

SY2026 ANNUAL FINANCIAL REPORT (AFR) INSTRUCTIONS

National School Lunch Programs, SFSP and CACFP (snack or supper)



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SY2026 ANNUAL FINANCIAL REPORT (AFR) INSTRUCTIONS

Introduction

The purpose of this document is to provide general guidelines for the online Annual Financial Report (AFR). All data reported is from revenue and expenditure to the Nonprofit School Food Service Account (NSFSA). The AFR should include all NSFSA financial transactions from July 1 through June 30 of that school year. Accurate supporting documentation must be maintained by appropriate accounting officials. **Failure to submit the AFR may disrupt receipt of reimbursement payments and other program benefits (i.e., programs will not receive their October reimbursement until your AFR has been approved for the prior year.**

Abbreviations Overview	
Phrase	Abbreviation
Annual Financial Report	AFR
Child Nutrition Programs (i.e., NSLP, SBP, SMP)	CNP
Child and Adult Care Food Program	CACFP
Fresh Fruit and Vegetable Program	FFVP
National School Lunch Program	NSLP
School Breakfast Program	SBP
School Food Authority (i.e., sponsor of CNP)	SFA
Special Milk Program (only for kindergarten students denied access to other CNPs)	SMP
Summer Food Service Program	SFSP

Report revenue and expenses from NSFSA using consistent accounting principles. Expenses and income should be tracked consistently using **one** of the following Generally Accepted Accounting Principles (GAAP):

1. **Cash Basis** - accounting records revenue and expenses when cash related to those transactions actually is received or dispensed.
2. **Accrual Accounting** - records revenue and expenses when transactions occur, but before money is received or dispensed.

Example: If you place your June (fiscal year 2026) claim in July, paid out in July 2026 (fiscal year 2027)

- In a cash basis system you would report this on the 2027 AFR since you did not receive the funds until July 2026. The 2026 AFR only contains transactions **received** from July 2025- June 2026 and therefore it would be reported on the 2027 AFR.
- In an accrual accounting system you would report it on the 2026 AFR since the claim was placed in June 2026 even though it was not paid out till July 2026 (fiscal year 2027) it would still be included.

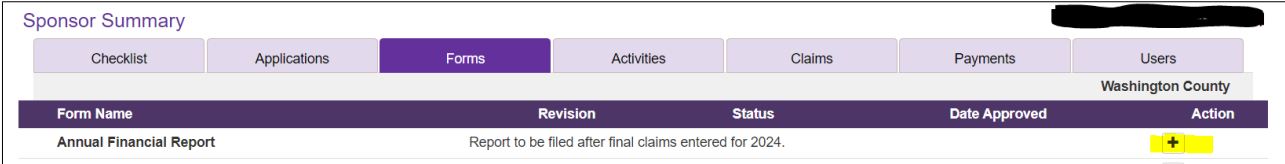
If you are not sure which GAAP your district uses to track NSFSA, contact your financial advisor to ensure accuracy and consistency on the AFR. Expenses reported should reflect all monies received by NSFSA and all monies expended regardless of what form it may take. Examples are cash on-hand, cash in-bank, checks, certificates of deposit, interest earned, etc.

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Instructions

The AFR can be found in CNPweb under the *Forms* tab for the previous year (e.g., AFR for 2024-2025 can be found under the program year *2025 Reports* tab). If you have been using the Yearly Financial spreadsheet, you will input the numbers into the CNPWeb, Annual Financial Report.

- Select the add (+) button to start a new AFR.



There are ten columns (letters A-J) that correspond with the available programs:

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Totals	School Lunch	Afterschool Snack Service	School Breakfast	Special Milk Program	SSO	Fresh Fruit & Vegetable Pgm FFVP	Summer Food Service Pgm SFSP	Child & Adult Care Food Pgm CACFP	A la Carte / Catering

- **Column A:** Total for the entire food service operation and the sum of columns B-J.
- **Column B:** Includes all income and expenses for the National School Lunch Program (NSLP) and includes the Seamless Summer Option (SSO). **Please report all revenue and expenditures from SSO lunches and breakfast served in this column.**
- **Column C:** After School Snack Program.
- **Column D:** School Breakfast Program. All revenue and expenditure from the School Breakfast Program can be reported in this column.
- **Column E:** Special Milk Program for split session kindergarten children who are denied access to the other Child Nutrition Programs. Must have previously applied to participate.
- **Column F:** Participating in SSO Breakfast and Lunch meal reimbursement
- **Column G:** Fresh Fruit and Vegetable Program (FFVP).
- **Column H:** Summer Food Service Program (SFSP).
- **Column I:** Child and Adults Care Food Program (CACFP).
- **Column J:** This column includes all other nonprogram income and expenses that are *not* part of the federally reimbursable meal. This includes extra milk, second servings, a la carte, banquets, food service to any organizations such as administration meetings, parent teacher association (PTA), etc., and catering/vending to outside organizations such as parochial schools or day care centers. Any non-claimable item served should be reported here. **Column J should never be negative in the net income/loss section. If you do show a negative amount, please do the following:**
 - Review income and expenses to confirm total is correct
 - Submit an email to jodi.truman@maine.gov with how you will be recovering those funds to your child nutrition account using nonfederal funding by the district
 - Please refer to the Non-Program Food information at the end of document

Eligibility for these programs will be previously determined through the sponsor and site application process.

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Income Section

Income Section									
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Totals	School Lunch	Afterschool Snack Service	School Breakfast	Special Milk Program	SSO	Fresh Fruit & Vegetable Pgm FFVP	Summer Food Service Pgm SFSP	Child & Adult Care Food Pgm CACFP	A la Carte / Catering
(1) Sales to Children	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>			<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
(2) Sales to Adults	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>			<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
(3) Loans/Interest	<input type="text" value="0.00"/>								
(4) State Revenue Match & Reimbursement	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>						
(5) Federal Reimbursement	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
(6) Other Income	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
(7) Rebates	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
(8) Income Totals	Total (B)	Total (C)	Total (D)	Total (E)	Total (F)	Total (G)	Total (H)	Total (I)	Total (J)
	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>

Line (1) Sales to Children - Report income received from student meals served during regular meal periods. You must keep daily records of student’s income by program and report this income under each federal program. Reimbursable meals are reported under the corresponding program they are claimed. All other income received from students should be reported under column J (i.e., Non-Program).

Line (2) Sales to Adults - Report income received from adults for meals and food sold during meal service. You must keep daily records of adult meals income by program and report this income under each program. All other food sold would be reported under column J. *Example:* Income received from an adult breakfast sold is reported under column D, while an a la carte breakfast entree sold to an adult would be reported under column J. Catering should be reported in line (6) (i.e., Other Income), column J.

Line (3) Loan/Interest - Report income received from any interest earned this year from deposits of food service monies.

Line (4) State Revenue Match – Report reimbursement income from the State of Maine, which is allocated only to column B. Next year will include column D. **For this year**, the Maine Lunch revenue will be reported in col. B and Breakfast will be reported in line 6, column D.

You can also find the State Revenue Funds paid under the *Reports tab – Accounting Reports – Reimbursement Earned Report* of the reporting year. The “State Match” paid is **additional Lunch** reimbursement.

State Breakfast Paid Amount	State Breakfast Reduced Amount	State Lunch Paid Amount	State Lunch Reduced Amount	State Match
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Line (5) Federal Reimbursement - Report any federal reimbursement *received* this school year. It is essential that you allocate this income *by program*, as indicated in **CNPweb** under the *Payments* tab. Do not include any additional federal or state income received due to Local Foods, or any other assistance received. These items can be reported under line (6) (i.e., Other Income).

Line (6) Other - Report any other cash income received for food service, such as special functions income, sale of equipment, cash donations, etc. Allocate to columns B through J as appropriate. All catering should be reported in column J. Equipment funds received through the USDA Equipment Grant should be reported here.

Line (7) Rebates - Use this line to show the receipt of any rebates from vendors. Only use this line for cash rebates. If deductions were made from a payment, the food expense line would include the rebate as a net reduction in food expense. Allocate to columns B through J, as appropriate.

Line (8) Income Total - The sum of Column A, lines (1) through (7) does not auto-populated. You will also add this number will also add to box (17).

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Expense Section

Expenses Section										
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Totals	School Lunch	Afterschool Snack Service	School Breakfast	Special Milk Program	SSO	Fresh Fruit & Vegetable Pgm FFVP	Summer Food Service Pgm SFSP	Child & Adult Care Food Pgm CACFP	A la Carte / Catering	
(9) Food Expense										
\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(10) Labor Direct Preparation										
\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(11) Smallware Equipment / Purchases										
\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(12) Equipment - More than \$300										
\$	0.00									
(13) Other										
\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(14) Indirect Costs										
\$	0.00									
(15) Expense Total										
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (B)	Total (C)	Total (D)	Total (E)	Total (F)	Total (G)	Total (H)	Total (I)	Total (J)	

Line (9) Food Expense - Report *all* food costs paid for during the school year. This includes the costs of obtaining commodities. If there is any *income* reported for food sales in columns B through J, then there **must** be an expense for purchasing the food.

Milk expenses should be allocated to all programs of which it is a part. **Do not put all milk expenses in column E.** If the kindergarten Special Milk Program is in operation, then use it only for the cost of the kindergarten milk.

Expenses listed in column B-J must equal the total in column A. The total cost of food used must be distributed to all offered programs. For a method to more accurately determine expenses by program, see page 8.

Line (10) Labor Direct Participation - Report labor expenses paid during the school year to staff. Report gross salary as well as other employer-paid benefits, such as health insurance, retirement funds, employer-paid FICA, workman's compensation, unemployment compensation, etc. Only report staff benefits if these benefits are charged **directly** to NSLP. Labor costs must be allocated to each program offered.

If you would like to report labor by allocation percentages, these can be obtained by conducting a time study of your staff for an average of each program. See page 9, "Labor Expense Allocation", for this information.

Line (11) Smallware Equipment / Purchases \$5,000 or Less (Name Change) - Report costs paid this year for purchases of food service equipment costing less than \$5,000 per unit and most repairs regardless of cost. This line may be allocated using the same

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allocation percentages as for cost of food used. See page 8-10 for additional details.

Line (12) Equipment - More than \$5,000 (Name Change)- Report costs for the purchase of food service equipment with a unit cost of \$5,000 or more paid out of NSLP. Equipment purchased using the USDA and or Maine Equipment Grant should be reported here.

Line (13) Other - Report other allowable expenses paid during the program year not already reported under any of the expense lines above. This includes non-food items such as napkins, cleaning chemicals, technology/software fees or any other costs not directly related to food, labor or equipment including applicable training expenses. If questioned, please have documentation readily available to verify these costs during review and approval of the AFR.

Expenses that cannot be readily identified by program must be allocated to all programs using the same allocation percentages as those for cost of food used. See page 8-10 for more information.

Line (14) Indirect Costs - Maine currently does not have a delegation agreement in place with US Department of Education which allows school district to charge the National School Lunch Program or any other federal program indirect costs. Indirect costs rates must be approved by the Department of Education and no such costs have been approved or a method in place to do so. Therefore, no food service program should be charged indirect costs. If so, that must be ended and the indirect costs charged to the program must be reversed.

Line (15) - Expense Total - The sum of column A, lines (9) through (17), is not auto populated. You will add this number in box (18).

Allocation Percentages

Expenses often are **not** readily identifiable with a specific federal program. Consequently, it may be easier to use allocation percentages for more appropriate costs in each of the programs. Pages 8-10 describe a method that can be used to determine allocation percentages. There is a built-in option to select either dollar or percentage values for the program expense allocations. **If the percentage method is used, the dollar amounts can be calculated from the dollars in column A and the percentages by clicking on the “Calculate” button at the bottom of the report.** The reverse is true that if dollars are put in, the percentages will be figured by the system.

Additional detailed guidance is located on page 10 of this document and includes how to input the percentages into CNPWeb.

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Average Meal Cost Calculation

The average cost per meal can be calculated by adding the sum of lines: (9) Food Expense, (10) Labor, (11) Equipment under \$5,000 and (13) Other, then dividing by the total number of reimbursable meals served per participating federal program for the program year. Adding all the properly allocated expenses in any of the columns and dividing by the number of those meals served in the year will give an average cost per meal. Therefore, it is critical to allocate costs accurately among all federal programs operated in the section above. This is calculated by program in lines (23) and (24).

Example: The total Expense lines (9), (10), (11), and (13) of column B (i.e., School Lunch) and dividing by the total number of reimbursable lunches claimed for that year will provide the average per meal cost for school lunch. CNPWeb has calculated your total number of school days from the reported days entered in the month claims section.

CNPWeb completes the calculation for you.

Average Meal Cost Calculations				
	(A)	(B)	(C)	(D)
	School Lunch	Afterschool Snack Service	School Breakfast	Supper
(23) Average Without Indirect Cost	0.00	0.00	0.00	0.00
(24) Average With Indirect Cost	0.00	0.00	0.00	0.00

Account Balance

Box (16) Beginning Balance - Report the beginning operating balance from the NSFSA ledger. This field is not auto populated from the ending balance of the prior year’s AFR. If the balance does not match the reported beginning balance, the SFA must update and submit the prior year’s AFR for approval with the correct income and expenses to reflect the correct ending and beginning balance. Email jodi.truman@maine.gov with the **AFR sponsor number in the subject line** once the previous year’s AFR is submitted for approval.

Box (17) Income Total - This box equals the income section line (8).

Box (18) Expense Total - This box equals the expense section line (15).

Box (19) Ending Balance - Please note the Nonprofit School Food Service Account should never end in a negative balance. If the ending balance is negative the sponsor must receive funds from the district to cover the negative balance. The money is then added

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to Box (21) to then have a \$0 in box (22).

To calculate the ending balance, add the **sum** of box (16) (i.e., Beginning Balance) and box (17) (i.e., Income) total, then **subtract** box (18) Expense Total. Record this amount in box (19) Ending Balance.

Box (20) Accounts Payable - Report bills outstanding or unpaid on June 30.

Box (21) Accounts Receivable - Report income outstanding or not yet received on June 30 such as reimbursement or billings to outside vendors for food service.

Box (22) Balance of Accounts - This box is the unspent balance of funds being held 'on account' for students and adults. As stated before, this is essentially an Accounts Payable type of account and represents a liability to the school food service account.

Account Balance	
(16) Beginning Balance	(20) Accounts Payable
0.00	0.00
(17) Income Total	(21) Accounts Receivable
0.00	0.00
(18) Expense Total	(22) Balance of Accounts
0.00	0.00
(19) Ending Balance	
0.00	

Certification

The final section of the report contains the certification. You must first select the **last month** of the program year for which a **claim was filed**. Then, check that you certify the report to be true and correct, that records are available to support the report, and that it is in accordance with existing agreements.

Please be reminded of existing record retention requirements. The federal government requires retention three (3) years past the end of the federal fiscal year to which records pertain.

Certification

(25) Select the last month for which a claim was submitted for the Program Year:

(26) Prepared by: Phone Number: Ext:

(27) "I certify to the best of my knowledge and belief that the information provided herein is true, complete, and accurate. I am limited to violations of U.S. Code Title 18, Sections 2, 1001, 1343 and Title 31, Sections 3729-3730 and 3801-3812." 20

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Additional Guidance

Allocation Percentages

Using allocation percentages simplifies the distribution of costs to the offered programs on the AFR while providing realistic information. For example, the dairy does not invoice for lunch milk, breakfast milk, and extra milk. So rather than attempt to track all food items by program, it would be easier to distribute expenses by percentage.

This whole process involves information more readily known by food service professionals in each kitchen than by a bookkeeper in the central office – the menus and the portion costs. The percentages will be an educated guess using realistic data. The percentages can then be used to fill out the Expense section of the AFR.

In is strongly recommended recalculating percentages annually or whenever there is a significant change in programs offered, such as adding a snack program. Food cost percentages may be used to distribute all expense categories except labor. Labor cost percentages are likely to be different

Food Expense Allocation

Figure an average cost of food per person for breakfast and lunch using a week or two of menus and costs per serving from the year. Multiply this average cost of food per meal, times the number of that type of meal, actually served during the year. This should include all student meals as listed on all the claims for that program year.

Example: If the average **breakfast** meal cost was \$.60 and there were 20,000 breakfasts served to students during the year, then the Breakfast Food Expense would be about \$12,000 ($$.60 * 20,000 = \$12,000$). If the **lunch** average cost was \$1.20 per meal and there were 65,000 lunches served to students during the year, then the Lunch Food Expense should be about \$78,000 ($\$1.20 * 65,000 = \$78,000$).

This is the first step in determining reasonable percentages for the Food Expense line. If we already know column A for the year (Example: \$110,000) and now have the estimates for lunch and breakfast, what is left must be 'Other Food Service.' Put these dollar amounts in the AFR online with the 'Dollar' button on and let the **CNPweb** system figure the percentages by clicking on the "Calculate" button at the bottom of the report. This part of the report isn't active for this year but will be for next year.

(A) Total	(B) Lunch	(D) Breakfast	(G) Other Food Svc.
\$110,000.00	\$78,000	\$12,000	\$20,000
100%	70.91%	10.91%	18.18%

After the system shows what the percentages are by program (as above), it is reasonable to round up both breakfast and lunch to the next whole percentage numbers to allow for condiments, dropped trays, pan waste, etc. Also, using 'whole number percentages' is easier to type into the percentage line of other items such as Equipment and Miscellaneous.

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Click the 'percentage' button and round up lunch and breakfast % up to the next whole number and make the Other Food % be whatever is left to be an even 100% across. Either "Calculate" or "Submit" will refigure the dollar amounts for you. The following example would be the result of that. For this year you will need to manually do the calculation and enter the new amount in the boxes.

(A) Total	(B) Lunch	(D) Breakfast	(G) Other Food Svc.
\$110,000.00	\$78,100	\$12,100	\$19,800
100%	71%	11%	18%

Use these same Food Expense percentages for Equipment, and Other.

Labor Expense Allocation

This works reasonably well if most employees have nearly the same wage rate and every day the same number of work hours.

Column A is always 100%, so imagine it is also ALL the labor hours for one day paid for out of Food Service funds. You can then determine on a DAILY basis, the number of hours for preparation, service and cleanup of breakfast, lunch, snacks, and/or a la carte/catering.

Consider preparation, serving time, and cleanup for each column at each kitchen.
(Administrative time will be proportioned out with the percentages at the end.)

These daily numbers can be used to determine percentages for each program of the total daily labor hours for the school district. Daily hours from each kitchen would be added together to determine a corporation percentage. It's easiest to start with breakfast and any other small program. Service and cleanup time for lunch can be roughly estimated based on the proportion of kids getting lunch vs a la carte. If 2/3 of your customers are buying school lunch, then 2/3 of the lunch time serving and cleanup hours could be for lunch and 1/3 for a la carte. The last set of hours to figure would be preparation for lunch vs. a la carte.

This kitchen at School A has six people for 30 labor hours daily, lunch serving time is one hour, and lunch cleanup time is 1½ hour after lunch. One staff member handles all of the breakfast preparation, service, and cleanup. A la carte preparation is minimal, as all items are pre-packaged portions and ¼ of the customers purchase.

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Chart of Work Hours per day from kitchen at School A:

	A	B	D	E (or C)	G
School A	Total Hours	NSLP	SBP	SMP (or Snack)	Other Food
Preparation	14.25 hours	11.75 hours	0.25 hours	0.25 hours	2 hours
Service	6.5 hours	4.5 hours	0.5 hours	0	1.5 hours
Cleanup	9.25 hours	6.75 hours	0.25 hours	0	2.25 hours
Total Hours	30 hours	23 hours	1 hour	0.25 hours	5.75 hours

Labor hours from each kitchen charted together for percentages at the corporation level:

	A	B	D	E (or C)	G
	Total Hours	NSLP	SBP	SMP (or Snack)	Other Food
School A	30 hours	23 hours	1 hours	0.25 hours	5.75 hours
School B	50 hours	30 hours	2 hours	0	18 hours
Total Corp Hours	80 hours	53 hours	3 hours	0.25 hours	23.75 hours
Corp %	100%	.6625 or 66%	.0375 or 4%	.0031 or .1%	.2969 or 29.9%

Now these percentages can be used on AFR line 10 in the percentage line. Click the 'Percentage' button and only input percentages. Using the 'Calculate' button at the bottom of the form will figure the dollars appropriate for each percentage and place them in the form for you.

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Non-Program Foods

Now that the AFR is complete, you can use the information to assess compliance with the Non-program Revenue Rule. This rule says, All food sold and purchased with funds from the nonprofit school nutrition account must generate revenue at least equal to the full cost of such foods.

- Foods purchased and sold as reimbursable student meals are excluded

“This requirement comes from the Healthy, Hunger-Free Kids Act of 2010 and is found in federal regulation 7 CFR 210.14(f). USDA further clarified the requirement in Policy Memo SP 20-2016. The key concept of this requirement is financial integrity, to ensure that federal reimbursement intended for reimbursable school meals is not being used to subsidize nonprogram food sales. To summarize – School Food Authorities or SFAs cannot incur costs greater than the revenue generated from non-program foods so that revenue generated from reimbursable meals does not subsidize the sale of non-program foods.

\$ Non-program Foods Revenue

What Are Non-program Foods?

<p>Foods and beverages:</p> <ul style="list-style-type: none"> • sold at a NSLP school, • purchased using SN funds, • not sold as reimbursable meals. 	<p>Include:</p> <ul style="list-style-type: none"> • Adult meals • Student second meals • Catering • Meals sold to other schools • A la carte sales • Snack milk/cold lunch milk • Vending machines • Pk meals in partnership sites
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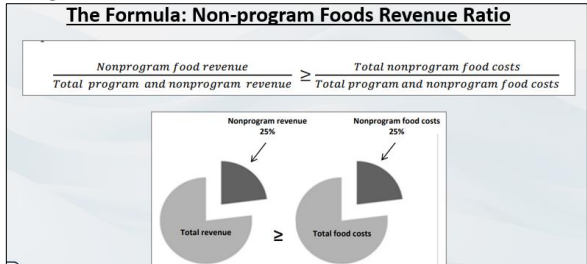
\$ Non-program Foods Revenue

What is NOT a Non-program Food?

- Reimbursable student meals
- Foods purchased with funds outside of the SN account

Also, food purchased entirely outside the school food service account are not included in this requirement.

The important question is: ‘Was the item purchased using funds from the school nutrition account?’ If the answer is yes, and it’s not part of a reimbursable meal, then it is considered to be a non-program food.



If the costs of nonprogram foods account for 25% of the SNPs total food costs, then they should generate at least 25% of the SNPs total revenue. If revenue is lower than costs, then it means that federal funds from the SNP may be subsidizing nonprogram foods

In simple terms: Non-program foods must pull their own financial weight.

Below are screen shots from the AFR to obtain the numbers.

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Income Section	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Totals	School Lunch	Afterschool Snack Service	School Breakfast	Special Milk Program	SSO	Fresh Fruit & Vegetable Pgm FFVP	Summer Food Service Pgm SFSP	Child & Adult Care Food Pgm CACFP	A la Carte / Catering	
(1) Sales to Children	6,551.54	6,551.54	0.00	0.00	0.00			0.00	0.00	
(2) Sales to Adults	88,969.05	0.00					0.00	0.00		88,969.05
(3) Loans/Interest	0.00									
(4) State Revenue Match & Reimbursement	13,857.79	13,857.79								
(5) Federal Reimbursement	1,782,231.41	1,247,561.99			0.00	0.00	0.00	0.00		
(6) Other income	6,177.88	6,177.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(7) Rebates	2,328.85	2,328.85	0.00	0.00	0.00	0.00				0.00
(8) Income Totals	1,900,116.52	1,276,478.05	0.00	534,669.42	0.00	0.00	0.00	0.00	0.00	88,969.05

\$88,969.05

\$1,900,116.52

4.68%

Example: using the AFR- first take the total NP food revenue from the a la carte/catering total income reported in box J8 (\$88,969,05) and divide by the total revenue reported on line A8 (\$1,900,116.52). And that gives a revenue ration of 4.68%

Expenses Section	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Totals	School Lunch	Afterschool Snack Service	School Breakfast	Special Milk Program	SSO	Fresh Fruit & Vegetable Pgm FFVP	Summer Food Service Pgm SFSP	Child & Adult Care Food Pgm CACFP	A la Carte / Catering	
(9) Food Expense	\$ 797,801.31	498,224.63	0.00	213,524.83	0.00	0.00	58,128.71	0.00	0.00	27,923.14
%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(10) Labor Direct Preparation	\$ 1,092,996.05	752,464.47	0.00	0.00	0.00	18,046.81	0.00	0.00	0.00	0.00
%		0.00								
(11) Smallware Equipment / Purchases	\$ 0.00	0.00								
%		0.00								
(12) Equipment - More than \$300	\$ 153,034.42									
(13) Other	\$ 112,133.96	110,116.16	0.00	0.00	0.00	2,017.80	0.00	0.00	0.00	0.00
%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(14) Indirect Costs	\$ 0.00									
(15) Expense Total	2,155,965.74	1,360,805.26	0.00	536,009.60	0.00	0.00	78,193.32	0.00	0.00	27,923.14

\$27,923.14

\$797,801.31

3.5%

If the ratio is not compliant, a few areas to look at include what are you charging for adult meals and student second meals? If they are priced below the cost to produce a meal, that is an issue. Also, adults should not be allowed to charge meals. That is using program funds to subsidize a nonprogram sale and is not allowed. Another area to look at is catering. You must make sure that the revenue generated from any catering function is covering all costs - food, labor and other costs. Yes, even labor! If you or your staff are working on catering during their regular hours, those

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hours must be factored into what is charged for the function. It is important that you look at what you charge for the sale of all NP foods regularly – has there been a rise in food costs? An increase in pay? Does the labor you use to calculate this include not just the rate of pay but benefits as well?

- Nonprogram foods must not be subsidized by reimbursable meal funds.
- All nonprogram revenue must be accrued to the nonprofit school food service account.
- The percentage of revenue from nonprogram foods must be equal to or greater than the percentage of food costs attributable to those foods.

Summary

The AFR is used for many different purposes and serves as an important tool for communicating the financial integrity of your program. It is essential that the information reported is accurate and that you review each section before submission. The AFR is a tool to help you make decisions for next year (staff, menu, selling point for all non-program foods, to name a few)

All Child Nutrition funds should be reported separately in the Districts/ Sponsors accounting software. DOE provides MEFS numbers for each of our revenue streams to help with this process. You should work with your business office on how your expenses are recorded in your system. The Child Nutrition Program provides Federal and State money to sponsors for meals and must be recorded separately.

When completing the Annual Financial Report, the responsibility is with the Foods Service department. The business office can be included but there must be a division of duties for program integrity. We encourage you to work together in this process.

The last month of claim is usually June, payment is normally received in July. This revenue must be reported in June in the correct program year for when the meals were served.

Report ED293A with MEFS codes added above for F2026.

4551	4553	4556	3250	4555	4554	3258	3258	3250	3254	4559	3251	3250	MEFS Fund #
Regular Lunch Amount	Free/Red Lunch Amount	After School Program	State Match	Milk Program Amount	Breakfast Program Amount	State Breakfast Paid	State Breakfast Reduced	State Lunch Paid	State Lunch Reduced	FFVP Amount	Local Produce Amount	Meals Publicly Funded	Accounts

Website: [Financial Information | Department of Education](#)

