

Food Service Operations

The food service (“FS”) program operates as a stand-alone entity receiving limited support from the district. The program has been able to effectively service the district with the goal of remaining relatively financially neutral from year to year. It is very common throughout Vermont to support or subsidize a food service program with general fund dollars. The district might need to provide financial support to the FS program going forward.

The FS program has carried a small negative fund balance over the course of several years. At the end of FY’13, the FS program was carrying a negative \$114K fund balance. During FY’14, the program increased lunch prices and decreased expenditures resulting in a positive fund balance of almost \$46K, thus reducing the carry forward negative fund balance from \$114K to \$68K. At the end of FY’14, the FS program finished with a net position of \$121K (see attached).

The layering in of the Healthy Hunger-Free Kids Act has new regulations shaping the way FS programs operate. The intent is to provide broader more healthy food offerings to students. However, some of the unintended consequences cannot be ignored. Serving healthier meals means spending more money. Changing the menu has resulted in a reduction of meals being served as well as increased waste. Changes of this type take time and education of staff and students. The true outcome of the Act will not be known for several years. However, the immediate concern is the financial squeeze the FS program is feeling.

COLCHESTER SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Food Service Fund
OPERATING REVENUES:	
State and Federal Grants	\$ 380,831
Food Service Sales	685,542
Commodities	47,721
Miscellaneous Income	10,085
Total Operating Revenues	1,124,179
OPERATING EXPENSES:	
Wages and Benefits	553,249
Food	420,924
Supplies	30,976
Commodities	47,721
Professional Services	1,304
Miscellaneous	12,944
Depreciation	19,000
Total Operating Expenses	1,086,118
Operating Income	38,061
NONOPERATING REVENUES/(EXPENSES):	
Interest Income	69
Loss on Disposal of Equipment	(794)
Total Nonoperating Revenues/(Expenses)	(725)
Change in Net Position	37,336 ✓
Net Position - July 1, 2013	83,828 ✓
Net Position - June 30, 2014	\$ 121,164 ✓

The accompanying notes are an integral part of this financial statement.

COLCHESTER SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Food Service Fund
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 8,697
Miscellaneous Receivables	526
Due from State of Vermont	63,837
Inventory	17,070
Prepaid Expenses	4,081
Total Current Assets	94,211
Noncurrent Assets:	
Capital Assets:	
Equipment	477,036
Accumulated Depreciation	(287,760)
Total Noncurrent Assets	189,276
Total Assets	\$ 283,487
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 328
Accrued Payroll and Benefits Payable	575
Due to Other Funds	126,718
Unearned Revenue	34,702
Total Current Liabilities	162,323
<u>NET POSITION</u>	
Net Investment in Capital Assets	189,276
Unrestricted/(Deficit)	(68,112) →
Total Net Position	121,164
Total Liabilities and Net Position	\$ 283,487

The accompanying notes are an integral part of this financial statement.