



Finance & Budget Committee

Thursday, January 19, 2017

8:00 – 9:00 a.m.

Meeting Notes

Board Members Attending: Alex Beamer, Jim Greene, Mike Garrison, George Happ, Courtney

Staff Members Attending: Rick Gaupo, Holly Larson, Julie Hambuchen, Mattie Jenkins, Abisha Dunivin

Fiscal Year 2016 990 Discussions:

- **Holly Larson** discussed and reviewed the 990 with the committee. As of February 15th, 2017, the Federal 990 has been filed. Fiscal year 2016 has shown growth. The program ratio is 89.2% compared to the previous year 91.8%.

Year-to-Date Financials Discussion:

- **Holly Larson** discussed the first seven months of the fiscal year is complete and looking good financially. Operating revenue is \$88,000 over budget, due to \$70,000 in donation revenue.
- Donations are above budget \$70,000 year-to-date. Program service revenue is above budget \$13,000, mainly due to growth in the Meals on Wheels Medicaid program. Interest and investment are over budget by \$5,000 due to OCF investment performing higher than anticipated for the 1st & 2nd quarters of FY2017.
- Operating expense is below budget by \$70,000. Salaries are under budget due to vacancies. Occupancy expense is below budget due to lower offsite food storage cost.

Other Discussions:

- Bad Debt Expense is in regards to the Meals on Wheels Home Delivered meal service. This is an attempt to collect outstanding balances from private pay clients. There are client who cannot afford the service, and efforts are made to match these clients with any services that they may qualify for in order to get their meals paid for through a program, or to sign them up on our scholarship program. This is being tracked in bad debt expense. This expense can be considered to be part of the charitable mission, and bad debt expense is an accounting term that is used to describe amounts that are uncollectible. Previously, uncollectible accounts were identified and adjusted at year-end, and now they are adjusted throughout the year.

- Northwest Senior and Disability Services (NWSDS) request for proposal (RFP) for Salem/Keizer Meals on Wheels services and operation of the South Salem meal site. Marion-Polk Food Share (MPFS) has submitted a proposal in response to the RFP requested by NWSDS. Our RFP will be presented to NWSDS board on the 23rd, along with a recommendation from their staff to accept, as it was the only proposal they received. More negotiations are anticipated after this step to determine what changes to the existing contract would be necessary to allow the Food Share to contract with NWSDS to provide the mealsite services at the South Salem Senior Center. The way the RFP was written would mean the Food Share would take about \$75,000 to the bottom line to provide services as proposed, and so negotiations will be critical in understanding what can be done to make this a revenue-neutral venture.

The next Budget and Finance Committee meeting is Thursday, March 16, 2017 at 8:00 a.m.
Notes submitted by Mattie Jenkins, Staff Accountant.