



The Lyme School

Kindergarten to Eighth Grade • Serving the community of Lyme, New Hampshire for over 100 years
(603) 795 - 2125 • MAIN STREET, LYME, NEW HAMPSHIRE 03768

Academic Year 2018-2019

Previous Year

Review of Academic Year 18-19 (Last Year)

18-19 K-8 Student Count: 192

18-19 High School Count and Distribution: 101.8

Hanover 69.8 • St. Johnsbury 13 • Thetford 13 • OOD 1 • Voc. 4

Financial Summary:

The town passed a budget in March 2018 for \$7,057,145 an operational increase from 2017 of 1.78% plus two warrants (Repairs to roof 0.25% and Kindergarten 0.83%). (**CPI 2.08%**)

This increase was offset by \$144,000 from 2017-2018 surplus resulting from unanticipated revenues and savings in 2017-2018. The overall tax rate increase from 2018, due to efforts of the town and school, was 0.

Based upon the audited financial numbers in 2018-2019 the school ran a surplus of \$171,503.14 which will be used to reduce taxes this year. This surplus was a result of several short term factors:

- Reduction of student costs in special education K-8
- Reduction of student costs H.S. Residential Special Education tuitions
- Decreased cost of employing one year positions resulting from unexpected vacancies in long term staff positions.

Operational Summary:

High School enrollment dropped to what our budget number was despite our intent to draw money from our High School Trust. This was in part due to parents sending their children to boarding schools or independent schools and therefore were not the responsibility of the town.

Due to the notice from the town that the Highway Department could not logistically perform snow removal for the school in late fall; the school sought bids from contractors and researched cost of equipment and self performance. This resulted in the decision to purchase a tractor from funds held in the Maintenance Trust and SRSG Grant as it was the most sound long term financial option.

Short term staffing solutions due to unexpected situations of staff members, resulted in a second year of lower staffing costs than expected. These conditions are now resolved and in the current year have been filled by long term employees and certified teachers.

We completed retrofitting the first floor elementary classrooms and hall lighting with LED lights which we anticipate will help reduce the electrical cost and maintenance cost.

For the third year we received energy credits for our use of renewable energy source (wood pellets). 2018-2019's credit was \$6735.10 which is allocated toward the pellet expenditure line.



The Lyme School

Kindergarten to Eighth Grade • Serving the community of Lyme, New Hampshire for over 100 years
(603) 795 - 2125 • MAIN STREET, LYME, NEW HAMPSHIRE 03768

Academic Year 2019-2020

Current Year

Current Academic Year 19-20

19-20 K-8 Student Count: 198

19-20 High School Count and Distribution 89.5 anticipated

Financial summary:

The town passed a budget in March 2019 for \$7,320,373, a budget to budget increase from 2018 of **3.7%**. (CPI 2.7%)

The increase of \$263,228 will be reduced by 2018-2019's surplus of \$171,503.14. This will result in a net increase to the school budget of \$91,725 or **1.3%**. (less than half of CPI)

Operational Summary:

With the continuing closure of River Road and the expected closures of other sections/roads, the school was required to renew its lease of a van. The lease of this van in 2016 was the result of research into the most cost effective solution to what the town thought would be a 6-8 month issue. That was three years ago.

Unfortunately, the van we had previously leased was no longer available as it was deemed 'not road worthy'. In order for us to have rented another, required a year's commitment at \$1600/ month. The previous lease of \$600/month seemed financially impracticable long term, therefore spending \$1600/month suggested we examine options with a long term perspective.

We collected bids from different companies and dealerships for lease, rental and purchase costs as well as discussing options with our current bus company. Simultaneously, we spoke with our auditors and NH DRA to determine what options existed to solve this issue for the start of school. They confirmed that we could not enter a multi-year payment commitment which narrowed the options somewhat.

Following the August 26th Board Meeting, in collaboration with members of the Select Board, Budget Committee and members of the Public, the School Board voted to purchase a van from grant and 19-20 operational funds. We appreciate the collaboration of these groups and individuals in weighing the options to this challenge. We are now the reluctant operators of a van, and are in the process of writing policies to guide its use and maintain established obligations, relative approximate costs and parental expectations for school transportation.

As stated earlier, we anticipate that the fluctuation of staffing costs are now stabilized and therefore more accurately predicted.

We were notified in August that the state funding estimate we were given in November 2018 for use in 2019-2020 will be reduced by \$12,663. Kindergarten aid for 19-20 is \$18,700.

We also want caution that, despite their beneficial impact, future surplus' which reduce taxes should not be presumed and are unlikely long term. The conditions which created these circumstances were isolated and atypical. We are currently developing a plan through which we can gradually decrease the amount returned to reduce taxes back to past levels so as not to create sharp increases in one year to the town's tax liability. This effort, much like the solutions which resulted in surpluses, will require continuing conservative spending practices, fundraising, strategic use of grants and trusts.

We are awaiting initial tuition requests from High Schools, however, it appears that we had an unusually high number of families move resulting in 11.5 fewer students than were present at the time the budget was set. This suggests that we will likely spend less than budgeted on High School students this year.



The Lyme School

Kindergarten to Eighth Grade Serving the community of Lyme, New Hampshire for over 100 years
(603) 795 - 2125 • MAIN STREET, LYME, NEW HAMPSHIRE 03768

Academic Year 2020-2021

Next Year

Current Academic Year 19-20

Anticipated K-8 Student Count: 196

Anticipated High School Count: 99

Financial Summary:

2020 will be the first year of a new teacher contract which will be negotiated this year. Therefore, this year's budget will be absent increases for teaching staff. This increase will be included in the warrant which will be presented separately as prescribed by NH law.

We will also work to use what we learned from the last two year's efforts to utilize the High School trust to reduce its balance and moderate the cost of High School tuition in the overall budget. As it happened in both 17-18 & 18-19, high school enrollment dropped (due to enrollment in non qualified schools and families moving) to the reduced number we budgeted for, thus not requiring us to draw from the H.S. trust as planned. We plan to discuss the metric we will use to set the number for High School Tuition as we build next year's budget. This number must incorporate long term implications and sustainability of the trust for future years.

We will receive the state's estimates for Adequacy Aid and Kindergarten Aid for 20-21 in November.

Current Balances of Trusts

Reserve Trusts

Maintenance Trust	\$ 34,187.70	(added \$10k)
Enrollment Trust	\$ 96,141.11	
Special Education Trust	\$ 298,678.15	

Actively Managed Trusts

High School Trusts	\$598,138.61	(added \$25k)
Post-Retirement Trust	\$ 42,993.91	(added \$10k)