

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: RESOLUTION NO. 1, FY2009-2010 SPECIAL REVENUE - FOOD SERVICE FUND MID-YEAR BUDGET REVIEW

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

**LINK TO DISTRICT
STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES**

The Department of Food and Nutrition, the Office of Budget Management and the Office of the Controller have completed a review of the food service operations through December 23, 2009. The overall revenues and other financing sources are being adjusted by \$4,590,820 and appropriations are being decreased by \$4,825,188 resulting in the fund balance being adjusted by \$234,368.

REVENUES

Federal reimbursements are being increased by \$3,145,739 and food sales are reduced by \$6,588,045. This is a result of the budget adopted on September 9, 2009 being based on higher anticipated food sales than actual results for the 2008-2009 school year. This shift from cash sales to federal reimbursements is a result of a significantly higher number of students certified for free meals and increased meal participation in this category for the 2009-2010 school year. The United States Department of Agriculture (USDA) commodities have decreased by \$894,449 due to a reduction in USDA entitlements.

The revenue from the State of Florida supplement is reduced by \$108,065 due to a reduction in the allocation from the State. Revenue in the miscellaneous category is reduced by \$15,000 due to the elimination of this funding from the State, which was to off-set state-mandated health department permits to operate.

APPROPRIATIONS

The appropriation for salaries is reduced by \$2,106,281 and the appropriation for fringe benefits is increased by \$525,542 to reflect higher fringe rates and additional part-time personnel qualifying for medical insurance coverage in the 2009-2010 school year. Food and supplies have decreased by \$1,407,240 over the original projections as a result of continued cost controls and inventory management by the Department of Food and Nutrition.

As a result of contractual changes and cost control measures, purchased services are being reduced by \$863,407. Energy services are being decreased by \$622,311 to reflect figures provided by the District Inspections, Operations, and Emergency Management Office.

Accordingly, revenues are adjusted by \$4,590,820, appropriations are decreased by \$4,825,188 and the fund balance is adjusted by \$234,368.

REVENUES CHANGES

**Increase
(Decrease)**

| | | |
|---|--------------|------------------------------|
| 1. Increase (Decrease) Federal through State as follows: | | \$ 2,201,290 |
| a. National School Lunch Act | \$ 3,145,739 | |
| b. U.S.D.A. Commodities | (894,449) | |
| c. Other | (50,000) | |
| 2. Increase (Decrease) State as follows: | | (123,065) |
| a. Food Service Supplement | \$ (108,065) | |
| b. Miscellaneous | (15,000) | |
| 3. Increase (Decrease) Local Revenues as follows: | | (6,669,045) |
| a. Interest and Other | \$ (81,000) | |
| b. Food Sales | (6,588,045) | |
| | | <hr/> |
| Net (Decrease) in Revenues | | <u>\$ (4,590,820)</u> |

APPROPRIATIONS CHANGES

**Increase
(Decrease)**

| | | |
|--|--|------------------------------|
| 1. Decrease salaries and fringe benefits based on monitoring Projections | | \$ (1,580,739) |
| 2. Decrease purchased services based on projections | | (863,407) |
| 3. Decrease energy services based on projections | | (622,311) |
| 4. Decrease food and supplies based on projections | | (1,407,240) |
| 5. Decrease capital outlay based on projections | | (200,000) |
| 6. Decrease indirect cost and other expenditures based on projections | | (151,491) |
| | | <hr/> |
| Net (Decrease) in Appropriations | | <u>\$ (4,825,188)</u> |

ENDING FUND BALANCE

| | | |
|--|--|------------------------------|
| Net increase in unreserved fund balance to reflect projected ending fund balance | | <hr/> 234,368 |
| Net (Decrease) in Appropriations and Ending Fund Balance | | <u>\$ (4,590,820)</u> |

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve Resolution No. 1, FY2009-2010 Food Service Fund Budget Review, decreasing revenues and appropriations and ending fund balance by \$4,590,820.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
2009-2010 FOOD SERVICE BUDGET
SUMMARY OF REVENUES & APPROPRIATIONS
RESOLUTION NO.1**

| | <u>2009-2010 ADOPTED BUDGET 09/09/09</u> | <u>RESOLUTION 1 INCREASE (DECREASE)</u> | <u>2009-2010 AMENDED BUDGET 02/10/10</u> |
|--|--|---|--|
| REVENUES | | | |
| Federal Through State | | | |
| National School Lunch Act | \$ 95,295,600 | \$ 3,145,739 | \$ 98,441,339 |
| U.S.D.A. Commodities | 7,059,449 | (894,449) | 6,165,000 |
| Other | 150,000 | (50,000) | 100,000 |
| Total Federal | <u>\$ 102,505,049</u> | <u>\$ 2,201,290</u> | <u>\$ 104,706,339</u> |
| State | | | |
| Food Service Supplement | \$ 2,357,000 | \$ (108,065) | \$ 2,248,935 |
| Miscellaneous | 15,000 | (15,000) | 0 |
| Total State | <u>\$ 2,372,000</u> | <u>\$ (123,065)</u> | <u>\$ 2,248,935</u> |
| Local | | | |
| Interest and Other | \$ 100,000 | \$ (81,000) | \$ 19,000 |
| Food Sales | 38,720,000 | (6,588,045) | 32,131,955 |
| Total Local | <u>\$ 38,820,000</u> | <u>\$ (6,669,045)</u> | <u>\$ 32,150,955</u> |
| TOTAL REVENUES | <u>\$ 143,697,049</u> | <u>\$ (4,590,820)</u> | <u>\$ 139,106,229</u> |
| BEGINNING FUND BALANCE | <u>\$ 794,836</u> | <u>\$ -</u> | <u>\$ 794,836</u> |
| TOTAL REVENUES & BEGINNING FUND BALANCE | <u>\$ 144,491,885</u> | <u>\$ (4,590,820)</u> | <u>\$ 139,901,065</u> |
| APPROPRIATIONS & RESERVES | | | |
| APPROPRIATIONS | | | |
| Salaries | \$ 43,098,000 | \$ (2,106,281) | \$ 40,991,719 |
| Employee Benefits | 23,601,500 | 525,542 | 24,127,042 |
| Purchased Services | 5,258,000 | (863,407) | 4,394,593 |
| Energy Services | 6,251,000 | (622,311) | 5,628,689 |
| Food & Supplies | 61,390,740 | (1,407,240) | 59,983,500 |
| Capital Outlay | 300,000 | (200,000) | 100,000 |
| Indirect Cost & Other | 3,532,883 | (151,491) | 3,381,392 |
| TOTAL APPROPRIATIONS | <u>\$ 143,432,123</u> | <u>\$ (4,825,188)</u> | <u>\$ 138,606,935</u> |
| RESERVES | | | |
| Ending Fund Balance | \$ 1,059,762 | \$ 234,368 | \$ 1,294,130 |
| TOTAL RESERVES | <u>\$ 1,059,762</u> | <u>\$ 234,368</u> | <u>\$ 1,294,130</u> |
| TOTAL APPROPRIATIONS & RESERVES | <u>\$ 144,491,885</u> | <u>\$ (4,590,820)</u> | <u>\$ 139,901,065</u> |