

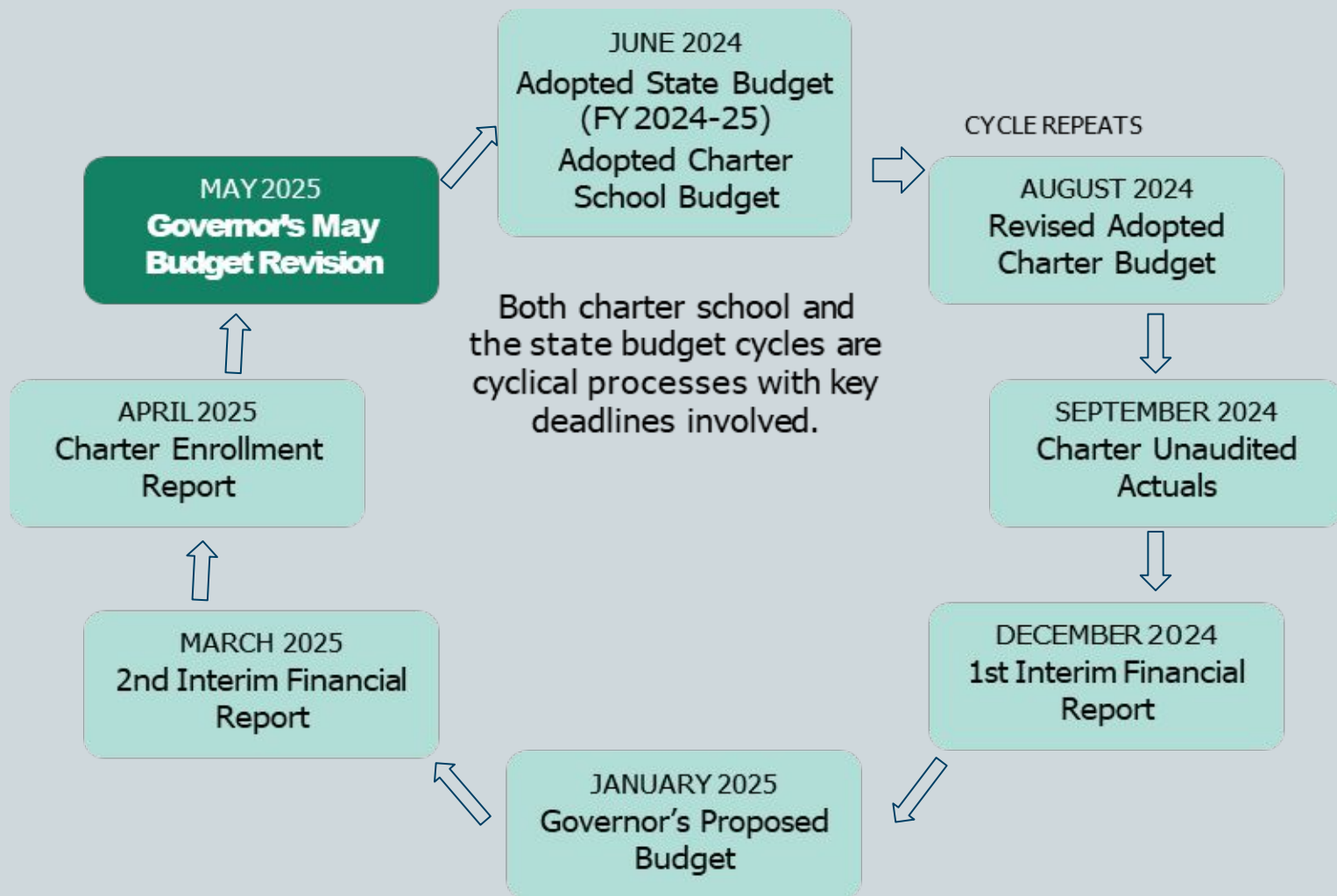


# ILCS 1st Interim Report

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December 16, 2024





# First Interim Basics

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First Interim Report includes financial activity from July 1, 2024 through October 31, 2024. Certification is based on three year projections: 24-25, 25-26, 26-27

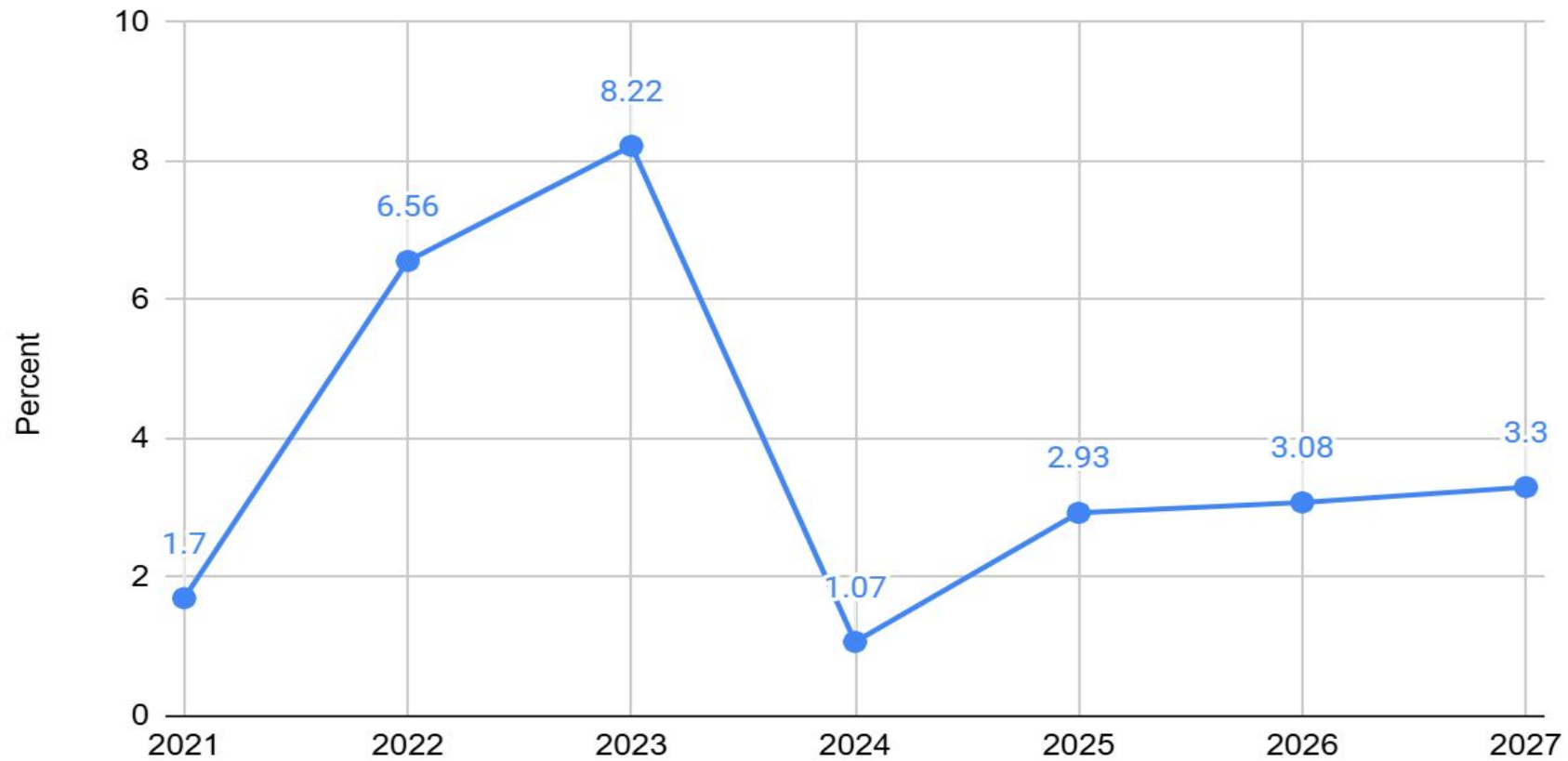
ILCS will remain in a positive certification status which means we will meet our financial obligations for the next three years.

# First Interim Assumptions

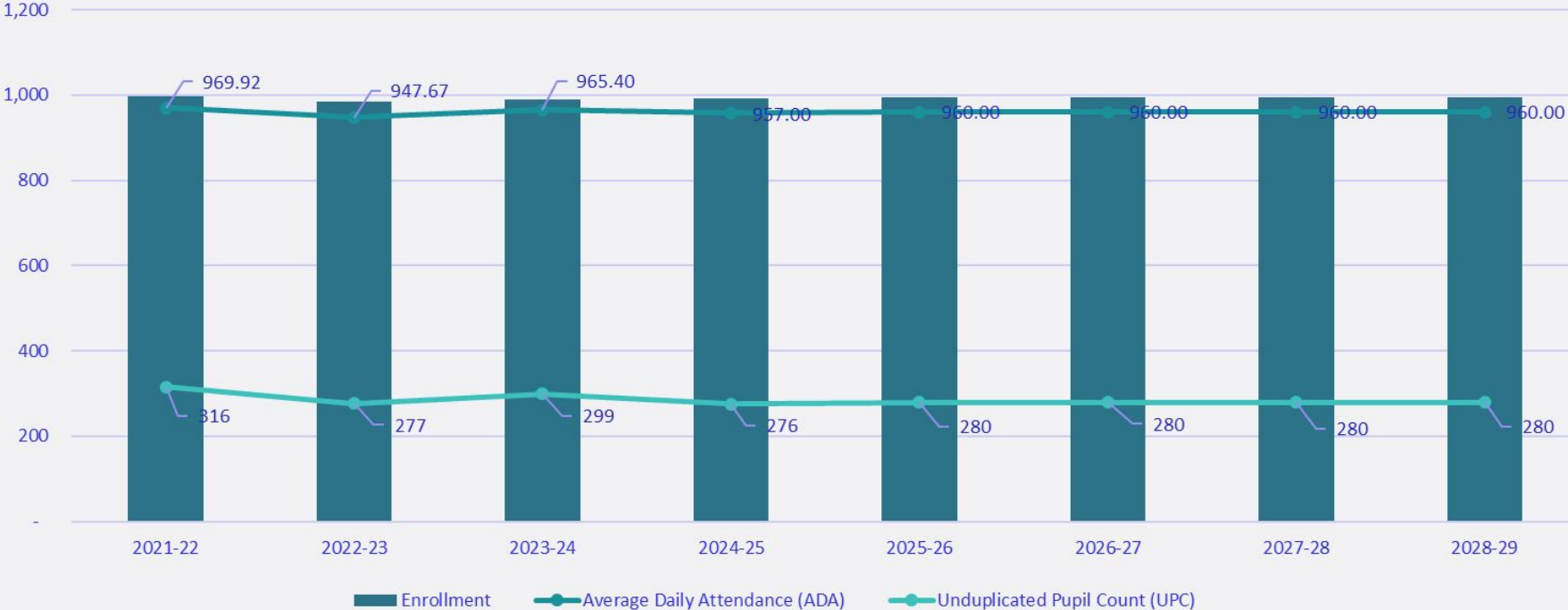
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- ADA remains consistent with our current attendance rates: ~96%
- COLA for this year was 1.07%
- Employee compensation adjustments of 3.5% for next school year (but changing based on budget workshop and board determinations for next school year budget) along with step moves at 3.5%. -No staff bonus structure built for current year into 2nd interim report.
- Insurance costs calculated at approximately 10%
- Larger increases to energy/utility costs based on current usage and SCE increases
- Enrollment forecasted at current levels for future years
- Pay increases estimated at current pay scales

## COLA over the years



# Enrollment, ADA & UPC



# First Interim Financial Summary

<b>Multiple Year Projection – General Fund</b>	<b>2024-2025</b>	<b>2025-2026</b>	<b>2026-2027</b>
<b>COLA</b>	1.07%	2.93%	3.08%
<b><i>Revenue/Expenditures</i></b>			
Revenue	14,376,206	14,304,740	14,403,744
Expenditures	12,631,475	12,734,867	13,145,324
<b><i>Fund Balance</i></b>			
Beginning	20,810,098	22,554,829	24,124,702
Ending	22,554,829	24,124,702	25,383,122
Yes/No – Meet or exceed minimum 3% reserve	Yes	Yes	Yes

# Major differences from budget to interim

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## Revenues- 80-90K in lower revenues expected

- Loss of Supply Chain Grant: 30K
- Lower SPED Federal revenues: 25K
- UPP count is lower than expected: 30K
- COVID 19 grants expensed out so no more revenue realized

## Expenses-189K in higher expenses projected

- Necessary projects at YBC such as playground wood chips
- Increases in payroll for classified for additional hours for Interventions such as full time Title 1 teacher rather than part time, additional back office position and increased hours
- BSC removal cost increases (under dispute)



Budget Version:		Budget Interim	1st Interim	% Diff	Dollar Diff
Budget Updated:		BOARD Adopt	BOARD Adopt		
		CY 24-25	CY 24-25		
<b>Revenue</b>					
	Principal Apportionment (General Block G	10,965,735	10,916,750	-0.45%	(48,985)
	Federal Revenue	427,008	361,301	-18.19%	(65,707)
	Other State Revenue	2,603,473	2,637,815	1.30%	34,342
	Other Local Revenue	360,611	354,756	-1.65%	(5,855)
	Donations & Fundraising	101,780	105,584	3.60%	3,804
	Other Revenue/Income	-	-		-
					-
	<b>Total Revenue</b>	<b>14,458,606</b>	<b>14,376,206</b>		<b>(82,401)</b>
					-
<b>Expenses</b>					
	Certificated Salaries	5,464,220	5,497,164	0.60%	32,944
	Classified Salaries	2,020,981	2,118,935	4.62%	97,954
	Payroll Taxes & Employee Benefits	2,088,013	2,059,931	-1.36%	(28,082)
	Books & Supplies	664,946	672,654	1.15%	7,708
	Services & Operating Exp.	2,039,825	2,140,635	4.71%	100,811
	Capital Outlay	164,085	142,156	-15.43%	(21,929)
	Other Expenses	-	-		-
					-
	<b>Total Expenses</b>	<b>12,442,071</b>	<b>12,631,476</b>	<b>1.50%</b>	<b>189,405</b>
	9027466 and 86439				-
	<b>Operating Income</b>	<b>2,016,536</b>	<b>1,744,730</b>		<b>(271,806)</b>

# Restricted funding expiration schedule

<u>Fund</u>	<u>Total funds allocated</u>	<u>CY Start balance</u>	<u>25-26 Start balance</u>	<u>26-27 Start balance</u>
Educ. Effect	\$225,684	\$76,630	\$23,830	0
UPK (TK)	\$188,342	\$81,340	\$35,463	0
AMIM	\$613,058	\$381,722	\$181,723	0
Learn. Recovery	\$601,685	\$252,966	0	0
Supply chain	\$30K yearly	\$1,148	0	0

# Expert's Considerations for financials

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- Continue budgeting for minimal increases in COLA. Published rates for future years average 3% but experts are stating to budget with a 0-1% COLA to be safe.
- Future burden of possible minimum wage increases
- Health benefit costs continue to keep increasing
- Inflation
- Large reduction to balance sheet and reserve when purchasing property.
- Staff raises on the pay scales will need to be analyzed again in 25-26 school year for adjustments.
- Expiration of Grants and restricted funds

# Budget Challenges

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- Possible Minimum wage increases
- Expiration of various grants and funding from COVID-19
- Little to no increases in COLA projected by experts
- Increasing energy, rent and operating costs due to inflation

# Summary

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- ILCS will meet all of its financial obligations for the next three years
- The school is in good financial position with strong reserves to continue to thrive in the expected low COLA years.
- Recommendation to approve the First Interim Financial Report with Positive Certification