

## 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 FS program with general fund dollars.

In FY'15, the FS program ended with revenues exceeding expenditures by \$4.1K on a cash basis. From an accounting perspective, the program realized a decrease in its net position by \$16.6K thus reducing its net position from \$94.2K to \$77.6K. The results were in line with the annual budget.

In FY'16, the school board agreed, for the first time, to provide the FS program support from the general fund totaling \$50K. This was done in anticipation of a deficit at the end of the year due to a decline in the number of meals being served, especially at CHS, and the desire to keep the meal prices steady. Keeping meal prices steady in FY'16 will hopefully increase the meal count over time as students adjust to the new regulations.

The meal count started to decline at CHS in FY'15 with the adoption of the Healthy Hunger-Free Kids Act. The new regulations have shaped the way in which FS programs can 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.

There are no funds budgeted for the food service program in FY'17.

**Changes in net position:** The School District's total revenues for the fiscal year ended June 30, 2015 were \$38,606,031. The total expenses were \$37,870,942. The following table presents a summary of the changes in net position for the fiscal year ended June 30, 2015 and 2014.

### Summarized Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for service	\$ 899,205	\$ 983,325	\$ 622,177	\$ 685,542	\$ 1,521,382	\$ 1,668,867
Operating Grants and Contributions	36,483,633	35,400,025	441,873	438,637	36,925,506	35,838,662
Capital Grants and Contributions	100,000	75,000	0	0	100,000	75,000
Investment Earnings	59,072	67,941	71	69	59,143	68,010
<b>Total Revenues</b>	<u>37,541,910</u>	<u>36,526,291</u>	<u>1,064,121</u>	<u>1,124,248</u>	<u>38,606,031</u>	<u>37,650,539</u>
<b>Expenses</b>						
Education	36,790,181	36,180,988	0	0	36,790,181	36,180,988
Food Service	0	0	1,080,761	1,086,912	1,080,761	1,086,912
<b>Total Expenses</b>	<u>36,790,181</u>	<u>36,180,988</u>	<u>1,080,761</u>	<u>1,086,912</u>	<u>37,870,942</u>	<u>37,267,900</u>
<b>Change in Net Position</b>	751,729	345,303	(16,640)	37,336	735,089	382,639
<b>Net Position - Beginning of Year</b>	11,866,039	11,905,322	94,252	83,828	11,960,291	11,989,150
<b>Less GASB 68 Adjustment</b>	0	(384,586)	0	(26,912)	0	(411,498)
<b>Net Position - End of Year</b>	<u>\$ 12,617,768</u>	<u>\$ 11,866,039</u>	<u>\$ 77,612</u>	<u>\$ 94,252</u>	<u>\$ 12,695,380</u>	<u>\$ 11,960,291</u>

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the School District's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.