

Lexington

10 Years Ranked "Excellent"

Staff Update

May 13, 2014

From the office of the Treasurer...

All Staff

- Congratulations to Board President **Robert Whitney** who in April celebrated his 50th consecutive year on the Lexington Board of Education!
- Congratulations to **Bonnie Keeney** and **Chris Dудte**, both of whom retired from the Food Service Department on May 1st!
- If you wish to **convert your unused personal leave** to sick leave at the end of the school year, a form is available on the district's webpage under "Teachers & Staff", "Human Resources".
- **Are you taking a field trip in May?**
If you are collecting money, please turn in money to your building secretary daily. You should have a purchase order in place so that we can cut the check for you.

Levy Passed!

- Thank you for your help in passing the renewal levy on May 6th! This 10-year levy is a huge step on the path to financial stability for the Lexington School District!

Useful? Information:

The average American consumes about 5.5 gallons of ice cream per year. [That's all??] The most ice cream is sold during the month of July.

Treasurer Position

The Board of Education will soon conclude interviews with Treasurer candidates. Once selected, the new Treasurer will begin his/her duties on July 1st.

Thank you for the opportunity to serve with you over the past 2 ½ years. I have been blessed with an amazing experience and new friends that I will never forget!

Communications Plan:

I am often asked how a school district knows it is doing well financially. It is common to look just at the bank account balance and think if there's money, we are doing well.

But the size of the bank account doesn't tell the whole story...

One way to gauge the financial health of a school district is with the use of benchmarks and indicators. Here are two examples of benchmarks I use:

1) True Days Cash – Looking at the available General Fund cash balance, this is the number of calendar days the district could operate with its cash reserves. A general guide to cash reserves is:

Tolerable - 30 Days of Operating Cash
Acceptable – 60 Days of Operating Cash
Optimal – 90 Days of Operating Cash

Lexington School's True Days Cash as of June 30th:

Fiscal Year 2011 – 9 Days Cash	\$0.5 million
Fiscal Year 2012 – 12 Days Cash	\$0.7 million
Fiscal Year 2013 – 40 Days Cash	\$2.0 million
Fiscal Year 2014 – Est. 60 Days Cash	\$3.4 million

2) Percentage of Revenues Spent on Personnel Costs – Personnel costs are the largest expense in any school district. We are a service organization, but we don't want staff costs to be out-of-line with revenues coming in each year. A general guide to salary and benefit costs as a percentage of revenues:

Tolerable – not to exceed 85% of Revenues
Acceptable – 83% of Revenues
Optimal – 80% of Revenues or less

Lexington School's % Revenues for Personnel Costs:

Fiscal Year 2011 – 91.9%
Fiscal Year 2012 – 81.9%
Fiscal Year 2013 – 75.6%
Fiscal Year 2014 – Est. 73.6%

The closer a school district operates toward optimal benchmarks, the healthier it will be financially.

Wishing you and your family a wonderful, relaxing summer!