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MEMO

Date: September 13, 2016

To: Marion-Polk Food Share Board of Directors

From: Holly Larson

Re: July 2016 Financials

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July marks the first year of the new fiscal year. When compared to last year, the Food Share is in an almost identical financial position. The organization is stable and performing better than expectations. Because this is the first month of the fiscal year, and we are comparing one month out of an annual plan, most variances are due to timing. It is noted on the report when there is information of interest, otherwise, timing issues are the cause for the variances. Several items were addressed during this round of quarterly budget revisions, and it is noted when that is the case.

***Some highlights to note:***

**Please refer to the *Statement of Activities - Actual to Budget Variance (Report 3):***

Operating revenue is \$57,000 more than budget.

- Donation revenue was \$54,000 more than budget.
- Program revenue was \$3,000 more than budget. Home delivered meals revenue and food service revenue were above budget, farm revenue and vocational training contract revenue were below budget. Vocational training is a reimbursable expense, so salary expense is also lower than budget due to less participants in the program than forecasted.

Operating expense is \$11,000 less than budget.

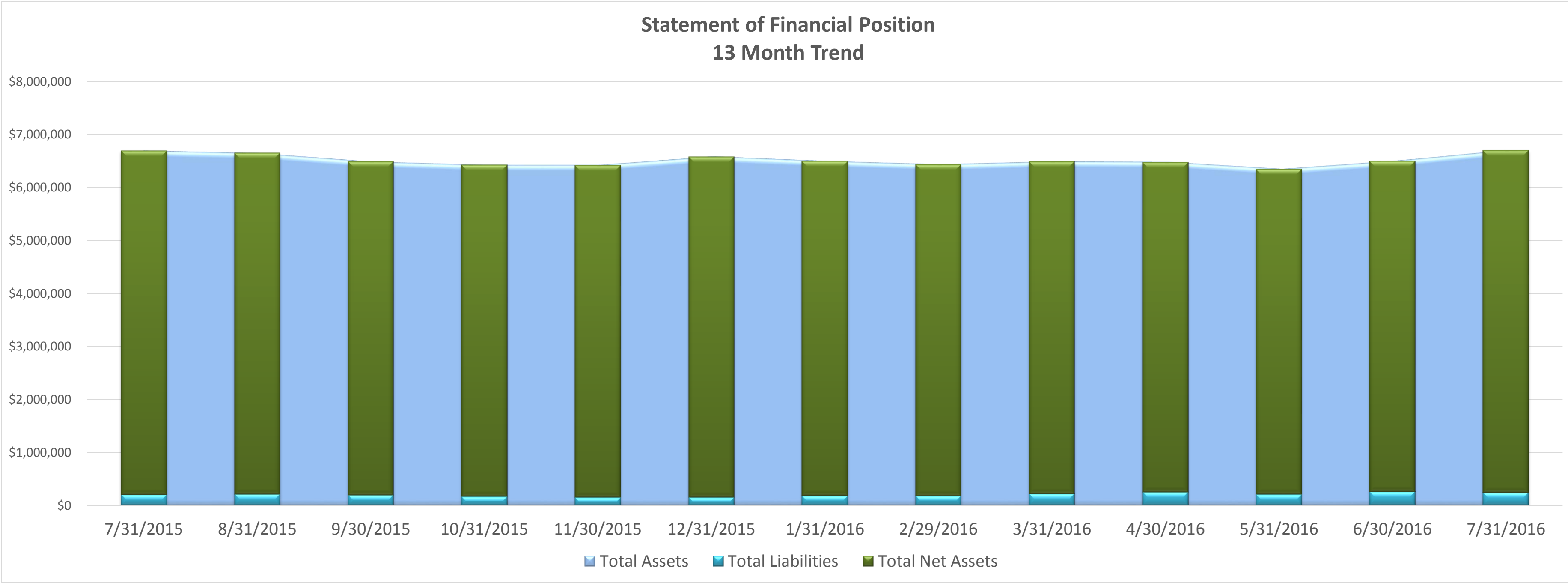
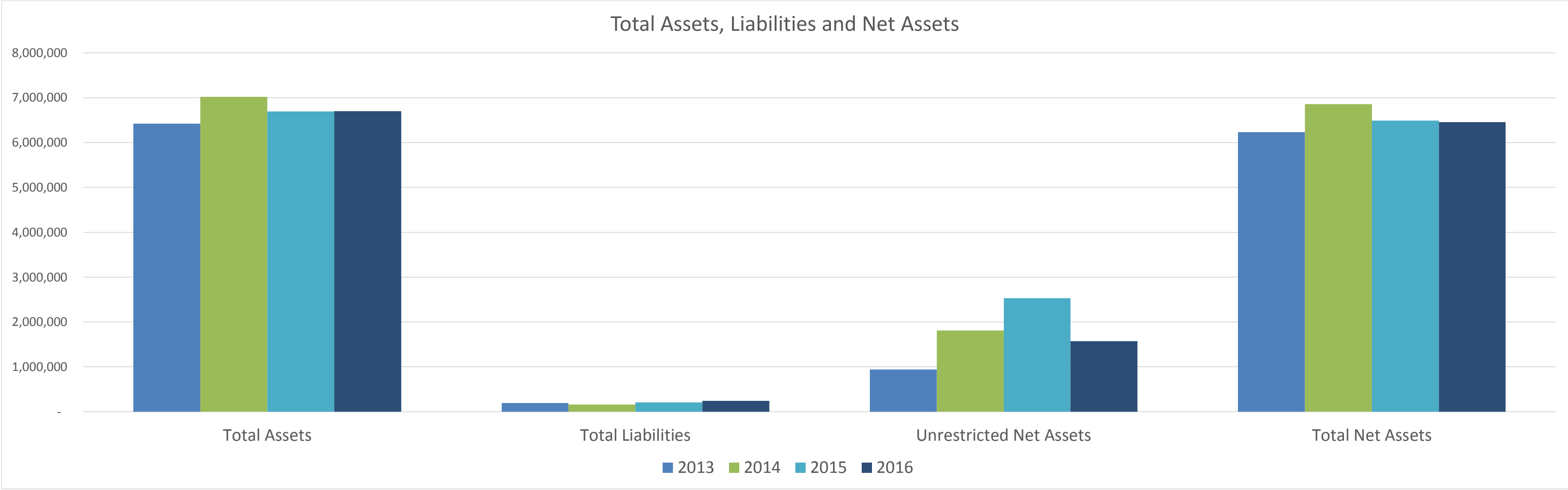
- Occupancy expenses are more than budget due to high cost repairs during July. This has been addressed in the proposed revised budget.
- Advertising, marketing and event expense is below budget. This is mainly due to timing of the website redesign project. The remaining expected costs for the website are included in the proposed revised budget.
- Bank fees are high due to processing fees related to the CenturyLink campaign. This has been addressed in the proposed revised budget.
- Other variances are due to timing, as discussed in the opening paragraph.

***Other items to discuss:***

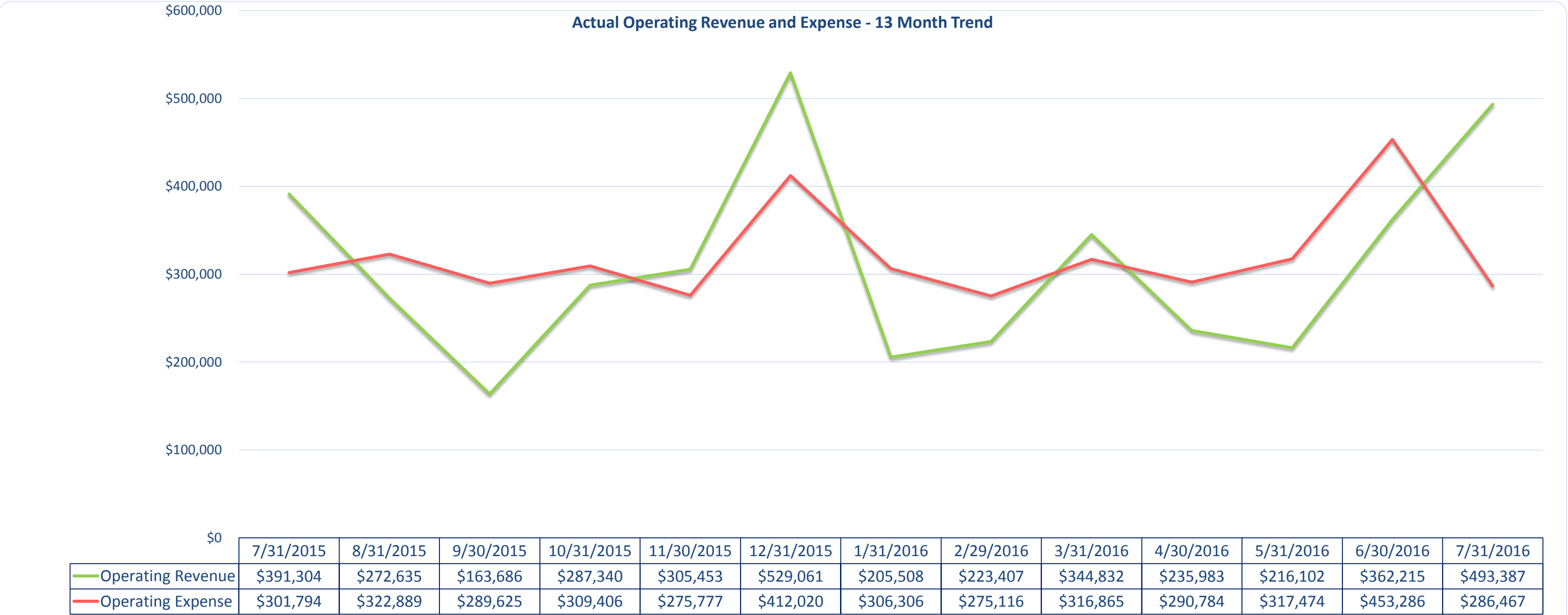
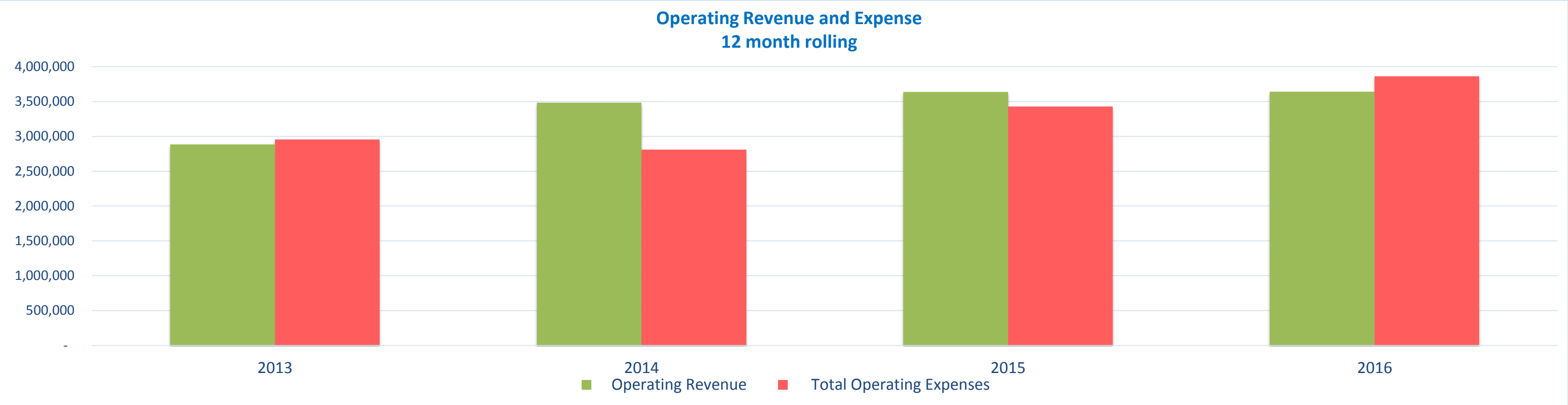
- FY2017 proposed revised budget and updated FY2018 & 2019 forecasts

\*Please review specific notes contained within the finance packet for information about line item budget to actual variances, as well as category definitions.

Marion-Polk Food Share, Inc.  
July 2016



Marion-Polk Food Share, Inc.  
July 2016



## Statement of Financial Position - Year over Year Review

For the month ended July 31, 2016

	Prior Years	Current Year	Notes
	Actual	Actual	
	7/31/2015	7/31/2016	
<b>ASSETS</b>			
Cash, cash equivalents, & investments			
Liquid cash, cash equivalents, and other assets	1,308,374	1,115,251	cash decreased due to capital investment and utilization of temporarily restricted funds
Non-liquid investments	1,340,723	1,277,889	
Cash, investments & other assets	2,649,097	2,393,140	
Land, buildings and equipment, net	3,107,913	3,176,886	added delivery truck, cooler, youth farm, warehouse dock; net of depreciation
Inventory	933,838	1,127,308	Inventory increased 132,795 pounds
<b>TOTAL ASSETS</b>	<b>6,690,848</b>	<b>6,697,333</b>	
<b>LIABILITIES &amp; NET ASSETS</b>			
<b>Liabilities</b>	<b>204,909</b>	<b>245,349</b>	increased deferred revenue and accrued vacation payable; accounts payable seasonally high volume
Net Assets			
Unrestricted			
Undesignated - available for general activities	829,520	594,934	
Designated - Intended for Investment	-	-	
Designated by Mgmt - Capital Fund	369,279	369,279	
Designated by the governing board	658,499	606,317	balance reflects asset account
Total Unrestricted	1,857,298	1,570,530	
Temporarily Restricted	352,442	341,326	
Permanently Restricted	234,400	235,935	
Land, buildings and equipment, net	3,107,961	3,176,886	added delivery truck, cooler, youth farm, warehouse dock; net of depreciation
Inventory	933,838	1,127,308	Inventory increased 132,795 pounds
<b>Total Net Assets</b>	<b>6,485,939</b>	<b>6,451,894</b>	
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>6,690,848</b>	<b>6,697,333</b>	

\* Inventory value is updated at the end of the fiscal year. Donated inventory is valued at \$1.25 per pound.

\* Unrestricted net assets - Designated by the governing board includes the Board Designated Endowment; current balance is \$606,317

**Marion-Polk Food Share**  
**Statement of Cash Flows**

Report 2

For the month ended July 31, 2016

**CASH FLOWS FROM OPERATING ACTIVITIES**

NET SURPLUS/(DEFICIT) FOR PERIOD	\$212,068
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH	(\$2,490)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>\$209,578</u></b>

**CASH FLOWS FROM INVESTING (CAPITAL) ACTIVITIES**

ASSET ADDITIONS	\$3,094
ACCUMULATED DEPRECIATION	\$18,175
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b><u>\$21,270</u></b>

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<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>\$230,847</b>
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<b>CASH AND CASH EQUIVALENTS AS OF 7/1/2016</b>	<b><u>\$512,133</u></b>
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<b>CASH AND CASH EQUIVALENTS AS OF 7/31/2016</b>	<b><u><u>\$742,981</u></u></b>
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**Marion-Polk Food Share**  
**Statement of Activities - Consolidated Organization**

Report 3

Actual to Budget Variance Report

	Actual 7/1 - 7/31/2016	Budget (Approved July 2016) 7/1 - 7/31/2016	\$ Variance	% Variance	Notes
Operating					
Operating Revenue					
Donations	\$425,097	\$370,718	\$54,379	15%	
Program Service Revenue					
MOW Home Delivered Meal Revenue	\$37,845	\$35,109	\$2,736	8%	
Contract Revenue (Grand Ronde)	\$9,331	\$9,331	\$0	0%	
Food Service Revenue	\$8,762	\$7,017	\$1,745	25%	
Vocational Training Contract Revenue	\$10,244	\$11,636	(\$1,393)	-12%	less program participants than budgeted; expenses are also less than budget in salaries & related expenses
Farm Revenue	\$547	\$1,200	(\$653)	-54%	
Food Product Sales	\$0	\$0	\$0	0%	
SNAP Outreach	\$0	\$0	\$0	0%	
Miscellaneous Revenue	\$1,560	\$900	\$660	73%	
Total Program Service Revenue	\$68,289	\$65,193	\$3,096	5%	
Interest and investments	\$1	\$25	(\$24)	-97%	
Total Operating Revenue	\$493,387	\$435,936	\$57,451	13%	
Operating Expenses					
Emergency Food Purchase (for distribution)	\$10,622	\$11,850	\$1,228	10%	timing
Production Food Purchases	\$9,581	\$15,325	\$5,744	37%	timing
Salaries & Related Expenses	\$163,253	\$195,269	\$32,017	16%	vacant positions
Contracts & Professional Fees	\$2,308	\$6,618	\$4,311	65%	this line item is decreased in the next budget revision; some variance is due to timing of projects
Supplies, Printing, Postage	\$18,924	\$21,936	\$3,012	14%	timing
Program Supplies	\$4,947	\$11,719	\$6,771	58%	timing
Network Development	\$124	\$500	\$376	75%	timing
Occupancy Expenses	\$19,453	\$15,501	(\$3,952)	-25%	Off-site food storage and building maintenance are both trending above budget. This is addressed in the next budget revision
Equipment and Vehicle Expenses	\$7,241	\$8,531	\$1,290	15%	timing
Meetings & Professional Development	\$3,050	\$2,036	(\$1,014)	-50%	timing
Volunteer & Donor Development	\$1,489	\$1,667	\$178	11%	
Advertising, Marketing & Event Expenses	\$34,259	\$43,771	\$9,512	22%	website project timing
Computer Expenses	\$3,303	\$6,744	\$3,441	51%	timing

**Marion-Polk Food Share**  
**Statement of Activities - Consolidated Organization**

Report 3

Actual to Budget Variance Report

	Actual	Budget (Approved July 2016)	\$	%	Notes
	7/1 - 7/31/2016	7/1 - 7/31/2016	Variance	Variance	
Membership Dues	\$683	\$110	(\$573)	-521%	timing Centurylink campaign processign fees - increased in next budget version
Bank Fees	\$9,182	\$2,323	(\$6,859)	-295%	
Liability Insurance Expense	\$2,428	\$2,412	(\$16)	-1%	
Other Expenses	\$88	\$599	\$512	85%	
Total Operating Expenses	\$290,934	\$346,912	\$57,216	16%	
<b>Net surplus/(deficit) - Operating</b>	<b>\$202,452</b>	<b>\$89,024</b>	<b>\$114,667</b>	<b>129%</b>	
Capital					
Capital Revenue	\$47,706	\$45,000	\$2,706	6%	
Less: depreciation	\$18,175	\$17,843	(\$333)	-2%	
<b>Net Surplus/(Deficit) - Capital</b>	<b>\$29,530</b>	<b>\$27,157</b>	<b>\$2,373</b>	<b>9%</b>	
Endowment					
Endowment Revenue	\$0	\$200	(\$200)	-100%	
<b>Net Surplus/(Deficit) - Endowment</b>	<b>\$0</b>	<b>\$200</b>	<b>(\$200)</b>	<b>-100%</b>	
In-kind					
Contributions	\$14,943	\$0	\$14,943	0%	
Less: In-kind expense	\$14,943	\$0	(\$14,943)	0%	
<b>Net surplus/(deficit) - In-Kind</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	
<b>BEGINNING NET ASSETS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$231,983</b>	<b>\$116,382</b>	<b>\$116,840</b>	<b>100%</b>	
<b>ENDING NET ASSETS</b>	<b>\$231,983</b>	<b>\$116,382</b>	<b>\$116,840</b>	<b>100%</b>	

**Marion-Polk Food Share**  
**Statement of Activities - Prior Year Comparison**

Report 4

For the month ended July 31, 2016

	Prior Year Actual 7/1/2015- 7/31/2015	Current Year Actual 7/1/2016- 7/31/2016	\$ Variance	% Variance	Notes
Operating					
Operating Revenue					
Donations	\$328,351	\$425,097	\$96,746	29%	
Program Service Revenue					
MOW Home Delivered Meal Revenue	\$34,497	\$37,845	\$3,348	10%	program growth
Contract Revenue (Grand Ronde)	\$5,927	\$9,331	\$3,404	57%	contract increased for current term (Jan - Dec 2016)
Food Service Revenue	\$8,479	\$8,762	\$282	3%	
Vocational Training Contract Revenue	\$4,706	\$10,244	\$5,538	118%	More program participants are engaged
Farm Revenue	\$7,280	\$547	(\$6,733)	-92%	no CSA program this year due to Youth Farm move
Miscellaneous Revenue	\$2,037	\$1,560	(\$477)	-23%	
Total Program Service Revenue	\$62,926	\$68,289	\$5,363	9%	
Interest and investments	\$27	\$1	(\$26)	-97%	
Total Operating Revenue	\$391,304	\$493,387	\$102,083	26%	
Operating Expenses					
Emergency Food Purchase (for distribution)	\$19,883	\$10,622	(\$9,260)	-47%	Timing. Funds available and food purchase patterns differ from year to year.
Production Food Purchases	\$14,449	\$9,581	(\$4,868)	-34%	Timing. Costs expected to increase this year over last.
Salaries & Related Expenses	\$175,987	\$163,253	(\$12,734)	-7%	
Contracts & Professional Fees	\$658	\$2,308	\$1,650	251%	Expense for salary survey this year, no large payment last year
Supplies, Printing, Postage	\$27,607	\$18,924	(\$8,683)	-31%	Timing
Program Supplies	\$4,695	\$4,947	\$253	5%	
Network Development	\$1,017	\$124	(\$893)	-88%	
Occupancy Expenses	\$14,540	\$19,453	\$4,913	34%	off-site food storage and building repair and maintenance were both increased this July. This is adjusted in the budget revisions this quarter.
Equipment and Vehicle Expenses	\$5,899	\$7,241	\$1,343	23%	Timing
Meetings & Professional Development	\$8,117	\$3,050	(\$5,067)	-62%	Timing
Volunteer & Donor Development	\$2,266	\$1,489	(\$777)	-34%	Timing
Advertising, Marketing & Event Expenses	\$2,218	\$34,259	\$32,041	1445%	Website project expense this year
Computer Expenses	\$19,017	\$3,303	(\$15,714)	-83%	no large-scale computer upgrade this year
Membership Dues	\$300	\$683	\$383	128%	
Bank Fees	\$2,620	\$9,182	\$6,561	250%	increased this year due to processing fees for the CenturyLink campaign
Liability Insurance Expense	\$2,368	\$2,428	\$60	3%	
Other Expenses	\$155	\$88	(\$68)	-44%	
Total Operating Expenses	\$301,794	\$290,934	(\$10,860)	-4%	
Net surplus/(deficit) - Operating	\$89,510	\$202,452	\$112,943	126%	



# Marion-Polk Food Share

Report 4

## Statement of Activities - Prior Year Comparison

For the month ended July 31, 2016

		Prior Year	Current Year			Notes
		Actual	Actual	\$	%	
		7/1/2015-	7/1/2016-	Variance	Variance	
		7/31/2015	7/31/2016			
Capital	Capital Revenue	\$4,815	\$47,706	\$42,891	891%	\$45,000 received for truck capital campaign
	Less: depreciation	\$17,782	\$18,175	\$393	-2%	
	<b>Net Surplus/(Deficit) - Capital</b>	<b>(\$12,967)</b>	<b>\$29,530</b>	<b>(\$42,497)</b>	<b>328%</b>	
Endowment	Endowment Revenue	\$100,000	\$0	\$100,000	-100%	
	<b>Net Surplus/(Deficit) - Endowment</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$100,000</b>	<b>-100%</b>	
In-kind	Contributions	\$8,173	\$14,943	\$6,771	83%	
	Less: In-kind expense	\$8,173	\$14,943	\$6,771	-83%	
	<b>Net surplus/(deficit) - In-Kind</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	
	<b>NET SURPLUS/(DEFICIT)</b>	<b>\$176,543</b>	<b>\$231,983</b>	<b>\$55,440</b>	<b>31%</b>	

## Marion-Polk Food Share

Account Category Description	Definition
Operating	
Operating Revenue	
Donations	Donation revenue from Raisers Edge, federal , state and local grant revenue, foundation grants
Program Service Revenue	
MOW Home Delivered Meal Revenue	Revenue for providing home delivered meals to private pay clients, as well as Medicare, Oregon Project Independence (OPI) and Older American Act (OAA) programs
Contract Revenue (Grand Ronde)	Revenue from Confederated Tribes of Grand Ronde contract
Food Service Revenue	Revenue from operation of MOW café, restaurant, and catering
Vocational Training Contract Revenue	Revenue to reimburse costs associated with JOBS + vocational training program
Farm Revenue	Revenue from crop sales, CSA sales, Saturday market sales, and land lease
Food Product Sales	Sales of Better Burger
SNAP Outreach	Reimbursement of costs related to SNAP outreach efforts
Miscellaneous Revenue	Sales of broken pallets, cardboard, etc. Plot rentals for community gardens. Other miscellaneous usually one-time items
Total Program Service Revenue	
Interest and investments	Revenue related to investment gains/losses and interest earnings
Total Operating Revenue	
Operating Expense	
Operating Expenses	
Emergency Food Purchase (for distribution)	Food purchases for distribution through agency networks or programs
Production Food Purchases	Food purchases for value-added food items (MOW meals and food service, ingredients for Better Burger production)
Salaries & Related Expenses	Salary costs, benefits and taxes
Contracts & Professional Fees	Legal fees, audit fees, consultant and independent contactor fees
Supplies, Printing, Postage	Office supplies, small equipment, postage and shipping, printing, books and subscriptions
Program Supplies	Supplies related to running programs (such as gardens, Youth Farm, MOW, VAC)
Network Development	Costs for equipment or monetary support of agencies in MPFS network
Occupancy Expenses	Building maintenance, utilities, telephones, rent (MOW facility and off-site food storage)
Equipment and Vehicle Expenses	costs to maintain and insure vehicles and equipment
Meetings & Professional Development	Costs for staff professional development and trainings, meetings, conferences, mileage reimbursement and other travel related costs. Also includes meetings/conferences MPFS staff hosts for agency network and other audiences.

## Marion-Polk Food Share

	Account Category Description	Definition
	Volunteer & Donor Development	Costs associated with stewarding donors, volunteers and board
	Advertising, Marketing & Event Expenses	Costs to promote MPFS, including website, media advertisement, and events
	Computer Expenses	Costs to maintain technology: software, hardware and network. This includes outsourced IT professional support.
	Membership Dues	Dues for various organizations MPFS is members of (Rotary, Chamber, etc.)
	Bank Fees	Fees for banking services, including credit card merchant fees
	Liability Insurance Expense	Liability and Directors and Officers annual insurance premium fees
	Other Expenses	Miscellaneous expenses, licenses and fees, penalty and late fees, bad debt expense
	Total Operating Expenses	
Capital	<b>Net surplus/(deficit) - Operating</b>	Operating revenue less operating expenses
	Capital Revenue	Revenue for capital projects. Expenses for capital projects do not appear on the Statement of Activities. They appear on the Statement of Financial Position as increases to assets. An asset is capitalized if it is over \$5,000 and a life of one year or greater.
	Less: depreciation	Expense for the current period use of assets purchased in the past.
Endowment	<b>Net Surplus/(Deficit) - Capital</b>	Capital revenue less depreciation
	Endowment Revenue	Donations restricted to the endowment. The principal cannot be used, but earnings are allowed to be used for general operations, or as otherwise specified by the donor.
In-kind	<b>Net Surplus/(Deficit) - Endowment</b>	
	Contributions	Non-financial contributions, that are not capital assets (items over \$5,000 in value and with a life of over one year)
	Less: In-kind expense	In-kind gifts are usually immediately put to use, and the expense is recognized. This is the account used to realize the expense.
	<b>Net surplus/(deficit) - In-Kind</b>	In-kind contributions less in-kind expenses.
	<b>BEGINNING NET ASSETS</b>	Value of the organization's assets, less liabilities, at the beginning of the period.
	<b>NET SURPLUS/(DEFICIT)</b>	Total revenue less total expenses (includes operating, capital, endowment and in-kind)
	<b>ENDING NET ASSETS</b>	Value of the organization's assets, less liabilities, at the end of the period.

# Marion-Polk Food Share

Donation Revenue by Fund Category and Activity

	Past Year	Current Year
	Fiscal Year to Date	Fiscal Year to Date
	Actual	Actual
	7/1/2015 -	7/1/2016 -
	7/31/2015	7/31/2016
<b>Operating Revenue</b>		
Donor Communications	\$14,485	\$26,922
Events	\$5,130	\$89,673
Food and Food Drives	\$192,728	\$113,144
Fundraisers	\$0	\$0
Grant Proposals	\$22,389	\$24,618
Mission and Brand Awareness	\$19,749	\$10,500
Monthly Sustainer Circle	\$48,764	\$60,491
Online Solicitations	\$0	\$0
Planned Gifts	\$0	\$47,151
Personal Solicitations	\$11,000	\$30,760
<b>Total Operating Revenue</b>	<b>\$314,245</b>	<b>\$403,259</b>
<b>Capital Revenue</b>		
Donor Communications	\$0	\$0
Fundraisers	\$0	\$0
Grant Proposals	\$0	\$0
Mission and Brand Awareness	\$0	\$0
Monthly Sustainer Circle	\$0	\$0
Personal Solicitations	\$0	\$45,000
<b>Total Capital Revenue</b>	<b>\$0</b>	<b>\$45,000</b>
<b>Endowment Revenue</b>		
Donor Communications	\$0	\$0
Food and Fund Drives	\$0	\$0
Mission and Brand Awareness	\$0	\$0
Planned Gifts	\$100,000	\$0
Personal Solicitation	\$0	\$0
<b>Total Endowment Revenue</b>	<b>\$100,000</b>	<b>\$0</b>
<b>Total Revenue</b>	<b>\$414,245</b>	<b>\$448,259</b>

Notes:

- Food and Fund Drives: CenturyLink donation was \$175,496 in July 2015 and \$100,000 in July 2016.
- As of January 20, 2016 we redefined Sustainer giving, so some gifts that were Mission and Brand and Donor Communications are now under Monthly Sustainer Circle. That effects about \$10,000 a month.

# Marion-Polk Food Share

## Donation Revenue by Fund Category and Activity

The definitions below indicate the activity which generated the donation. They do not indicate the type of donor. For example, an unsolicited foundation grant is included in Mission and Brand Awareness. A donation from a Monthly Sustainer in response to a direct mail solicitation is included in Direct Mail.

Activity	Definition
Donor Communications	Mass mailings for communicating with donors and/or soliciting donations
Events	Events with ticket sales, includes revenue from sponsorships, auctions, donations during the event
Food and Food Drives	Food and Fund drives of all sizes
Fundraisers	Events without ticket sales
Grant Proposals	Grants received in response to a proposal
Mission and Brand Awareness	Donations which cannot be tracked to a specific activity, including unsolicited grants, general online donations, general mailed donations
Monthly Sustainer Circle	Donations made as part of a monthly sustainer commitment
Online Solicitations	Donations which can be tracked to a specific online activity, including email, social media links, etc.
Personal Solicitations	Face to face solicitation, including individuals and small groups
Planned Gifts	Bequests, annuities and other planned gifts