



LINCOLN PUBLIC SCHOOLS

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To: Lincoln School Committee
Becky McFall, Superintendent of Schools
From: Buckner Creel, Administrator for Business and Finances
Subject: Current status -- FY13 Revolving Funds and Legacy Gift Account

General The District receives fees for certain programs and accounts for them in revolving funds (RF), as allowed by various Massachusetts General Laws. Revolving fund balances carry over from fiscal year to fiscal year. The current status of several revolving funds with projections for the balance of FY13 follows, along with several recommendations for School Committee consideration.

Considerations pertaining to Student Financial Assistance are affected by the Transportation and Athletic Revolving Funds. As a result, an interim report on the Legacy Fund Gift Account also follows.

Transportation Revolving Fund

Background The District charges fees for transporting 7th and 8th graders and all children living closer than 2 miles from the Lincoln School, according to the following schedule:

- First child \$275
- Second child \$200
- Third child \$100
- Family cap \$575

The fee schedule was set by the School Committee in February 2004, and has remained unchanged for the past nine years. No regular, daily bus services are provided at the Hanscom Schools, as the Base housing is within the 2 mile limit.

The District purchases bus services under the competitive contract with Doherty's using fees collected and appropriated funds. Each year the amount from the Transportation RF to be applied to the anticipated contract amount during the following year is set during the budget process. So, the amount from the RF to be applied to the FY14 transportation budget was set at \$30,000 in FY13 based on the RF balance which included FY12 transportation fee receipts. This year, the bus transportation contract was funded completely from the appropriated budget to provide additional flexibility for future years.

Participation Statistics on school bus ridership for FY13 follow on the next page.

Transportation Revolving Fund -- Ridership					
	Paid in Full	Reduced Fee	Full Waiver	Eligible at No charge	Total
K-6 >2 miles				254	254
K-6 <2 miles	35	0	7		42
7 th & 8 th Grade	89	0	7		96
Total	124	0	14	254	392

Current fund status All fee revenues for FY13 have been received.

Transportation Revolving Fund	
FY13 beginning balance	\$52,084.97
FY13 fee receipts	\$30,690.57
FY13 transfer from appropriated fund for assistance	\$0.00
Total revenue	\$82,775.54
FY13 bus transportation	\$0.00
FY13 refunds and program supplies	\$342.28
Total projected expenses	\$342.28
Reserved for FY13 budget	\$30,000
Anticipated available ending balance	\$52,433.26

Recommend that no change be made to the current fee structure for FY14.

Athletics Revolving Fund

Background The District charges fees for participation in the interscholastic athletics program at the Lincoln School. The fee charged was reduced from \$200 per sport per season to \$175 per sport per season for school year 2012-2013. Sports offered are:

- Fall Season – Cross Country (Coed), Field Hockey (Girls) and Soccer (Boys & Girls)
- Winter Season – Basketball (four teams, Boys A & B, Girls A & B)
- Spring Season – Baseball (boys), Softball (Girls), Tennis (Coed)

A smaller but similar suite of sports is offered at the Hanscom Middle School, but no fees are charged. The cost of the Hanscom athletic program is covered by the DOD contract.

The District operates the athletic program using fees collected, Lincoln appropriated funds of approximately \$23,000, and funds allocated from the Hanscom contract. Expenses include the cost of bus transportation, equipment and supplies, official/referee fees, and stipends for coaches and the Athletic Director. Only the Director stipend is split between campuses; the other program expenses are charged to campus-specific accounts. The Athletic RF supports only the Lincoln School program.

Participation

Athletic Revolving Fund -- Participation				
	Paid in Full	Reduced Fee	Full Waiver	Total
Fall Season	101	2	2	105
Winter Season	35	6	3	44
Spring Season	43	2	1	46
Total	179	10	6	195

Current fund status All fee revenues for FY13 have been received.

Athletics Revolving Fund	
FY13 beginning balance	\$24,680.06
FY13 fee receipts all seasons	\$32,306.25
FY13 transfer from Legacy Fund Fall	\$525.00
FY13 transfer from Legacy Fund Winter	\$1,225.00
FY13 transfer from Legacy Fund Spring	\$393.75
Total projected revenue	\$61,135.10
FY13 bus transportation	\$9,136.50
FY13 stipends	\$19,208.01
FY13 official/referee fees	\$2,732.75
FY13 program supplies & equipment	\$4,550.50
Total projected expenses	\$35,627.76
Reserved for FY13 budget	
Anticipated available ending balance	\$25,507.34

Recommendation The anticipated available balance at the end of FY13 is roughly equal to the fund balance at the beginning of FY13, after transfers from the Legacy Fund are completed. The plan put in place last year was to have reduced the fund balance, with the goal of achieving a steady-state fund balance of approximately \$10,000 to assure an appropriate level of business continuity. We will consider shifting the funding for another coach stipend to the revolving fund to accelerate the rate of fund balance decrease.

Lincoln After School Music Program (LASMP) Revolving Fund

Background The District provides after-school music lessons on both campuses, according to the following schedule:

- 33 lessons @ 30 minutes is \$866.25 (\$26.25 per lesson)
- 33 lessons @ 45 minutes is \$1300.20 (\$39.40 per lesson)
- 33 lessons @ 60 minutes is \$1732.50 (\$52.50 per lesson)
- \$30 registration fee for each student.

Lessons may be private, semi-private or quartet lessons, so a variety of options are available to match parent requests. This year, approximately 3,141 lessons will be given. The fee schedule has remained unchanged for the past five years.

The District contracts with area music teachers to provide instrument lessons after school using fees collected; no appropriated or allocated funds support this program. The LASMP revolving fund operates on an annual basis, and requires only a modest balance of less than \$10,000 to sustain operations. Expenses include the teacher wages, a stipend for the director and a small amount for miscellaneous program expenses. The intent of the fee structure is to pay the Director stipend through a \$1.00 surcharge on each lesson. This surcharge has remained constant over the past five years while the Director stipend has increased with successive teacher contracts. The teacher rate for FY13 was set at \$51.50 per hour in 2007; the School Committee approved an increase to \$57.00 per hour, which will begin in FY14.

Participation

LASMP Revolving Fund -- Lessons				
	Private	Semi-Private	Quartet	Total
Hanscom Beginner Group				33
30 minute	2567	179		2746
45 minute	558	62		620
60 minute	96	0		96
Total	3221	241		3462

Current fund status Some lesson revenues for FY13 have been received.

LASMP Revolving Fund	
FY13 beginning balance	\$7,312.54
FY13 registration fee -- 145 students @ \$30	\$4,350.00
FY13 Director surcharge -- \$1 per lesson	\$3,630.00
FY13 lesson fee receipts -- collected to-date	\$96,467.97
FY13 lesson fee receipts -- outstanding bills	\$0.00
Total projected revenue	\$110,872.51
FY13 Director stipend	\$8,436.00
FY13 music teacher wages	\$98,606.75
FY13 refunds to parents for unused lessons	\$2,212.62
FY13 program supplies & piano tuning	\$797.93
Total projected expenses	\$105,970.63
Anticipated available ending balance	\$4,901.88

Recommendation. The LASMP anticipated available balance at the end of FY13 will be sufficient to start up the program operations at the beginning of FY14. Recommend that no additional change be made to the fee structure to go into effect in FY14.

School Lunch Fund

Background The District serves lunches under the National School Lunch Program at three locations. Meal costs are as follows:

- Full price lunch \$3.00 + \$0.3125 State & Federal reimbursement
- Reduced price lunch \$0.40 + \$2.4225 State & Federal reimbursement
- Free lunch \$0.00 + \$2.8225 State & Federal reimbursement

The meal price was increased to \$3.00 for FY10. In addition, through the efforts of our Food Service Director and her staff, we now qualify for an additional \$.06 reimbursement per meal. The Food Service consultant who conducted a program review in 2009 recommended maintaining a fund balance equal to a three-month operating budget, or \$60-65,000 at the time. The School Lunch Fund operates as a revolving fund, and receives revenues of over \$300,000 each year.

Participation

School Lunch Fund -- Participation			
	May average attendance	May total meals	May Participation %
Brooks	260	1708	54.33%
Smith	331	2901	63.02%
Hanscom	504	4259	54.60%
Total	1095	8868	57.04%

Current YTD fund status, as of the end of May report

School Lunch Fund	
FY13 beginning balance	\$67,811.51
FY13 sales to students	
breakfast	\$0.00
lunch	\$148,732.40
a la carte	\$27,191.64
FY13 other sales	\$13,206.08
FY13 interest income	\$7.81
FY13 State & federal reimbursements	\$66,112.82
FY13 sales tax	(\$285.55)
Total projected revenue through 31 May 13	\$322,776.71
FY13 food & paper costs	\$95,318.11
FY13 labor	\$147,134.95
FY13 equipment	
FY13 other	\$9,402.29
FY13 freezer repairs	\$2,843.00
Total projected expenses through 31 May 13	\$254,698.35
Anticipated available ending balance	\$68,078.36

Discussion

- The Brooks and Hanscom kitchens continue to experience a higher-than-normal failure rate in the stand-alone freezer and refrigerator units, requiring greater-than-anticipated expenses for repairs.

- Currently, the uncollected balance of fees owed is \$260 across all schools.
- The change in menus has negatively impacted participation in the Brooks and Hanscom programs

Recommendation The School Lunch Fund ending balance is anticipated to be near the suggested range. Recommend that no change be made to the current fee structure for FY14.

Legacy Fund Gift Account

The Legacy Fund Gift Account was established to provide a mechanism to manage gifts in support of the School Committee’s policy on financial assistance. The current account status follows.

Legacy Fund Gift Account	
FY13 beginning balance	\$8,463.12
FY13 gift – DC trip financial aid	\$350.00
FY13 gifts – Class of 2012	\$11,146.602
Total projected revenue	\$12,180.34
FY13 7 th Grade Sargent Camp overnight trip	\$2,737.75
FY13 Instrument rental (see comments)	\$0.00
FY13 Bus transportation (see comments)	\$0.00
FY13 Athletics – Fall Season	\$525.00
FY13 Athletics – Winter Season	\$1,225.50
FY13 Athletics – Spring Season	\$393.75
8 th Grade Washington DC overnight trip	5,270.00
Total projected expenses	\$10,152.00
Anticipated available ending balance	\$4,423.21

Discussion Following the School Committee guidance given at the end of FY12, the financial assistance required by parents for bus transportation was absorbed by the Transportation Revolving Fund. Through research we learned that the Friends of Lincoln Music Gift Account was created for several purposes, one of which is to provide financial assistance for instrument rental. Accordingly, the \$540 in requests for financial assistance for instrument rental were met by the Friends of Lincoln Music Gift Account.

The health of the Legacy Fund this year was due to the fundraising efforts a year ago of the parents of the Class of 2012, who subsequently made a significant gift to the Legacy Fund. The balance at the end of the current fiscal year will not be sufficient to meet the anticipated financial assistance needs in the next school year.

Recommendation Discuss the situation with the Lincoln 5-8 principal to explore several possible solutions.