,000	\$ -	0.00%
Total	\$ 6,599,577		\$ 6,608,594	\$ 9,017	0.14%

Direct Staffing

Inflation in both salary and benefit costs for existing staff allocations is solely driving this increase.

Direct Company Support

We are still seeing strong demand for the services this line provides and feel confident that we can deploy this additional support to eligible startups.

Mobility Support

Inflation in both salary and benefit costs for existing staff allocations is solely driving this increase.

Software

This increase reflects the regular cost increases of our existing software subscriptions.

Central Incubator

This increase simply reflects regular inflationary increases associated with the rent we pay, cleaning, supplies, and other items associated with running the facility.

Accounting/Overhead

We completed the automation implementation project you awarded us in the amount of \$35K. This is driving the line decrease.

We will also incur regular cost increases that include payroll processing fees (mostly the intern matching program), insurance costs, 401K fees, IT support, Credit Card processing fees, facilities costs, accounting software, etc. But due to the other budget needs we are going to absorb these costs.

Ypsilanti

Thanks to this committee, we reduced the Ypsi reserve along with providing additional service to our clients in the '25-'26 Fiscal Year. The line item reductions reflect re-adjusting the levels in Ypsi to reflect only the 10% portion of the Ann Arbor Tif capture allocated to Ypsilanti.

Programs

- **Green Business Challenge** - The City of Ann Arbor Office of Sustainability and Innovation has paused their programs for the last quarter of 2025 and the first quarter of 2026 in an effort to restructure their programs and add additional staffing. In our talks with OSI looking forward, we are going to shift some costs from the GBC program to the OSI budget. This will allow us to reduce this line by \$50K and use that funding to support other key areas of the overall budget.

Thank you,



Bill Mayer
SVP, Entrepreneur Services
Ann Arbor SPARK