



**Marion-Polk Food Share
Board Meeting Packet**

March 24, 2016
8:00 – 9:30 am

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AGENDA

Board of Directors Meeting
Thursday, March 24, 2016

8:00 – 8:15	Light Breakfast	
8:15 – 8:20	Call to Order – Alex Beamer Guest Introductions – Rick Gaupo	
8:20 – 8:30	Mission Moment – Mattie Jenkins	
8:30 – 8:35	Finance Update – Jim Green Update on Food Share financial status	
8:35 – 8:40	Consent Agenda – Alex Beamer 1. Board Meeting Minutes, January 28, 2016 2. Financial Statements ending January 31, 2016	Action: Board Vote
8:40 – 8:50	Development Update – Corrina Hawkins Update on recent development news and items on the horizon	
8:50 – 9:15	Recommended Revised Budget & View of FY16-17 & FY17-18 Budgets – Holly Larson & Rick Gaupo Discussion of FY15-16 budget & preliminary look at the next two years	
9:15 – 9:25	Adjournment to Executive Session – Alex Beamer	
9:25 – 9:30	Call to Order – Alex Beamer Vote on Recommendations from Executive Session	Action: Board Vote
9:30	Adjournment – Alex Beamer	



March 24, 2016
FY 16-17 Plan

Dear Board Members,

Here are some things you should know about me and my management style. I believe:

- It's better to share information sooner than later.
- It's okay to share information even when it's not completely polished.
- People generally prefer to know how I'm thinking about future plans rather than just being informed when a final decision has been made.
- People generally prefer to be part of the process of decision making.
- And finally, decisions are generally better when more people are involved in crafting the solution.

The leadership team has been working since January on the FY 16-17 Plan and will be presenting to the Board the FY 16-17 Executive Summary and budget at the June/July board meeting.

At our Board meeting this month staff will share with you where we currently are in the planning and budget processes. (Please see Priority Projects Timeline and 7-year financial trends report.)

The plan staff is sharing with the board is not "fully baked," and it's certainly not polished. But in this meeting, you as Board members will have a better sense of how FY 2016-17 is shaping up and how the Senior Leadership team is thinking about the future.

Between now and the June/July board meeting, each board meeting will provide you with more information about the FY 16-17 Plan. Hopefully when this plan is presented to the Board for final approval it is OUR plan, not just the Senior Leadership Team's plan.

I look forward to our next Board meeting.

Sincerely,



Rick Gaupo, CEO



Date: March 15, 2016

To: Marion-Polk Food Share Board of Directors

From: Julie Hambuchen

Re: Sustainer lunches, Best of the Mid-Valley, Rotary

Sustainer Appreciation Lunches

Three Sustainer Appreciation lunches are planned this Spring, on 3/31, 4/28 and 5/19. The Development team would like to have three Board members at each event (more are welcome), to visit with donors and express the Food Share's appreciation for Sustainers. It is wonderful to be able to tell these donors that every Board member is also a Sustainer. Thank you for making that possible!

The lunches take place in the warehouse from 12 pm to 1 pm. If you can come, please plan to arrive at 11:45, and we will end promptly at 1 pm. If you can attend a luncheon, please RSVP to Julie. For the 3/31 event, please RSVP by Friday, March 25. Thank you!

"Best of the Mid-Valley"

This news is internal-only until May 1, so please don't share it yet. We received word that the Food Share received gold in four categories in the Best of the Mid-Valley voting campaign: Best Nonprofit, Place to Volunteer, Annual Event, and Fundraising Event. Thank you to each person who voted.

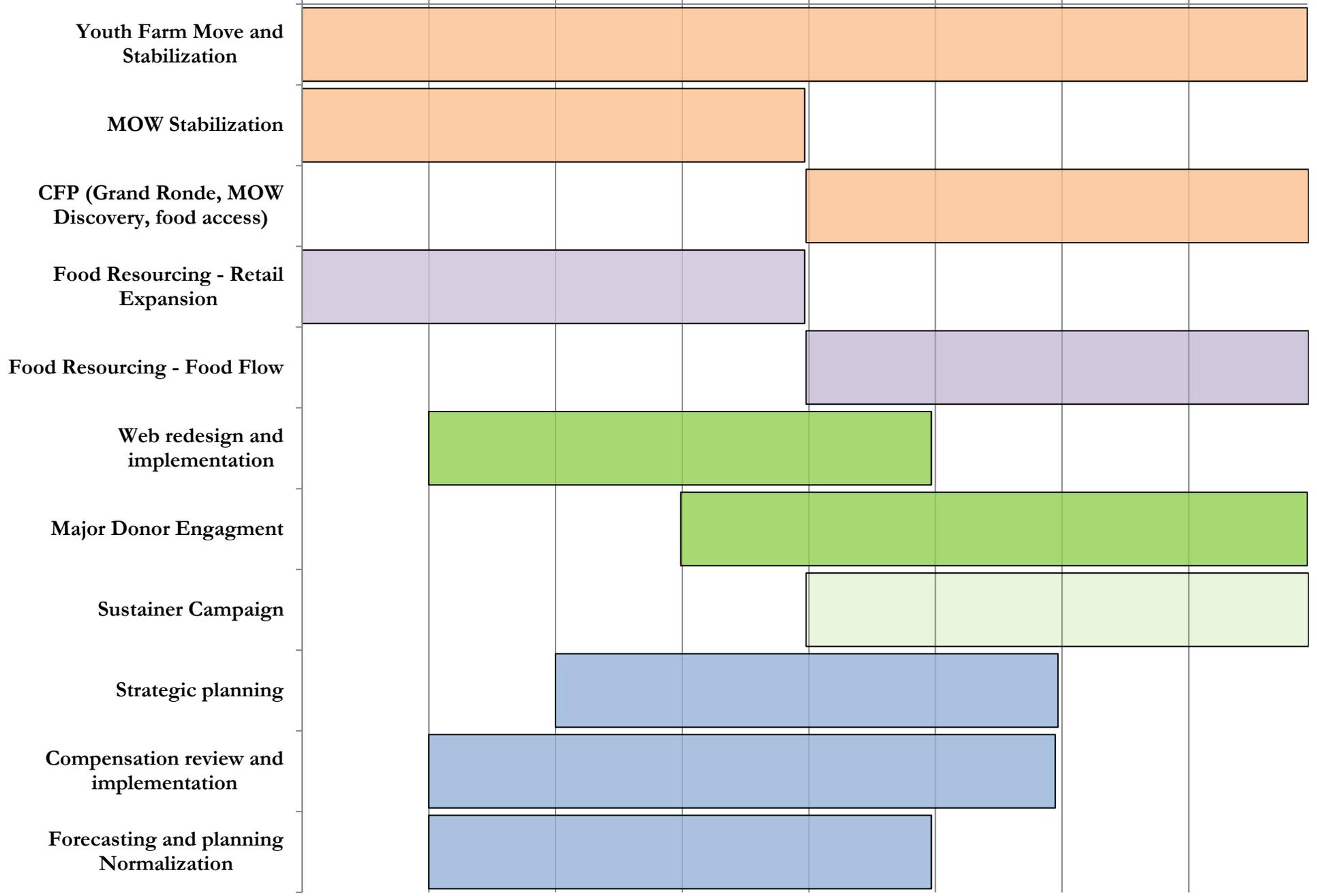
Quick Updates

- The Governor's State Employee Food Drive wrapped up at the end of February. Donations are still being tallied.
- The Rotary Food and Funds Drive is going strong in the month of March. This year, we expanded to clubs in Dallas, Monmouth/Independence and Woodburn.
- The CenturyLink campaign has been confirmed for 2016, and will take place June 6-17.
- Plans for the Farm to Table Dinner and Auction are shaping up. We invite you to attend this wonderful new event at The Oregon Garden on July 9.

Programs
Operations
Development
Admin and Planning

Priority Projects Timeline

Jul-15 Oct-15 Jan-16 Apr-16 Jul-16 Oct-16 Jan-17 Apr-17





MEMO

Date: March 16, 2016

To: Marion-Polk Food Share Board of

Directors from: Holly Larson

Re: February 2016 Proposed Revised Budget

The Food Share has decided to examine the projected annual results and forecast current activities two fiscal years into the future. This is the report containing the proposed revised budget prepared by the management team.

Many of the changes are due to budget variances realized in the first two quarters of the year. The significant changes in methodology are summarized below.

STATEMENT OF FINANCIAL POSITION – 7 year trend:

ASSETS – Total liquid cash & cash equivalents will continue to decrease over the next three fiscal years. This decrease in cash is primarily due to forecasted net losses in each of the next three years. In FY15, \$375,000 in temporarily restricted funds were carried over. \$272,000 was for FY16 operating expenses, and \$48,000 was for FY16 capital projects. This inflated cash as of June 30, 2015, and is the primary reason for the cash decrease from FY15 to FY16. FY17 and FY18 continue to see this line item decrease, but not as significantly.

LIABILITIES – Total liabilities are not expected to drastically change in future fiscal years.

NET ASSETS – will decrease over the next three years, due to net deficits, as well as decreases in value of fixed assets due to depreciation.

STATEMENT OF ACTIVITIES – 7 year trend:

OPERATING:

OPERATING REVENUE – Operating revenue is projected to decrease in FY16 from FY15, but ticks up in FY17 and FY18.

- **Donations** are projected to decrease from the last approved budget, as the CenturyLink campaign is not expected to perform as well as in the past. In addition, City of Salem emergency food grant has increased by \$32,000 for FY17, and that is also forecasted to continue being funded at this level for FY18. Special events revenue was decreased due to the Plate Expectation auction being cancelled in June, but FY17 includes anticipated revenue from the Farm to Table dinner in July 2016. Julie can provide more detail on revenue forecasts.
- **Program service revenue** has increased from the last approved budget. This is due primarily to increased home delivered meal service to government subsidized clients. An increase of over 100 meals per day is being served by the program.
- **Interest and investments** have decreased due to poor investment performance so far this year. This budget was initially developed by examining a 4 year trend of performance of the fund and applying the average to calculate the investment income. This year is looking to yield less than average. The 4 year

average is forecasted for FY17 and FY18. This assumption will be updated at the end of FY16.

OPERATING EXPENSE – Operating expenses decreased \$99,000 from the last approved budget. Much of this reflects savings realized during the first 6 months of FY16.

- **Salaries and Related expenses** were decreased by \$36,000. This is mainly due to vacancies during the first 6 months of FY16. Salaries increased over FY15 due to the addition of several staff positions (some which were added during 2015, but only for a portion of the year). In addition, \$115,000 was raised in FY15 for FY16 staffing. Lastly, MOW existing staff were brought on MPFS payroll 1/1/2015. They are budgeted for a full year in 2016, adding \$74,000 in expense. More information is available on the changes to the salaries and related expenses from FY15 to FY16.

In FY17, there is forecasted to be one additional position added, and a 2% pay increase is modeled. In addition, \$50,000 is set aside for salary adjustments in anticipation of the compensation study results. A payroll vacancy amount was estimated, reducing payroll costs by \$52,000. These assumptions are carried forward to FY18.

- **Contracts and professional fees** budget has increased. This is due to anticipated increased audit fees for the addition of the Meals on Wheels program, as well as increases in projected costs for the Youth Farm move.
- **Program supplies** have decreased in this proposed budget. This is due primarily to shifting some costs for the Youth Farm move to capital, rather than supplies.
- **Equipment and vehicle expenses** have increased, from the approved budget. This is primarily due to increased truck repairs in the first half of FY16.
- **Advertising, marketing and event expenses** have decreased from the approved budget. This is due to cancelling Plate Expectation in June. Webpage expenses are reduced in FY16, but were moved to FY17 due to timing of the project.
- **Computer expenses** have decreased due to software that was capitalized in the first half of FY16.

OPERATING NET SURPLUS/(DEFICIT) - Net operating activity is projected to be a deficit of \$263,000 for FY16. FY17 & FY18 both are forecasted to have a slight operating surplus.

CAPITAL:

CAPITAL REVENUE – Capital revenue has increased \$15,000 due to timing of projects.

CAPITAL EXPENSE – Depreciation is slightly increased.

CAPITAL NET SURPLUS/(DEFICIT) - Net capital activity is projected to be a surplus of \$15,000 in FY16.

ENDOWMENT:

ENDOWMENT REVENUE – projection remains essentially unchanged.

Marion-Polk Food Share Statement of Financial Position - 7 year trend

	Historical				Current	Future	
	Actual 6/30/2012	Actual 6/30/2013	Actual 6/30/2014	Actual 6/30/2015	6/30/2016	6/30/2017	6/30/2018
ASSETS							
Cash, cash equivalents, & investments							
Liquid cash, cash equivalents, and other assets							
Liquid cash & cash equivalents	\$411,516	\$248,641	\$708,577	\$996,090	\$531,746	\$299,072	\$208,068
Accounts & grants receivable, net	\$170,403	\$59,019	\$59,812	\$218,173	\$250,614	\$250,614	\$250,614
Prepaid expenses and deferred charges	\$57,683	\$66,484	\$82,229	\$69,247	\$77,165	\$77,165	\$77,165
Total Liquid cash, cash equivalents, and other assets	<u>\$639,602</u>	<u>\$374,145</u>	<u>\$850,619</u>	<u>\$1,283,510</u>	<u>\$859,525</u>	<u>\$626,851</u>	<u>\$535,847</u>
Non-liquid investments							
Investments - Unrestricted	\$1,017,370	\$1,064,664	\$1,125,568	\$1,103,547	\$1,104,842	\$1,154,631	\$1,204,420
Investments - OCF True Endowment	\$111,004	\$124,081	\$139,515	\$137,176	\$226,028	\$228,228	\$230,428
Total Non-liquid investments	<u>\$1,128,375</u>	<u>\$1,188,745</u>	<u>\$1,265,084</u>	<u>\$1,240,723</u>	<u>\$1,330,870</u>	<u>\$1,382,859</u>	<u>\$1,434,848</u>
Cash, investments & other assets	<u>\$1,767,977</u>	<u>\$1,562,890</u>	<u>\$2,115,702</u>	<u>\$2,524,234</u>	<u>\$2,190,395</u>	<u>\$2,009,710</u>	<u>\$1,970,695</u>
Land, buildings and equipment, net	\$2,974,320	\$3,160,527	\$2,992,657	\$3,125,695	\$3,256,118	\$3,353,017	\$3,244,416
Inventory	\$1,475,789	\$1,628,776	\$1,670,193	\$933,838	\$933,838	\$933,838	\$933,838
Total Fixed assets & inventories	<u>\$4,450,109</u>	<u>\$4,789,302</u>	<u>\$4,662,850</u>	<u>\$4,059,532</u>	<u>\$4,189,956</u>	<u>\$4,286,855</u>	<u>\$4,178,254</u>
Total Assets	<u>\$6,218,086</u>	<u>\$6,352,192</u>	<u>\$6,778,552</u>	<u>\$6,583,766</u>	<u>\$6,380,351</u>	<u>\$6,296,565</u>	<u>\$6,148,949</u>
LIABILITIES & NET ASSETS							
Liabilities							
Accounts payable and accrued expenses	\$171,148	\$70,439	\$90,866	\$88,815	\$50,361	\$50,361	\$50,414
Deferred revenue	\$40,540	\$21,205	\$17,825	\$51,141	\$45,000	\$45,000	\$30,000
Accrued payroll liabilities	\$70,989	\$105,884	\$102,415	\$136,683	\$65,804	\$65,804	\$65,804
Total Liabilities	<u>\$282,677</u>	<u>\$197,528</u>	<u>\$211,106</u>	<u>\$276,639</u>	<u>\$161,165</u>	<u>\$161,165</u>	<u>\$146,218</u>
Net Assets							
Unrestricted							
Undesignated - available for general activities	\$113,305	\$31,354	\$477,359	\$707,663	\$641,161	\$410,687	\$336,830
Designated - Intended for Investment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Designated by Mgmt - Capital Fund	\$0	\$0	\$369,279	\$369,279	\$369,279	\$369,279	\$369,279
Designated by the governing board	\$792,875	\$837,582	\$688,420	\$658,499	\$657,780	\$707,569	\$757,358
Total Unrestricted	<u>\$906,180</u>	<u>\$868,936</u>	<u>\$1,535,058</u>	<u>\$1,735,441</u>	<u>\$1,668,220</u>	<u>\$1,487,535</u>	<u>\$1,463,467</u>
Temporarily Restricted	\$461,135	\$388,184	\$254,222	\$374,573	\$361,010	\$361,010	\$361,010

Marion-Polk Food Share Statement of Financial Position - 7 year trend

	Historical				Current	Future	
	Actual 6/30/2012	Actual 6/30/2013	Actual 6/30/2014	Actual 6/30/2015	6/30/2016	6/30/2017	6/30/2018
Permanently Restricted	\$106,000	\$113,040	\$115,316	\$128,400	\$0	\$0	\$0
Land, buildings and equipment, net	\$2,986,306	\$3,155,727	\$2,992,657	\$3,134,875	\$3,256,118	\$3,353,017	\$3,244,416
Inventory	\$1,475,789	\$1,628,776	\$1,670,193	\$933,838	\$933,838	\$933,838	\$933,838
Total Fixed assets & inventories	\$4,462,095	\$4,784,503	\$4,662,850	\$4,068,713	\$4,189,956	\$4,286,855	\$4,178,254
Total Net Assets	\$5,935,410	\$6,154,664	\$6,567,447	\$6,307,127	\$6,219,186	\$6,135,400	\$6,002,731
TOTAL LIABILITIES & NET ASSETS	\$6,218,086	\$6,352,192	\$6,778,552	\$6,583,766	\$6,380,351	\$6,296,565	\$6,148,949

Marion-Polk Food Share Statement of Activities

7 year trend - FY View

	Historical				Current	Future	
	Actual Year ended 6/30/2012	Actual Year ended 6/30/2013	Actual Year ended 6/30/2014	Actual Year ended 6/30/2015	Projected 6/30/2016	Forecast Year ended 6/30/2017	Forecast Year ended 6/30/2018
Operating							
Operating Revenue							
Donations	\$2,566,979	\$2,647,373	\$2,882,270	\$3,216,827	\$2,905,740	\$3,165,219	\$3,149,449
Program Service Revenue							
MOW Home Delivered Meal Revenue	\$0	\$0	\$0	\$174,478	\$432,793	\$421,306	\$421,306
Contract Revenue - Grand Ronde	\$0	\$0	\$0	\$41,490	\$91,550	\$111,976	\$111,976
Food Service Revenue	\$0	\$3,087	\$2,290	\$60,243	\$92,837	\$96,192	\$98,308
Vocational Training Contract Revenue	\$0	\$61,477	\$50,652	\$57,458	\$63,687	\$103,638	\$108,939
Farm Revenue	\$0	\$0	\$109,918	\$28,519	\$10,073	\$28,390	\$34,390
Food Product Sales	\$0	\$0	\$4,300	\$30,365	\$21,336	\$0	\$0
SNAP Outreach	\$0	\$0	\$0	\$0	\$27,078	\$33,078	\$33,078
Miscellaneous Revenue	\$40,347	\$60,655	\$19,882	\$138,474	\$21,103	\$16,028	\$16,113
Total Program Service Revenue	<u>\$40,347</u>	<u>\$125,219</u>	<u>\$187,042</u>	<u>\$531,025</u>	<u>\$760,458</u>	<u>\$810,608</u>	<u>\$824,109</u>
Interest and investments	(\$23,498)	\$78,085	\$128,307	\$10,063	(\$4,107)	\$49,789	\$49,789
Total Operating Revenue	<u>\$2,583,828</u>	<u>\$2,850,677</u>	<u>\$3,197,620</u>	<u>\$3,757,915</u>	<u>\$3,662,091</u>	<u>\$4,025,615</u>	<u>\$4,023,347</u>
Expense							
Operating Expenses							
Emergency Food Purchase (for distribution)	\$242,489	\$271,648	\$266,703	\$327,967	\$236,089	\$210,200	\$210,200
Production Food Purchases	\$4,926	\$21,909	\$6,534	\$160,698	\$174,667	\$179,667	\$183,256
Salaries & Related Expenses	\$1,595,084	\$1,666,609	\$1,605,175	\$1,963,250	\$2,334,786	\$2,565,101	\$2,614,116
Contracts & Professional Fees	\$109,631	\$161,923	\$163,415	\$142,502	\$209,479	\$108,834	\$98,051
Supplies, Printing, Postage	\$225,867	\$288,149	\$156,940	\$212,652	\$237,704	\$219,286	\$219,286
Occupancy Expenses	\$118,618	\$165,220	\$140,368	\$142,708	\$173,697	\$184,017	\$176,910
Equipment and Vehicle Expenses	\$84,452	\$92,322	\$96,475	\$91,334	\$111,447	\$108,214	\$112,536
Meetings & Professional Development	\$27,041	\$30,833	\$23,526	\$58,817	\$57,713	\$51,754	\$52,342
Volunteer & Donor Development	\$16,294	\$13,374	\$7,336	\$11,845	\$21,817	\$26,114	\$26,114
Advertising, Marketing & Event Expenses	\$78,219	\$109,973	\$42,157	\$57,724	\$92,103	\$99,895	\$86,015
Computer Expenses	\$45,099	\$53,246	\$54,338	\$68,944	\$77,503	\$71,699	\$69,699
Other Expenses	\$1,434	\$1,676	\$1,112	\$11,322	\$2,703	\$3,239	\$3,239

Marion-Polk Food Share Statement of Activities

7 year trend - FY View

	Historical				Current	Future	
	Actual Year ended 6/30/2012	Actual Year ended 6/30/2013	Actual Year ended 6/30/2014	Actual Year ended 6/30/2015	Projected 6/30/2016	Forecast Year ended 6/30/2017	Forecast Year ended 6/30/2018
Total Operating Expenses	\$2,597,020	\$2,988,814	\$2,740,453	\$3,411,820	\$3,925,473	\$3,999,522	\$4,023,267
Total Expenses	\$2,597,020	\$2,988,814	\$2,740,453	\$3,411,820	\$3,925,473	\$3,999,522	\$4,023,267
Net surplus/(deficit) - Operating	(\$13,192)	(\$138,137)	\$457,167	\$346,096	(\$263,382)	\$26,093	\$80

Marion-Polk Food Share Statement of Activities

7 year trend - FY View

	Historical				Current	Future	
	Actual Year ended 6/30/2012	Actual Year ended 6/30/2013	Actual Year ended 6/30/2014	Actual Year ended 6/30/2015	Projected 6/30/2016	Forecast Year ended 6/30/2017	Forecast Year ended 6/30/2018
Capital							
Capital Revenue	\$249,780	\$288,350	\$90,000	\$258,803	\$232,295	\$120,000	\$100,000
Less: Capital Expenses (Depreciation)	\$164,904	\$204,786	\$219,497	\$208,601	\$209,069	\$208,601	\$208,601
Net Surplus/(Deficit) - Capital	\$84,876	\$83,564	(\$129,497)	\$50,202	\$23,226	(\$88,601)	(\$108,601)
Endowment							
Endowment Donations	\$7,540	\$6,940	\$2,776	\$2,119	\$102,405	\$2,400	\$2,400
Net Surplus/(Deficit) - Endowment	\$7,540	\$6,940	\$2,776	\$2,119	\$102,405	\$2,400	\$2,400
In-kind transactions							
In-kind Contributions	\$308,647	\$118,857	\$118,350	\$98,544	\$10,787	\$0	\$0
Less: In-kind Expense	\$0	\$4,955	\$78,007	\$88,544	\$10,787	\$0	\$0
Net surplus/(deficit) - In-Kind	\$308,647	\$113,902	\$40,343	\$10,000	\$0	\$0	\$0
BEGINNING NET ASSETS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET SURPLUS/(DEFICIT)	\$387,871	\$66,268	\$370,788	\$408,417	(\$137,752)	(\$60,108)	(\$106,121)
ENDING NET ASSETS	\$387,871	\$66,268	\$370,788	\$408,417	(\$137,752)	(\$60,108)	(\$106,121)

Marion-Polk Food Share
Statement of Activities
2 Year (2015-2016)

	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>Total</u>
Operating			
Operating Revenue			
Donations	\$3,216,827	\$2,905,740	\$6,122,567
Program Service Revenue			
MOW Home Delivered Meal Revenue	\$174,478	\$432,793	\$607,271
Contract Revenue - Grand Ronde	\$41,490	\$91,550	\$133,040
Food Service Revenue	\$60,243	\$92,837	\$153,080
Vocational Training Contract Revenue	\$57,458	\$63,687	\$121,145
Farm Revenue	\$28,519	\$10,073	\$38,592
Food Product Sales	\$30,365	\$21,336	\$51,702
SNAP Outreach	\$0	\$27,078	\$27,078
Miscellaneous Revenue	\$138,474	\$21,103	\$159,577
Total Program Service Revenue	<u>\$531,025</u>	<u>\$760,458</u>	<u>\$1,291,483</u>
Interest and investments	\$10,063	(\$4,107)	\$5,956
Total Operating Revenue	<u>\$3,757,915</u>	<u>\$3,662,091</u>	<u>\$7,420,006</u>
Expense			
Operating Expenses			
Emergency Food Purchase (for distribution)	\$327,967	\$236,089	\$564,056
Production Food Purchases	\$160,698	\$174,667	\$335,366
Salaries & Related Expenses	\$1,963,250	\$2,334,786	\$4,298,036
Contracts & Professional Fees	\$142,502	\$209,479	\$351,981
Supplies, Printing, Postage	\$212,652	\$237,704	\$450,356
Occupancy Expenses	\$142,708	\$173,697	\$316,405
Equipment and Vehicle Expenses	\$91,334	\$111,447	\$202,781
Meetings & Professional Development	\$58,817	\$57,713	\$116,531
Volunteer & Donor Development	\$11,845	\$21,817	\$33,662
Advertising, Marketing & Event Expenses	\$57,724	\$92,103	\$149,826
Computer Expenses	\$68,944	\$77,503	\$146,447
Other Expenses	\$11,322	\$2,703	\$14,024
Total Operating Expenses	<u>\$3,411,820</u>	<u>\$3,925,473</u>	<u>\$7,337,293</u>
Total Expenses	<u>\$3,411,820</u>	<u>\$3,925,473</u>	<u>\$7,337,293</u>
Net surplus/(deficit) - Operating	<u>\$346,096</u>	<u>(\$263,382)</u>	<u>\$82,713</u>

Marion-Polk Food Share
Statement of Activities
2 Year (2015-2016)

	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>Total</u>
Capital			
Capital Revenue	\$258,803	\$232,295	\$491,098
Less: Capital Expenses (Depreciation)	\$208,601	\$209,069	\$417,671
Net Surplus/(Deficit) - Capital	<u>\$50,202</u>	<u>\$23,226</u>	<u>\$73,427</u>
Endowment			
Endowment Donations	\$2,119	\$102,405	\$104,524
Net Surplus/(Deficit) - Endowment	<u>\$2,119</u>	<u>\$102,405</u>	<u>\$104,524</u>
In-kind transactions			
In-kind Contributions	\$98,544	\$10,787	\$109,332
Less: In-kind Expense	\$88,544	\$10,787	\$99,332
Net surplus/(deficit) - In-Kind	<u>\$10,000</u>	<u>\$0</u>	<u>\$10,000</u>
BEGINNING NET ASSETS	\$0	\$0	\$0
NET SURPLUS/(DEFICIT)	\$408,417	(\$137,752)	\$270,665
ENDING NET ASSETS	<u>\$408,417</u>	<u>(\$137,752)</u>	<u>\$270,665</u>

Marion-Polk Food Share Revised Budget Report

FY2016 - 3rd Qtr Draft

	Approved Budget FY16 (Approved July 2015)	Approved Revised Budget FY16 (Approved Jan 2016)	Proposed Revised Budget FY16	Budgeted to Proposed Revised Budget Variance
Operating				
Operating Revenue				
Donations	\$3,272,817	\$3,024,859	\$2,905,740	(\$119,119)
Program Service Revenue				
MOW Home Delivered Meal Revenue	\$269,603	\$377,706	\$432,793	\$55,087
Contract Revenue - Grand Ronde	\$71,000	\$82,135	\$91,550	\$9,415
Food Service Revenue	\$94,533	\$99,122	\$92,837	(\$6,285)
Vocational Training Contract Revenue	\$97,318	\$101,440	\$63,687	(\$37,753)
Farm Revenue	\$31,463	\$10,043	\$10,073	\$30
Food Product Sales	\$75,272	\$34,927	\$21,336	(\$13,591)
SNAP Outreach	\$0	\$33,078	\$27,078	(\$6,000)
Miscellaneous Revenue	\$18,122	\$18,595	\$21,103	\$2,508
Total Program Service Revenue	<u>\$657,309</u>	<u>\$757,047</u>	<u>\$760,458</u>	<u>\$3,411</u>
Interest and investments	\$19,890	\$49,806	(\$4,107)	(\$53,913)
Total Operating Revenue	<u>\$3,950,017</u>	<u>\$3,831,711</u>	<u>\$3,662,091</u>	<u>(\$169,621)</u>
Expense				
Operating Expenses				
Emergency Food Purchase (for distribution)	\$349,595	\$250,075	\$236,089	\$13,986
Production Food Purchases	\$191,927	\$166,285	\$174,667	(\$8,383)
Salaries & Related Expenses	\$2,374,560	\$2,370,955	\$2,334,786	\$36,169
Contracts & Professional Fees	\$186,964	\$193,798	\$209,479	(\$15,681)
Supplies, Printing, Postage	\$182,226	\$249,234	\$237,620	\$11,614
Occupancy Expenses	\$172,220	\$164,363	\$173,697	(\$9,334)
Equipment and Vehicle Expenses	\$109,640	\$101,255	\$111,447	(\$10,192)
Meetings & Professional Development	\$68,613	\$66,111	\$57,713	\$8,398
Volunteer & Donor Development	\$26,613	\$16,947	\$21,817	(\$4,870)
Advertising, Marketing & Event Expenses	\$55,119	\$139,665	\$92,103	\$47,562
Computer Expenses	\$70,723	\$89,654	\$77,503	\$12,151
Other Expenses	\$7,745	\$2,306	\$2,703	(\$396)
Total Operating Expenses	<u>\$4,003,123</u>	<u>\$4,024,693</u>	<u>\$3,925,389</u>	<u>\$99,304</u>
Total Expenses	<u>\$4,003,123</u>	<u>\$4,024,693</u>	<u>\$3,925,389</u>	<u>\$99,304</u>
Net surplus/(deficit) - Operating	<u>(\$53,106)</u>	<u>(\$192,982)</u>	<u>(\$263,298)</u>	<u>(\$70,317)</u>

Marion-Polk Food Share Revised Budget Report

FY2016 - 3rd Qtr Draft

	Approved Budget FY16 (Approved July 2015)	Approved Revised Budget FY16 (Approved Jan 2016)	Proposed Revised Budget FY16	Budgeted to Proposed Revised Budget Variance
Capital				
Capital Revenue	\$296,000	\$217,433	\$232,295	\$14,862
Less: Capital Expenses (Depreciation)	\$220,694	\$208,981	\$209,069	(\$89)
Net Surplus/(Deficit) - Capital	\$75,306	\$8,452	\$23,226	\$14,773
Endowment				
Endowment Donations	\$100,225	\$102,200	\$102,405	\$205
Net Surplus/(Deficit) - Endowment	\$100,225	\$102,200	\$102,405	\$205
In-kind transactions				
In-kind Contributions	\$18,560	\$0	\$10,787	\$10,787
Less: In-kind Expense	\$18,560	\$0	\$10,787	(\$10,787)
Net surplus/(deficit) - In-Kind	\$0	\$0	\$0	\$0
NET SURPLUS/(DEFICIT)	\$122,424	(\$82,329)	(\$137,668)	(\$55,338)



Marion-Polk Food Share
Board of Directors Meeting Minutes
Thursday, February 25, 2016

Board Members Attending: Alex Beamer, Cheryl Wells, Jim Green, Courtney Knox Busch, Warren Bednarz, Dick Yates, Esther Puentes, Frances Alvarado, Bernadette Mele

Staff Members Attending: Rick Gaupo, Julie Hambuchen, Holly Larson, Rebecca Long, Eileen DiCicco, Corrina Hawkins, Ian Dixon-McDonald, Abisha Dunivin, Francene Ambrose, Surabhi Mahajan, Mattie Jenkins, Marshall Curry

Call to Order:

Alex Beamer called the meeting to order at 8:16 a.m.

Guests Introductions:

Ian Dixon-McDonald introduced **Surabhi Mahajan**, Red Cross AmeriCorps service member working on educational programs on health, nutrition, and gardening, including Seed to Supper and cooking classes.

Rick Gaupo introduced **Mattie Jenkins**, Staff Accountant. **Mattie** is currently participating in Rotary Club presentations, sharing her story of life transformation through the Food Share's vocational training program.

Mission Moment:

Courtney Knox Busch presented this month's Board Member Spotlight. **Courtney** began by expressing her gratitude for being included on the board and in the Food Share community.

Courtney was born in San Francisco and reared in Marin County. From her mom, she developed a passion for public service and a commitment to women's rights. From her dad, **Courtney** received the gift of learning that everyone has a story, along with some dogged determination borne of hiking the Sierra Nevada Mountains.

Courtney and her husband **Brandon** have two daughters. **Courtney** and her family continue to love the outdoors. **Courtney's** family of choice is a group of ten women she met at the University of Oregon. Every year, they go on trips together. Over two decades, honing skills in honesty and security, this group has become the bedrock of who **Courtney** is.

Courtney began her career at BERK, a consulting firm in Seattle specializing in local strategic and fiscal planning. **Courtney** went to grad school in Minnesota, concentrating on community and economic development, followed by working for the city on building projects, leading to strength in seeing all sides to an issue.

Finance Update:

Jim Green reiterated that the Food Share continues to be well-funded and stable, referring the board to financial statements in the board packet.

Consent Agenda:

Alex Beamer presented the following consent agenda items:

1. January 2016 board meeting minutes
2. MPFS financial statements ending January 31, 2016

Jim Green motioned to approve all consent agenda items, **Warren Bednarz** seconded, and the motion was unanimously moved.

Executive Committee Update:

Alex Beamer presented information about the timeline and process for CEO evaluation and wage recommendation: there are two reviews per year, one in September which is focused on performance, and another in March reviewing goals and making a wage recommendation. **Alex** added that March is a good time of year for this review since the fiscal year starts in July. **Alex** asked **Rick** whether this is the same processes he plans to use for staff. **Rick's** response was that the process will be used eventually, and is not ready to implement yet. The Senior Leadership team discussed this issue but currently other projects are higher in priority.

Better Burger Program Changes:

Alex Beamer shared that the board is recommending discontinuing the Better Burger program in its current form. The topic was discussed at all three standing board committee meetings, giving a voice to all board members. All three committees endorsed the recommendation. **Rick Gaupo** added that changing the focus of the vocational training program from food production to a restaurant kitchen environment will offer the participants a richer experience, leading more directly to jobs. **Courtney Knox Busch** said that she was drawn to the Food Share due to its organizational

innovation, and that willingness to make changes and apply what has been learned to the next initiative continues that innovation.

Revenue Update:

Holly Larson and **Julie Hambuchen** presented a revenue update, reviewing the first half of fiscal year 2015-16. **Rick Gaupo** added that the intention of the presentation is to educate the board on the Food Share's funding sources, and to get the board's direction for the future. Details presented were distributed via printout of **Holly** and **Julie's** slideshow. A copy of the slideshow will be distributed to the board via email by **Rebecca Long**.

Adjournment:

Alex Beamer adjourned the meeting at 9:31 a.m.

Rebecca Long
Executive Assistant

Esther Puentes
Board Secretary



MEMO

Date: March 11, 2016

To: Marion-Polk Food Share Board of

Directors from: Holly Larson

Re: February 2016 Financials

STATEMENT OF FINANCIAL POSITION – YEAR-TO-DATE:

CASH – Total liquid cash & cash equivalents have decreased almost \$226,000 in the last 12 months. This decrease in cash is primarily due to increases in accounts receivable of nearly \$109,000 offset by net surplus of almost \$137,000 for the 12 month period, resulting in cash used by operating activities of over \$77,000. Cash used by investing (capital) activities (capital expenses and adding back depreciation expense) was \$90,000. Cash used by financing activities (funds that remained in investment accounts, but are captured in revenue) was over \$58,000 (see Statement of Cash Flows).

ASSETS – Total liquid cash, cash equivalents, and other assets have decreased by almost \$123,000 in the past 12 months. Cash, investments, and other assets have decreased just over \$64,000 in the last year. Inventory has also decreased by \$736,000 in this last year. The decrease in inventory has to do with the change in how we value food.

LIABILITIES -- Total liabilities have decreased by \$112,000 this period.

NET ASSETS – have decreased over \$598,000 primarily due to the change in inventory valuation and increase in permanently restricted net assets.

CURRENT ACTIVITY – STATEMENT OF ACTIVITIES YEAR TO DATE:

OPERATING:

OPERATING REVENUE – Operating revenue was \$73,000 less than budget.

- **Donations** in total are on budget.
- **Program service revenue** is \$20,000 less than budget. Meals on Wheels home delivered meals are higher than expected, while vocational training, food product sales, and SNAP outreach are all below budget. SNAP Outreach reimbursements are beginning in March, and the DOC is not ordering the better burger, so revenue is down. There were less vocational trainees on payroll than budgeted.
- **Interest and investments** are \$54,000 less than budget. Budget was determined looking at a 4 year average performance, and it does not appear that average will be attained this year.

OPERATING EXPENSE – Operating expenses were \$212,000 less than budget.

- Salaries and Related expenses were \$56,000 less than budget YTD.
- Food purchase is down due to timing of purchases, but will end on budget at the end of the fiscal year.
- Supplies, printing and postage expenses were \$36,000 less than budget.
- Program supplies were \$32,000 below budget. It is likely that this variance is due to timing of purchases.
- Occupancy expenses were nearly \$12,000 over budget year-to date. Offsite food storage is up due to higher volumes of frozen donations than anticipated. Building repair and telephone expense are also high.

- Meeting and professional development is \$15,000 below budget.
- Webpage expenses are less than budget by \$24,000. This is a timing issue.
- Computer software is below budget \$16,000 due to a purchase of software that was include in the operating budget, but meets the capitalization threshold. This purchase is included in fixed assets.

OPERATING NET SURPLUS/(DEFICIT) - Net operating activity was a deficit of over \$115,000 year-to-date, compared to a budget deficit of \$255,000, 55% better than budgeted.

CAPITAL:

CAPITAL REVENUE – Capital revenue was over \$69,000 less than budget. This is mainly due to timing of the warehouse improvement project.

CAPITAL EXPENSE – Capital expenses was comprised of depreciation and \$1,000 over budget. Depreciation has not been finalized for fiscal year end 2016 and numbers shown include estimates.

CAPITAL NET SURPLUS/(DEFICIT) - Net capital activity was a deficit of \$46,000 year-to-date.

ENDOWMENT:

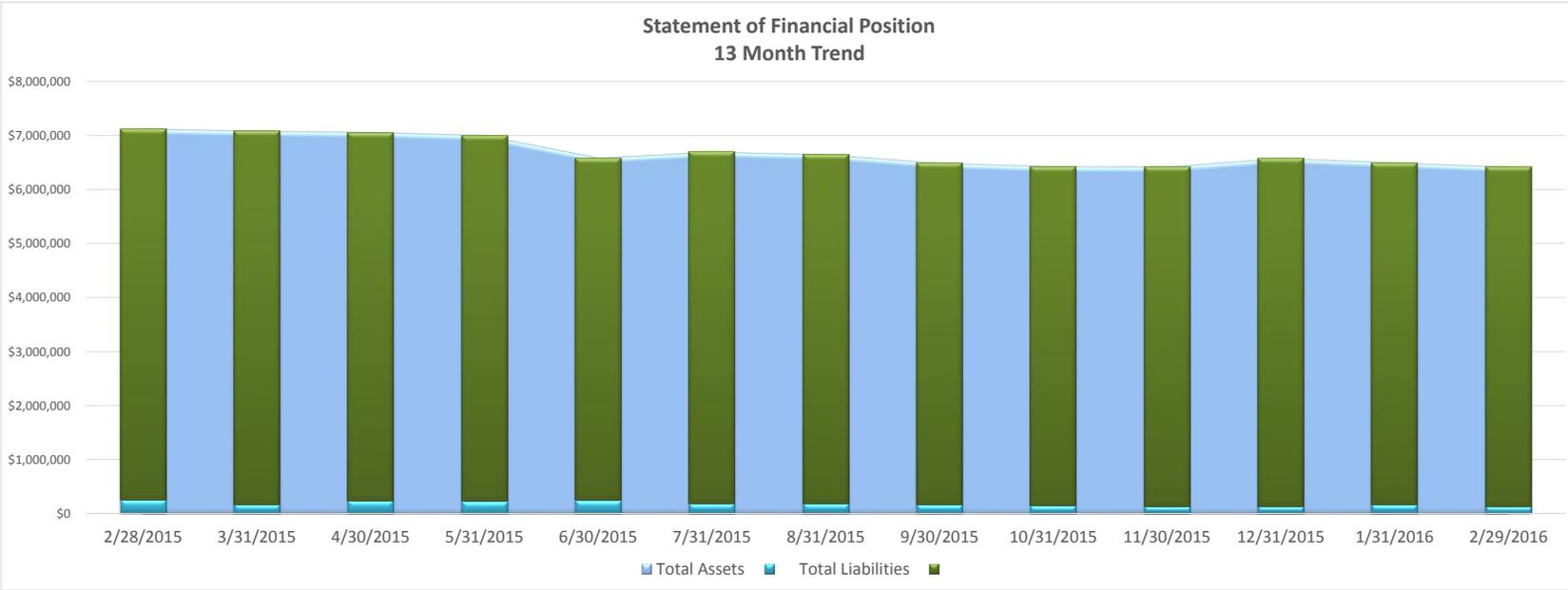
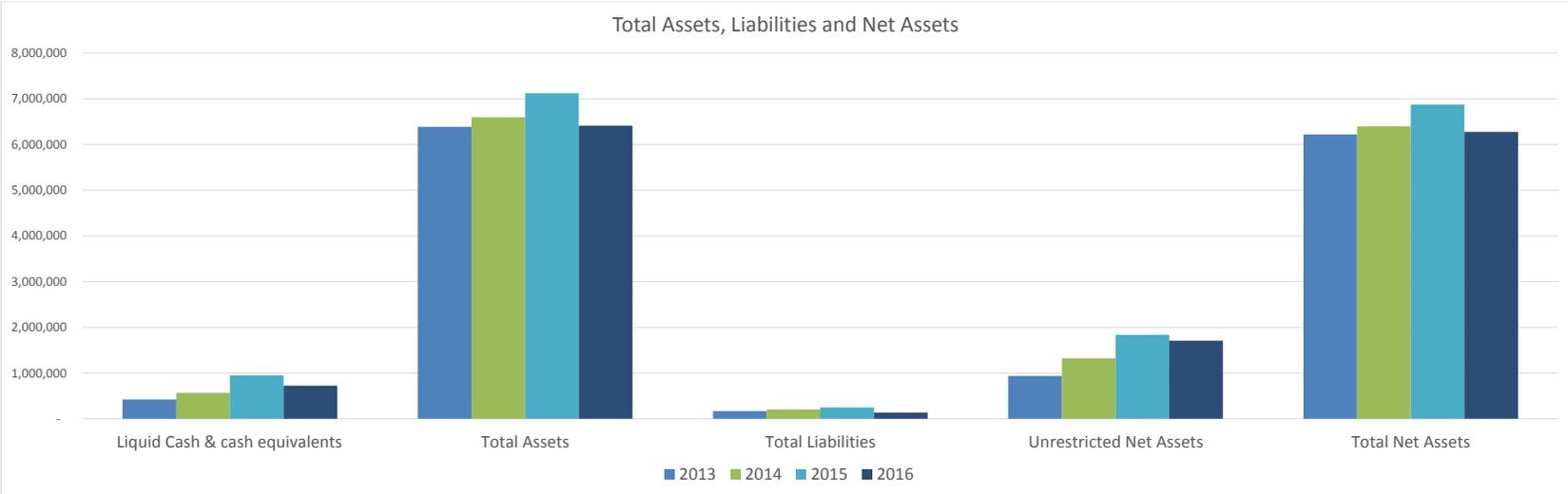
ENDOWMENT REVENUE – There was over \$101,000 of contributions made to the endowment in this reporting period.

IN-KIND:

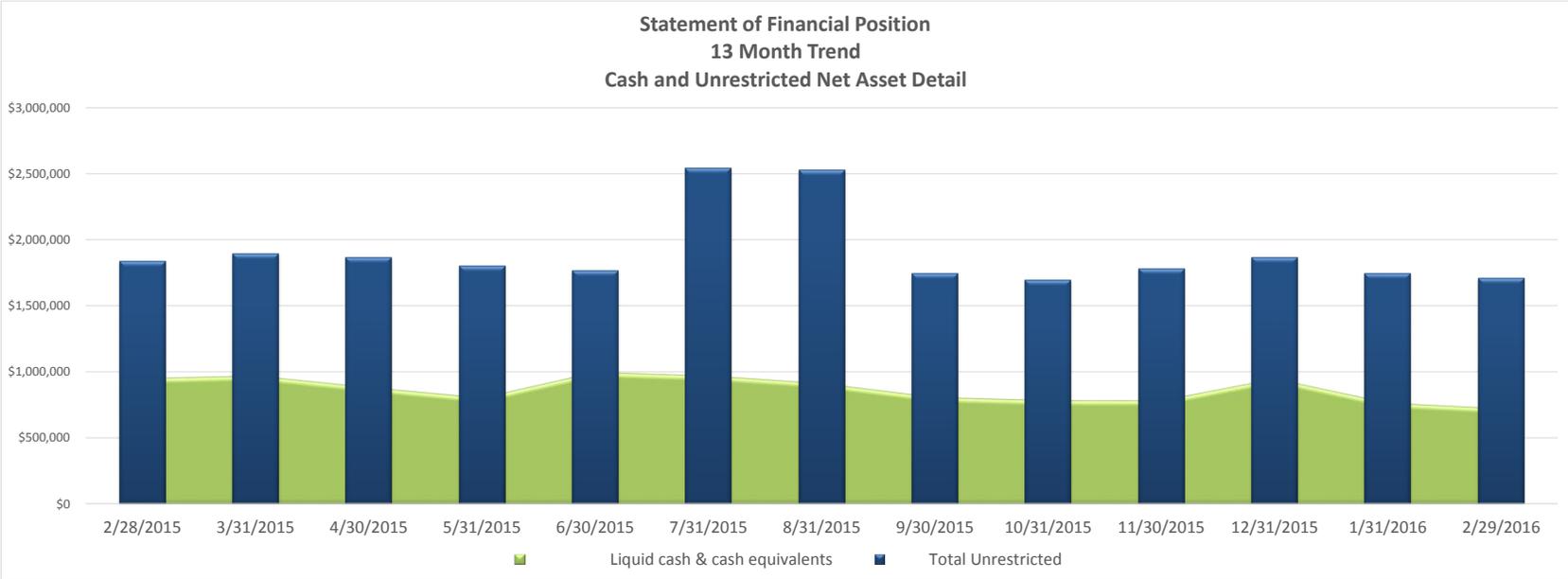
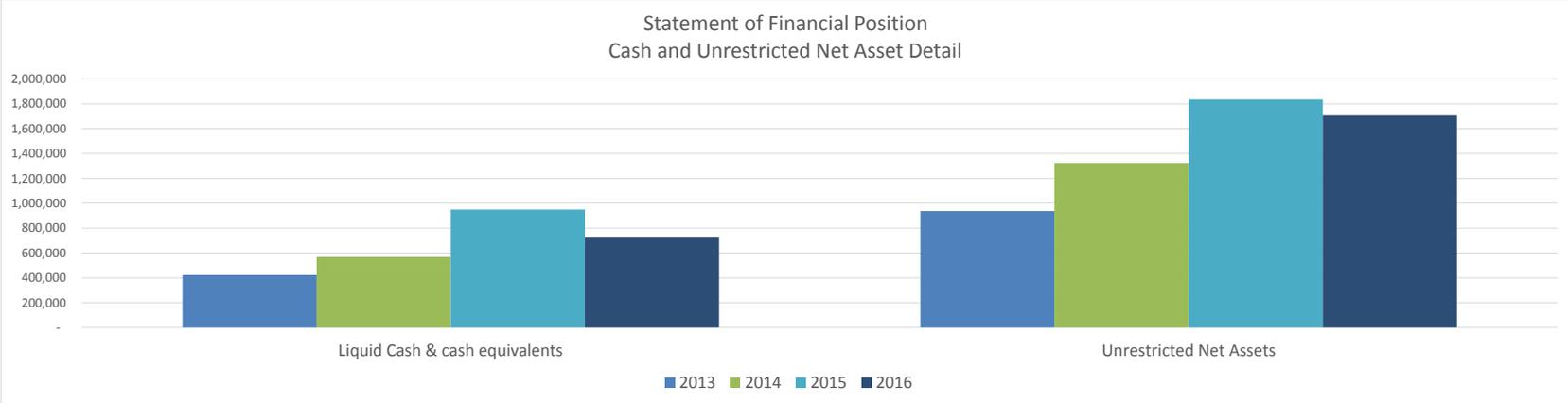
IN-KIND REVENUE – In-kind revenue was nearly \$11,000 year-to-date.

IN-KIND EXPENSE – In-kind expenses were nearly \$11,000.

Marion-Polk Food Share, Inc.
February 2016



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