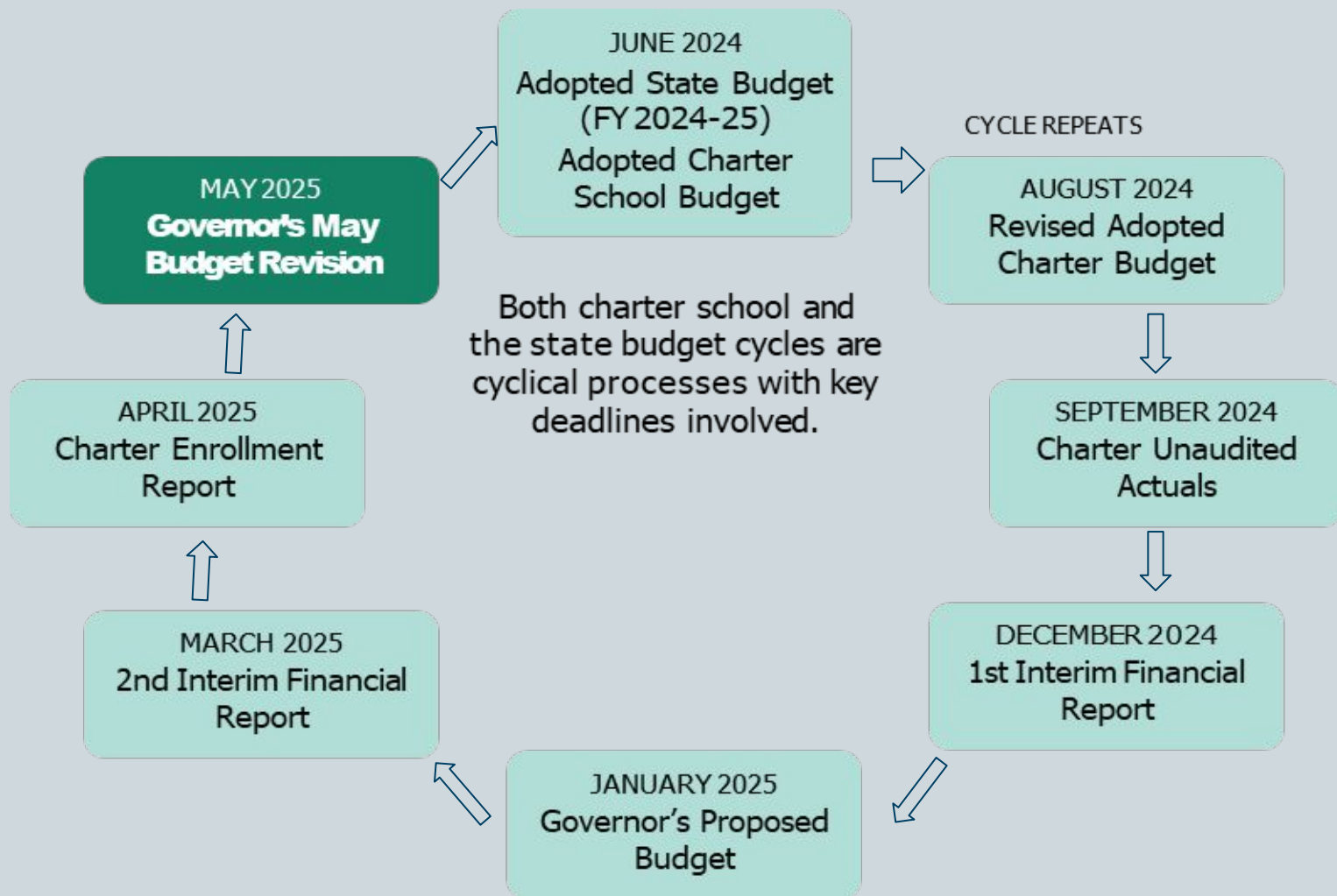




ILCS 1st Interim Report

December 16, 2024





First Interim Basics

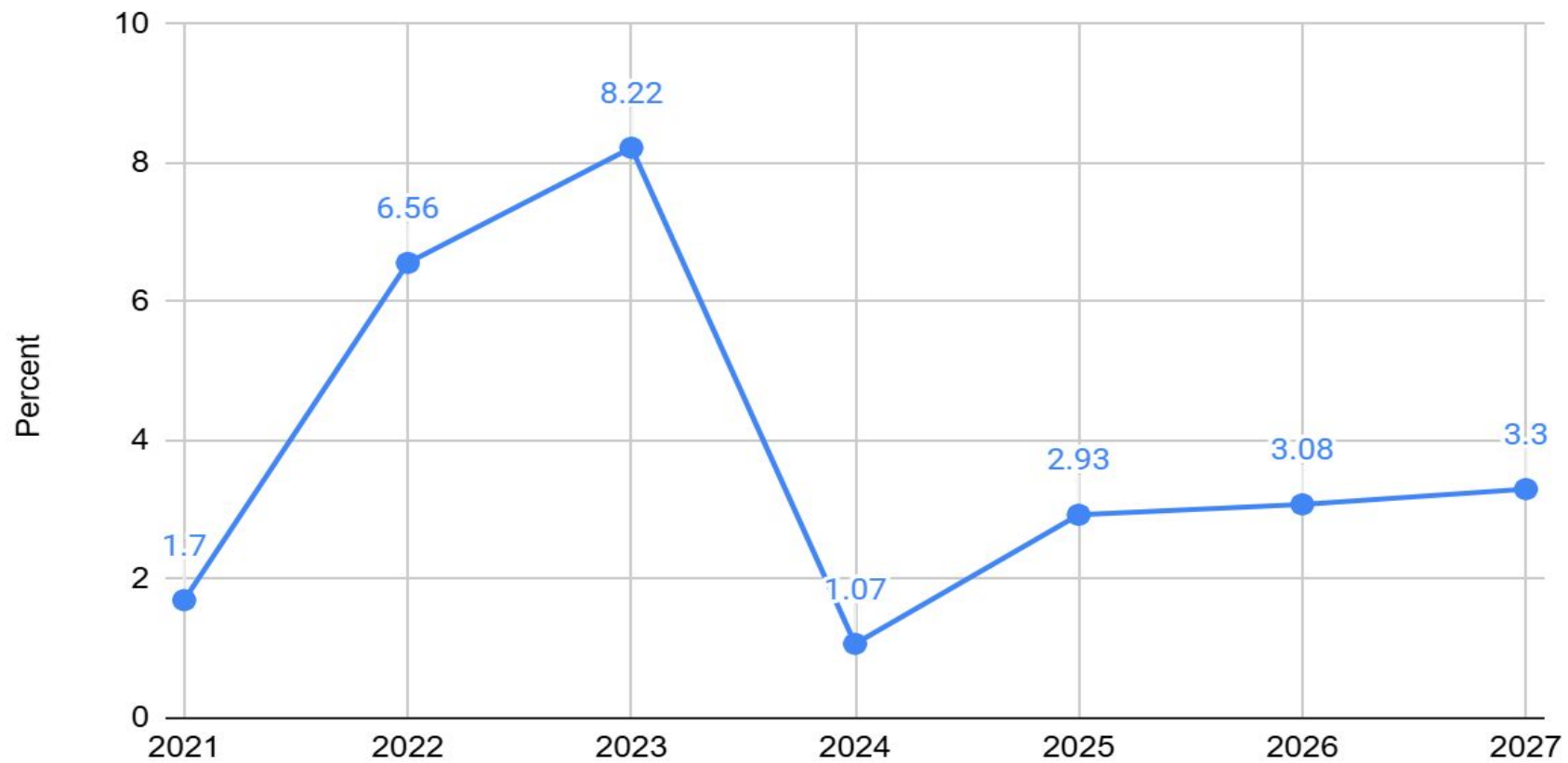
First Interim Report includes financial activity from July 1, 2024 through October 31, 2024. Certification is based on three year projections: 24-25, 25-26, 26-27

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

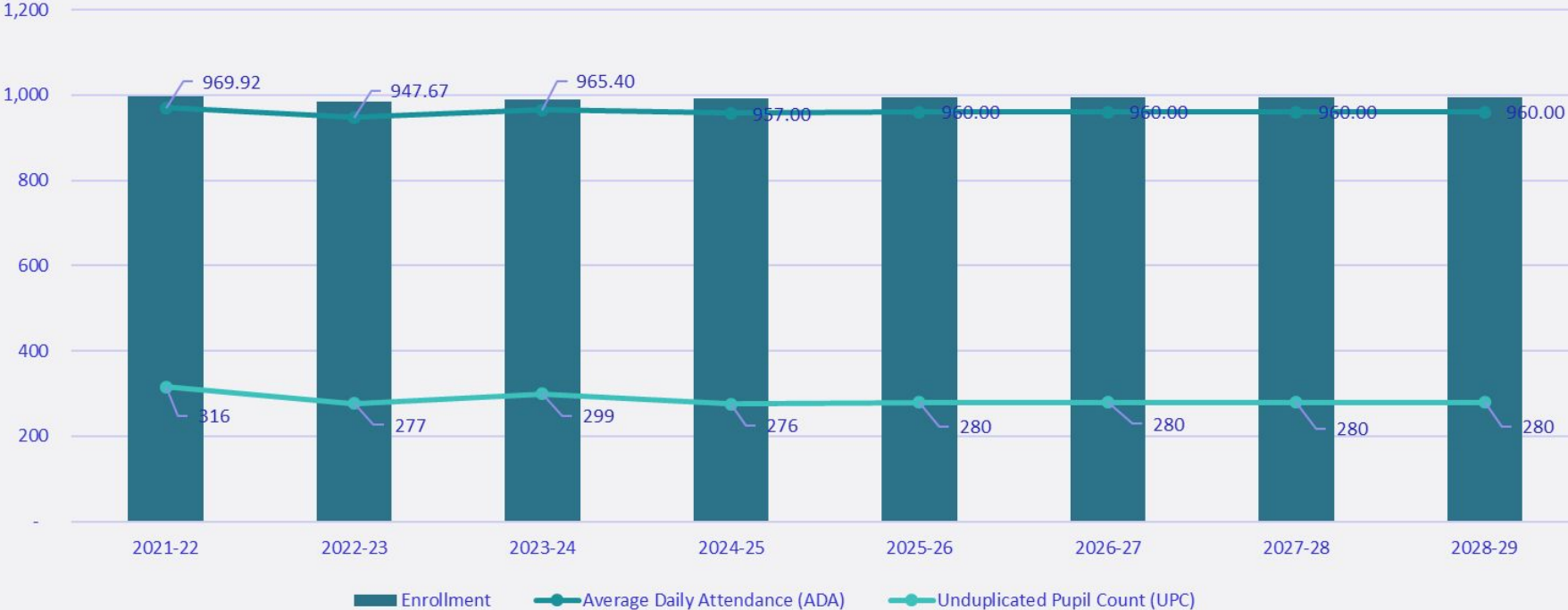
First Interim Assumptions

- 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

Multiple Year Projection – General Fund	2024-2025	2025-2026	2026-2027
COLA	1.07%	2.93%	3.08%
<i>Revenue/Expenditures</i>			
Revenue	14,376,206	14,304,740	14,403,744
Expenditures	12,631,475	12,734,867	13,145,324
<i>Fund Balance</i>			
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

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		
Revenue					
	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	-	-		-
					-
	Total Revenue	14,458,606	14,376,206		(82,401)
					-
Expenses					
	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	-	-		-
					-
	Total Expenses	12,442,071	12,631,476	1.50%	189,405
	9027466 and 86439				-
	Operating Income	2,016,536	1,744,730		(271,806)

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

- 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

- 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

-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