

KNOX COUNTY SCHOOLS


ANDREW JOHNSON BUILDING


Dr. James P. McIntyre Jr., Superintendent



Memorandum

To: Dr. James P. McIntyre, Jr.
Superintendent

From: Russ Oaks 
Chief Operating Officer

Wanda McCown 
Executive Director of School Nutrition

Date: March 11, 2016

Subject: Fiscal Year 2017 Preliminary School Nutrition Budget Recommendation

As you know, the School Nutrition Budget is a stand-alone budget that is managed independent of the Knox County Schools General Fund and Capital Fund Budgets. The revenues for this budget come from the sale of breakfast and lunch to students and staff, and from reimbursement from the federal government for free and reduced price meals served to students.

Attached is the Fiscal Year 2017 Preliminary School Nutrition Budget recommendation which is based on projected revenue from all sources of \$27,373,500. This is a decrease of \$654,500 from the revenue projected in the previous year's budget.

The decreased revenue is based on the demonstrated revenue trend and aligns the FY 2017 Budget to a level of revenue consistent with the anticipated FY 2016 revenues. This budget also provides for the continuation of the Community Eligibility Provision in fifty-two (52) of our highest need schools while maintaining the current meal prices in our remaining schools.

We will rebid many of our contracts for supplies and materials in 2016, and we anticipate that there will be some increase in food costs as well as other supplies. The School Nutrition Department has accounted for the reduced revenue project and expected cost increases by recognizing some savings in a number of other areas within the proposed budget. For example, we are also programming a \$200,000 reduction in contracted services, and we have programmed an equal reduction in labor costs based on the current level of expenditure.

The School Nutrition Budget is required to maintain a fund balance equal to three months of operating expenses. The Knox County Schools School Nutrition Budget has a healthy fund balance. As of December 31, 2015, the undesignated fund balance totaled \$8,410,835.

The Knox County Schools School Nutrition Program currently provides over 50,000 meals per day to students across the county including over 10,000 meals provided to students under the Community Eligibility Provision. The wholesome and nutritious offerings are provided efficiently and are a great value to the students we serve and their families. We look forward to continuing this level of service in the coming year, and we will seek ways to continue to improve our service and operational activities.

KCS Central Cafeteria Fund					
Revenues - Budget Worksheet FY 2017					
Budget amounts will post to cost center 0000, unless noted					
REVENUE					
Federal Government:					
29-4-0571	Commodity Revenue		450,000		
29-4-0572	Commodity DOD		1,000,000		
29-4-0581	USDA - Lunch		14,455,500		
29-4-0582	USDA - Breakfast		5,000,000		
29-4-0583	USDA - Snack		90,000		
State of TN:					
29-4-0833	State Matching		250,000		
29-4-0835	State of TN - FFVP		180,000		
Charges for Current Services:					
29-4-0803	Café Inc - Student Lunch		3,300,000		
29-4-0804	Café Inc - Student Breakfast		250,000		
29-4-0805	Café Inc-Adult		240,000		
29-4-0806	Café Inc - Ala Carte		1,600,000		
Other Local Revenue:					
29-4-0820	Interest Income		28,000		
29-4-0830	Other Income		200,000		
29-4-0836	Grant Income		-		
29-4-0838 cctr 482	Catering Income		30,000		
29-4-0840 cctr 405	Summer Program		300,000		
29-4-0840	Special Program Income		-		
	Total Revenue		27,373,500		

KCS Central Cafeteria Fund		
Expenditures - Budget Worksheet FY 2017		
Budget amounts will post to cost center 0000, unless noted		
EXPENDITURES		
Contracted Services:		
29-5-3400-333	R/M - Computer	-
29-5-3400-334	R/M - Network	-
29-5-3400-336	R/M - Technical Support	46,000
29-5-3400-440	R/M - KCS	210,000
29-5-3400-442	R/M - Contracted Services	200,000
29-5-3400-459	R/M - Warehouse Stock	-
29-5-3900-450	Truck Upkeep - Catering Truck	1,000
29-5-3900-459	Truck Upkeep - Maint Truck	3,000
29-5-4200-460	Food Exp - Commodity Processing	500,000
29-5-4200-463	Food Exp - Commodity Delivery	32,000
29-5-4200-464	Food Exp - Commodity Storage	-
Supplies & Materials:		
29-5-4200-465	Purchased Food Cost	12,000,000
29-5-4300-466	Expendable Supp - Café	1,220,000
29-5-4300-467	Small Equip / Furniture / Fixtures	100,000
29-5-4300-468	Small Wares	75,000
29-5-4300-469	Office Supp - Café	20,000
29-5-4300-470	Office Supp - FSD	5,000
29-5-4300-480	Software	-
29-5-4201-465	FFVP - Pur Food Cost	179,000
29-5-4301-466	FFVP - Expend Supp	1,000
Other Charges:		
29-5-4400-360	Telephone Service	13,500
29-5-4400-380	Travel / Mileage	35,000
29-5-4400-381	Training / Conference	20,000
29-5-4400-382	Marketing / Postage / Printing	10,000
29-5-4400-621	Operational Fees	25,000
29-5-4400-624	Cafeteria Security	2,500
29-5-4400-628	Bank Service Charges	15,000
29-5-4400-631	Employee Uniforms / Linen	70,000
29-5-4400-632	Dues / Memberships	30,000
29-5-4400-699	Other Expenses	-
29-5-4400-701	Workman's Comp	220,000
29-5-4400-702	Utility Subsidy	570,000
29-5-4400-703	Trash Removal	50,000
29-5-4400-704	Pest Control	35,000
29-5-5400-910	Direct Cost	585,000
Personnel Services:		
29-5-5200-130	Salary Exp - Café	7,700,000
29-5-5200-140	Salary Exp - Admn & Clerical	700,000
Employee Benefits:		
29-5-5200-201	Per Exp - Payroll Exp - FICA	600,000
29-5-5200-211	Benefit - Retirement	500,000
29-5-5200-212	Benefit - Life Insurance	16,000
29-5-5200-213	Benefit - Health Insurance	1,400,000
29-5-5200-214	Benefit - Dental Insurance	9,500
Capital Outlay:		
29-5-7600-534	Vehicles	
29-5-7600-540	Major Equipment	175,000
		27,373,500

**KCS Central Cafeteria Fund
Budget Detail FY 2017**



REVENUE

Federal Government:	
Commodity Revenue	450,000
Commodity DOD	1,000,000
USDA - Lunch	14,455,500
USDA - Breakfast	5,000,000
USDA - Snack	90,000
State of TN:	
State Matching	250,000
FFVP	180,000
Charges for Current Services:	
Café Inc - Student Lunch	3,300,000
Café Inc - Student Breakfast	250,000
Café Inc - Adult	240,000
Café Inc - Ala Carte	1,600,000
Other Local Revenue:	
Interest Income	28,000
Other Income	200,000
Grant Income	-
Catering Income	30,000
Summer Program	300,000
Special Program Income	-
Total Revenue	27,373,500

EXPENDITURES

Contracted Services:	
Repairs & Maintenance	456,000
Truck Upkeep	4,000
Food Exp - Commodity Processing	500,000
Food Exp - Commodity Delivery	32,000
Food Exp - Commodity Storage	-
Supplies & Materials:	
Purchased Food Cost	12,000,000
Expendable Supp - Café	1,220,000
Small Equip / Furniture / Fixtures	100,000
Small Wares	75,000
Office Supp - Café	20,000
Office Supp - FSD	5,000
Software	-
FFVP - Food	179,000
FFVP - Expendable Supp	1,000
Other Charges:	
Telephone Service	13,500
Travel / Mileage	35,000
Training / Conference	20,000
Marketing / Postage / Printing	10,000
Operational Fees	25,000
Cafeteria Security	2,500
Bank Service Charges	15,000
Employee Uniforms/ Linen	70,000
Dues / Memberships	30,000
Other Expenses	-
Workman's Comp	220,000
Utility Subsidy	570,000
Trash Removal	50,000
Pest Control	35,000
Direct Cost	585,000
Personnel Services:	
Salary Exp - Café	7,700,000
Salary Exp - Admn & Clerical	700,000
Employee Benefits:	
FICA	600,000
Benefit - Retirement	500,000
Benefit - Life Insurance	16,000
Benefit - Health Insurance	1,400,000
Benefit - Dental Insurance	9,500
Capital Outlay:	
Vehicles	-
Major Equipment	175,000
Total Expenditures	27,373,500

**KCS Central Cafeteria Fund
Budget Summary FY 2017**



Revenue:

Charges for Current Services	5,390,000
Other Local Revenue	558,000
State of TN	430,000
Federal Government	20,995,500
Total Revenue	<u>27,373,500</u>

Expenditures:

Personnel Services	8,400,000
Employee Benefits	2,525,500
Contracted Services	992,000
Supplies & Materials	13,600,000
Other Charges	1,681,000
Capital Outlay	175,000
Total Expenditures	<u>27,373,500</u>