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# FOOD SERVICE FUND

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# FOOD SERVICE FUND

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## CHILD NUTRITION SERVICES

The Sioux Falls School District participates in all the federal Child Nutrition programs. These are the National School Lunch Program, Breakfast Program, Summer Food Service Program, After School Snack Program and Child Care Lunch and Snack Programs. Child Nutrition Services currently serves lunch to 66 percent of all students in Child Care through Grade 12. Breakfast is currently served to 13 percent of the students in kindergarten through 12<sup>th</sup> grade. Child Nutrition Services participates in these programs so the District is able to offer nutritious and economically priced meals to all District students. The District currently provides free-or reduced-priced meals to 42.35 percent of its students. Child Nutrition Services are available at all elementary schools, middle schools, high schools, all child care programs, and the special programs at Axtell Park. Both breakfast and lunch are available.

The Sioux Falls School District supports participation in these nutrition programs because being hungry hinders children trying to learn concepts being taught to them. All District schools are Team Nutrition Schools and strive to implement the goals of the Healthier US School Challenge, the District's Supplemental Food Policy and Student Wellness Policy at all sites to assure a healthy food and nutrition environment for all students.

Meals are prepared at the Food Service Center and all secondary schools by approximately 148 employees. This includes five office staff and three specialists. These sites serve an average of 15,575 lunches per day, which reflects a participation rate of approximately 66 percent of the students across the District.

Child Nutrition Services is responsible for all expenses directly related to the Food Service Program. The program budget also covers some indirect costs, such as custodial and education assistants' salaries and education assistants' salaries and utilities. Revenues are generated from student cash sales, federal reimbursement, commodities and interest earned on savings. The Child Nutrition Services' budget is based on the previous year's expenditures and revenues and actual year-to-date budget data for the 2015/ 2016 year.

Over the past seven years, the Food Service Fund cash reserves have been used for capital expenditures. At the end of FY15, the Fund's cash reserves were \$1,142,488.

The District's menus were certified in November 2012 as meeting the new federal guidelines. This entitled the Food Service Fund to receive six (6) cents additional reimbursement for every kindergarten through 12<sup>th</sup> grade lunch served. This will add approximately \$150,000 to the program annually. A required validation review for certified menus was held in early 2013. Child Nutrition Services received a commendation for its implementation of certified menus and no corrective action was required.

The District has been approved at nine sites for participation in the Community Eligibility Program. This allows all children in these sites to have free meals. This determination is based on the Direct Certification or Supplemental Nutrition Assistance Program (SNAP) status of families in those programs.

The validation of meals documents portions served per age group and the calorie content for each grade group. To accomplish these goals, Child Nutrition uses the following criteria:

1. Child Nutrition is serving skim, 1 percent and skim chocolate.
2. Child Nutrition is serving all whole grain breads in both breakfast and lunch.
3. Child Nutrition is purchasing low fat meats, using more dried beans, legumes and low-fat cheeses in its menus.

4. Child Nutrition is offering a variety of fresh and frozen fruits and vegetables daily at all schools. Child Nutrition staff is encouraging students to eat fruits and vegetables at least three times per week at elementary schools and daily at secondary schools.

The challenge of obtaining the 30 percent of calories from fat, increasing whole grains and offering more fruits and vegetables are the national directives to all food service programs. As Child Nutrition Services strives to reach these goals, staff finds a direct impact on food cost. As food costs increase so does the pressure to increase school lunch prices.

The District is in the eleventh year of implementation of the District Supplemental Food Policy. It has impacted the secondary schools in what students can purchase for extra items. Selections are meeting the Supplemental Food Policy guidelines. In addition, USDA standards for Smart Snacks and Fund raisers have been implemented as of July 1, 2014.

Child Nutrition Services has been vigilant in keeping costs to a minimum and has implemented procedures to continue to keep costs down; however, costs for food, equipment, utilities, gas, salaries and benefits continue to increase. To comply with federal mandates during the 2015/ 16 school year, Child Nutrition Services increased the costs of all school meals by ten cents (\$0.10) for the second year in a row. And, once again in 2016/ 17, to comply with federal mandates, meal costs will increase twenty cents (\$0.20).

The Sioux Falls School District will continue to provide nutritious meals at a reasonable price to students and will provide more healthy choices such as whole grains, fresh fruits, lower fat meats, and lower sodium foods.

## **2016/2017 OBJECTIVES**

- Will monitor effect of the USDA Smart Snacks and State Fund Raising Policy on student wellness. Supplemental Food Policy on the Food Service Program and student wellness.
- Will continue to work on implementation of lunch regulations – whole grains, beans, legumes, dark orange/ red and green vegetables.
- Will continue to explore culturally diverse meals at all sites.

## FY17 Food Service Fund Budget

### Revenues

Source	Budget FY16	Budget FY17	Increase/ (Decrease)/ from Prior Year
Pupil Sales	\$ 4,129,245	\$ 4,584,411	\$ 455,166
Adult Sales	84,121	75,012	(9,109)
Other State Revenue	45,000	60,553	15,553
Federal Reimbursement	5,698,876	5,861,618	162,742
Commodities	800,000	547,029	(252,971)
Other Local Sources	4,773	15,242	10,469
Cash from Fund Balance	250,818	-	(250,818)
<b>Total</b>	<b>\$ 11,012,833</b>	<b>\$ 11,143,865</b>	<b>\$ 131,032</b>

### Expenditures

Use	FTE FY16	FTE FY17	Budget FY16	Budget FY17	Increase/ (Decrease)/ From Prior Year
Administration	1.00	1.00	\$ 93,388	\$ 101,636	\$ 8,248
Clerical	4.00	4.00	115,000	104,710	(10,290)
Custodial	10.76	11.09	398,194	413,159	14,965
Specialists	3.00	3.00	139,776	145,733	5,957
Child Nutrition Workers	96.11	100.41	2,091,752	2,155,711	63,959
Education Assistants	43.88	42.91	771,963	756,269	(15,694)
Classified Other Hourly	-	-	10,000	1,500	(8,500)
Other Temporary Pay	-	-	82,513	63,040	(19,473)
Overtime	-	-	8,257	3,500	(4,757)
Benefits			1,140,001	1,151,579	11,578
Purchased Services			370,452	429,145	58,693
Supplies and Materials			5,293,808	5,107,779	(186,029)
Dues and Fees			80,500	67,500	(13,000)
Equipment			170,000	-	(170,000)
Technology			80,000	135,000	55,000
Facility			80,000	-	(80,000)
<b>Total Expenditures Before Depreciation</b>	<b>158.75</b>	<b>162.41</b>	<b>\$10,925,604</b>	<b>\$10,636,261</b>	<b>\$ (289,343)</b>
Non-Cash Depreciation Expense			417,229	350,000	(67,229)
Less Cash for Equip, Tech, & Facility			330,000	135,000	(195,000)
<b>Total Food Service Fund</b>			<b>\$11,012,833</b>	<b>\$10,851,261</b>	<b>\$ (161,572)</b>

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# FOOD SERVICE FUND

## Program: Lunch

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The School Lunch Program, as part of the National School Lunch Program, includes school lunches, meals and snacks for Head Start, snacks for Early Childhood, lunch and snacks for the Scarbrough Day Care Center at Southeast Technical Institute, special education programs throughout the District, East Dakota Educational Cooperative, and limited catering for special District events.

Approximately 66 percent of the K-12 students in the District purchase lunch on any given school day. Participation rates are based on attendance. The elementary and middle school participation level is 76 percent. High school participation averages 47 percent. Secondary sales have increased with the use of the automated ticket system. During 2010/ 2011, Child Nutrition Services implemented a system for parents/ guardians to deposit money electronically into their student's meal account. Approximately 49 percent of students' families take advantage of electronic deposits. Free and reduced price meal applications can also be completed on line.

The School Lunch Program operates with approximately 148 employees. This includes office and specialist staff. Staff is hired with production expectations of 16 meals per man-hour at the elementary level. The number of man-hours worked in a production location increases or decreases depending on the number of meals expected to be produced by that location.

Other employees include education assistants working lunch duty, custodial personnel in all buildings, and student helpers at Roosevelt, Washington, Lincoln and New Tech High Schools.

Groceries are bid once a year and are delivered by vendors as needed to nine preparation sites. Milk and bread items are bid once a year on separate bids. Small equipment and paper product bids are let in June. Produce is quoted every week.

### SCHOOL LUNCH PROGRAM

#### School Lunch Program - Revenues

Source	Budget FY16	Budget FY17	Increase/ (Decrease) From Prior Year
Pupil Sales	\$ 4,029,245	\$ 4,565,771	\$ 536,526
Adult Sales	81,621	74,291	(7,330)
Other State Revenue	45,000	60,553	15,553
Federal Reimbursement	4,814,755	4,942,306	127,551
Commodities	800,000	547,029	(252,971)
Other Local Sources	4,773	15,242	10,469
Cash from Fund Balance	250,818	-	(250,818)
<b>Total</b>	<b>\$ 10,026,212</b>	<b>\$ 10,205,192</b>	<b>\$ 178,980</b>

## School Lunch Program - Expenditures

Use	Budget FY16	Budget FY17	Increase/ (Decrease) From Prior Year
Administrative	\$ 93,388	\$ 101,636	\$ 8,248
Clerical	115,000	104,710	(10,290)
Custodial	398,194	413,159	14,965
Specialists	139,776	145,733	5,957
Child Nutrition Workers	2,028,118	2,088,177	60,059
Education Assistants	636,134	621,049	(15,085)
Classified Other Hourly	10,000	1,500	(8,500)
Other Temporary Pay	18,567	16,603	(1,964)
Overtime	8,257	3,500	(4,757)
Benefits	1,073,609	1,085,665	12,056
Purchased Services	369,502	428,765	59,263
Supplies and Materials	4,916,833	4,665,478	(251,355)
Dues and Fees	80,500	67,500	(13,000)
Equipment	170,000	-	(170,000)
Technology	80,000	135,000	55,000
Facility	80,000	-	(80,000)
<b>Total Prior to Depreciation</b>	<b>\$ 10,217,878</b>	<b>\$ 9,878,475</b>	<b>\$ (339,403)</b>
Depreciation	417,229	350,000	(67,229)
<b>Total Lunch Budget</b>	<b>\$ 10,635,107</b>	<b>\$ 10,228,475</b>	<b>\$ (406,632)</b>

# FOOD SERVICE PROGRAM

## Program: Breakfast

The School Board approved the Breakfast Program in 1992 to meet a need of the school children of the District. The program helps assure that children are alert and ready to learn when the school day begins. The District serves 2,977 breakfasts each day that school is in session. Principals and teachers have been very supportive and continually encourage students to participate in the Breakfast Program.

The District supports the Breakfast Program because national research shows hungry children have difficulty concentrating. The amount of federal reimbursement has been increased because twelve elementary sites are participating in the severe need program. This additional reimbursement has made the program self-sufficient. By maintaining the program, children are in school, on time, well fed, and ready to learn.

The following table shows the revenue and cost of the meals served by the District in the Breakfast Program.

### School Breakfast Program Budget

#### School Breakfast Program Budget - Revenues

Source	Budget FY16	Budget FY17	Increase/ (Decrease) from Prior Year
Pupil Sales	\$ 100,000	\$ 18,640	\$ (81,360)
Federal Reimbursement	785,171	847,795	62,624
<b>Total</b>	<b>\$ 885,171</b>	<b>\$ 866,435</b>	<b>\$ (18,736)</b>

#### School Breakfast Program Budget - Expenditures

Use	Budget FY16	Budget FY17	Increase/ (Decrease) from Prior Year
Child Nutrition Workers	\$ 63,634	\$ 67,534	\$ 3,900
Education Assistants	135,829	135,220	(609)
Benefits	61,813	62,612	799
Supplies & Materials	345,000	423,082	78,082
Total Prior Depreciation	\$ 606,276	\$ 688,448	\$ 82,172
Depreciation	-	-	-
<b>Total Breakfast Program</b>	<b>\$ 606,276</b>	<b>\$ 688,448</b>	<b>\$ 82,172</b>



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# FOOD SERVICE FUND

## Program: Summer Lunch

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This program operates on a break-even basis and is funded almost entirely by the federal government. The District will operate its Summer Lunch Program at six sites during the summer break. A site must serve 50 percent or more free and reduced meals to students during the school year to be eligible to be a part of the Summer Program.

### Summer Lunch Program Budget

#### Summer Lunch Program Budget - Revenues

Source	Budget FY16	Budget FY17	Increase/ (Decrease) From Prior Year
Adult Sales	\$ 2,500	\$ 721	\$ (1,779)
Federal Reimbursement	98,950	71,517	(27,433)
<b>Total</b>	<b>\$ 101,450</b>	<b>\$ 72,238</b>	<b>\$ (29,212)</b>

#### Summer Lunch Program Budget - Expenditures

Use	Budget FY16	Budget FY17	Increase/ (Decrease) From Prior Year
Other Temporary Pay	\$ 63,946	\$ 46,437	\$ (17,509)
Benefits	4,579	3,302	(1,277)
Purchased Services	950	380	(570)
Supplies & Materials	31,975	19,219	(12,756)
<b>Total</b>	<b>\$ 101,450</b>	<b>\$ 69,338</b>	<b>\$ (32,112)</b>

# FOOD SERVICE FUND

## Capital Equipment Plan

To assist the administration and School Board with planning the Supervisor of Child Nutrition Services has developed a capital equipment schedule. The equipment will be placed on the District's bid cycle to enable the District to receive the best price savings on the equipment.

Item	FY17	FY18	FY19	FY20	FY21
Technology Replacement Reserve	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Facility Fund Reserve	80,000	80,000	80,000	80,000	80,000
Delivery Truck Replacement	-	60,000	60,000	60,000	60,000
Tables/Tops	-	20,000	20,000	20,000	20,000
Hot Lines/Cold Lines/Sneeze Guards	-	-	40,000	20,000	20,000
Milk Coolers	-	40,000	-	-	-
Dishmachines	-	-	40,000	-	-
Hot/Cold Carts	-	10,000	10,000	-	-
<b>Total Equip. Expenditures/Reserves</b>	<b>\$160,000</b>	<b>\$290,000</b>	<b>\$330,000</b>	<b>\$260,000</b>	<b>\$260,000</b>

Technology Replacement Fund	FY17	FY18	FY19	FY20	FY21
Beginning Balance	\$ 82,000	\$ 27,000	\$ 87,000	\$ 142,000	\$ 222,000
Additional Budget Reserve	80,000	80,000	80,000	80,000	80,000
Hardware Expenditures	(35,000)	(10,000)	(15,000)	-	-
Software Expenditures	(100,000)	(10,000)	(10,000)	-	-
<b>Technology Replacement Fund Total</b>	<b>\$ 27,000</b>	<b>\$ 87,000</b>	<b>\$ 142,000</b>	<b>\$ 222,000</b>	<b>\$ 302,000</b>

Facility Fund	FY17	FY18	FY19	FY20	FY21
Beginning Balance	\$ 495,006	\$ 575,006	\$ 655,006	\$ 735,006	\$ 815,006
Additional Budget Reserve	80,000	80,000	80,000	80,000	80,000
<b>Facility Fund Total</b>	<b>\$ 575,006</b>	<b>\$ 655,006</b>	<b>\$ 735,006</b>	<b>\$ 815,006</b>	<b>\$ 895,006</b>

Food Service Fund	FY17	FY18	FY19	FY20	FY21
Starting Cash Balance	\$ 1,609,018	\$ 2,456,746	\$ 3,276,006	\$ 4,032,862	\$ 4,475,994
+ Budgeted Revenues	11,701,058	12,286,111	12,900,417	13,158,425	13,421,594
- Budgeted Expenditures	11,078,830	11,688,166	12,331,015	13,009,221	13,724,728
+ Noncash Depreciation	360,500	371,315	382,454	393,928	405,746
- Cash for Capitalized Items/Reserve	135,000	150,000	195,000	100,000	100,000
<b>Ending Cash Balance</b>	<b>\$ 2,456,746</b>	<b>\$ 3,276,006</b>	<b>\$ 4,032,862</b>	<b>\$ 4,475,994</b>	<b>\$ 4,478,606</b>
<b>Ending Cash Balance less Reserves</b>	<b>\$ 1,854,740</b>	<b>\$ 2,534,000</b>	<b>\$ 3,155,856</b>	<b>\$ 3,438,988</b>	<b>\$ 3,281,600</b>