



2025-26 Further Look at CNS Finances

Finance Committee Meeting

August 26, 2025

Further Look at CNS Finances

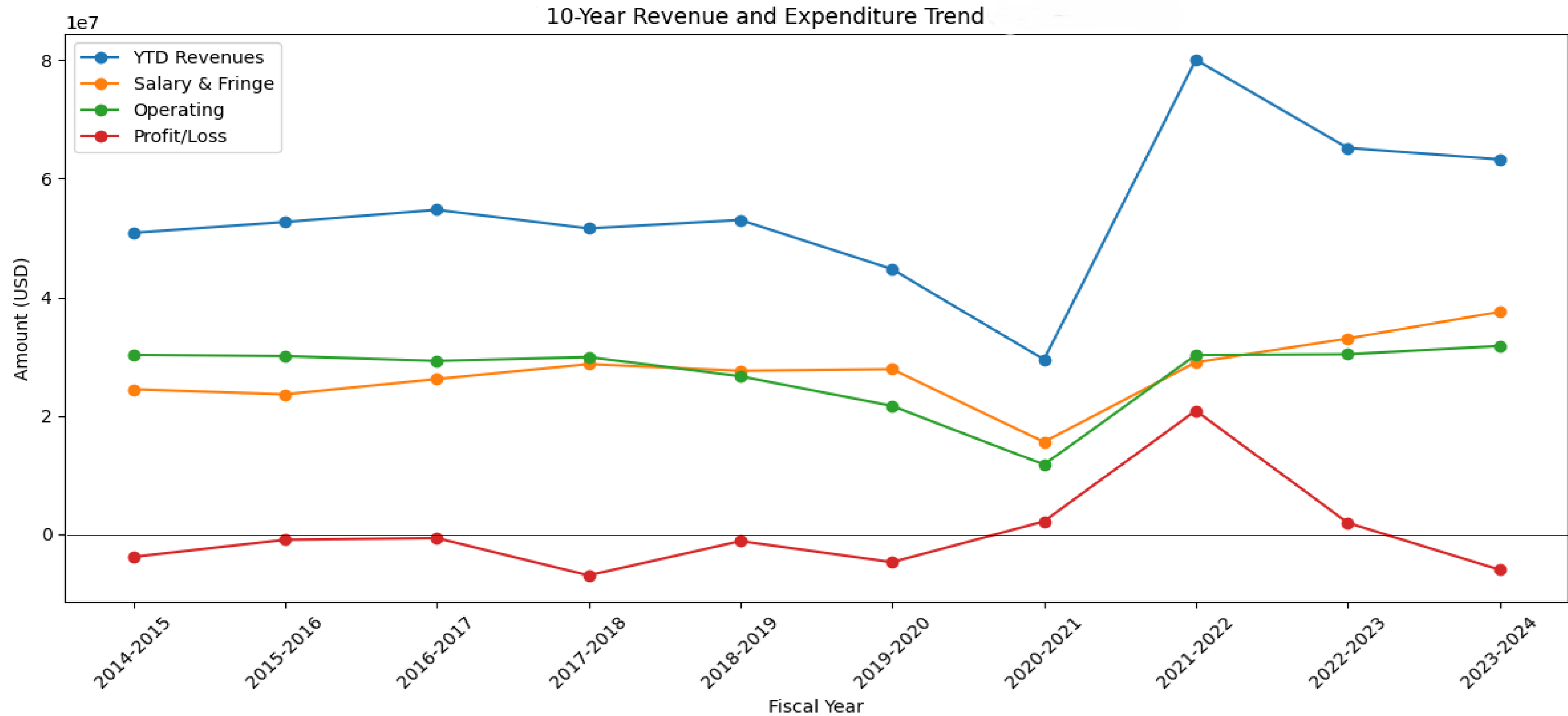
Today

- Provide the Board additional insight into Child Nutrition Services finances
- Review revenue & expenditure trends
- Review pending changes to federal programs
- Preview potential future implications for WCPSS
- Today's presentation is for information only

CNS Financial Update

FISCAL YEAR	YTD REVENUES	SALARY & FRINGE BENEFIT YTD EXPENDITURES	OPERATING YTD EXPENDITURES	PROFIT/LOSS	CNS MONTHS OPERATING
2014-2015	\$ 50,846,549.58	\$ 24,443,682.31	\$ 30,235,886.47	\$ (3,833,019.20)	2.7868
2015-2016	\$ 52,662,607.80	\$ 23,598,128.04	\$ 30,030,472.07	\$ (965,992.31)	2.1197
2016-2017	\$ 54,721,535.09	\$ 26,163,662.68	\$ 29,224,195.63	\$ (666,323.22)	2.4992
2017-2018	\$ 51,586,624.54	\$ 28,671,614.20	\$ 29,865,556.40	\$ (6,950,546.06)	2.1081
2018-2019	\$ 53,004,893.85	\$ 27,554,727.72	\$ 26,631,211.87	\$ (1,181,045.74)	1.5890
2019-2020	\$ 44,751,523.47	\$ 27,818,520.25	\$ 21,654,557.44	\$ (4,721,554.22)	1.0222
2020-2021	\$ 29,458,091.34	\$ 15,584,644.12	\$ 11,753,975.03	\$ 2,119,472.19	2.4927
2021-2022	\$ 80,049,982.43	\$ 28,972,336.15	\$ 30,206,085.75	\$ 20,871,560.53	2.9559
2022-2023	\$ 65,227,311.67	\$ 32,999,470.33	\$ 30,336,623.22	\$ 1,891,218.12	2.2837
2023-2024	\$ 63,280,794.41	\$ 37,529,012.26	\$ 31,739,314.96	\$ (5,987,532.81)	1.1439
	\$545,589,914.18	\$ 273,335,798.06	\$271,677,878.84	\$ 576,237.28	

CNS Revenue and Expenditure 10 Year History



CNS: Pending Federal Changes -Impact of SNAP/Medicaid

CEP School Decrease

Currently, WCPSS has 44 schools that participate. Schools that qualify will decrease and schools that qualify for 100% Federal Reimbursement will decrease.

Revenue Reduction

Participation numbers that increased as a result of CEP designation will decline, which will influence operating revenue received from those sites.

Increased Administrative Burden

Students that are designated as Directly Certified automatically received free and reduced benefits without completing a meal application. CNS will need to process more applications. In previous years we had temporary staff for these tasks, hired on a seasonal basis.

*WCPSS is in year 2 of a 4 year CEP cycle. We anticipate that some students in CEP schools will revert back to traditional meal applications which will move those students to the free and reduced population. Changes in participation and revenue are assumptions

CNS: Impact of SNAP/Medicaid Changes

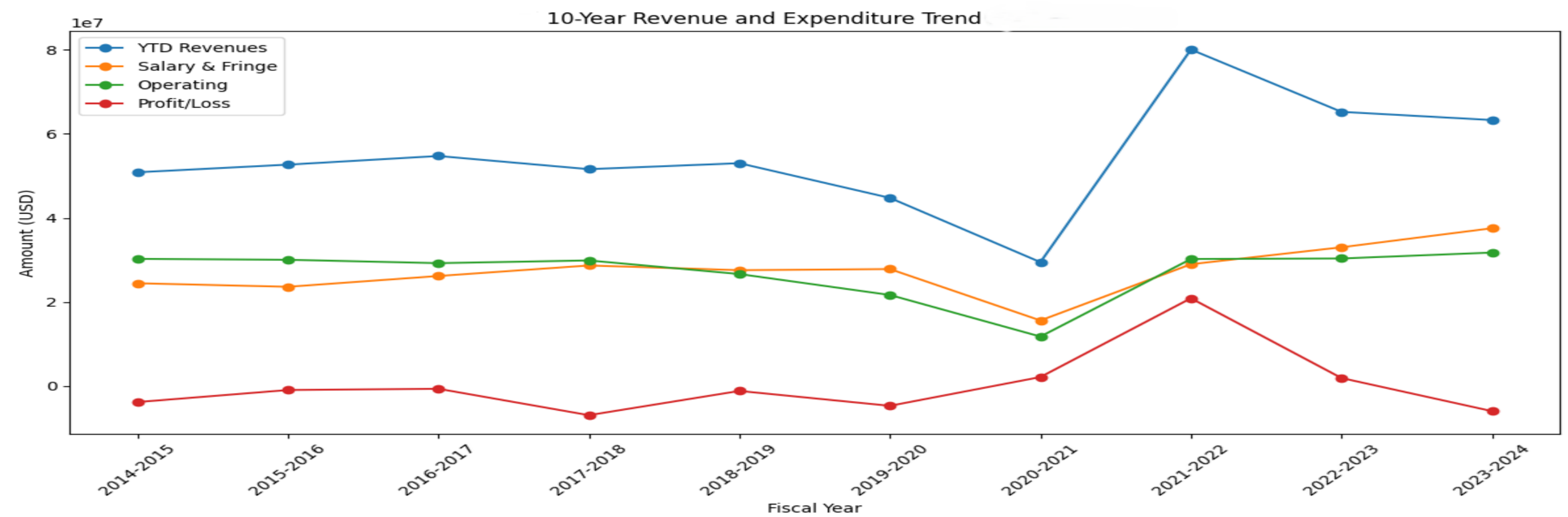
	CEP School Count	Revenue
Current	44	\$ 31,986,605.34
FY 2026 - 2027 % Change	CEP School Count	Revenue
10% decrease	4	\$ (368,636.62)
15% decrease	6	\$(1,228,069.65)
20% decrease	11	\$ (3,661,219.35)

* Schools supported by Wake County Government and For Children Partners, Inc. were removed from this count.

Further Look at CNS Finances

Where are we now?

- Enterprise Program → Revenues = Expenditures
- Two underlying cost drivers for CNS → Food Costs & Labor
- Desire to continue to drive staff hourly rates higher (\$17.75 current min)
- Inflationary costs for food likely to exceed overall inflation rates looking forward
- Read → costs will continue to increase



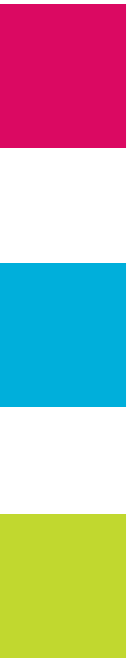
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Where are we now & looking forward?

- Enterprise Program – if expenditures go up, revenues need to go up
- Meal price increases (comparison to open market)
- Participation rate increases can help, but to a point (fixed cost vs. variable costs & break-even)
- Further government subsidy likelihood?
- Shift current operating budget funding for core business to backfill
- No easy solutions

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Q&A





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