



Lexington Public Schools

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To: Paul Ash, Superintendent

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

Date: October 23, 2008

Re: FY08 Financial Summary

At the close of FY08, the School Department returned \$1,007,534 to the Town from the FY08 Operating Budget appropriation and \$531,579 from the FY07 Carry Forward encumbrances and purchase orders. The primary sources of available funds were as follows:

<i>FY08 Appropriation</i>	<i>Ending Balance</i>	
<i>Salaries and Wages</i>	\$ 1,079,733	Net Salary Accounts
<i>Operating Expenses</i>	-441,675	Net All Building/Dept Accounts
<i>Special Education</i>	543,279	Net Student Services Accounts
<i>Facilities</i>	-173,803	Net Facilities Accounts
<i>Total Amount Returned</i>	1,007,534	

FY08 Operating Budget:

May 21, 2008 Approval of Additional Expenditures:

The School Committee approved the expenditure of additional funds for technology; translation of student handbooks, kitchen equipment, repair and replacement of classroom furniture, and other special projects. These additional expenditures were the cause of most of the reported deficit in the operating expenses line above (-441,675). However, other areas are also highlighted below:

46) Legal Services:

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 began to separate legal expenses by special education and labor relations.

48) Administration:

Chart of Accounts conversion, grants acquisition contractor, advertising budget, and other administrative expenses have caused this line to go over including those cited below. The Chart of Accounts conversion will break this category down with more detail by School Committee, central administrator, and each department at central office. This will provide more detail for easier analysis on the costs associated with Central Office.

Munis/EPIMS Conversion - \$10,000: Tyler Works (MUNIS) was to convert our Department of Education's "Education Personnel Information Management System (EPIMS)" data into MUNIS. This will eliminate an employee from having to double enter employee information into two software systems. A second phase of this conversion will be to write a script for the Student Information Management System (X₂) to be updated with similar information.

Student Activities Audit - \$12,000: Annually or specifically when a principal leaves a school, an audit must be conducted for student activities. Lexington High School, Clarke Middle School, Harrington, Estabrook, Bowman, Bridge, and Hastings Elementary Schools all have or had principals leave over the last year. In addition, the Town has received annual audit findings on the processes and procedures surrounding the use and tracking of student activity funds. Massachusetts General Law Chapter 71, Section 47, amended by Chapter 66 of the Acts of 1996, governs Student Activity Funds. A manual dated August 13, 2002, regarding the financial conduct of Student Activity Accounts was reissued. We are in the second of three phases of implementation. The second phase is the re-issuance of the prior manual written in response to an audit in 2002 and providing training to advisors and record keepers. Training for High School Advisors was completed this fall and weekly training sessions for record keepers are ongoing. Phase Three will be the distribution of a revised Student Activity Manual for all teachers and advisors.

58) Prior Year Expenses:

Invoices without Purchase Orders/Unpaid Bills: The amount of \$50,000 each (\$100,000 total) for The Lexington Public Schools and for the new Department of Public Facilities was posted against this account to be used for invoices without purchase orders.

System-Wide: Classroom Furniture - \$25,000: Many school buildings that have not been renovated need to have classroom furnishings replaced. This is the second year request. During the summer of 2007, the School Department utilized last year's \$50,000 appropriation to move furniture donated and stored on site and off site to all of the schools within the district, replacing old furniture with new or better furniture. The balance of those funds was used to purchase additional new furniture. The schools needed cafeteria tables, desks, age appropriate chairs, and teacher desks and chairs. Clarke, Bowman, Bridge, Hastings, Estabrook, Central Office, and limited locations at the other schools still required replacement of furniture. Some of the equipment above was purchased as well as a focused effort to repair broken furniture. Wholesale Distribution was hired to repair chairs at Clarke and the High School rather than purchasing new. In addition, we have embarked on a project with them to eliminate all tennis balls used as chair glides in our schools and replace them with appropriate chair glides.

59) Revolving Fund Programs:

Driver's Education Program: Throughout this year, the School Department financially supported the closing of the district operated Driver's Education Program. These students who started the program had not completed their required hours by August 31, 2007. Currently, Driver's Education is provided through the Lexington Community Education Program by a contracted vendor.

System-Wide: Food Service - Equipment and Software - Balance requested \$85,000: This project is scheduled to replace \$400,000 worth of kitchen equipment over five years. Food Service is an in-house restaurant providing healthy and fresh lunch options for students and staff. Currently, some school kitchens function with unsafe and inappropriate household grade equipment. In addition, much of the commercial grade equipment has survived well beyond its useful life and needs to be replaced for safety reasons. During FY07, two school kitchens failed and satellite operations had to be put in place. Under these circumstances, food is less fresh and

the potential for spoilage increases. Also under this influx of equipment, Facilities and Food Service were able to address the Board of Health code violations and concerns for which many of our kitchens have been cited over the last five years. Equipment replaced in FY08:

1. Bridge: steamer
2. Hastings School: steamer, convection oven, equipment stand, hot plate, three-compartment sink
3. Estabrook School: steamer
4. Diamond: two reach-in freezers, steamer, electric hot plate
5. Clarke School: electric hot plate
6. Bowman: steamer & convection oven

System-Wide: Point of Sale and Inventory System - \$75,000: This request included funding for all nine schools for point of sale and inventory hardware and software. Collection of money at the register is the most time-consuming transaction on a lunch line. Lunchtime for students is finite and limited, so efficient lunch lines are important. Hardware costs are estimated to be between 60% and 75% of the project implementation with the balance being split between the actual software and staff training. The proposed system will:

- Eliminate the collection of tickets or small amounts of cash and allow students to charge to a prepaid account;
- Save many hours of data collection and compilation;
- Minimize the time spent managing student account information;
- Increase confidentiality of free and reduced lunch students at all levels;
- Complete Federal and State Reimbursement tracking reports to maximize federal and state meal reimbursement dollars;
- Allow parents to view purchases and fund accounts online;
- Improve lunch line efficiency; and
- Provide allergy notification and food item restriction for each student.

Chartwells implementation and roll out have begun and we anticipate all schools to be live by spring. Parents will be notified in each school as the system goes live.

Special Education:

<i>FY08 Appropriation</i>	<i>Ending Balance</i>	
<i>Overall Savings</i>	1,336,402	1) FY07 Circuit Breaker Claim Receipts greater than projected; 2) Shift from budgeted 72% to 75% reimbursement of FY07 claims; and 3) Building of in-district programs
<i>Special Education Stabilization Fund</i>	-350,000	2008 Annual Town Meeting established the Special Education Stabilization Fund to provide a means for a cushion to year-to-year budget swings in tuition expense.
<i>Watch List</i>	-443,123	Currently, there is not enough information available on the circumstances surrounding these students to know if they will turn into actual commitments on behalf of the school system. If these funds are unexpended or unattached to an actual case by June 30, 2009, the balance will be returned to the Town.
<i>Balance of Funds returned to the Town</i>	543,279	

Facilities:

The Facilities Budget ended the year with a net deficit of \$173,803. This amount was primarily due to Electricity and Natural Gas lines having encumbrances for projected expenditures in excess of the actual invoices paid after the end of the fiscal year.

Town of Lexington, School Department									
2008 Utility Budget									
		<u>2006 Actual</u>	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Plan</u>	<u>12 mos Actual</u>	<u>2008 Actual</u>	<u>Actual/Budget</u>	<u>Actual/Plan</u>
Electric	KWH	8,638,120	9,123,364		8,492,350	8,053,854			
	\$	\$1,514,357	\$1,561,764	\$1,610,977	\$1,610,977	\$1,526,443	\$1,526,443	95%	95%
	Distribution				\$0.0939	0.0872			
	Generation				\$0.0958	0.1024			
	Total	\$0.1753	\$0.1712		\$0.1897	0.1896			
Gas	THERMS	424,510	350,920		350,222	416,515			
	\$	\$616,034	\$556,122	\$728,702	\$597,129	\$662,994	\$662,994	91%	111%
	Distribution				\$0.3800	0.2714			
	Supply				\$1.3250	1.3204			
	Total	\$1.4512	\$1.5848		\$1.7050	1.5918			
Oil	Gallons				144,405	151,601			
	\$	\$386,510	\$345,982	\$401,800	\$339,352	\$297,473	\$297,473	74%	88%
	Delivered				\$2.35	\$1.96			
Total				\$2,741,479	\$2,547,458		\$2,486,910		
						+ lighting	6,440		
							\$2,493,350	91%	98%
						2008 Savings	\$248,129		
				Plan	Btu	\$.01/KBTU			
Electric	KWH			\$0.1897	3143	6.04			
Natural Gas	Therm			\$1.7050	100000	1.71			
Oil	Gallon			\$2.3500	134500	1.75			

Source: Patrick Goddard, Director of Public Facilities

Expenditures charged to this budget from available funds were as follow:

Bowman: Replacement Ventilation/AC System - \$25,000: The ventilation/AC system in Bowman School's central building core needs replacement. These offices are windowless and have been serviced by a ventilation/AC unit that is no longer functional or repairable. Without proper air circulation, internal offices reach temperatures of 97-103 in the summer, and office machines (computers, central voice mail, and fax) malfunction. Massachusetts Building codes require fresh air to be brought in for the health of occupants, and research has linked sufficient circulation of fresh air to reduced health risks and increased mental acuity. AC in interior spaces reduces the growth of mold.

LHS: Field House Basketball Goals - \$25,000: The present basketball backboards and padding at the high school were outdated and dangerous to operate; they are no longer in production and repair/maintenance is not possible. This project installed 2 (two) main glass backboards in the Lexington High School Field House.

FY08 Carry Forward:

This district is carrying forward in open encumbrances the amount of \$2,392,576. Some of this is due to late year spending. The budget was closed on May 17 rather than April 15 as in past years. The balance as of October 23, 2008, is \$1,632,039 reflecting all payments made through the summer. If we deduct what we encumbered for our Watch List Students (443,123), and take into account the normal aging of invoices and our budget closing date, we are carrying forward an adjusted amount of \$1,188,916 in open encumbrances at the end of the year. This is \$100,000 less than last year.

Review and analysis is underway to find out why we are carrying forward so much each year.

TYPE	LINE NUMBER	ROLL UP	Sum of APPROP	Sum of ADJUSTMTS	Sum of BUDGET	Sum of YTD EXPENDED	Sum of ENC.	Sum of BALANCE	Sum of YTD % Expended
SALARIES & WAGES	1	UNIT A - LEA	39,818,898		39,818,898	38,784,940	43,900	990,058	97.51%
	2	UNIT A - STIPENDS	194,747		194,747	222,939	2,969	(31,162)	116.00%
	3	UNIT A - COACHES	458,391		458,391	443,421		14,970	96.73%
	4	LESA - SECRETARIES	2,316,989		2,316,989	2,273,317	200	43,472	98.12%
	5	CO - SUPPORT	297,014		297,014	306,472	99	(9,556)	103.22%
	6	FACILITIES/PREVENTATIVE MAINTENANCE	271,392		271,392	296,937		(25,545)	109.41%
	7	UNIT C - INSTR ASST.	2,718,204		2,718,204	2,643,760		74,444	97.26%
	8	ABA TUTORS	133,734		133,734	117,867		15,867	88.14%
	9	OT ASSISTANTS	151,173		151,173	106,397		44,776	70.38%
	10	SCHOOL AIDES	425,437		425,437	335,993		89,444	78.98%
	11	SEIU CUSTODIAN/MAINTENANCE	2,494,745		2,494,745	2,376,819		117,926	95.27%
	12	CUSTODIAL OVERTIME	170,000		170,000	256,722		(86,722)	151.01%
	13	TECHNOLOGY	506,750		506,750	425,972		80,778	84.06%
	14	CO - ADMINISTRATION	800,296		800,296	836,989		(36,693)	104.58%
	15	PRINCIPALS	1,077,260		1,077,260	1,084,573		(7,313)	100.68%
	16	ALA - ASST PRINC/SUPVR	1,501,267		1,501,267	1,389,112	11,500	100,655	93.30%
	17	NURSE SUBS	10,000		10,000	8,404		1,596	84.04%
		TEACHER SUBSTITUTES				711,397	500	(711,897)	
	18	SECY SUBS	35,000		35,000	35,545		(545)	101.56%
		INSTRUC. ASST. SUBS							
	19	CROSSING GUARDS	134,740		134,740	115,121	2,306	17,313	87.15%
	20	SICK LEAVE BUY BACK							
	58	SALDIF							
	TOWN	SHARED EXPENSES		398,475	398,475			398,475	
SALARIES & WAGES Total			53,516,037	398,475	53,914,512	52,773,305	61,474	1,079,733	98.00%
EXPENSES	1	BOWMAN	24,720	1,006	25,726	21,536	1,060	3,129	87.84%
	2	BRIDGE	29,870	(3,441)	26,429	20,485	37	5,907	77.65%
	3	ESTABROOK	23,690	(828)	22,862	18,229	41	4,592	79.92%
	4	FISKE	18,540	4,916	23,456	22,267	4,832	(3,643)	115.53%
	5	HARRINGTON	20,600	4,288	24,888	22,747	132	2,010	91.92%
	6	HASTINGS	25,750	(4,392)	21,358	14,428	30	6,900	67.69%
	7	CLARKE	17,485		17,485	10,978	229	6,278	64.09%
	8	DIAMOND	20,925	12,315	33,240	28,574	336	4,330	86.97%
	9	LHS	147,090	609	147,699	91,335	20,411	35,952	75.66%
	10	K-5 LITERACY	89,517	1,450	90,967	90,207	557	204	99.78%
	11	K-5 MATH	56,052		56,052	64,212	8,737	(16,898)	130.15%
	12	K-5 SCIENCE	30,544		30,544	38,118	1,332	(8,906)	129.16%
	13	K-5 SOCIAL STUDIES	25,013	(2,999)	22,014	17,648	144	4,222	80.82%
	14	6-8 ENG/LANG ARTS	31,009	(2,500)	28,509	25,981	111	2,417	91.52%
	15	6-8 SOCIAL STUDIES	721	(70)	651	2,113		(1,462)	324.52%
	16	6-8 FOREIGN LANGUAGE	27,083	(2,000)	25,083	23,052	269	1,762	92.98%
	17	6-8 MATH	23,116	2,000	25,116	20,905	159	4,052	83.87%
	18	6-8 SCIENCE	37,080	(2,500)	34,580	31,507	31	3,042	91.20%
	19	6-8 SOCIAL STUDIES	19,776	(2,500)	17,276	13,634	99	3,543	79.49%
	20	6-8 INFO TECH/BUSINESS	8,549		8,549	8,407	8	134	98.43%
		9-12 INFO TECH/BUSINESS							
	21	9-12 ENG/LANG ARTS	28,634	(30)	28,604	26,042	223	2,339	91.82%
	22	9-12 FOREIGN LANGUAGE	34,909	(10)	34,899	32,983	1,522	393	98.87%
	23	9-12 MATH	23,690	(10)	23,680	18,346	1,946	3,388	85.69%
	24	9-12 SCIENCE	85,453	(20)	85,433	79,065	3,853	2,515	97.06%
	25	9-12 SOCIAL STUDIES	36,050	(30)	36,020	30,734	2,322	2,965	91.77%
	26	9-12 COMPETITIVE SPEECH	2,060		2,060	607		1,453	29.44%
	27	9-12 POLICY DEBATE	2,060		2,060	910		1,150	44.15%
	28	9-12 GUIDANCE	7,210	(74)	7,136	5,036	245	1,856	74.00%
	29	K-12 CURRICULUM	199,585		199,585	81,949	45,760	71,875	63.99%
	30	K-12 LIBRARY/MEDIA	154,635	(2,494)	152,141	130,957	4,336	16,848	88.93%
	31	TECHNOLOGY	160,934		160,934	211,110	106,281	(156,457)	197.22%
	32	ENGLISH LANGUAGE LEARNERS	10,300		10,300	2,371	58,617	(50,688)	592.11%
	33	K-12 PE/ WELLNESS	56,650		56,650	54,315	1,208	1,127	98.01%
	34	K-12 VISUAL ARTS	72,100	(520)	71,580	63,696	127	7,757	89.16%
	35	K-12 PERFORMING ARTS	77,250	2,985	80,235	61,283	114	18,838	76.52%
	36	ATHLETICS	111,546		111,286	101,055	25,309	(15,077)	113.55%
	37	EARLY CHILDHOOD PROGRAM	58,830		58,830	31,920		26,910	54.26%
	38	HEALTH SERVICES	12,595		12,595	11,237	177	1,181	90.63%
	39	PSYCHOLOGIST	77,765		77,765	68,164	12,152	(2,551)	103.28%
	40	K-12 STUDENT SERVICES	140,410	(1,562)	138,848	105,029	4,342	29,477	78.77%
	41	TUITION * Budget & Projection Net Circuit Breaker Offset	4,957,457		4,957,457	3,922,462	518,424	516,571	89.58%
	42	TRANSPORTATION SPECIAL EDUCATION	1,050,179		1,050,179	1,002,750	70,404	(22,976)	102.19%
	43	SPECIAL EDUCATION CONSULTANTS	776,362		776,362	732,887	48,808	(5,333)	100.69%
	44	TRANSPORTATION	447,800		447,800	386,200		61,600	86.24%
	45	PRINT CENTER	278,100	(3,600)	274,500	228,988	34,476	11,037	95.98%
	46	LEGAL SERVICES	126,793		126,793	189,365	39,170	(101,742)	180.24%
	47	TEACHER SUBSTITUTES	458,047		458,047	392,095	6,935	59,017	87.12%
	48	ADMINISTRATION	257,190		257,190	310,360	69,545	(122,715)	147.71%
	49	FACILITIES - CUSTODIAL	238,960	(16,000)	222,960	243,264	28,779	(49,083)	122.01%
	50	FACILITIES - BLDG REPAIR & MAINTENANCE	543,943	208,270	752,213	521,332	277,971	(47,090)	106.26%
	51	FACILITIES - GROUNDS & VEHICLES	56,650	18,000	74,650	55,944	12,675	6,031	91.92%
	52	PREVENTATIVE MAINTENANCE	600,490	(100,000)	500,490	237,614	219,820	43,056	91.40%
	53	ELECTRICITY	1,610,977		1,610,977	1,365,888	357,047	(111,958)	106.95%
	54	FUEL OIL	401,800	(55,000)	346,800	306,579	27,481	12,740	96.33%
	55	NATURAL GAS	728,702	(55,000)	673,702	691,780	59,065	(77,144)	111.45%
	56	TELEPHONE/Cell Phone/Pagers	161,500		161,500	101,904	25,151	34,445	78.67%
	57	WATER & SEWER	55,200		55,200	29,743	10,257	15,200	72.46%
	58	PRIOR YEAR EXPENSES				200	125,000	(125,200)	
	59	REVOLVING FUND PROGRAMS				98,515	93,003	(191,518)	
	60	PROGRAM ELIMINATION							
EXPENSES Total			14,779,946	(1)	14,779,945	12,521,043	2,331,102	(72,199)	100.49%
Grand Total			68,295,983	398,474	68,694,457	65,294,348	2,392,576	1,007,534	98.53%

FY07 Carry Forward

<i>FY07 Carry Forward</i>	<i>Beginning Balance</i>	<i>Ending Balance</i>	
<i>Salaries and Wages</i>	\$ 40,904	\$ 0	Net Salary Accounts
<i>Operating Expenses</i>	1,209,608	2,516	Net All Building/Dept Accounts
<i>Total</i>	1,250,512	531,579	Amount Returned

We have one purchase order being held open that is due to legal dispute where a vendor is claiming he is owed interest (\$2,516) on money that he was due as part of the FY06 Unpaid Bills appropriation. Town Counsel is currently reviewing the case.