

Financial Services
Dr. Richard Hinds, Chief Financial Officer

SUBJECT: RESOLUTION NO. 1, FY 2011-2012 SPECIAL REVENUE - FOOD SERVICE FUND

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

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, 2011. The overall revenues and other financing sources are being adjusted by \$2,572,448 and appropriations are being increased by \$3,140,568 resulting in the fund balance being adjusted by \$568,120.

REVENUES

Projections for federal reimbursements are being increased by \$2,047,448. This is a result of increased student lunch participation. The revenue from the State of Florida supplement is being increased by \$228,000 due to an increase in allocation from the State over the original projections. Food sales are being increased by \$251,000, reflective of increased meal participation.

APPROPRIATIONS

Food and supplies have increased by \$5,123,000 over original projections due to increased student meal participation, increased costs of purchased food and increased cost of health insurance. Increased offerings of healthy eating options including higher cost fresh produce, whole wheat breads and less processed entrée choices, result in higher food expenditures. Additionally, special food programs such as farm to school initiatives and the Fresh Fruit and Vegetable Program (FFVP) require increased purchase and use of fresh produce.

In addition to investments in healthy eating options, the Department of Food and Nutrition is increasing expenditures of capital outlay for schools by an additional \$335,000. The appropriations for fringe benefits are being decreased by \$2,185,620 to reflect actual fringe rate costs paid for by the Food Service Fund including an increase in health insurance cost of \$1,038,400.

Accordingly, projected revenues are adjusted by \$2,572,448 and projected appropriations are being increased by \$3,140,568.

<u>REVENUES CHANGES</u>	<u>Increase (Decrease)</u>
1. Increase (Decrease) Federal through State as follows:	\$ 2,097,448
a. National School Lunch Act	\$ 2,047,448
b. Other	<u>50,000</u>
TOTAL	\$ 2,097,448
2. Increase (Decrease) State as follows:	228,000
a. Food Service supplement	\$ 228,000
3. Increase (Decrease) Local Revenues as follows:	247,000
a. Interest and other	\$ (4,000)
b. Food sales	<u>251,000</u>
Net Increase in Revenues	<u>\$ 2,572,448</u>

APPROPRIATIONS CHANGES

1. Decrease salaries and fringe benefits based on actual fringe costs.	\$(2,185,620)
2. Decrease purchases services based on projected expenditures.	(64,314)
3. Increase food and supplies based on projected expenditures.	5,123,000
4. Increase capital outlay based on projected expenditures.	335,000
5. Decrease indirect cost.	<u>(67,498)</u>
Net Increase (Decrease) in Appropriations	<u>\$ 3,140,568</u>

ENDING FUND BALANCE CHANGES

Increase (Decrease) in Fund Balance	<u>\$ (568,120)</u>
Net Increase in Appropriations and Ending Fund Balance	<u>\$ 2,572,448</u>

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve Resolution No. 1, FY 2011-2012, Food Service Fund Budget Review, increasing revenues by \$2,572,448, appropriations by \$3,140,568 and decreasing ending fund balance by \$568,120.

**SUMMARY OF REVENUES AND APPROPRIATIONS
2011-12 FOOD SERVICE BUDGET**

	FY2011-12 AMENDED BUDGET 9/7/2011	RESOLUTION 1 INCREASE/ (DECREASE)	FY2011-12 AMENDED BUDGET 2/15/2012
REVENUES			
Federal Through State			
National School Lunch Act	\$ 109,945,552	\$ 2,047,448	111,993,000
U.S.D.A. Commodities	7,500,000	-	7,500,000
Other	450,000	50,000	500,000
Total Federal	\$ 117,895,552	\$ 2,097,448	\$ 119,993,000
State			
Food Service Supplement	\$ 2,033,000	\$ 228,000	2,261,000
Miscellaneous	15,000	-	15,000
Total State	\$ 2,048,000	\$ 228,000	\$ 2,276,000
Local			
Interest and Other	\$ 11,000	\$ (4,000)	7,000
Food Sales	29,200,000	251,000	29,451,000
Total Local	\$ 29,211,000	\$ 247,000	\$ 29,458,000
TOTAL REVENUE	\$ 149,154,552	\$ 2,572,448	\$ 151,727,000
BEGINNING FUND BALANCE	\$ 15,043,259	\$	\$ 15,043,259
TOTAL REVENUES & BEGINNING FUND BALANCE	\$ 164,197,811	\$ 2,572,448	\$ 166,770,259
APPROPRIATIONS			
Salaries	\$ 41,241,261	-	\$ 41,241,261
Fringe Benefits	24,362,420	(2,185,620)	22,176,800
Purchased Services	4,512,314	(64,314)	4,448,000
Energy Services	5,456,283	-	5,456,283
Food & Supplies	68,666,000	5,123,000	73,789,000
Capital Outlay	1,500,000	335,000	1,835,000
Indirect Cost & Other	2,267,168	(67,498)	2,199,670
Total Appropriations	\$ 148,005,446	\$ 3,140,568	\$ 151,146,014
FUND BALANCE END OF YEAR			
Reserved for Commodity Inventory	3,250,000	-	3,250,000
Contingency	5,000,000	-	5,000,000
Unreserved	7,942,365	(568,120)	7,374,245
TOTAL ENDING FUND BALANCE	\$ 16,192,365	\$ (568,120)	\$ 15,624,245
TOTAL APPROPRIATIONS & ENDING FUND BALANCE	\$ 164,197,811	\$ 2,572,448	\$ 166,770,259