

# Food and Nutrition Services Report

## posted – July 10, 2017

On Tuesday (July 11, 2017), the school board will have a report from the finance director about Fund 51 – Food and Nutrition Services. Don't know if information will be presented with some form of enlightenment but it is in the agenda. The document must be in the board's hands because it has already posted in the agenda for July 11<sup>th</sup>. I feel confident that each board member has earned their right to sit on the board by thoroughly scrutinizing the document. They know what they approved a year ago for a budget and what has crossed that long desk in the meantime to address any changes. Given that this document addresses a revised **Budget**, I asked – Where can I find this revised **Budget**? I was assured that – "Revisions are completed in the financial system and submitted to the School Board." In other words, it doesn't exist for public view. Hampton City Schools has posted revised budgets – example: FY16 – but for whatever reason Hampton decided not to for FY17. Good thing is adjustments are found in the "monthly" financial reports to the board. I jest about the monthly reports. The almost monthly reports would address revisions. No mention in these almost monthly reports about changes to Fund 51...until the one provided to the board for tomorrow, July 11<sup>th</sup>.

Oh my goodness! What is the deal?

HAMPTON CITY SCHOOLS TOTAL BUDGET SUMMARY FOR ALL FUNDS						
ACCOUNT	FUND 50		FUND 51		FUND 60	
	FY16 APPROVED	FY17 APPROVED	FY16 APPROVED	FY17 APPROVED	FY16 APPROVED	FY17 APPROVED
<b>REVENUE</b>						
Local Revenue	\$ 71,112,223	\$ 71,471,416	\$ -	\$ -	\$ 1,032,619	\$ 1,035,432
State Revenue	98,676,029	103,165,745	130,000	132,000	-	-
State Sales Tax	21,465,502	22,150,756	-	-	-	-
Federal Revenue	923,000	940,000	8,147,596	8,288,830	16,712,680	15,170,012
Fund Balance	-	-	687,630	1,633,994	-	-
Transfers from Other Funds	-	-	-	-	434,102	434,102
Other Local Revenue	2,872,500	2,722,500	2,910,819	2,787,428	1,494,860	1,473,668
<b>Total Revenue</b>	<b>\$ 195,249,254</b>	<b>\$ 200,450,417</b>	<b>\$ 11,776,015</b>	<b>\$ 12,842,252</b>	<b>\$ 19,674,261</b>	<b>\$ 18,113,414</b>
<b>EXPENDITURES</b>						
Personnel Services	110,050,933	112,606,537	3,613,267	4,056,397	10,786,714	10,133,968
Fringe Benefits	45,238,555	47,044,962	805,828	856,399	3,425,048	3,415,814
Contract Services	15,027,875	15,545,823	100,000	120,000	1,566,898	1,559,017
Internal Services	9,229	10,229	-	-	100,000	100,000
Other Charges	8,677,207	8,897,825	64,200	64,200	1,020,070	896,511
Materials and Supplies	9,050,883	9,047,672	6,192,720	6,443,256	1,555,369	730,150
Payments to Other Agencies	1,248,274	1,278,157	-	-	752,000	752,000
Capital	1,533,277	2,174,752	500,000	800,000	440,242	523,924
Contingencies	3,091,919	3,123,358	-	-	-	-
Fund Transfers	721,102	721,102	500,000	500,000	-	-
<b>Total Expenditures</b>	<b>\$ 195,249,254</b>	<b>\$ 200,450,417</b>	<b>\$ 11,776,015</b>	<b>\$ 12,842,252</b>	<b>\$ 19,674,261</b>	<b>\$ 18,113,414</b>

Note: Totals may not add due to rounding.

2016-2017 Approved Operating Budget

FOOD AND NUTRITION SERVICES BUDGET ( FUND 51 ) BUDGET SUMMARY 2016-2017					
ESTIMATED REVENUES	FY17	FY17	FY 17 Actual	CHANGE (\$)	CHANGE (%)
	Original Budget	Revised Budget			
State Funds	\$ 132,000	\$ 132,000	\$ 226,262	\$ 94,262	71.41%
Federal Funds	7,606,830	7,606,830	7,682,241	75,411	0.99%
Other Funds	18,835	18,835	18,814	(21)	-0.11%
Cash Receipts (Sales)	2,768,593	2,768,593	2,135,039	(633,554)	-22.88%
Donated Commodities (USDA)	682,000	682,000	682,000	-	0.00%
Appropriation from Fund Balance	-	-	-	-	0.00%
<b>TOTAL REVENUES</b>	<b>\$ 11,208,258</b>	<b>\$ 11,208,258</b>	<b>\$ 10,744,356</b>	<b>\$ (463,902)</b>	<b>-4.14%</b>
<b>EXPENDITURE APPROPRIATIONS</b>					
Salaries	\$ 4,056,397	\$ 3,113,267	\$ 3,054,689	\$ (58,578)	-1.88%
Food Costs - Purchased	5,261,256	5,261,256	5,888,833	627,577	11.93%
Donated Commodities	682,000	682,000	682,000	-	0.00%
Supplies	500,000	500,000	410,863	(89,137)	-17.83%
Purchased Services	120,000	185,000	168,423	(16,577)	-8.96%
Employee Benefits	858,399	730,724	736,418	5,694	0.78%
Capital Outlay	800,000	1,400,000	891,019	(508,981)	-36.36%
Other Expenses	64,200	73,000	50,891	(22,109)	-30.29%
Indirect Cost	500,000	500,000	500,000	-	0.00%
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 12,842,252</b>	<b>\$ 12,445,247</b>	<b>\$ 12,383,136</b>	<b>\$ (62,111)</b>	<b>-0.48%</b>
Excess Revenues over Expenditures	\$ (1,633,994)	\$ (1,236,989)	\$ (1,638,779)	\$ (401,790)	32.48%
Fund Balance - Beginning of Year	4,948,353	4,948,353	4,948,353	-	-
Fund Balance - End of Year	\$ 3,314,359	\$ 3,711,364	\$ 3,309,574	-	-

Food and Nutrition Services 7-11-17

Missing is the revised budget is the Fund Balance of \$1,633,994 from the Revenue. It appears as an overage in the Tuesday presentation. My point, not a true representation of the original budget. What seems more troubling is the 25% drop in salary and only a 14% drop in the employee benefits. Were our schools understaffed? In FY16, Hampton reported spending \$2,920,290.68 for salaries. Yet in FY17, Hampton initially budgeted a 39% increase in salaries. Maybe Hampton planned to go back to preparing food from scratch then had a change of heart. How about that Capital Outlay. It went from \$800,000 to \$1,400,000 and ending with an actual expense for FY17 of \$891,019. Maybe the necessary replacement of failing equipment was no longer important to our board. Freezers not freezing properly and steamers not heating well enough isn't sufficient cause for the health department to shutdown our cafeteria. This too can be overlooked like the years of peeling paint over prep areas. Over a half million less was spent for cash sales while over a half million more was spent for food. Did that food hit the trashcan when students had trays ripped from their hands for lack of funds? Or, did some-ones just not know how to order in proper quantities?

The one that just blows the mind is the Cash Receipts (Sales). Oh my goodness! On what planet would a school board budget an anticipated half a million increase in cash sales when they apparently know that the number of economically disadvantaged kids in the district is growing – it is point blank referred to in the budget – yet they budget more in sales over the previous school year. What were last year's sales for Cash Receipts (Sales) - \$2,173,546.68 Knowing that more students will likely be on reduced or free meals the coming school year, Hampton budgeted \$2,768,593, or \$595,046.32 more in predicted sales. What has Hampton reported sales for FY17 - \$2,135,039 or \$38,507.68 less. How shocked can the board be that they fell 22.88% less than what was budgeted when they were more than a half million off?

This is a comparison to last years actual reported spending.

	FY16	FY17	Difference
Salaries	\$2,920,290.68	\$3,054,689	4.6%↑
Benefits	\$676,935.67	\$736,418	8.8%↑
Purchased Services	\$182,753.60	\$168,423	7.8%↓
Capital Outlay	\$289,644.01	\$891,019	207.6%↑
Food Costs	\$5,785,371.98	\$5,888,833	1.8%↑
Material and Supplies	\$474,158.86	\$410,863	13.3%↓