

School District of the City of Royal Oak  
**MEMORANDUM**

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TO: Thomas L. Moline  
FROM: John R. Schwartz  
DATE: March 24, 2008  
SUBJECT: Food Service Fund Budget Amendments

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A budget amendment for the Food Service Fund will be taken to the Board of Education for approval on April 10<sup>th</sup>. I recommend placing this amendment on the consent agenda due to the routine nature and immaterial net amount of the amendment. The significant changes are summarized as follows:

Revenue

- The most significant change is the reduced revenue from student paid sales. This reduction of \$114,000 is the direct result of the loss of serving days at the beginning of the school year at the Royal Oak Middle School and the elimination of the morning student “snack break” at the Royal Oak High School.
- Anticipated Federal Revenue is expected to increase by \$19,000. This has a direct connection to the number of reimbursable meals served.
- As a result of the anticipated loss of revenue from student paid sales, a transfer of \$42,250 from the General Fund is needed to balance revenues and expenditures.

Expenditures

- A reduction in budgeted wages in the amount of \$10,000 is warranted. This represents a revised estimate of wage costs to be incurred in the Food Service Fund.
- Fringe benefit costs are expected to decline by \$27,750 as result of changes in employee participation in the health insurance plan.
- Food costs are expected to increase by \$28,000. This is due to higher food costs being experienced not only in our food service program but by all household consumers as well.

As a result of these amendments, budgeted revenues are expected to decline by \$52,750 and budgeted expenditures are anticipated to drop by \$46,250.