



# Lexington Public Schools

146 Maple Street ♦ Lexington, Massachusetts 02420

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To: Paul Ash, Superintendent

From: Mary Ellen Dunn, Assistant Superintendent for Finance and Business

Date: November 6, 2007

Re: FY07 Financial Summary

At the close of FY07, the School Department returned \$464,106 to the Town. The primary sources of available funds are as follows:

	<i>Ending Balance</i>	
<i>Salaries and Wages</i>	\$ 82,960	Net Salary Accounts
<i>Operating Expenses</i>	6,540	Net All Building/Dept Accounts
<i>Special Education</i>	271,585	Net Student Services Accounts
<i>Facilities</i>	103,021	Net Facilities Accounts
<b><i>Total Amount Returned</i></b>	<b>464,106</b>	

A total of \$1,645,145 was appropriated to address additional Special Education expenses and Preventative Maintenance. The pressure of special education program costs required a very conservative and cautious approach to managing this budget. However, even with additional resources the Superintendent needed to freeze expense budget at 80%, except Special Education, Facilities, Legal Services, and Substitutes. The balance of the funds remaining from the frozen accounts funded the deficits in Legal Services, Teacher Substitutes, and revolving funds.

The School Committee was able to honor its commitment to return all available funds from the Special Education budget at the end of the year (\$271,585). Due to the resignation of the Facilities Director in the spring, the Facilities Department was not able to spend its entire budget.

All of the School Department Budget Managers performed an exemplary job at managing the needs of their programs with the limited resources provided and in a very difficult fiscal environment.

## **Operating Budget: Legal Services and Substitutes**

Legal services ended in deficit due to a combination of negotiation costs, personnel cases, and special education mediation or challenges. In FY07, the School Department did not segregate legal expenses by categories. In FY08, the School Department has separated legal expenses by Special Education and all other.

Substitutes were over budget due to a combination of the number of days required for contract absences used, curriculum reviews, and professional development days. The School Department does not

segregate the account into sub sections, so information is not available on how much was spent on each category during the year.

**Revolving Fund Program Deficits:**

In addition to the funds returned, the FY07 Operating Budget was required to balance and fund Revolving Fund deficits left over from FY06 and FY07. These were not addressed as part of the Unpaid Bills because the Town had allowed these deficits to be carried until determinations could be made and the totals extracted from the programs. The Town as part of the closing of the books does not require Town Meeting approval for making these transfers; it is a form of law that allows the General Fund to be charged for special revenue fund deficits. One could argue we should have returned more and let the revolving funds continue to languish in deficit. However, I believe that is not sound financial management. Below is the information on each of the Revolving Fund Accounts for which deficits were funded.

- Driver's Education Program has been removed from being a school department operated Revolving Fund. It is now under the auspices of Lexington Community Education and contracted to a private vendor through a bid process. We will have a Drivers Ed deficit to fund in FY08 and none thereafter. The program was terminated due to the increasing requirements for licensures and legislative changes that took place September 1, 2007.
- Food Service, under a new director, ran the program at break even last year (FY07) and demonstrated that the lunch price covers the cost of the program. The program did lose an estimated \$60,000 in revenue from a-la-carte sales at the elementary level. This was an unintended negative financial impact resulting from a too strict interpretation of the wellness policy. While the program does not want to step backward and implement food choices offered prior to the Wellness Policy, we do want to offer students who choose to bring a bag lunch options of purchasing one item from a selection of two proteins, two fresh fruits, and two carbohydrates. The Guidelines did not provide for bag lunch students to participate in the program under the new Nutrition Guidelines. We hope that these options will entice students to participate on a more frequent basis in the entire meal program.
- The amount for Rental of Facilities was the amount that remained uncollected as part of the FY06 rental activity. As you are all aware, the rate structure and procedures need a thorough review and modification to be implemented in the next fiscal year.

TYPE	LINE	ROLL UP	Data									
			Sum of 2006 ACTUAL	Sum of 2007 ORIGINAL	Sum of TM ADJ	Sum of Carry Forward	Sum of 2007 REVISED	Sum of 2007 YTD EXP	Sum of 2007 YTD ENC	Sum of 2007 TOTAL EXP	Sum of Favorable/ (Unfavorable)	
SALARIES & WAGES	1	UNIT A -LEA	35,980,575	36,786,530	68,615	0	36,855,145	36,422,335	25,877	36,448,212	406,933	
	2	UNIT A - STIPENDS	189,876	160,000		0	160,000	172,653	0	172,653	(12,653)	
	3	UNIT A - COACHES	533,008	425,000		0	425,000	491,001	0	491,001	(66,001)	
	4	LESA - SECRETARIES	1,731,310	2,106,107		0	2,106,107	2,182,761	3,192	2,185,953	(79,846)	
	5	CO - SUPPORT	0	280,147		0	280,147	254,092	832	254,924	25,223	
	6	FACILITIES/PREVENTATIVE MAINTENANCE	0	256,990		0	256,990	228,729	350	229,079	27,911	
	7	UNIT C - INSTR ASST.	2,264,373	2,100,203	64,720	0	2,164,923	2,385,811	724	2,386,535	(221,612)	
	8	ABA TUTORS	0	208,244		0	208,244	80,169	0	80,169	128,075	
	9	OT ASSISTANTS	0	144,719		0	144,719	125,704	0	125,704	19,015	
	10	SCHOOL AIDES	966,659	411,501		0	411,501	411,435	0	411,435	66	
	11	SEIU CUSTODIAN/MAINTENANCE	1,952,513	2,131,301	248,715	0	2,380,016	2,315,129	611	2,315,740	64,276	
	12	CUSTODIAL OVERTIME	87,262	85,000		0	85,000	164,326	970	165,296	(80,296)	
	13	TECHNOLOGY	417,780	429,263		0	429,263	370,938	0	370,938	58,325	
	14	CO - ADMINISTRATION	855,669	685,879		0	685,879	741,260	4,328	745,588	(59,709)	
	15	PRINCIPALS	2,244,200	1,021,846		0	1,021,846	1,135,753	0	1,135,753	(113,907)	
	16	ALA - ASST PRINC/SUPVR	0	1,398,685		0	1,398,685	1,403,395	3,925	1,407,320	(8,635)	
	17	NURSE SUBS	9,230	10,000		0	10,000	71	0	71	9,929	
	18	SECY SUBS	30,815	35,000		0	35,000	36,989	96	37,085	(2,085)	
	19	CROSSING GUARDS	109,200	116,848		0	116,848	118,802	0	118,802	(1,954)	
	20	SICK LEAVE	0	0		0	0	10,094	0	10,094	(10,094)	
SALARIES & WAGES Total			47,372,468	48,793,263	382,050	0	49,175,313	49,051,449	40,904	49,092,353	82,960	
EXPENSES	1	BOWMAN	14,929	24,000		(814)	23,186	10,671	0	10,671	12,515	
	2	BRIDGE	14,969	29,000		(1,500)	27,500	15,978	0	15,978	11,522	
	3	ESTABROOK	13,434	23,000		(1,500)	21,500	16,887	0	16,887	4,613	
	4	FISKE	13,383	18,000		(1,500)	16,500	11,664	0	11,664	4,836	
	5	HARRINGTON	15,256	20,000		(1,423)	18,577	12,371	264	12,635	5,942	
	6	HASTINGS	16,133	25,000		(747)	24,253	15,357	0	15,357	8,896	
	7	CLARKE	19,596	14,500		(1,653)	12,847	9,376	424	9,800	3,047	
	8	DIAMOND	28,266	17,840		(1,970)	15,870	18,495	420	18,915	(3,045)	
	9	LHS	103,272	103,000	24,000	(2,960)	124,041	102,484	1,044	103,529	20,512	
	10	K-5 LITERACY	5,690	110,000		35	110,035	103,378	0	103,378	6,657	
	11	K-5 MATH	49,654	49,765		(200)	49,565	45,998	103	46,101	3,464	
	12	K-5 SCIENCE	15,607	25,000		(256)	24,744	23,634	120	23,753	991	
	13	K-5 SOCIAL STUDIES	19,531	24,284		0	24,284	22,581	0	22,581	1,703	
	14	6-8 ENG/LANG ARTS	22,919	28,605		0	28,605	19,837	0	19,837	8,768	
	15	6-8 SOCIAL STUDIES	0	2,900		0	2,900	1,295	0	1,295	1,605	
	16	6-8 FOREIGN LANGUAGE	21,402	19,256		0	19,256	14,459	0	14,459	4,797	
	17	6-8 MATH	12,685	20,500		67	20,567	13,520	0	13,520	7,047	
	18	6-8 SCIENCE	25,831	36,000		651	36,651	28,885	1,199	30,084	6,567	
	19	6-8 SOCIAL STUDIES	21,547	17,000		(125)	16,875	13,672	90	13,762	3,113	
	20	6-8 INFO TECH/BUSINESS	3,211	8,300		609	8,909	7,309	0	7,309	1,600	
		9-12 INFO TECH/BUSINESS	0	0		0	0	0	0	0	0	
	21	9-12 ENGLANG ARTS	19,245	32,000		0	32,000	26,855	0	26,855	5,145	
	22	9-12 FOREIGN LANGUAGE	14,662	25,000		(32)	24,969	21,331	266	21,596	3,372	
	23	9-12 MATH	9,738	23,000		(11)	22,990	8,851	1,292	10,143	12,847	
	24	9-12 SCIENCE	42,165	85,000		456	85,456	71,977	1,440	73,417	12,039	
	25	9-12 SOCIAL STUDIES	41,239	35,000		0	35,000	31,008	0	31,008	3,992	
	26	9-12 COMPETITIVE SPEECH	10,477	2,000		0	2,000	1,117	0	1,117	883	
	27	9-12 POLICY DEBATE	14,609	2,000		0	2,000	108	0	108	1,892	
	28	9-12 GUIDANCE	4,903	7,000		(74)	6,927	2,717	0	2,717	4,209	
	29	K-12 CURRICULUM	125,057	178,772		269	179,041	49,619	21,599	71,217	107,823	
	30	K-12 LIBRARY/MEDIA	107,627	130,862		232	131,094	102,525	1,164	103,690	27,405	
	31	TECHNOLOGY	119,811	154,470		0	154,470	93,786	2,175	95,961	58,509	
	32	ENGLISH LANGUAGE LEARNERS	0	10,000		0	10,000	8,733	150	8,883	1,117	
	33	K-12 PE/WEELLNESS	30,837	55,000		108	55,108	41,822	2,988	44,810	10,298	
	34	K-12 VISUAL ARTS	49,774	70,000		44	70,044	56,211	207	56,418	13,626	
	35	K-12 PERFORMING ARTS	37,922	75,000		180	75,180	76,043	2,398	78,441	(3,261)	
	36	ATHLETICS	254,965	362,817		167	362,984	287,114	7,701	294,815	68,169	
	37	EARLY CHILDHOOD PROGRAM	0	57,117		0	57,117	13,520	0	13,520	43,597	
	38	HEALTH SERVICES	8,067	11,000		0	11,000	6,674	303	6,977	4,023	
	39	PSYCHOLOGIST	0	75,500		(2,579)	72,921	51,081	24,733	75,815	(2,894)	
	40	K-12 STUDENT SERVICES	53,372	102,825		2,757	105,582	95,523	7,467	102,990	2,592	
	41	TUITION * Budget & Projection Net Circuit Breaker Offset	3,645,590	3,640,000	820,760	19,120	4,479,880	4,043,483	243,583	4,287,066	192,815	
	42	TRANSPORTATION SPECIAL EDUCATION	845,816	740,000	131,756	787	872,543	855,938	40,575	896,513	(23,970)	
	43	SPECIAL EDUCATION CONSULTANTS	596,931	619,000	156,000	6,161	781,161	670,673	55,066	725,739	55,422	
	44	TRANSPORTATION	1,364,672	1,276,000		0	1,276,000	1,333,239	2,175	1,335,414	(59,414)	
	45	PRINT CENTER	379,673	270,000		5,428	275,428	193,739	8,749	202,489	72,939	
	46	LEGAL SERVICES	154,477	123,100		0	123,100	109,619	30,006	139,625	(16,525)	
	47	TEACHER SUBSTITUTES	546,142	400,000		26,930	426,930	537,933	29,491	567,424	(140,494)	
	48	ADMINISTRATION	231,491	223,000		14,001	237,001	233,058	10,872	243,930	(6,929)	
	49	FACILITIES - CUSTODIAL	130,059	272,000		771	272,771	187,008	9,602	196,610	76,162	
	50	FACILITIES - BLDG REPAIR & MAINTENANCE	0	528,100		500	528,600	491,668	105,536	597,204	(68,604)	
	51	FACILITIES - GROUNDS & VEHICLES	0	55,000		1,374	56,374	29,358	6,292	35,650	20,724	
	52	PREVENTATIVE MAINTENANCE	0	543,000		3,347	546,347	183,263	273,952	457,214	89,132	
	53	ELECTRICITY	1,514,357	1,227,376	80,000	49,551	1,356,927	1,611,315	89,885	1,701,200	(344,272)	
	54	FUEL OIL	0	483,840		0	483,840	345,982	130,816	476,798	7,042	
	55	NATURAL GAS	0	842,500		1,681	844,181	557,803	4,024	561,827	282,354	
	56	TELEPHONE/Cell Phone/Pagers	0	150,000		11,636	161,636	109,078	12,075	121,153	40,483	
	57	WATER & SEWER	0	50,000		0	50,000	20,640	29,360	50,000	0	
	58	PRIOR YEAR EXPENSES	9,029	0	50,588	5,060	55,648	55,586	50,000	105,586	(49,938)	
59	REVOLVING FUND PROGRAMS	0	42,000		0	0	236,313	0	236,313	(236,313)		
EXPENSES Total			10,800,019	13,595,229	1,263,104	134,581	14,950,914	13,360,163	1,209,606	14,569,768	381,146	
Grand Total			58,172,487	62,388,492	1,645,154	134,581	64,126,227	62,411,611	1,250,510	63,662,121	464,106	

Extraordinary Relief 103,980  
Circuit Breaker @ 75% 1,767,205  
Projected FY07 Offset 1,871,185

Error in CF/Bud Tran Column

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Prior Year Expenses	Revolving Fund Programs
Prior Year Expenses Include	Rental of Facilities 9,880
FY07 Unencumbered Invoices (FY07 PO) 50,000	Driver's Education 9,998
FY06 Unpaid Bills 50,588	School Lunch Equipment Replacement 16,981
FY06 Unencumbered Invoices (FY06 PO) 5,060	FY06 School Lunch Program Deficit Carry Forward 61,145
	FY06 School Lunch Deficit (June FY06 Invoice) 138,310
Return of FY06 Unencumbered Invoice PO (62)	
Total expended or reserved for unencumbered invoices 105,586	236,313