

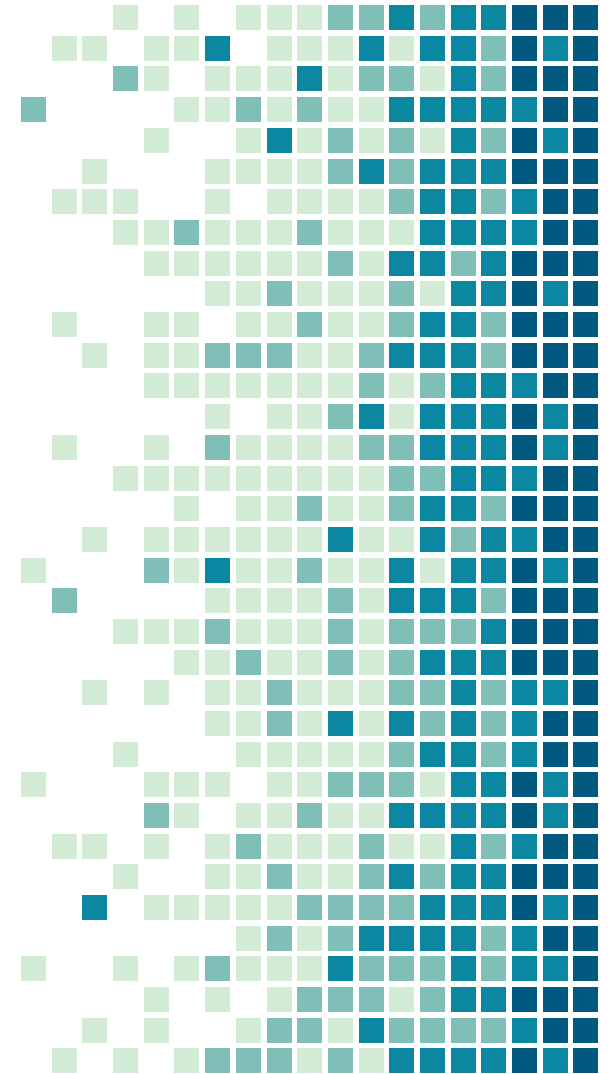
A teal abstract graphic consisting of several overlapping, curved lines that form a dynamic, swirling shape behind the text.

MICHENRY D15

Today's Learners... Tomorrow's Leaders

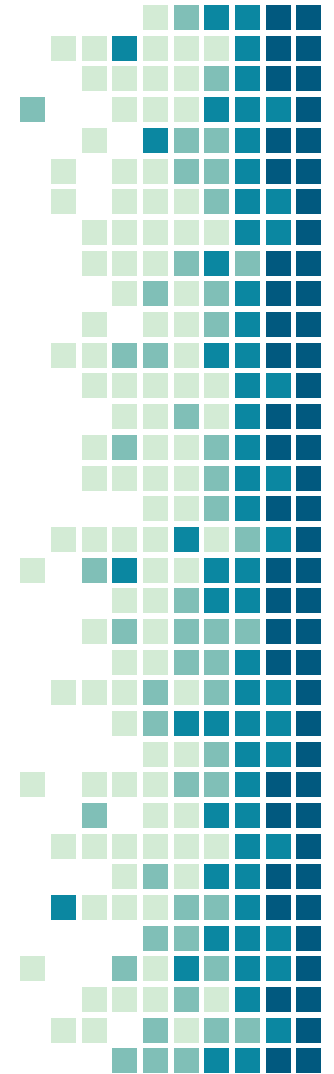
Tentative Budget 2025-2026

Jeffrey Schubert, Chief School Business Official



Purpose for Budget

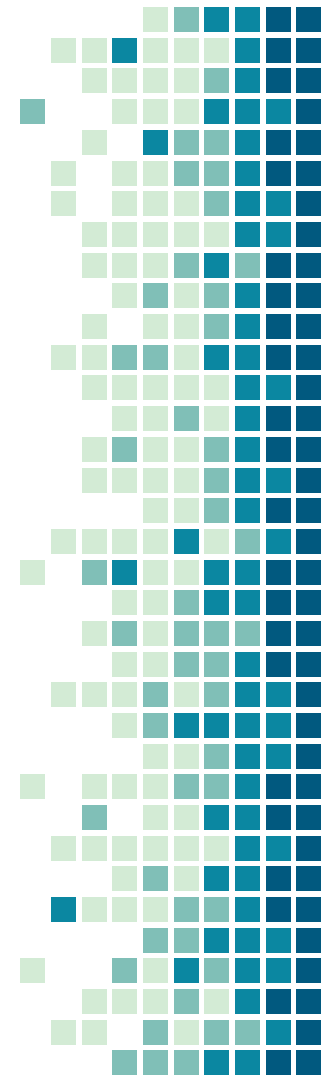
- The FY26 Budget is intended to assist the Board and the public in understanding the District's overall projected finances for FY26.
- The FY26 Budget is the proposed financial plan for the new fiscal year, which runs from July 1st through June 30th.
- The FY26 Budget continues to provide our staff and students with the resources they need to be successful and support our programming.



Uncertainties

The FY26 Budget is subject to many complex economic, social, and political risks and uncertainties, many of which are outside the ability for the District to control.

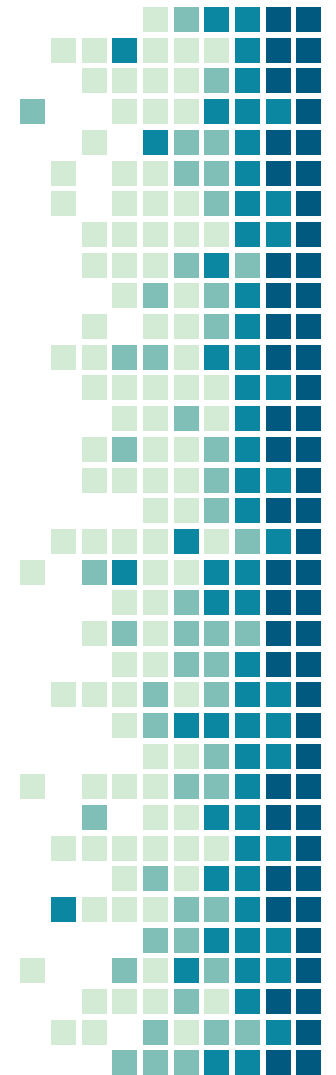
- Department of Education Uncertainty
- Price increases caused by Tariffs and Inflation
- Changes in State & Federal Legislation
- Additional Staffing Caused by Enrollment Changes
- Unexpected Capital Needs



Revenue Assumptions

In developing the District's FY26 Budget revenues, the following assumptions were implemented:

- Levy Collection Rate: 99.8%
- CPI:
 - 3.4% for Levy Year 2024 (52% of the levy budget)
 - 2.8% for Levy Year 2025 (48% of the levy budget)
- Evidence Based Funding: Replaced General State Aid and some State Mandated Reimbursements
 - Hold Harmless Provision
 - Tier II Supplemental Funding

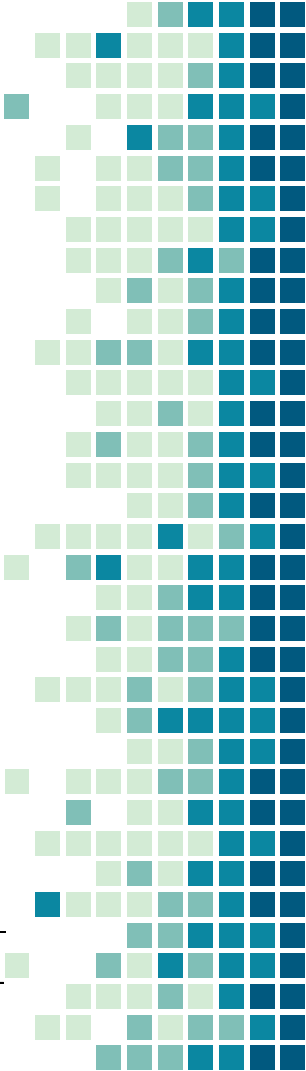


Revenue Summary

The following is the Revenue summary for all funds in the District's FY26 Budget:

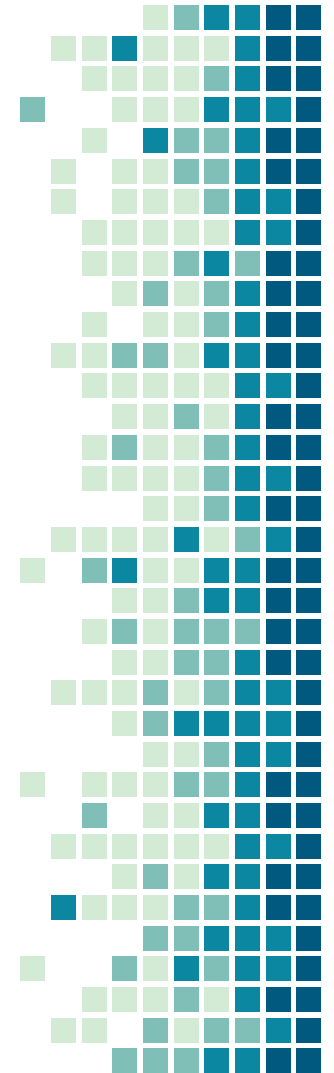
- 5% Increase from FY25 Budget

Revenue by Source	FY25 Budget	FY26 Budget	Δ\$	Δ%
Local Property Tax	60,802,819	64,363,200	3,560,381	6%
Other Local	6,212,765	7,007,542	794,777	13%
Evidence Based Funding	10,265,000	10,350,000	85,000	1%
Other State	2,918,000	2,205,000	(713,000)	-24%
Federal	3,749,000	3,912,000	163,000	4%
	83,947,584	87,837,742	3,890,158	5%



Expenditure Assumptions

- Salaries:
 - Salary Increases based on collective bargaining and BOE approved increases to Administration and Educational Support Staff.
- Benefits:
 - Insurance Costs Based Upon a Combination of Historical Insurance Enrollment and FY26 Quoted Rates.
 - TRS & IMRF



Purchase Service Assumptions

- Increases based upon a combination of Enrollment Projections, CPI, and prior year actuals
- Contractual Agreements used for services such as Worker's Compensation, District Liability Insurance and District School Bus Lease
- Increases to out-sourced labor for Maintenance and Repairs



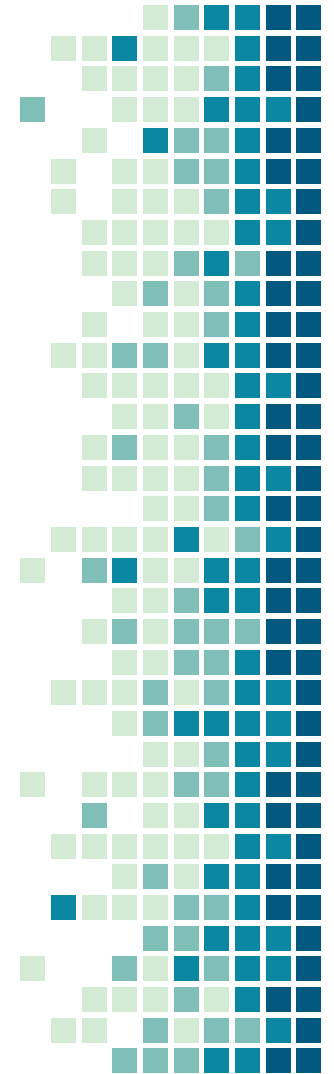
Supplies Assumptions

- Allocation based upon a combination of Enrollment Projections, CPI, and prior year actuals
- Utilities have been adjusted to reflect projected market increases
- Increases to accounts to reflection the impact of recent inflation



Capital Outlay Assumptions

- Address items listed on Capital Improvement List
- Completion of 2025 Summer Projects= \$4,500,000
 - Installation of Outdoor Track at McHenry Middle School
 - Flooring and Asbestos Abatement at Valley View
 - Mechanical and Partial Roof Replacement at Edgebrook
- Potential 2026 Summer Projects = \$6,500,000
 - Installation of Outdoor Track at Parkland Middle School
 - Flooring and Classroom Renovation at McHenry Middle School
 - Mechanical and Partial Roof Replacement at McHenry Middle School
 - Contingency for unexpected Capital Equipment replacement

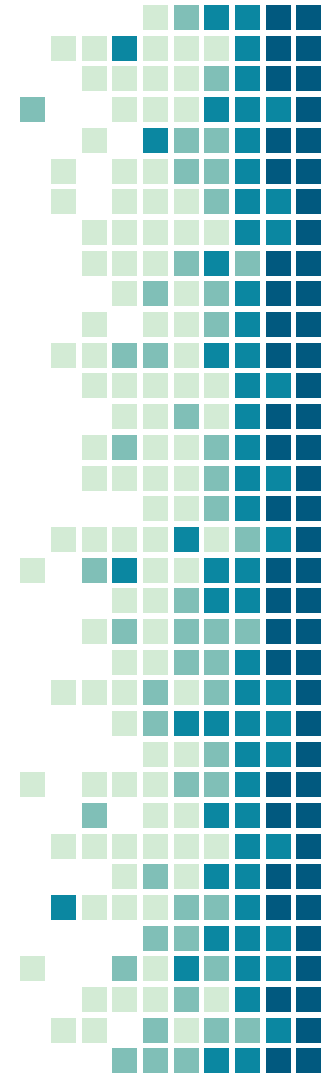


Expenditure Summary

The following is the expenditure summary for all funds in the District's FY26 Budget:

- 1% Increase from FY25 Budget

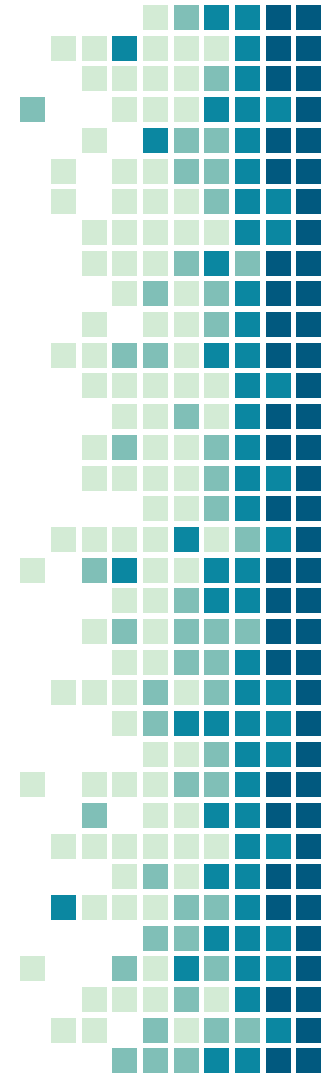
	FY25 Budget	FY26 Budget		
Salaries	50,967,915	51,360,209	392,294	1%
Employee Benefits	8,794,575	9,658,457	863,882	10%
Purchased Services	6,285,951	6,097,251	(188,700)	-3%
Supplies & Materials	6,174,703	6,364,013	189,310	3%
Capital Outlay	11,886,500	12,476,500	590,000	5%
Other Objects	1,684,250	1,683,500	(750)	0%
Non-Capitalized Equipment	744,000	739,000	(5,000)	-1%
	86,537,894	88,378,930	1,841,036	2%



Budget Summary

The following is the operating results projected in the District's FY26 Tentative Budget:

	FY25 Budget	FY26 Budget
Beginning Fund Balance	85,018,893	82,428,583
Total Revenues	83,947,584	87,837,742
Total Expenditures	86,537,894	88,378,930
Surplus/(Deficit)	(2,590,310)	(541,188)
Fund Balance	82,428,583	81,887,395
	95%	93%



Budget Timeline

- 7/22/2025 Finance Committee Meeting – Present FY26 Tentative Budget
- 7/22/2025 Board of Education Meeting – Present FY26 Tentative Budget
- 7/23/2025 Publish legal notice indicating availability for public inspection of Tentative Budget and date, time, and location of public hearing (105 ILSC 5/17-1)
- 7/23/2025 Budget made available for public inspection
- 8/26/2025 Board of Education Meeting - Hold Public Hearing on the Budget
- 8/26/2025 Board of Education Meeting – Board of Education Resolution adopting Final Budget (must adopt annual budget by the end of the first quarter of the fiscal year and file with the County Clerk and ISBE within 30 days of adoption)
- 9/30/2025 File the Final Budget (ISBE 50-36) with the County Clerk Offices



Questions?

