



Marion-Polk Food
Share
Board Packet
April 20, 2017

Financial Reports

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MEMO

Date: April 13, 2017

To: Marion-Polk Food Share Board of Directors

From: Holly Larson

Re: March 2017 Financials

The Food Share is having a successful year. March continued to show strong financial performance. When compared to last year, total net assets have increased by \$440,000, or 7% growth. Cash and other assets have increased nearly \$208,000 since this time last year. The organization is healthy, and performing better than expectations. Net operating surplus is \$246,000 more than budgeted.

Some highlights to note:

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

Operating revenue is \$176,000 over budget.

- Donation revenue is \$174,000 more than budget, or about 7%.
- Program revenue was \$8,000 more than budget. Vocational trainee contract revenue is up just over \$9,000 due to more participants being engaged during the first half of the fiscal year.
- Interest and investments are \$5,000 more than budget. This is due to OCF investments performing higher than anticipated in the first and second quarter of FY2017.

Operating expense is \$71,000 less than budget.

- Salaries and related expenses are under budget due to vacancies.
- Contracts and Professional fees are right on budget.
- Supplies, printing and postage are below budget. Small equipment purchases have been less than anticipated.
- Occupancy expenses are below budget due to lower offsite food storage costs.
- Equipment and vehicle expenses are over budget due to costly equipment and vehicle repairs necessary this year so far.
- Volunteer and Donor Development is under budget due to timing in planning a volunteer event.
- Computer expenses are below budget due to replacing less technology equipment than budgeted during the first half of the year. Upgrades are needed and are being planned.

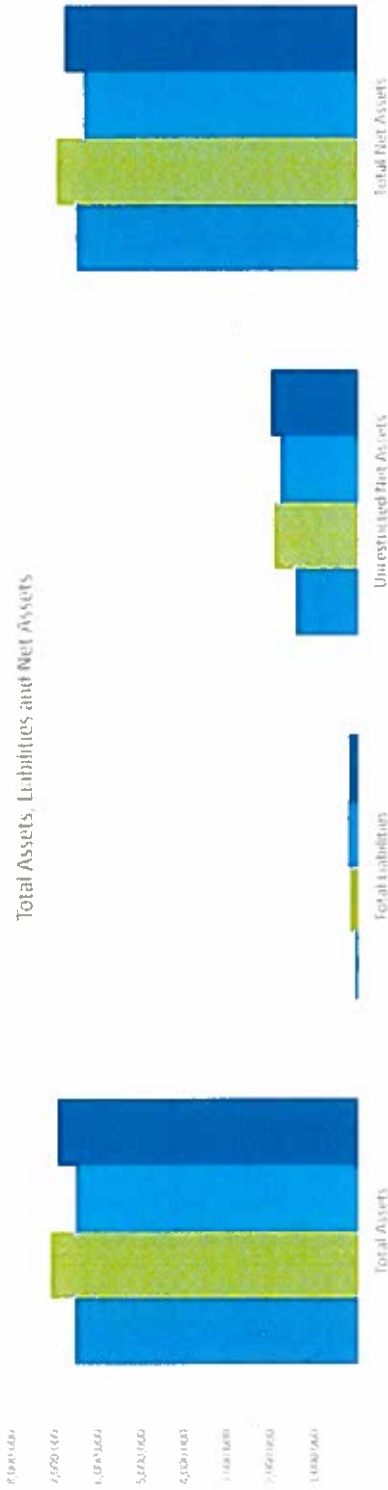
Other items to discuss:

- Proposed revised budget packet

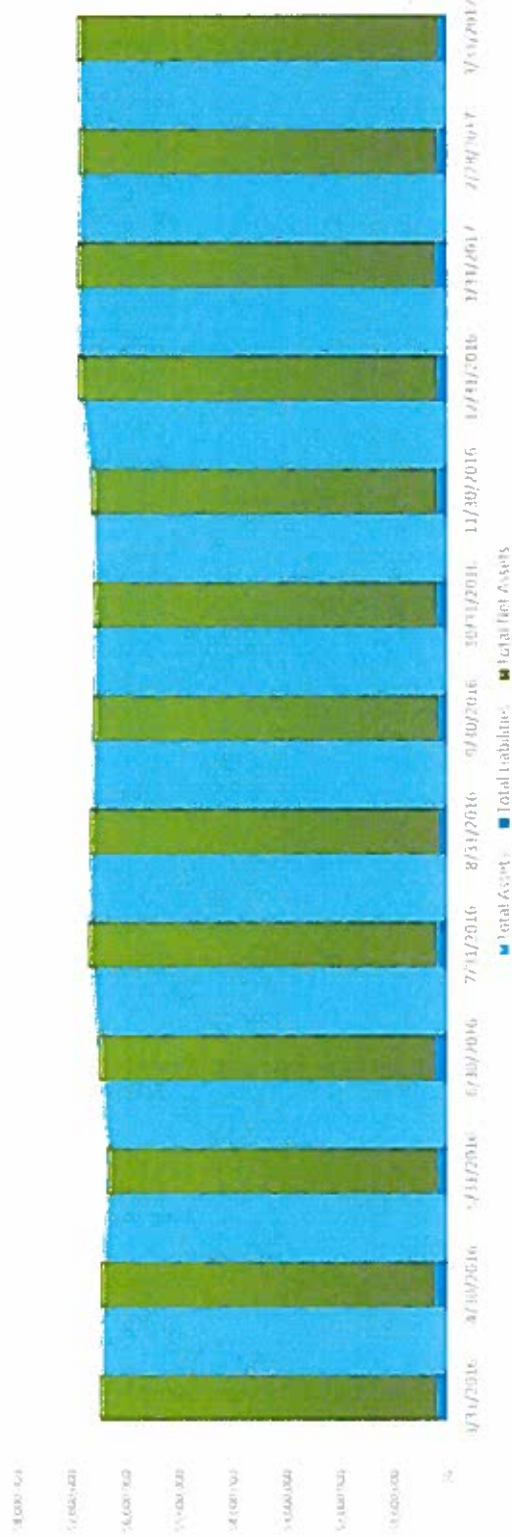
*Please review specific notes contained within the finance packet for information about line item budget to actual variances, as well as category definitions.

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Marion-Polk Food Share, Inc.
March 2017

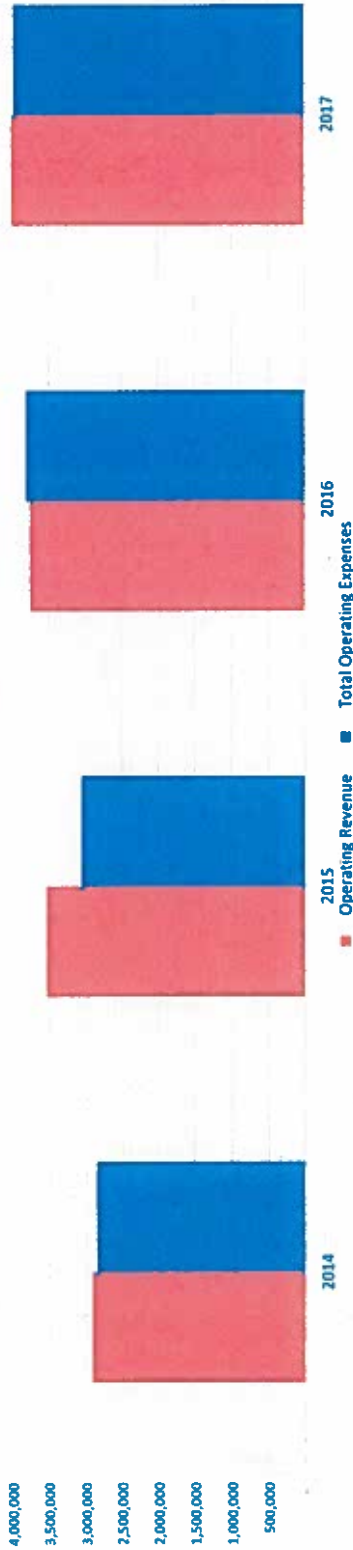


Statement of Financial Position
13 Month Trend

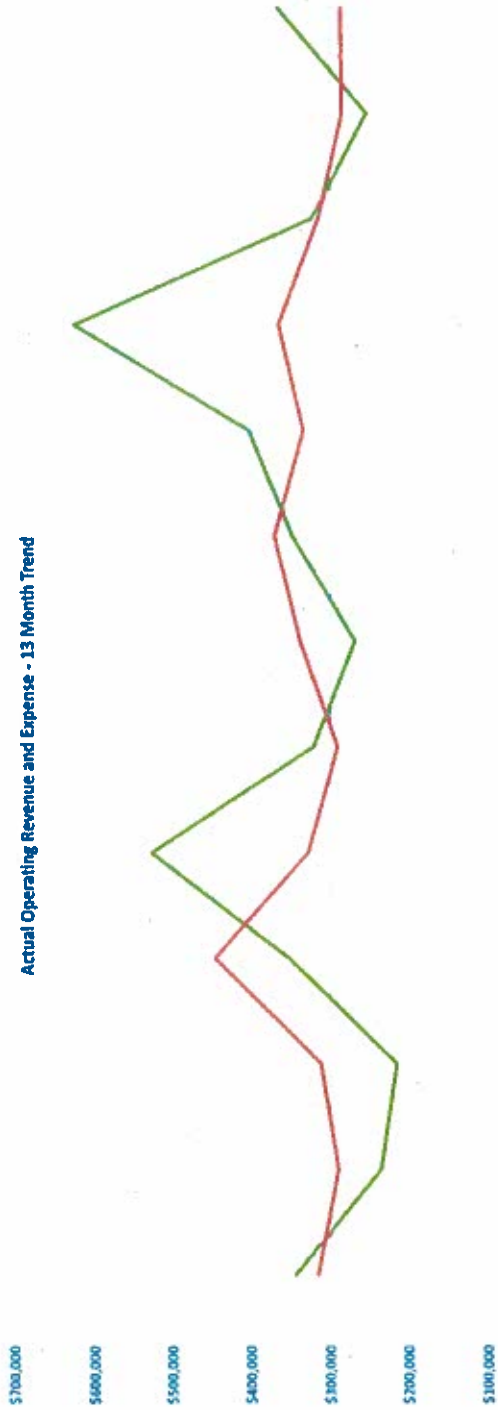


Marion-Polk Food Share, Inc.
March 2017

Operating Revenue and Expense
12 month rolling



Actual Operating Revenue and Expense - 13 Month Trend



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	3/31/2016	4/30/2016	5/31/2016	6/30/2016	7/31/2016	8/31/2016	9/30/2016	10/31/2016	11/30/2016	12/31/2016	1/31/2017	2/28/2017	3/31/2017
Series7	\$344,832	\$235,983	\$216,102	\$353,215	\$527,152	\$322,217	\$269,249	\$349,238	\$403,351	\$626,274	\$323,733	\$254,091	\$366,954
Series1	\$316,865	\$290,784	\$313,157	\$446,627	\$329,106	\$291,823	\$338,996	\$371,558	\$334,677	\$365,945	\$315,556	\$285,243	\$286,793

Marion-Polk Food Share

Statement of Financial Position - Year over Year Review

For the month ended March 31, 2017

	Prior Year Actual 3/31/2016	Current Year Actual 3/31/2017	Notes
ASSETS			
Cash, cash equivalents, & investments			
Liquid cash, cash equivalents, and other assets	1,146,196	1,335,856	
Non-liquid investments	1,300,471	1,318,356	
Cash, investments & other assets	2,446,668	2,654,212	
Land, buildings and equipment, net	3,104,718	3,117,595	
Inventory	933,838	1,127,308	
TOTAL ASSETS	6,485,224	6,899,115	
LIABILITIES & NET ASSETS			
Liabilities	220,577	193,346	
Net Assets			
Unrestricted			
Undesignated - available for general activities	745,353	978,415	
Designated - Intended for Investment	-	-	
Designated by Mgmt - Capital Fund	369,279	369,279	
Designated by the governing board	627,716	606,317	balance reflects OCF Board designated asset account
Total Unrestricted	1,742,348	1,954,011	
Temporarily Restricted	264,688	270,920	
Permanently Restricted	235,805	235,935	
Land, buildings and equipment, net	3,087,967	3,117,595	
Inventory	933,838	1,127,308	added delivery truck, cooler, youth farm, warehouse dock; net of depreciation
Total Net Assets	6,264,646	6,705,769	
TOTAL LIABILITIES & NET ASSETS	6,485,224	6,899,115	

* 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
For the month ended March 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

NET SURPLUS/(DEFICIT) FOR PERIOD	\$441,122
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH	<u>(\$185,337)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$255,785</u>

CASH FLOWS FROM INVESTING ACTIVITIES

ASSET ADDITIONS	(\$229,082)
ACCUMULATED DEPRECIATION	<u>\$222,205</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(\$6,877)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(\$17,879)</u>
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NET INCREASE/(DECREASE) IN CASH	\$231,030
CASH AND CASH EQUIVALENTS AS OF 4/1/2016	<u>\$783,964</u>
CASH AND CASH EQUIVALENTS AS OF 3/31/2017	<u><u>\$1,014,994</u></u>

Marion-Polk Food Share
Statement of Activities - Consolidated Organization
 Actual to Budget Variance Report

	Budget		Variance	%	Notes
	Actual 7/1 - 3/31/2017	(Approved January 2017) 7/1 - 3/31/2017			
Operating					
Operating Revenue					
Donations					
Program Service Revenue					
MOW Home Delivered Meal Revenue	\$2,695,494	\$2,521,902	\$173,592	7%	
Contract Revenue (Grand Ronde)	\$340,641	\$343,024	(\$2,384)	-1%	
Food Service Revenue	\$83,982	\$83,982	\$0	0%	
Vocational Training Contract Revenue	\$88,497	\$83,208	\$5,289	6%	
Farm Revenue	\$104,441	\$95,194	\$9,247	10%	More program participants are engaged
Food Product Sales	\$26,550	\$26,550	\$0	0%	
SNAP Outreach	\$13,500	\$13,500	\$0	0%	
Miscellaneous Revenue	\$25,936	\$28,804	(\$2,868)	-10%	
Total Program Service Revenue	\$13,395	\$14,823	(\$1,429)	-10%	SAIF dividend larger than expected this year
Total Operating Revenue	\$696,941	\$689,086	\$7,855	1%	
Interest and investments	\$49,822	\$55,011	(\$5,189)	-9%	2nd quarter investment performance was better than forecasted
Total Operating Revenue	\$3,442,257	\$3,265,999	\$176,259	5%	
Operating Expenses					
Emergency Food Purchase (for distribution)	\$137,508	\$130,837	(\$6,672)	-5%	
Production Food Purchases	\$133,131	\$136,539	\$3,409	2%	
Salaries & Related Expenses	\$1,787,400	\$1,802,176	\$14,777	1%	vacancies
Contracts & Professional Fees	\$111,469	\$111,316	(\$153)	0%	
Supplies, Printing, Postage	\$182,729	\$196,477	\$13,748	7%	Combined printing & postage are below budget \$13k.
Program Supplies	\$98,816	\$99,624	\$807	1%	
Network Development	\$1,209	\$1,974	\$765	39%	Lack of projects requested
Occupancy Expenses	\$134,038	\$140,300	\$6,262	4%	Offsite food storage costs below budget \$6k. Natural gas expense over budget \$2k. Building repair and maintenance under budget \$2k.

Marion-Polk Food Share
Statement of Activities - Consolidated Organization
 Actual to Budget Variance Report

	Actual 7/1 - 3/31/2017	Budget (Approved January 2017) 7/1 - 3/31/2017	\$ Variance	% Variance	Notes
Equipment and Vehicle Expenses	\$98,098	\$91,957	(\$6,141)	-7%	Annual budget spread evenly throughout fiscal year. There were increased vehicle and equipment repairs necessary in the first half of the year.
Meetings & Professional Development	\$32,854	\$33,807	\$953	3%	
Volunteer & Donor Development	\$10,147	\$4,572	\$4,572	31%	Due to timing in planning volunteer event.
Advertising, Marketing & Event Expenses	\$80,938	\$89,973	\$9,034	10%	Due to timing in planning events.
Computer Expenses	\$41,214	\$49,198	\$7,984	16%	timing of technology equipment replacements slower than budgeted. Will likely still be needed this year.
Membership Dues	\$3,839	\$3,410	(\$429)	-13%	
Bank Fees	\$32,645	\$31,695	(\$951)	-3%	
Liability Insurance Expense	\$22,138	\$22,091	(\$47)	0%	
Other Expenses	\$11,524	\$35,095	\$23,571	67%	
Total Operating Expenses	\$2,919,697	\$2,991,186	\$71,490	2%	
Net surplus/(deficit) - Operating	\$522,560	\$274,812	\$247,748	90%	
Capital Revenue	\$81,648	\$83,648	(\$2,000)	-2%	
Less: depreciation	\$163,651	\$162,579	(\$1,072)	-1%	
Net Surplus/(Deficit) - Capital	(\$82,003)	(\$78,931)	(\$3,072)	-4%	
Endowment Revenue	\$1,325	\$1,550	(\$225)	-15%	
Net Surplus/(Deficit) - Endowment	\$1,325	\$1,550	(\$225)	-15%	
Contributions	\$26,396	\$19,053	\$7,343	39%	
Less: In-kind expense	\$24,146	\$17,553	(\$6,593)	-38%	
Net surplus/(deficit) - In-Kind	\$2,250	\$1,500	\$750	50%	
BEGINNING NET ASSETS	\$0	\$0	\$0	0%	
NET SURPLUS/(DEFICIT)	\$444,132	\$198,931	\$245,201	123%	
ENDING NET ASSETS	\$444,132	\$198,931	\$245,201	123%	

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

For the month ended March 31, 2017

	Prior Year	Current Year	Variance	%	Notes
	Actual 7/1/2015- 3/31/2016	Actual 7/1/2016- 3/31/2017			
Operating Revenue					
Operating Revenue					
Donations	\$2,186,878	\$2,695,494	\$508,616	23%	CenturyLink community match donations received in July this year (historically these donations have been received in June). Farm to Table dinner was in July 2016 - Plate Expectations auction event was in June of 2015, causing a timing variance.
Program Service Revenue					
MOW Home Delivered Meal Revenue	\$322,897	\$340,641	\$17,744	5%	program growth
Contract Revenue (Grand Ronde)	\$63,556	\$83,982	\$20,425	32%	contract increased for current term
Food Service Revenue	\$79,894	\$88,497	\$8,603	11%	Dining room sales are up due to OAA reimbursement
Vocational Training Contract Revenue	\$37,430	\$104,441	\$67,011	179%	More program participants are engaged
Farm Revenue	\$8,873	\$26,550	\$17,677	199%	Increase is due to Mill Creek farm revenue
Food Product Sales	\$15,064	\$13,500	(\$1,564)	-10%	no CSA program this year due to Youth Farm move.
SNAP Outreach	\$15,343	\$25,936	\$10,593	69%	SNAP Outreach and education program new this fiscal year.
Miscellaneous Revenue	\$17,239	\$13,395	(\$3,844)	-22%	
Total Program Service Revenue	\$560,297	\$696,941	\$136,644	24%	
Interest and investments	(\$32,976)	\$49,822	\$82,798	251%	YTD investment results were higher than projected.
Total Operating Revenue	\$2,714,199	\$3,442,257	\$728,059	27%	
Operating Expenses					
Emergency Food Purchase (for distribution)	\$152,889	\$137,508	\$15,380	10%	Timing. Funds available and food purchase patterns differ from year to year.
Production Food Purchases	\$124,500	\$133,131	(\$8,631)	-7%	
Salaries & Related Expenses	\$1,673,332	\$1,787,400	(\$114,067)	-7%	\$49k increase in JOBS+ program salaries, new driver and community food systems coordinator this year, salary increases
Contracts & Professional Fees	\$145,143	\$111,469	\$33,674	23%	less consultant expense this year, salary study costs included in last years expense.
Supplies, Printing, Postage	\$167,468	\$182,729	(\$15,261)	-9%	
Program Supplies	\$88,590	\$98,816	(\$10,227)	-12%	Timing of large supply purchases vary based on program need. Stretch film, repack machine bags and MOW meal trays were all purchased, which are expected to last for several months. Additional supplies were purchased that will be partially reimbursed through SNAP Outreach.
Network Development	\$4,853	\$1,209	\$3,644	75%	less projects requested by agencies
Occupancy Expenses	\$143,522	\$134,038	\$9,484	7%	

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

For the month ended March 31, 2017

	Prior Year		Current Year		Variance	%	Notes
	Actual 7/1/2015- 3/31/2016	Actual 7/1/2016- 3/31/2017	\$	%			
Equipment and Vehicle Expenses	\$81,423	\$98,098	(\$16,675)	-20%		increase in necessary repairs this fiscal year	
Meetings & Professional Development	\$40,056	\$32,854	\$7,202	18%		Last year, more staff training took place in the first quarter due to Closing the Hunger Gap conference and other trainings	
Volunteer & Donor Development	\$15,082	\$10,147	\$4,935	33%			
Advertising, Marketing & Event Expenses	\$64,961	\$80,938	(\$15,977)	-25%		Farm to Table event in July 2016, increasing expense \$32,000 in the current fiscal year (Plate Expectations was in June historically). Event revenue was also recorded in the current year.	
Computer Expenses	\$58,207	\$41,214	\$16,994	29%		no large-scale technology upgrades so far this year - Upgrades will be needed this year.	
Membership Dues	\$3,195	\$3,839	(\$644)	-20%			
Bank Fees	\$23,679	\$32,645	(\$8,966)	-38%			
Liability Insurance Expense	\$21,328	\$22,138	(\$810)	-4%			
Other Expenses	\$1,571	\$11,524	(\$9,953)	-634%		MOW bad debt expense is being accounted for through the year. Last year, \$29,000 was written off in June. So far this year, \$10,566 has been identified as uncollectible.	
Total Operating Expenses	\$2,809,799	\$2,919,697	(\$109,898)	-4%			
Net surplus/(deficit) - Operating	(\$95,601)	\$522,560	\$618,161	647%			
Capital Revenue	\$103,634	\$81,648	(\$21,986)	-21%			
Less: depreciation	\$160,967	\$163,651	(\$2,683)	-2%			
Net Surplus/(Deficit) - Capital	(\$57,334)	(\$82,003)	(\$24,669)	-43%		\$45,000 received for truck replacement, additional funds for warehouse dock project, additional funds for Youth Farm relocation	
Endowment Revenue	\$101,535	\$1,325	(\$100,210)	-99%			
Net Surplus/(Deficit) - Endowment	\$101,535	\$1,325	(\$100,210)	-99%			
Contributions	\$17,754	\$26,396	\$8,641	49%			
Less: In-kind expense	\$11,104	\$24,146	(\$13,041)	-117%			
Net surplus/(deficit) - In-Kind	\$6,650	\$2,250	(\$4,400)	-66%			
NET SURPLUS/(DEFICIT)	(\$44,749)	\$444,132	\$488,882	1092%			

Capital

Endowment

In-kind

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	Revenue related to investment gains/losses and interest earnings
Interest and investments	
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 contractor 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) costs to maintain and insure vehicles and equipment
Equipment and Vehicle Expenses	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.
Meetings & Professional Development	

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	
Net surplus/(deficit) - Operating	Operating revenue less operating expenses
Capital	
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.
Net Surplus/(Deficit) - Capital	Capital revenue less depreciation
Endowment	
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.
Net Surplus/(Deficit) - Endowment	
In-kind	
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 amount used to realize the expense.
Net surplus/(deficit) - In-Kind	In-kind contributions less in-kind expenses.
BEGINNING NET ASSETS	Value of the organization's assets, less liabilities, at the beginning of the period.
NET SURPLUS/(DEFICIT)	Total revenue less total expenses (includes operating, capital, endowment and in-kind)
ENDING NET ASSETS	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

	<u>Past Year</u>	<u>Current Year</u>
	<u>Fiscal Year to Date</u>	<u>Fiscal Year to Date</u>
	<u>Actual</u>	<u>Actual</u>
	<u>7/1/2015 -</u>	<u>7/1/2016 -</u>
	<u>3/31/2016</u>	<u>3/31/2017</u>
Operating Revenue		
Donor Communications	\$394,102	\$485,826
Events	\$59,600	\$159,822
Food and Food Drives	\$481,599	\$445,161
Fundraisers	\$23,226	\$20,750
Grant Proposals	\$291,592	\$375,732
Mission and Brand Awareness	\$450,836	\$407,428
Monthly Sustainer Circle	\$467,370	\$572,642
Online Solicitations	\$14,601	\$9,323
Planned Gifts	\$11,230	\$61,389
Personal Solicitations	\$13,500	\$150,166
Total Operating Revenue	\$2,207,657	\$2,688,239
Capital Revenue		
Donor Communications	\$36,173	\$0
Fundraisers	\$8,365	\$0
Grant Proposals	\$33,023	\$101,413
Mission and Brand Awareness	\$100	\$0
Monthly Sustainer Circle	\$100	\$0
Personal Solicitations	\$0	\$45,000
Total Capital Revenue	\$77,761	\$146,413
Endowment Revenue		
Donor Communications	\$1,510	\$1,275
Food and Fund Drives	\$0	\$0
Mission and Brand Awareness	\$25	\$50
Planned Gifts	\$100,000	\$0
Personal Solicitation	\$0	\$0
Total Endowment Revenue	\$101,535	\$1,325
Total Revenue	\$2,386,952	\$2,835,977

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.