Industry Information Session:

**Understanding School Operations**

**Profit and Loss**

Monday, January 14
10:15 AM – 11:30 AM

Facilitator: Gary Vonck
Panelists: Dora Rivas
            Linda Stoll
            Julia Bauscher
Understanding Profit and Loss

Dora Rivas, MS, RD, SNS
Dallas ISD Executive Director
Food and Child Nutrition Services
Learning Objectives

- Implementing strong financial methods for a successful SN program

- Attendees will leave with a thorough understanding of the importance of applying strong financial methods within a program involving multiple regulatory requirements
The Why is Obvious

- Efficient use of funds is critical to operations
- Monitoring of Profit and Loss helps in decision making
- A sustainable program assures JOB SECURITY!
What to Monitor

• Income by District and by Location
  – Reimbursements
  – Cash Receipts
  – A la Carte Sales
  – State Matching/subsidies

• Expenditures
  – Food
  – Labor
  – Non-food supplies
  – Capital Outlay
  – Operating expenditures (direct & indirect)
  – Losses

• Bottom Line
Factors that affect Profit & Loss

• **Menu planning**
  - Required menu pattern is the same but decisions around products purchased varies
  - Too many choices
  - Monitoring student meal participation
  - Pennies make a difference – they add up!

• **Staff training**
  - Management- Food ordering/receipt & storage, handling
  - Employee- preparation, production, batch-cooking and use of leftovers

• **Monitoring**
  - Compliance- skimping on serving sizes to reduce cost can result in non-compliance and student dissatisfaction
  - Food Quality- affects participation
  - Food overproduction and/or food waste affects bottom-line
Strategic Planning Cycle

Dallas ISD
FCNC
Strategic Plan
2011-2015

Visioning Session/
Mission Statement

SWOT Analysis

Critical Issue
Statements

Goal Setting//Strategy
and Action Step
Development

Key Performance
Indicators

Balanced Scorecard

Annual Review
and Update
Reports that help me

- **Profit & Loss Monthly comparison** (total cost & percentage of revenue by district and by school)
  - Comparison current month to same month previous year
  - Comparison of YTD this year to last year YTD

- **Monthly Meals per Labor Hour** by district and by school
<table>
<thead>
<tr>
<th>Org School</th>
<th>Specialist</th>
<th>Month From - To</th>
<th>Revenues</th>
<th>Payroll</th>
<th>Pay%</th>
<th>Food USDA Food_%</th>
<th>Paper Supply</th>
<th>Supp%</th>
<th>Operating Expenses</th>
<th>Oper %</th>
<th>Net Profit (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ADAMS, B.</td>
<td>HOPKINS</td>
<td>Jul 12 Sep 12</td>
<td>85,320</td>
<td>34,577</td>
<td>40.5%</td>
<td>39,558 46.4%</td>
<td>3,816</td>
<td>4.5%</td>
<td>23,930</td>
<td>28.0%</td>
<td>($16,561)</td>
</tr>
<tr>
<td>1 ADAMS, B.</td>
<td>HOPKINS</td>
<td>Jul 12 Oct 12</td>
<td>161,447</td>
<td>61,500</td>
<td>38.1%</td>
<td>81,101 50.2%</td>
<td>6,324</td>
<td>3.9%</td>
<td>48,064</td>
<td>28.5%</td>
<td>($33,542)</td>
</tr>
<tr>
<td>1 ADAMS, B.</td>
<td>HOPKINS</td>
<td>Jul 11 Nov 11</td>
<td>201,919</td>
<td>90,942</td>
<td>43.7%</td>
<td>100,487 49.8%</td>
<td>7,503</td>
<td>3.7%</td>
<td>26,420</td>
<td>13.1%</td>
<td>$3,574</td>
</tr>
<tr>
<td>1 ADAMS, B.</td>
<td>HOPKINS</td>
<td>Jul 11 Dec 11</td>
<td>310,790</td>
<td>114,068</td>
<td>36.7%</td>
<td>150,149 48.3%</td>
<td>9,144</td>
<td>3.5%</td>
<td>38,955</td>
<td>14.9%</td>
<td>($13,561)</td>
</tr>
<tr>
<td>1 ADAMS, B.</td>
<td>HOPKINS</td>
<td>Jul 11 Jan 12</td>
<td>372,380</td>
<td>133,031</td>
<td>35.7%</td>
<td>187,205 50.3%</td>
<td>12,257</td>
<td>3.3%</td>
<td>57,171</td>
<td>15.4%</td>
<td>($17,284)</td>
</tr>
<tr>
<td>1 ADAMS, B.</td>
<td>HOPKINS</td>
<td>Jul 11 Feb 12</td>
<td>451,796</td>
<td>157,807</td>
<td>34.9%</td>
<td>218,965 48.5%</td>
<td>14,162</td>
<td>3.1%</td>
<td>76,310</td>
<td>16.9%</td>
<td>($15,447)</td>
</tr>
<tr>
<td>1 ADAMS, B.</td>
<td>HOPKINS</td>
<td>Jul 11 Mar 12</td>
<td>517,242</td>
<td>184,607</td>
<td>34.7%</td>
<td>252,878 48.9%</td>
<td>16,437</td>
<td>3.2%</td>
<td>86,118</td>
<td>16.6%</td>
<td>($22,797)</td>
</tr>
<tr>
<td>1 ADAMS, B.</td>
<td>HOPKINS</td>
<td>Jul 11 Apr 12</td>
<td>595,780</td>
<td>208,699</td>
<td>35.0%</td>
<td>313,806 52.7%</td>
<td>18,779</td>
<td>3.2%</td>
<td>100,269</td>
<td>16.8%</td>
<td>($45,793)</td>
</tr>
<tr>
<td>1 ADAMS, B.</td>
<td>HOPKINS</td>
<td>Jul 11 May 12</td>
<td>669,573</td>
<td>235,685</td>
<td>35.2%</td>
<td>344,465 51.4%</td>
<td>20,337</td>
<td>3.0%</td>
<td>109,046</td>
<td>16.3%</td>
<td>($40,140)</td>
</tr>
</tbody>
</table>

| 1 ADAMS, B. | HOPKINS    | Jul 10 Sep 10  | 106,437  | 28,827  | 27.2%| 51,459 48.3%     | 4,917       | 4.8%  | 18,071            | 17.0%  | $3,063           |
| 1 ADAMS, B. | HOPKINS    | Jul 10 Oct 10  | 179,644  | 57,377  | 31.9%| 99,789 55.5%     | 6,718       | 3.7%  | 37,024            | 20.6%  | ($21,245)        |
| 1 ADAMS, B. | HOPKINS    | Jul 10 Nov 10  | 245,921  | 82,081  | 33.4%| 121,425 49.4%    | 10,015      | 4.1%  | 65,414            | 26.6%  | ($33,013)        |
| 1 ADAMS, B. | HOPKINS    | Jul 10 Dec 10  | 298,834  | 100,787 | 33.7%| 152,195 51.0%    | 11,192      | 3.7%  | 85,414            | 21.9%  | ($39,393)        |
| 1 ADAMS, B. | HOPKINS    | Jul 10 Jan 11  | 356,743  | 118,888 | 33.3%| 183,742 51.5%    | 13,436      | 3.8%  | 69,189            | 19.4%  | ($28,510)        |
| 1 ADAMS, B. | HOPKINS    | Jul 10 Feb 11  | 413,444  | 137,184 | 33.2%| 209,318 50.6%    | 14,964      | 3.6%  | 71,019            | 17.2%  | ($19,041)        |
| 1 ADAMS, B. | HOPKINS    | Jul 10 Mar 11  | 482,353  | 159,040 | 33.0%| 249,948 51.8%    | 16,889      | 3.5%  | 72,654            | 15.1%  | ($16,158)        |
| 1 ADAMS, B. | HOPKINS    | Jul 10 Apr 11  | 559,415  | 185,871 | 33.2%| 287,346 51.4%    | 19,051      | 3.4%  | 73,923            | 13.2%  | ($8,776)         |
| 1 ADAMS, B. | HOPKINS    | Jul 10 May 11  | 633,582  | 209,942 | 33.1%| 319,961 50.5%    | 21,511      | 3.4%  | 91,875            | 14.5%  | ($9,727)         |

| 1 ADAMS, B. | HOPKINS    | Jul 09 Aug 09  | 18,167   | 9,627   | 53.0%| 15,030 82.7%     | 2,947       | 16.2% | 2,980             | 16.4%  | ($12,417)        |
Meals per Labor Hour
Reports by District
Meals per Labor Hour
Reports by Campus
Fund Balance

Cost of Operations

• Profitability

• Use of reserve funds
  – Cash flow
  – How much should be in reserves
Participation Trends

Middle School Lunch

<table>
<thead>
<tr>
<th>Year</th>
<th>Lunch Participation Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2007</td>
<td>15,975</td>
</tr>
<tr>
<td>2007-2008</td>
<td>17,885</td>
</tr>
<tr>
<td>2008-2009</td>
<td>18,129</td>
</tr>
<tr>
<td>2009-2010</td>
<td>18,692</td>
</tr>
<tr>
<td>2010-2011</td>
<td>17,933</td>
</tr>
<tr>
<td>2011-2012</td>
<td>17,874</td>
</tr>
</tbody>
</table>

- **Lunch Participation Count**
- **Enrollment Trendline**
- **Participation Trendline**
Participation Trend

High School Lunch

- 2006-2007: 18,408
- 2007-2008: 19,483
- 2008-2009: 20,549
- 2009-2010: 20,732
- 2010-2011: 19,831
- 2011-2012: 21,257

Trendlines:
- Enrollment Trendline
- Participation Trendline
THANK YOU
Understanding Profit and Loss

Linda Stoll, MPH, SNS
Executive Director, Food and Nutrition Services
Jeffco Public Schools
Bottom Line – “Break Even”

• School Boards expect Food Service Programs to be self-supporting

• Increasingly, school districts charge Food Service Programs for “services” provided by the district – HR; Payroll; Maintenance; AP; Trash; Utilities

• Direct Charge for specific services

• Indirect charges - % of budget
Profit and Loss Statement is a measure of success

• Against previous month

• Against same month, previous year

• Against budgeted numbers
  – Government Accounting works different than “business Accounting” – need to “meet the budget”.

District P & L

Go to spread sheet #1
Compare to last year

Go to spread sheet #2
Look at specific area of district

Go to spread sheet # 3
Look at specific School

Go to spread sheet #4
Against budget

• Go to spread sheet #7
Plate Cost

• An important number to our program is “plate cost”

• We know how much money we receive for each meal that we serve

• We need to know how much it costs us to produce one meal
  – Food costs
  – Labor costs
  – Indirect costs
Plate cost

- District wide – spread sheet # 5
- Site – spread sheet # 6
### National School Lunch Program

**CFDA:** 10.555  
**Chart of Accounts:**

<table>
<thead>
<tr>
<th>Program 3100</th>
<th>Object</th>
<th>EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>0630</td>
<td>Food &amp; Milk</td>
<td>1,093,138</td>
</tr>
<tr>
<td>0100, 0200</td>
<td>Labor (Salaries &amp; Benefits)</td>
<td>3,156,925</td>
</tr>
<tr>
<td>0300, 0400, 0500, 0600, 0740, 0800</td>
<td>Other (Nonfood, small equipment)</td>
<td>(2,279,467)</td>
</tr>
<tr>
<td><em>Total Costs</em></td>
<td></td>
<td>1,970,596</td>
</tr>
</tbody>
</table>

*Per Plate Cost* 1.89

### Determining Meals Served To Students

**July 2012 - June 2013**

<table>
<thead>
<tr>
<th>Meals</th>
<th>Breakfast &amp; Lunch</th>
<th>Snacks</th>
<th>Ala Carte</th>
<th>Central Kitchen - Charters</th>
<th>Summer Feeding</th>
<th>Total Meals Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast &amp; Lunch</td>
<td>97,883</td>
<td>0</td>
<td>0</td>
<td>550</td>
<td>0</td>
<td><strong>98,433</strong></td>
</tr>
<tr>
<td>Lunches/Ala Carte/Snacks</td>
<td>742,415</td>
<td>6,475</td>
<td>184,539</td>
<td>10,352</td>
<td>0</td>
<td><strong>943,781</strong></td>
</tr>
</tbody>
</table>

* These amounts do not include depreciation or commodity expense

When reporting to CDE for future price increases, depreciation and commodities should be left in the expenses calculation.
Participation comparisons

• Look at impact of menu changes

• Look at impact of enrollment changes

• Look at impact of marketing strategies
Jeffco – Elementary Breakfast

Breakfast ADP - Elementary Schools

- Aug
- Sept
- Oct
- Nov

2009-2010  2010-2011  2011-2012  2012-2013
Jeffco – Secondary Breakfast

Breakfast ADP - Secondary Schools

Aug 2009-2010
Sept 2010-2011
Oct 2011-2012
Nov 2012-2013
Jeffco – Elementary Lunch

Lunch ADP - Elementary Schools

- Aug
- Sept
- Oct
- Nov

2009-2010
2010-2011
2011-2012
2012-2013
Jeffco – Secondary Lunch

Lunch ADP - Secondary Schools


THANK YOU
Jefferson County Public Schools
SCHOOL AND COMMUNITY
NUTRITION SERVICES

Louisville, KY
Julia Bauscher, SNS
Director
Overview

• 101,000 students
• 65% Free/Reduced
• 144 school cafeterias; central kitchen/warehouse
• 825 employees
• 61,500 Lunch ADP
• 35,000 Breakfast ADP
• NSLP, SBP, SFSP, BIC, USDA FFVP
Gain/Loss

• Extensive report by location, by level, generated by coordinator records and reports

• Detailed participation information

• Detailed expense information

• Detailed revenue information

• Utilized by SCNS administrators to monitor school performance and target areas for improvement
## Gain/Loss Snapshot

<table>
<thead>
<tr>
<th>Avg. Lunch Food Plate Cost per Meal</th>
<th>Avg. YTD Lunch Labor Cost (w/ Benefits)</th>
<th>Avg. Lunch Labor Cost per Meal</th>
<th>Avg. YTD Lunch Other Direct Lunch Plate Costs</th>
<th>Avg. Lunch Other Direct Cost per Meal</th>
<th>Avg. YTD Lunch Indirect Plate Cost</th>
<th>Avg. Lunch Indirect Cost per Meal</th>
<th>Avg. YTD Lunch Equipment, CO Plate Cost</th>
<th>Avg. Lunch Equip/CO Cost per Meal</th>
<th>Avg. Lunch Meal Plate Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1.23</td>
<td>$ 25,245.60</td>
<td>$ 1.08</td>
<td>$10,924.80</td>
<td>$ 0.47</td>
<td>$4,868.00</td>
<td>$ 0.21</td>
<td>$1,118.30</td>
<td>$ 0.05</td>
<td>$ 3.04</td>
</tr>
<tr>
<td>$ 1.26</td>
<td>$ 29,019.20</td>
<td>$ 0.98</td>
<td>$13,447.20</td>
<td>$ 0.45</td>
<td>$5,596.00</td>
<td>$ 0.19</td>
<td>$1,425.60</td>
<td>$ 0.05</td>
<td>$ 2.92</td>
</tr>
<tr>
<td>$ 1.22</td>
<td>$ 37,513.60</td>
<td>$ 0.78</td>
<td>$17,252.00</td>
<td>$ 0.36</td>
<td>$7,233.60</td>
<td>$ 0.15</td>
<td>$2,303.14</td>
<td>$ 0.05</td>
<td>$ 2.56</td>
</tr>
<tr>
<td>$ 1.17</td>
<td>$ 31,696.00</td>
<td>$ 0.79</td>
<td>$14,541.60</td>
<td>$ 0.36</td>
<td>$6,112.00</td>
<td>$ 0.15</td>
<td>$1,929.31</td>
<td>$ 0.05</td>
<td>$ 2.52</td>
</tr>
<tr>
<td>$ 1.23</td>
<td>$ 40,519.20</td>
<td>$ 0.75</td>
<td>$19,475.20</td>
<td>$ 0.36</td>
<td>$7,813.60</td>
<td>$ 0.14</td>
<td>$2,607.26</td>
<td>$ 0.05</td>
<td>$ 2.53</td>
</tr>
<tr>
<td>$ 1.37</td>
<td>$ 26,529.60</td>
<td>$ 0.92</td>
<td>$11,749.60</td>
<td>$ 0.41</td>
<td>$5,116.00</td>
<td>$ 0.18</td>
<td>$1,387.58</td>
<td>$ 0.05</td>
<td>$ 2.92</td>
</tr>
<tr>
<td>$ 1.23</td>
<td>$ 31,043.20</td>
<td>$ 0.66</td>
<td>$14,620.80</td>
<td>$ 0.31</td>
<td>$5,986.40</td>
<td>$ 0.13</td>
<td>$2,261.95</td>
<td>$ 0.05</td>
<td>$ 2.37</td>
</tr>
</tbody>
</table>
### SCNS SCHOOL SITE MONTHLY GAIN/LOSS

<table>
<thead>
<tr>
<th>School Name:</th>
<th>Loc.#</th>
<th>Membership</th>
<th>Month/Year</th>
<th># Days Served</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Free</td>
<td>Reduced</td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Attendance:</th>
<th>ADP-Lunch</th>
<th>ADP-Break</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Percent Eating Daily To Attendance:</th>
<th>#DIV/0!</th>
<th>#DIV/0!</th>
<th>#DIV/0!</th>
<th>#DIV/0!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lunch</td>
<td>B% Fr Eating</td>
<td>B% R Eating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Break Fast</td>
<td></td>
<td></td>
<td>#DIV/0!</td>
<td>#DIV/0!</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**INCOME: Federal Reimbursement**

1. **(1) Federal Reimbursement Received (Rates are Updated Annually in July).**
   - **Needs Breakfast Rates**
     - Reduced: $1.55
     - Free: $1.85
     - Paid: $0.27
   - **Tot. Number “Breakfast” Meals Served:** 0

2. **(2) Cash Daily Sales**
   - Lunch - Cash Income - 116 EOM Report
   - Breakfast - Cash Income - 116 EOM Report
   - Misc. ALaCarte Cash Income - 116 EOM Report

3. **Expenses**
   - **Grand Tot. Cash Will Include Reimbursement Due + G&A Revenue Payment Rec’d.** $ - #DIV/0!

4. **Additional Expenses:** Uncollected Student Charges
   - Enter 0 in #6 if you have 0 charges to collect.

### Directions: Goal is to operate a financially sound program by maintaining a daily/monthly gain.

*School Site Management will enter data into the blank (yellow highlighted) fields relevant to the school location program each month using the SCN-D2 116 School Report. The 116 report will be sent from SCNS-Records & Reports each month.*
Other Reports

• Summary Profit/Loss for Program – updated monthly

• Summary Claim for Reimbursement – updated monthly

• Monthly/Annual Report for COO focusing on major KPIs; “War Room data”

• Others as needed/requested
School Breakfast Participation

![Bar chart showing School Breakfast Participation from 2006-2007 to 2011-2012 for different grades: Elem-ADP, MS-ADP, HS-ADP, and Spec-ADP.](chart.png)
School Lunch Participation

Chart showing participation numbers from 2006-2007 to 2011-2012, with categories for E-ADP, M-ADP, H-ADP, and Sp-ADP.
Lunch Participation by Eligibility

<table>
<thead>
<tr>
<th>Year</th>
<th>Part. % F</th>
<th>Part. % R</th>
<th>Part. % P</th>
<th>Part. % Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2007</td>
<td>80.3%</td>
<td>70.4%</td>
<td>36.3%</td>
<td>70.4%</td>
</tr>
<tr>
<td>2007-2008</td>
<td>78.1%</td>
<td>68.3%</td>
<td>37.0%</td>
<td>68.3%</td>
</tr>
<tr>
<td>2008-2009</td>
<td>78.4%</td>
<td>70.6%</td>
<td>36.8%</td>
<td>70.6%</td>
</tr>
<tr>
<td>2009-2010</td>
<td>80.3%</td>
<td>71.2%</td>
<td>34.7%</td>
<td>71.2%</td>
</tr>
<tr>
<td>2010-2011</td>
<td>81.0%</td>
<td>69.6%</td>
<td>33.8%</td>
<td>69.6%</td>
</tr>
<tr>
<td>2011-2012</td>
<td>82.5%</td>
<td>71.0%</td>
<td>31.3%</td>
<td>71.0%</td>
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</tbody>
</table>
**Breakfast Participation by Eligibility**

<table>
<thead>
<tr>
<th>Year</th>
<th>Part. % F</th>
<th>Part. % R</th>
<th>Part. % P</th>
<th>Part. % Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2007</td>
<td>41.8%</td>
<td>21.8%</td>
<td>6.1%</td>
<td>39.4%</td>
</tr>
<tr>
<td>2007-2008</td>
<td>42.2%</td>
<td>23.0%</td>
<td>7.0%</td>
<td>36.1%</td>
</tr>
<tr>
<td>2008-2009</td>
<td>42.8%</td>
<td>23.1%</td>
<td>6.8%</td>
<td>34.9%</td>
</tr>
<tr>
<td>2009-2010</td>
<td>45.4%</td>
<td>24.7%</td>
<td>6.3%</td>
<td>35.9%</td>
</tr>
<tr>
<td>2010-2011</td>
<td>47.9%</td>
<td>25.0%</td>
<td>6.9%</td>
<td>37.6%</td>
</tr>
<tr>
<td>2011-2012</td>
<td>50.0%</td>
<td>27.4%</td>
<td>6.9%</td>
<td>37.1%</td>
</tr>
</tbody>
</table>
Co. Tot. Cash
$11,884,738
26%

Total Reimb. Claimed
$33,562,591
74%
QUESTIONS?