

Financial Services
Mr. Ron Steiger, Chief Financial Officer

**SUBJECT: RESOLUTION NO. 1, FY 2018-19 SPECIAL REVENUE -
FOOD SERVICE FUND SPRING BUDGET REVIEW**

COMMITTEE: FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS

**LINK TO STRATEGIC
BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

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 budget through March 31, 2019. Projected revenues and other financing sources are being decreased by \$(4,487,922), projected appropriations are being decreased by \$(527,100) and the ending fund balance is being decreased by \$(3,960,822).

REVENUES

Projections for federal meal reimbursements are being decreased by \$(5,764,067) due to the significant reduction in the total number of students certified for free meals district-wide. Meals served to students in the free category receive higher federal reimbursement than meals served to students in the reduced-price or paid categories. The revenue from Local Food Sales, which reflects the cash collected for paid and reduced-price lunches, a la carte sales, and vending, is being increased by \$1,075,000 to reflect the increase in cash collections. Food Service Supplement is being increased by \$172,045 to reflect the actual amount to be received from the State.

APPROPRIATIONS

Fringe Benefits are being decreased by \$(500,000) to reflect current trend. Purchased Services are being decreased by \$(650,000) to reflect the reclassification of expenditures for maintenance chargebacks. Food and Supplies are being decreased by \$(288,000) to reflect monitoring and reviewing of food items to control costs. Capital Outlay is being increased by \$950,000 as a result of continued investments in school kitchen equipment, cafeteria serving lines, food merchandisers, and food service technology systems.

<u>REVENUES CHANGES</u>	<u>Increase (Decrease)</u>
1. Increase (Decrease) Federal through State as follows:	\$(5,734,967)
a. National School Lunch Act	\$ (5,764,067)
b. Other	<u>29,100</u>
Subtotal	\$ (5,734,967)
2. Increase (Decrease) Total State as follows:	172,045
a. Food Service Supplement	<u>\$ 172,045</u>
Subtotal	\$ 172,045
3. Increase (Decrease) Local Revenues as follows:	1,075,000
a. Food Sales	<u>\$ 1,075,000</u>
Subtotal	\$ 1,075,000
Net Decrease in Revenues	<u>\$(4,487,922)</u>

APPROPRIATIONS CHANGES

1. Decrease Fringe Benefits based on actual expenditures	\$ (500,000)
2. Decrease Purchased Services based on actual expenditures	(650,000)
3. Decrease Food & Supplies based on actual expenditures	(288,000)
4. Increase Capital Outlay based on actual expenditures	950,000
5. Decrease Indirect Cost & Other based on actual expenditures	<u>(39,100)</u>
Net (Decrease) in Appropriations	<u>\$ (527,100)</u>

ENDING FUND BALANCE

Net (Decrease) in Fund Balance	<u>\$ (3,960,822)</u>
Net (Decrease) in Appropriations and Ending Fund Balance	<u>\$ (4,487,922)</u>

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve Resolution No. 1, FY 2018-19, Food Service Fund Spring Budget Review, decreasing revenues by \$(4,487,922), decreasing appropriations by \$(527,100) and decreasing ending fund balance by \$(3,960,822).

**SUMMARY OF REVENUES AND APPROPRIATIONS
2018-2019 FOOD SERVICE BUDGET**

	FY 2018-2019 ADOPTED 09/06/18	RESOLUTION 1 INCREASE (DECREASE)	FY 2018-2019 AMENDED 05/08/19
<u>REVENUES</u>			
Federal Through State			
National School Lunch Act	\$ 137,572,176	\$ (5,764,067)	\$ 131,808,109
U.S.D.A. Commodities	10,500,000	-	10,500,000
Other	1,075,000	29,100	1,104,100
Total Federal	\$ 149,147,176	\$ (5,734,967)	\$ 143,412,209
State			
Food Service Supplement	\$ 1,881,613	\$ 172,045	\$ 2,053,658
Miscellaneous	-	-	-
Total State	\$ 1,881,613	\$ 172,045	\$ 2,053,658
Local			
Interest and Other	\$ 112,500	\$ -	\$ 112,500
Food Sales	14,500,000	1,075,000	15,575,000
Total Local	\$ 14,612,500	\$ 1,075,000	\$ 15,687,500
TOTAL REVENUES	\$ 165,641,289	\$ (4,487,922)	\$ 161,153,367
BEGINNING FUND BALANCE	\$ 42,648,920	\$ -	\$ 42,648,920
TOTAL REVENUES & BEGINNING FUND BALANCE	\$ 208,290,209	\$ (4,487,922)	\$ 203,802,287
<u>APPROPRIATIONS AND RESERVES</u>			
APPROPRIATIONS			
Salaries	\$ 52,300,109	\$ -	\$ 52,300,109
Employee Benefits	26,354,792	(500,000)	25,854,792
Purchased Services	7,375,024	(650,000)	6,725,024
Energy Services	5,998,775	-	5,998,775
Food & Supplies	77,038,000	(288,000)	76,750,000
Capital Outlay	3,450,000	950,000	4,400,000
Indirect Cost & Other	2,822,976	(39,100)	2,783,876
TOTAL APPROPRIATIONS	\$ 175,339,676	\$ (527,100)	\$ 174,812,576
Ending Fund Balance			
Non-Spendable	\$ 2,425,257	\$ -	\$ 2,425,257
Restricted	30,525,276	(3,960,822)	26,564,454
TOTAL ENDING FUND BALANCE	\$ 32,950,533	\$ (3,960,822)	\$ 28,989,711
TOTAL APPROPRIATIONS & FUND BALANCE	\$ 208,290,209	\$ (4,487,922)	\$ 203,802,287