

Morrow County School District
Proposed Food Service Price Increase
2007-08 School Year

For the past two years, the Food Service budget has been showing a decrease in reserves. This is due to increased personnel costs, upgrading the food service computer program, and additional food costs. Food expenses went up approximately 3-5%, largely due to the specific increases in fruit, produce, fuel and transportation costs, along with an overall food price increase.

Food Service has not raised meal prices since the 1998-99 school year. In order to continue to cover increasing payroll expenses each year, increased food and fuel costs, increased maintenance and repair costs, and to maintain a reserve to replace older equipment, it is necessary to propose a price increase for the 2007-8 school year.

<u>Current Breakfast Rates</u>		<u>Proposed Breakfast Rates</u>	
Students (7-12)	\$ 1.00		\$ 1.25
Adults	\$ 1.50		\$ 1.75
 <u>Current Lunch Rates</u>		 <u>Proposed Lunch Rates</u>	
Students (K-6)	\$ 1.50		\$ 1.75
Students (7-12)	\$ 1.75		\$ 2.00
Adults	\$ 2.50		\$ 2.75

Raising meal prices is projected to increase revenues by approximately \$25,000.00 for the 2007-08 school year. This amount is needed to maintain the food service reserve for unexpected expenses and replacement costs.

Projected revenues for 2007-08, with price increase	\$ 923,500
Projected expenses for 2007-08	<u>\$ 986,054</u>
Reserves to be spent	62,554
Reserve carryover as of 6/30/06	\$ 190,066
Projected carryover as of 6/30/07	\$ 90,000
Projected carryover as of 6/30/08, with meal price increase	\$ 27,446