

KNOX COUNTY SCHOOLS

ANDREW JOHNSON BUILDING

Bob Thomas, Superintendent



Memorandum

To: Bob Thomas
Superintendent

From: Russ Oaks
Chief Operating Officer

Brett Foster
Executive Director of School Nutrition

Date: May 19, 2020

Subject: Fiscal Year 2021 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 meals served to students.

Attached is the Fiscal Year 2021 Preliminary School Nutrition Budget recommendation, which is based on projected revenue from all sources of \$27,605,000. This projects a revenue increase of \$295,000 from the revenue projected in the previous year's budget. This anticipated revenue increase is based upon historical trends of USDA reimbursement rates increasing each school year and an anticipated increase in meal participation.

This budget provides for the continuation of the Community Eligibility Provision in forty-seven (47) of our highest need schools while maintaining the current meal prices in our remaining schools. In addition, this budget contains no step or pay increases for School Nutrition personnel.

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 January 31, 2020, the undesignated fund balance totaled \$8,428,447. Due to the reduction of revenue because of the COVID-19 pandemic, the ending undesignated fund balance for FY20 is estimated to be between \$6,000,000 and \$7,000,000.

The Knox County Schools School Nutrition Program currently provides approximately 50,000 meals per day to students across the county including over 26,000 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 2021

Budget amounts will post to cost center 0000

REVENUE

Charges for Current Services:		
29-4-0803	Café Inc - Student Lunch	3,400,000
29-4-0804	Café Inc - Student Breakfast	300,000
29-4-0805	Café Inc - Adult	175,000
29-4-0806	Café Inc - Ala Carte	1,500,000
29-4-0830	Other Income - rebates, GSP eve feed	200,000
<i>Subtotal</i>		5,575,000

Other Local Revenue:		
29-4-0820	Interest Income	140,000
29-4-0840	Summer Program (cctr 0405)	285,000
<i>Subtotal</i>		425,000

State of TN:		
29-4-0833	State Matching	250,000
<i>Subtotal</i>		250,000

Federal Government:			
A	29-4-0571	Commodity Revenue	800,000
B	29-4-0572	Commodity DOD	1,000,000
C	29-4-0581	USDA - Lunch	14,300,000
D	29-4-0582	USDA - Breakfast	4,600,000
E	29-4-0583	USDA - Snack	140,000
F	29-4-0610	CACFP-Child & Adult Care Food Prog	115,000
G	29-4-0620	State Contracted Warehouse Rebate	100,000
H	29-4-0835	State of TN - FFVP	300,000
<i>Subtotal</i>		21,355,000	
Total Revenue		27,605,000	

SEFA - Schedule of Expenditures of Federal Awards

US Department of Agriculture (USDA)

A	10,555	Natl Sch Lunch Prog - Non-Cash Assist - Commodities
B	10,555	Natl Sch Lunch Prog - Non-Cash Assist - Commodities
C	10,555	National School Lunch Program
D	10,553	School Breakfast Program
E	10,555	National School Lunch Program
F	10,558	Child & Adult Care Food Program (CACFP)
G	10,555	State Contracted Warehouse Rebate
H	10,582	Fresh Fruit & Vegetable Program (FFVP)

**KCS Central Cafeteria Fund - EXPENDITURES
Budget Worksheet**

FY 2021

Budget amounts will post to cost center 0000

EXPENDITURES

Personnel Services:		
29-5-5200-130	Salary Exp - Café	8,175,000
29-5-5200-140	Salary Exp - Admn & Clerical	815,000

Subtotal 8,990,000

Employee Benefits:		
29-5-5200-201	Per Exp - Payroll Exp - FICA	690,000
29-5-5200-211	Benefit - Retirement (State & Local)	540,000
29-5-5200-212	Benefit - Life Insurance	18,000
29-5-5200-213	Benefit - Health Insurance	1,500,000
29-5-5200-214	Benefit - Dental Insurance	9,000

Subtotal 2,757,000

Contracted Services:		
29-5-3400-442	R/M - Contracted Services	390,000
29-5-4200-460	Food Exp - Commodity Processing	750,000
29-5-4200-463	Food Exp - Commodity Delivery	175,000
29-5-4400-360	Telephone Service	5,000
29-5-4400-380	Travel / Mileage	40,000
29-5-4400-382	Marketing / Postage / Printing	5,000
29-5-4400-621	Operational & Bonding Fees - permits	8,000
29-5-4400-628	Bank Service Charges	40,000
29-5-4400-632	Dues / Memberships	35,000

Subtotal 1,448,000

Supplies & Materials:		
29-5-3400-440	R/M - KCS Supplies	200,000
29-5-3900-459	Truck Upkeep - Gas	10,000
29-5-4200-465	Purchased Food Cost	10,620,000
29-5-4300-466	Expendable Supp - Café	1,300,000
29-5-4300-467	Small Equip / Furniture / Fixtures	75,000
29-5-4300-468	Small Wares	50,000
29-5-4300-469	Office Supp - Café	25,000
29-5-4300-470	Office Supp - FSD	5,000
29-5-4400-631	Employee Uniforms / Linen	70,000

Subtotal 12,355,000

Other Charges:		
29-5-4400-381	Training / Conference	25,000
29-5-5400-910	Indirect Cost	1,530,000

Subtotal 1,555,000

Capital Outlay:		
29-5-7600-540	Major Equipment	200,000

Subtotal 200,000

29-5-4201-465	FFVP - Purchased Food Cost	300,000
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Subtotal 300,000

Total Expenditures 27,605,000

**FY 2021
Knox County Schools
Central Cafeteria Fund
Budget Summary**

Revenue:

Charges for Current Services	\$	5,575,000
Other Local Revenue	\$	425,000
State of TN	\$	250,000
Federal Government	\$	21,355,000
Total Revenue	\$	<u>27,605,000</u>

Expenditures:

Personnel Services	\$	8,990,000
Employee Benefits	\$	2,757,000
Contracted Services	\$	1,448,000
Supplies & Materials	\$	12,655,000
Other Charges	\$	1,555,000
Capital Outlay	\$	200,000
Total Expenditures	\$	<u>27,605,000</u>