



# LINCOLN PUBLIC SCHOOLS

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ADMINISTRATOR FOR BUSINESS AND FINANCE

June 20, 2016

To: Lincoln School Committee  
Becky McFall, Superintendent of Schools  
From: Buckner Creel, Administrator for Business and Finances  
Subject: Current status -- FY16 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 FY16 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 7<sup>th</sup> and 8<sup>th</sup> 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 twelve 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. Accordingly, the amount from the RF to be applied to the FY17 transportation budget was set at \$40,000 in FY15 based on the RF balance which included FY14 transportation fee receipts. The FY16 transportation budget included \$40,000 to be applied from the RF.

Participation Statistics on school bus ridership for FY16 follow on the next page.

<b>Transportation Revolving Fund -- Ridership</b>					
	Paid in Full	Reduced Fee	Full Waiver	Eligible at No charge	Total
K-6 >2 miles	0	0	0	271	271
K-6 <2 miles	38	0	7	0	45
7 <sup>th</sup> & 8 <sup>th</sup> Grade	76	0	1	0	77
<b>Total</b>	<b>114</b>	<b>0</b>	<b>8</b>	<b>271</b>	<b>393</b>

Current fund status All fee revenues for FY16 have been received.

<b>Transportation Revolving Fund</b>	
<b>FY16 beginning balance</b>	<b>\$89,077.03</b>
FY16 fee receipts	\$29,425.00
FY16 transfer from appropriated budget to reimburse financial assistance	\$2,200.00
<b>Total projected revenue</b>	<b>\$31,625.00</b>
FY16 bus transportation	\$40,000.00
FY16 refunds and program supplies	\$252.90
<b>Total projected expenses</b>	<b>\$40,252.90</b>
Reserved for FY17 budget	\$40,000
<b>Anticipated available ending balance</b>	<b>\$40,449.13</b>

Financial assistance in the amount of \$2,200 was provided for eight students in FY16; this amount is shown as a transfer from the appropriated budget.

Recommend that no change be made to the current fee structure for FY16.

## **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 (often four teams, Boys A & B, Girls A & B. This school year, two Boys and two Girls team could be fielded)
- 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 DoDEA contract.

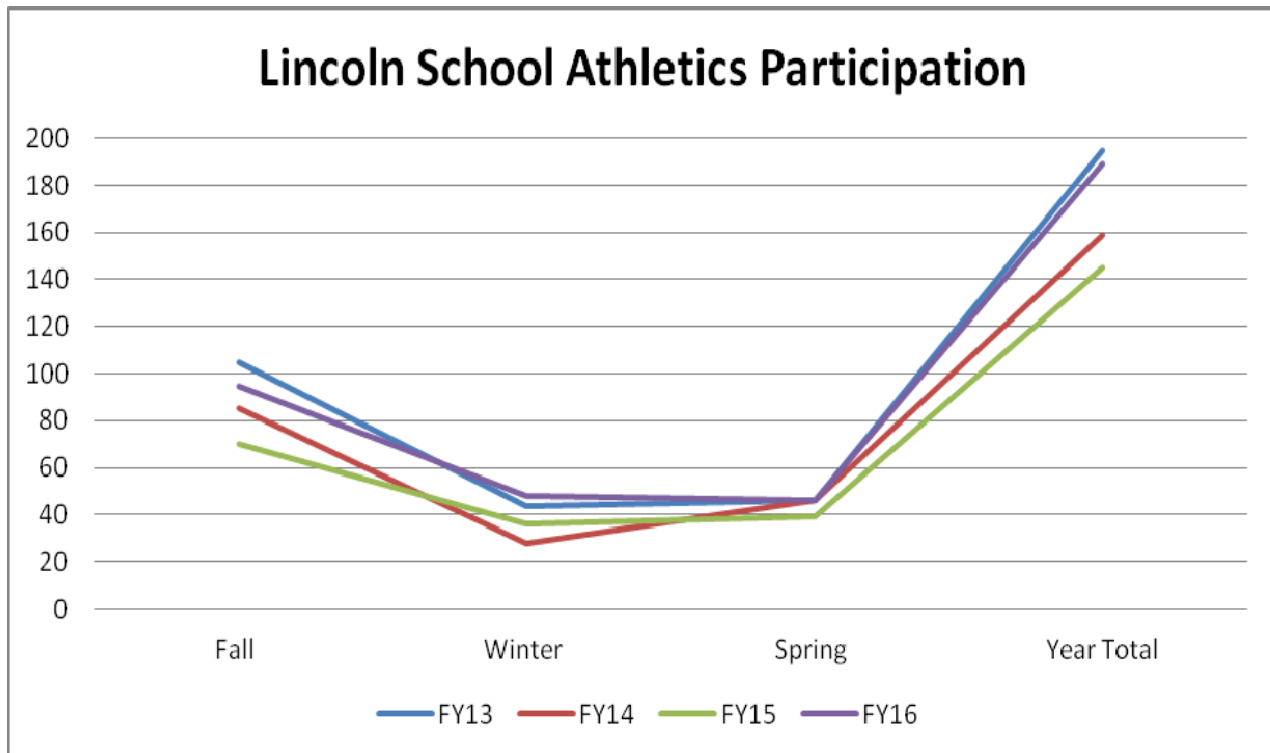
The District operates the athletic program using fees collected, Lincoln appropriated funds of approximately \$20,000, and funds allocated from the Hanscom contract.

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

<b>Athletic Revolving Fund -- Participation</b>				
	Paid in Full	Reduced Fee	Full Waiver	Total
Fall Season	90	0	5	95
Winter Season	46	0	2	48
Spring Season	45	0	2	47
<b>Total</b>	<b>181</b>	<b>0</b>	<b>9</b>	<b>190</b>

As shown in the graph below, the participation this year returned to a historically-typical level.



Current fund status All fee revenues for FY16 have been received.

<b>Athletics Revolving Fund</b>	
<b>FY16 beginning balance</b>	\$24,060.10
FY16 fee receipts Fall, Winter & Spring seasons	\$31,850.00
FY16 transfer from Appropriated Budget for financial assistance	\$1,575.00
<b>Total projected revenue</b>	<b>\$33,425.00</b>
FY16 bus transportation	\$9,450.00
FY16 stipends (director and coaches)	\$21,846.00
FY16 refund of player fee	\$175.00
FY16 program dues, supplies & equipment	\$890.25
FY16 official/referee fees	\$5,606.00
<b>Total projected expenses</b>	<b>\$37,967.25</b>
<b>Anticipated available ending balance</b>	<b>\$19,517.85</b>

Financial assistance in the amount of \$1,575 was provided from the Athletic Revolving Fund to student athletes during the school year.

Recommendation The anticipated available balance at the end of FY16 is less than the fund balance at the beginning of FY16. The plan put in place three years ago 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.

Recommend that no change be made to the current fee structure for FY17.

## 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 \$973.50 ( \$29.50 per lesson)
- 33 lessons @ 45 minutes is \$1445.40 ( \$43.80 per lesson)
- 33 lessons @ 60 minutes is \$1914.00 ( \$58.00 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 3,000 lessons will be given.

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 eleven years while the Director stipend has increased with successive teacher contracts. The teacher rate was set at \$57.00 per hour in FY14.

Participation This year, 106 students were enrolled for private and semi-private lessons through LASMP. An additional 43 students were enrolled in Hanscom Beginner Classes.

Current fund status Most lesson revenues for FY16 have been received; there is one outstanding bill for \$43.80.

<b>LASMP Revolving Fund</b>	
<b>FY16 beginning balance</b>	<b>\$4,017.10</b>
FY16 registration fee -- 106 students @ \$30	\$3,180.00
FY16 Director surcharge -- \$1 per lesson hour	\$2,882.00
FY16 lesson fee receipts -- collected to-date	\$98,042.61
FY16 lesson fee receipts -- outstanding bills	\$43.80
FY16 transfer to operating budgets	0.00
<b>Total projected revenue</b>	<b>\$104,148.41</b>
FY16 Director stipend	\$8,436.00
FY16 music teacher wages	\$93,460.30
FY16 program supplies & piano tuning	\$562.26
FY16 refunds to parents for unused lessons	\$4,577.70
<b>Total projected expenses</b>	<b>\$107,036.26</b>
<b>Anticipated available ending balance</b>	<b>\$1,129.25</b>

Recommendation. The projected end of FY15 negative balance last year was avoided through a transfer of \$6,000 of the Director’s stipend to the Lincoln and Hanscom operating budgets. The negative balance was thought to be a product of decreased participation for the second year in a row. The participation increased this year, and the LASMP fund is ending with a positive balance. Should this level of participation not continue into the next year, we will consider an adjustment to the Director surcharge and/or the registration fee in the spring of 2017.

## School Lunch Fund

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

- Full price lunch            \$3.00 + \$0.4075 State & Federal reimbursement
- Reduced price lunch    \$0.40 + \$2.7875 State & Federal reimbursement
- Free lunch                    \$0.00 + \$3.1875 State & Federal reimbursement

The meal price was last increased, to \$3.00, in FY10. Through the efforts of our Food Service Director and her staff, we now qualify for an additional \$.06 reimbursement per meal (included in the rates above). 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 \$230,000 each year.

### Participation

<b>School Lunch Fund -- Participation</b>			
	May average attendance	May total meals	May Participation %
Brooks	274	1,829	39.28%
Smith	321	2,839	52.07%
Hanscom	492	4,831	57.82%
<b>Total</b>	<b>1,087</b>	<b>9,499</b>	<b>51.45%</b>

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

<b>School Lunch Fund</b>	
<b>FY16 beginning balance</b>	<b>\$54,172.14</b>
FY16 sales to students	
breakfast	\$0.00
lunch	\$135,736.60
a la carte	\$40,079.24
FY16 other sales	\$4,391.61
FY16 interest income	\$26.25
FY16 State & federal reimbursements	\$58,577.56
FY16 sales tax	\$217.20
<b>Total projected revenue through 30 Jun 16</b>	<b>\$239,028.46</b>
FY16 food & paper costs	\$69,563.25
FY16 labor	\$153,085.91
FY16 equipment	
FY16 other	\$6,548.78
FY16 freezer repairs (paid in operating budget)	0.00
<b>Total projected expenses through 30 Jun 16</b>	<b>\$224,052.94</b>
<b>Anticipated available ending balance</b>	<b>\$69,147.66</b>

Discussion

- The Brooks and especially the 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. This problem has continued at the same level as reported last year. The Hanscom problems were solved with the move into the the new kitchen in the Middle School.
- Currently, the uncollected balance of fees owed is \$32.60 across all schools, down from \$94.35 in FY15 and \$210.82 in FY14.
- The change in menu guidelines continues to negatively impact participation in the Brooks programs, as did the change in lunch/recess policy. Some adjustments in the entrée portion size and bread/grain servings have been increased, to the extent allowable. More importantly, the Department of Defense Fresh Produce Program, mentioned in the December School Committee update, has provided a range of fruit and vegetables which have proven to be very popular with students as well as cost-effective.
- The largest impact on the overall Food Service performance has been the move from the temporary facilities in the Hanscom Primary multipurpose room into the new Hanscom Cafeteria. The Hanscom participation increased from 43.45% in May of 2015 to 57.82% in May of 2016. In addition, a number of teachers have begun purchasing lunch from the Cafeteria.

- The Food Service Director, recognizing that the staffing does not match the number of meals being served, reduced the staffing at all three kitchens for much of the year, restoring the Hanscom staffing levels with the opening of the new kitchen.

Recommendation As the School Lunch Fund ending balance is anticipated to within the suggested range, the recommendation is that no change be made to the current fee structure for FY16.



## 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.

<b>Legacy Fund Gift Account</b>	
<b>FY16 beginning balance</b>	<b>\$7,672.29</b>
FY16 gifts	
Class of 2015 direct donations	\$2,510.50
PTO "Kickin' in Lincoln" gift (pending)	\$600.00
transfer of remaining balances	
Class of 2015	\$256.01
<b>Total projected revenue</b>	<b>\$3,366.51</b>
7th Grade Sargent Camp overnight trip -- actual	
	\$1,960.61
FY16 Instrument rental (see note)	
	\$0.00
FY16 Bus transportation (see note)	
	\$0.00
8 <sup>th</sup> Grade Washington DC overnight trip – preliminary	
	\$498.00
<b>Total projected expenses</b>	<b>\$2,458.61</b>
<b>Anticipated available ending balance</b>	<b>\$8,580.19</b>

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 or by the Appropriated Budget. 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 \$275.49 in requests for financial assistance for instrument rental in FY16 were met by the Friends of Lincoln Music Gift Account.

The health of the Legacy Fund this year was due to the generous PTO and Class of 2015 gifts and to the relatively low level of financial assistance requests to the Legacy Fund. The balance at the end of the current fiscal year should be sufficient to meet the anticipated financial assistance needs in the next school year.

Recommendation Encourage the Class of 2016 to donate any remaining balances in their accounts to the Legacy Fund, as other classes have done in past years..