



Marion-Polk Food Share
Board Retreat
January 26, 2019

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Please note: in addition to the Board Retreat agenda are documents that would normally be sent as part of the Board packet.



AGENDA

Board Retreat
Saturday, January 26, 2019

9:00 – 11:30	Advocacy Training
11:30 – 11:45	Break – Lunch boxes
11:45 – 12:00	Business Items & Updates
12:00 – 1:00	Board Engagement

Dates to Remember

February 28, 2019 Board Meeting at AWARE in Woodburn



Date: January 18, 2019
To: Board of Directors
From: Julie Hambuchen
Re: Development news

Chefs' Nite Out Gift Delivery

Thank you to all Board members who delivered holiday gifts to Chefs' Nite Out restaurants, wineries and other participants. Your effort to deliver those gifts and share our appreciation makes a positive difference in those relationships.

Matching Challenge Updates

Generous donors have now given \$71,000 and pledged \$29,000 toward the Brenden Family Foundation Leadership Giving Match, which means we've reached our \$100,000 goal. Another donor provided a year-end \$50,000 matching challenge, which raised \$51,741 in the final days of 2018.

Holiday Events

Two great community partners made significant donations to the Food Share from their holiday events. Willamette Art Center donated \$20,000 from their Empty Bowls fundraiser, and the Gubser Neighborhood Association donated \$26,284 from their Miracle of Christmas Lights Display.

Upcoming Food and Fund Drives

The Governor's State Employee Food Drive is coming up in February, followed by Rotary in March, and City of Salem and Marion County in April.



Board Committee Updates January Board Update

Executive Committee

The Executive Committee met on Thursday, January 17 and discussed the following:

- Finalized CEO severance package proposal and will bring to Board in May
- Rick shared about other general pressures of managing a growing organization

Governance Committee

The Governance Committee met on Friday, January 11 and discussed the following:

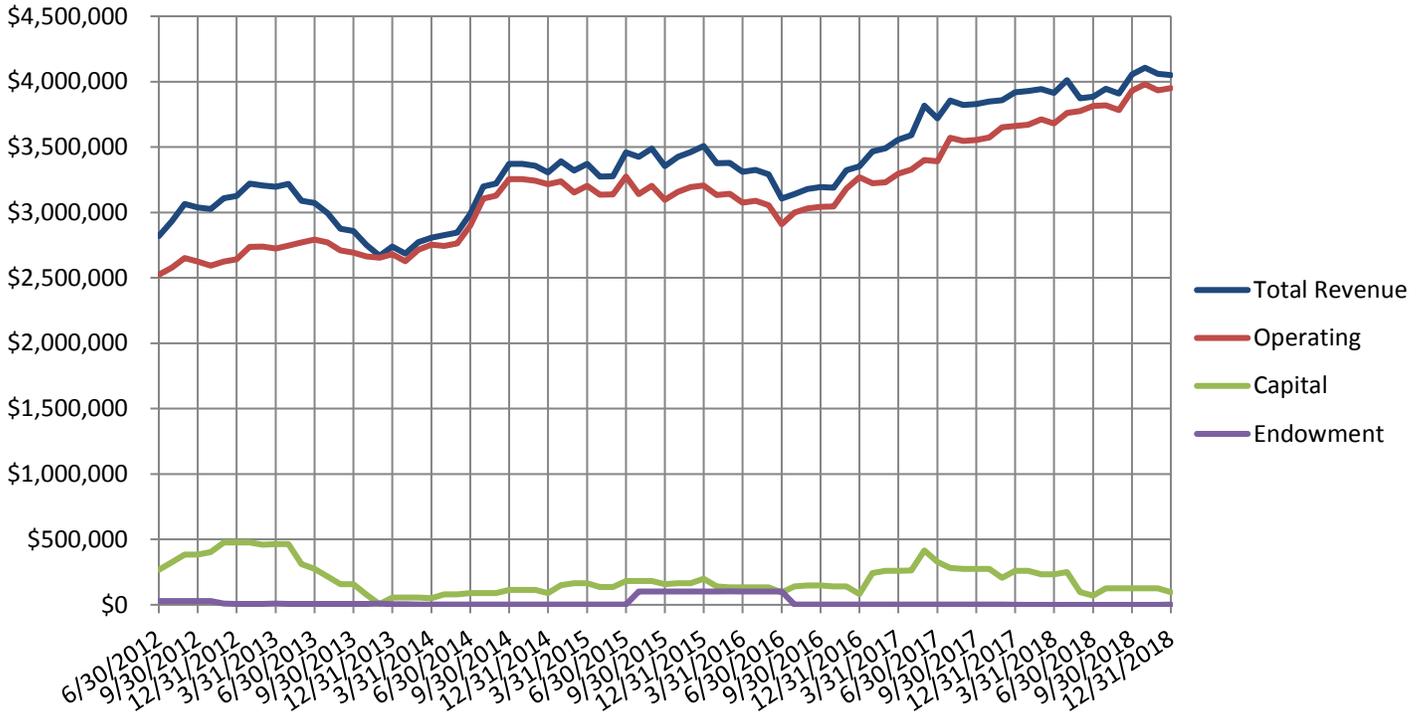
- Board Retreat details for Saturday, January 26th
- Creating a formal process for interviewing board members
- Reviewed and confirmed the Conflict of Interest Policy (to be reviewed each November by the Governance Committee)
- Rick will work with Mike to follow up with Chris Mercer about his interest in serving as a Board member. Frances and Mike will attempt to meet with prospective applicants in Woodburn

Finance Committee

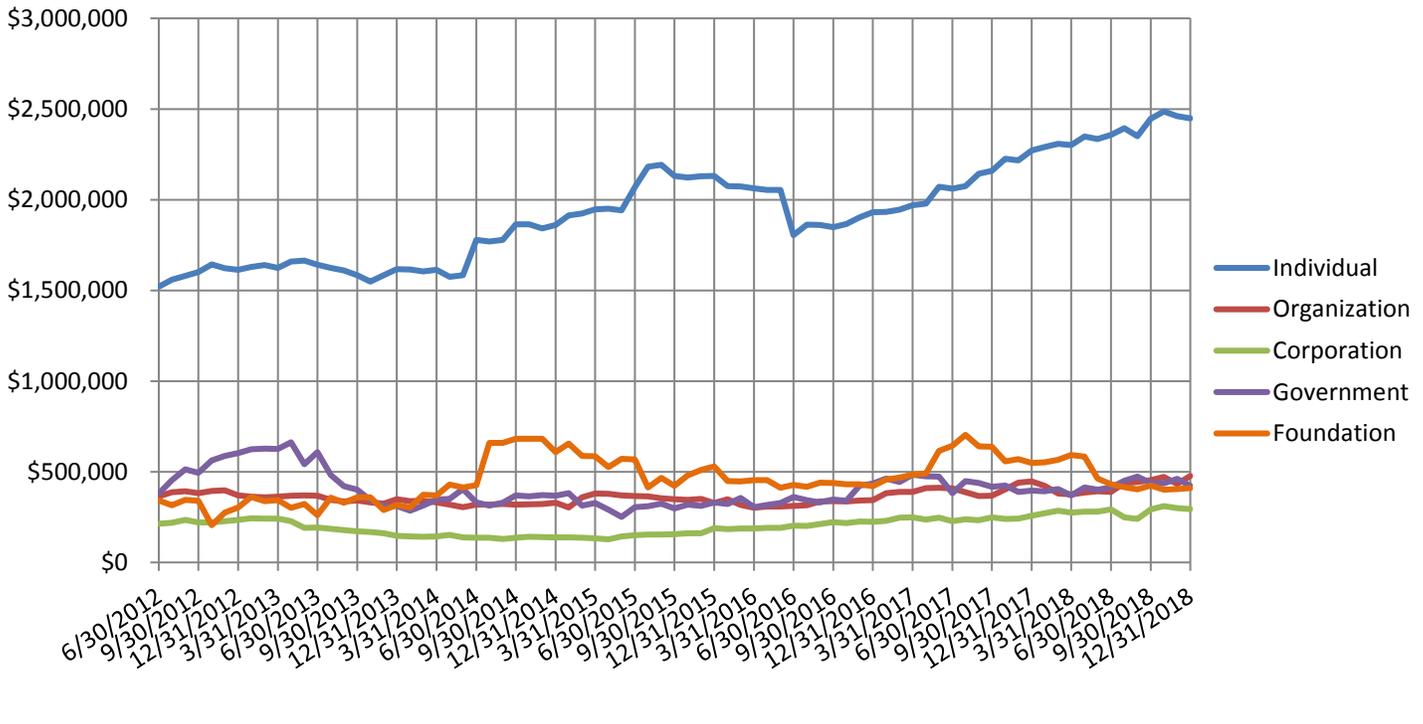
The Finance Committee met on Thursday, January 17 and discussed the following:

- The favorable year-to-date operating results,
- Progress on consolidating cash to invest \$1.4 million in bank certificates of deposit, and
- Meals on Wheels program growth in the face of staffing and facility constraints.

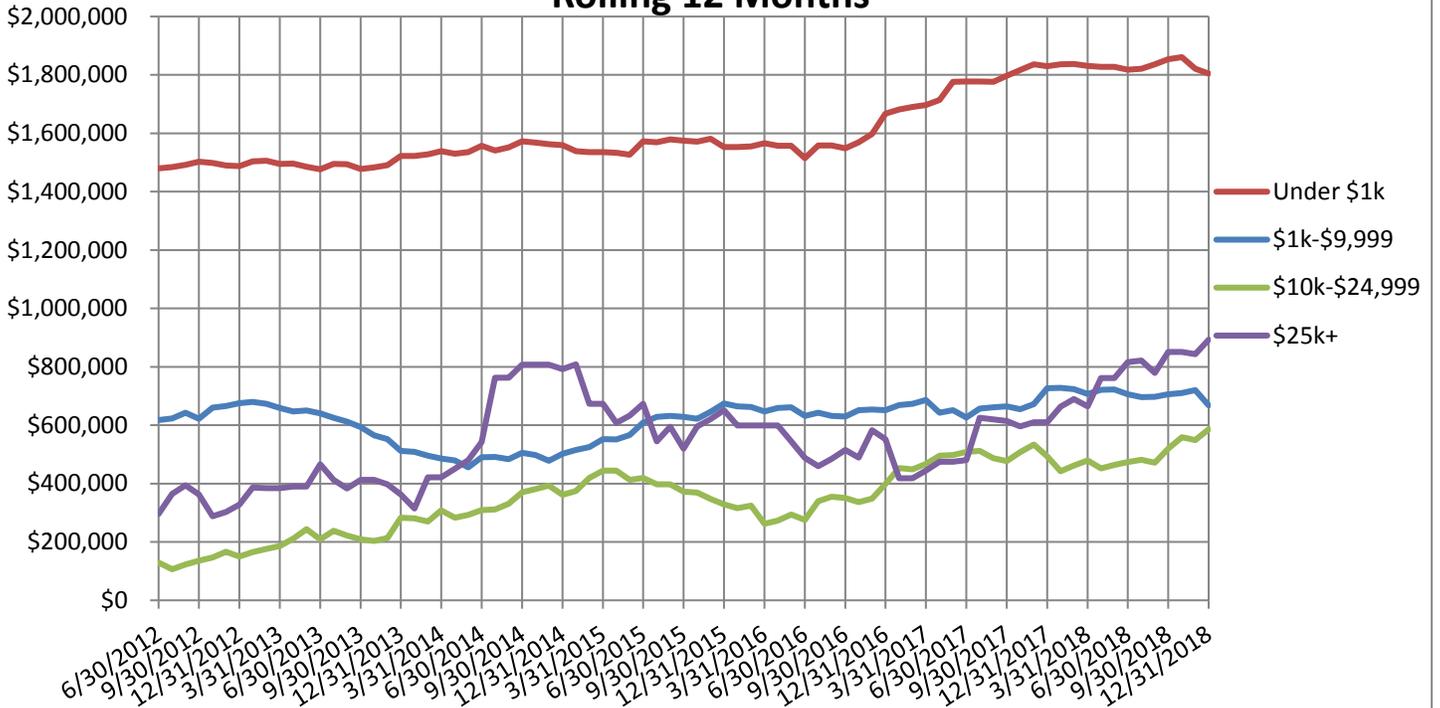
Total Giving by Fund Type Rolling 12 Months



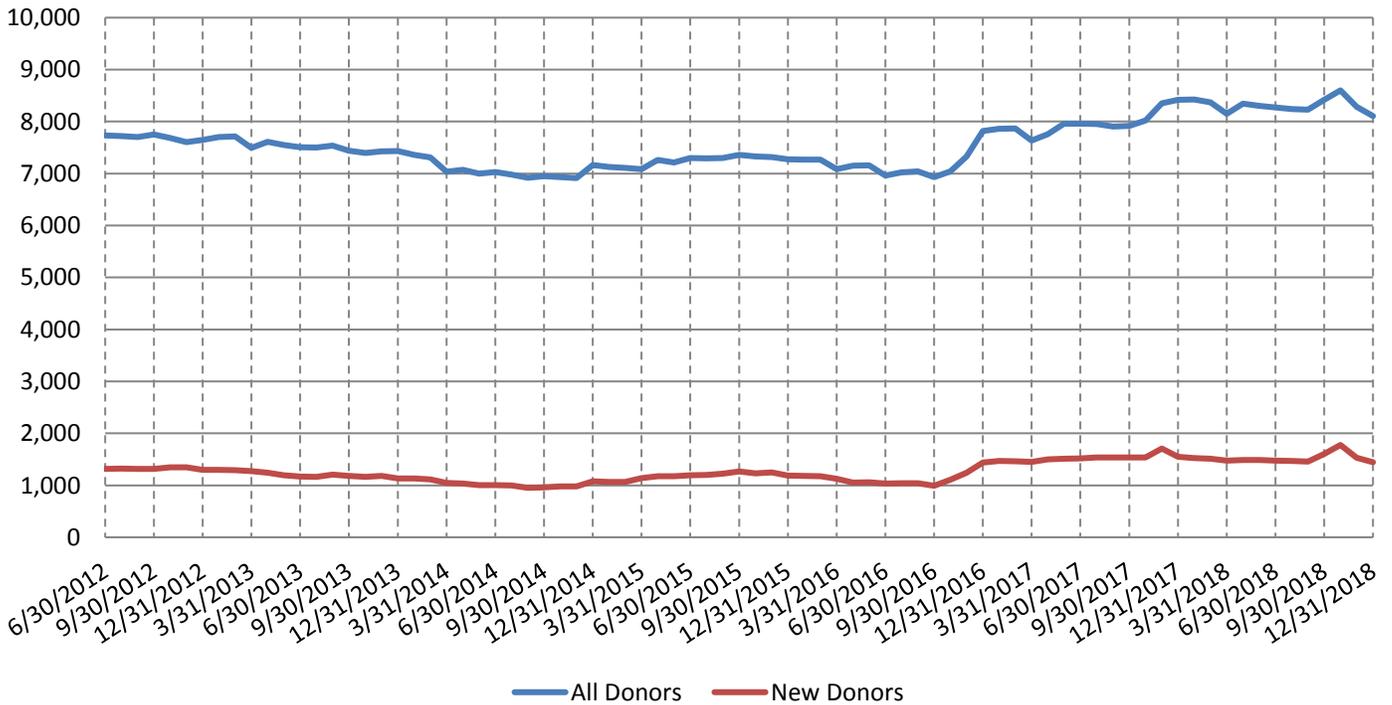
Total Giving by Constituent Type Rolling 12 Months



Operating Gifts by Gift Size Rolling 12 Months



Number of Donors Rolling 12 Months





**Marion-Polk Food
Share
Financial Reports for
Board Packet
January 2019**

Financial Reports

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MEMO

Date: January 11, 2019

To: Marion-Polk Food Share Board of Directors

From: James E. Green

Re: December 2018 Financials

Summary

The first half of fiscal year 2019 (ended December 31) showed strong financial performance. The organization is healthy with a net operating surplus of \$376,000. That is \$182,000 better than budget, yet \$244,000 worse than last year. Cash and investments totaled \$3.1 million, \$394,000 better than last year.

The operating surplus year-to-date is better by slightly more than the annual budgeted operating deficit. Meaning: if the second half is on budget, we would break even this year and have no deficit. However, we know we received some major gifts earlier than budgeted.

Because donated food has not all been distributed, the overall net surplus was \$635,000. That is \$510,000 better than budget and \$66,000 better than last year. Total net assets increased by \$310,000 from last year.

Some highlights:

Statement of Financial Position - Year-over-Year (Report 1):

- Food inventory was \$222,000 better than last year.
- Investments were \$934,000 better than last year after moving cash from checking and money market accounts to our brokerage account to invest in bank certificates of deposit.
- Investments included \$1.2 million of laddered CDs yielding an overall 2.5% interest.

Statement of Cash Flows – Year-over-Year (Report 2):

- Capital expenditures were \$40,000 included work in process on route planning software for Meals on Wheels and for a new phone system.

Statement of Activities - Actual to Budget/Year-over-Year Variance (Report 3):

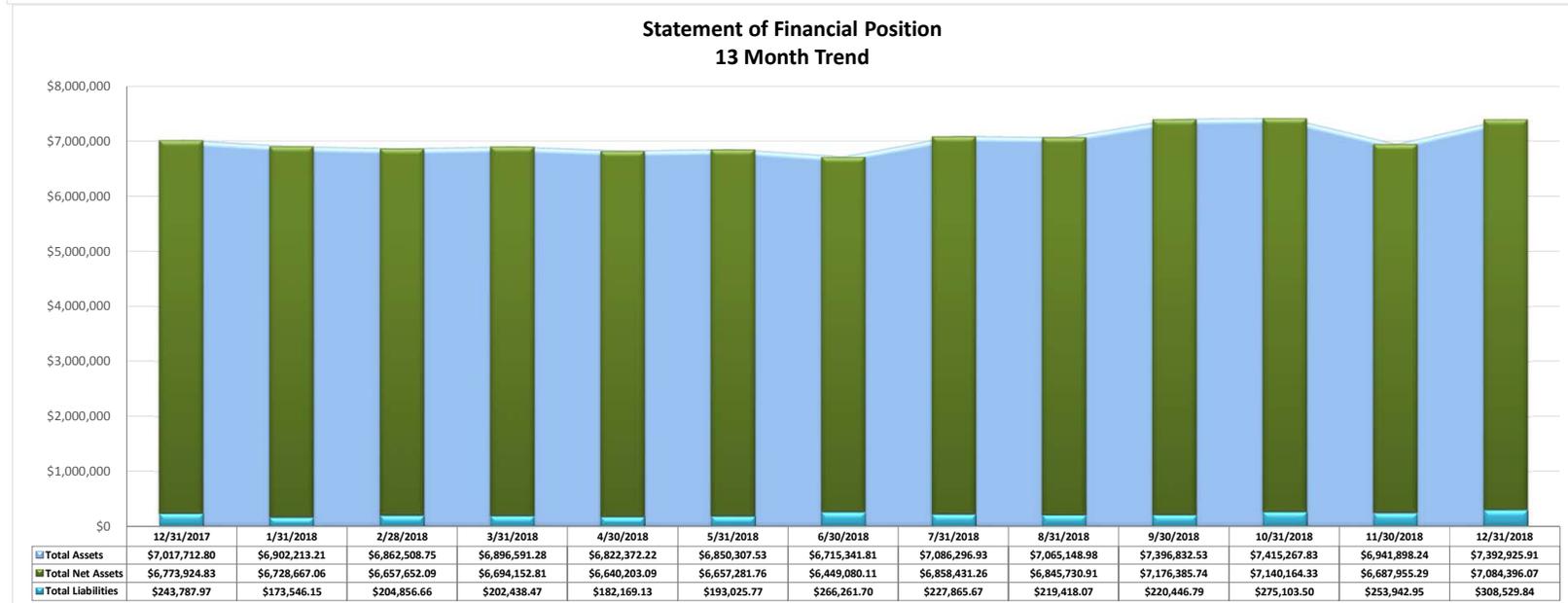
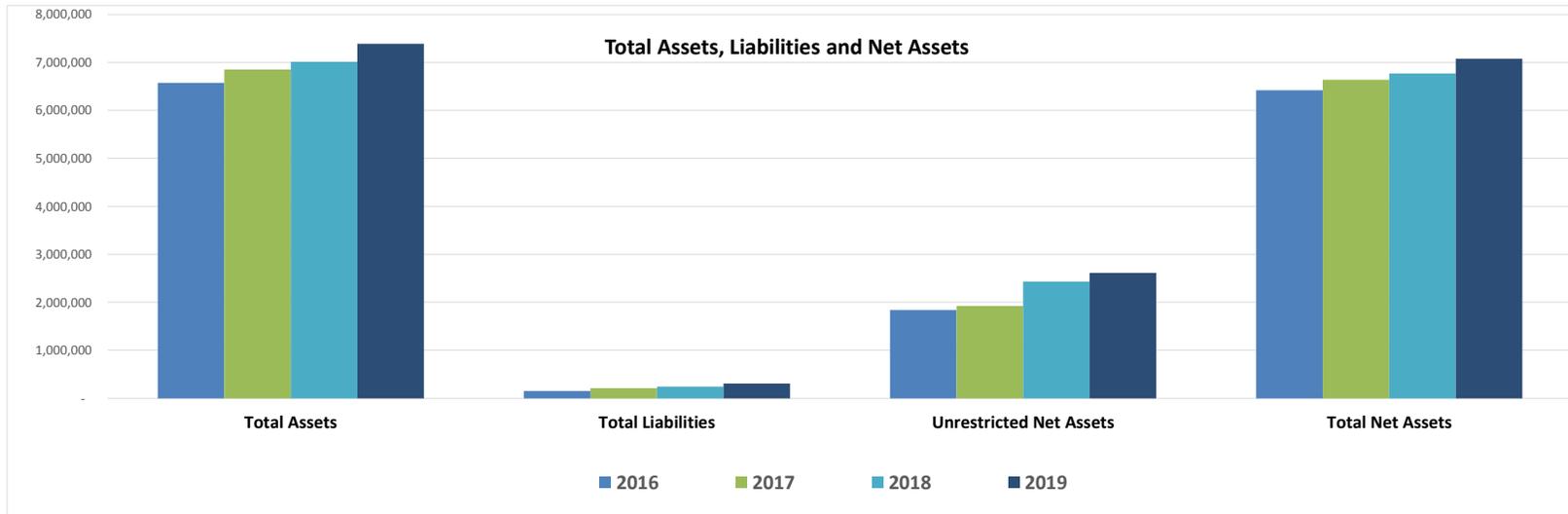
Operating revenue was nearly \$142,000 better than budget.

- Donation revenue was \$147,000 better than to budget. Donation revenue was also \$87,000 better than last year. Approximately half this variance is the timing of budgeted donations.

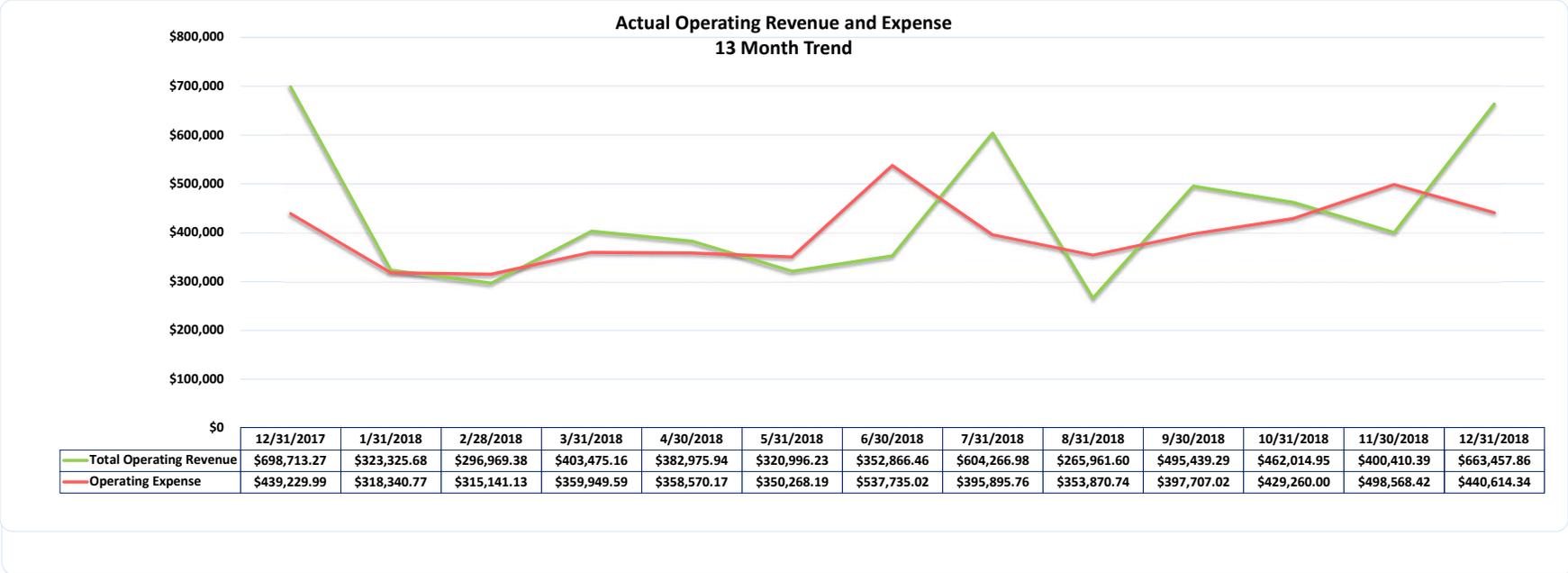
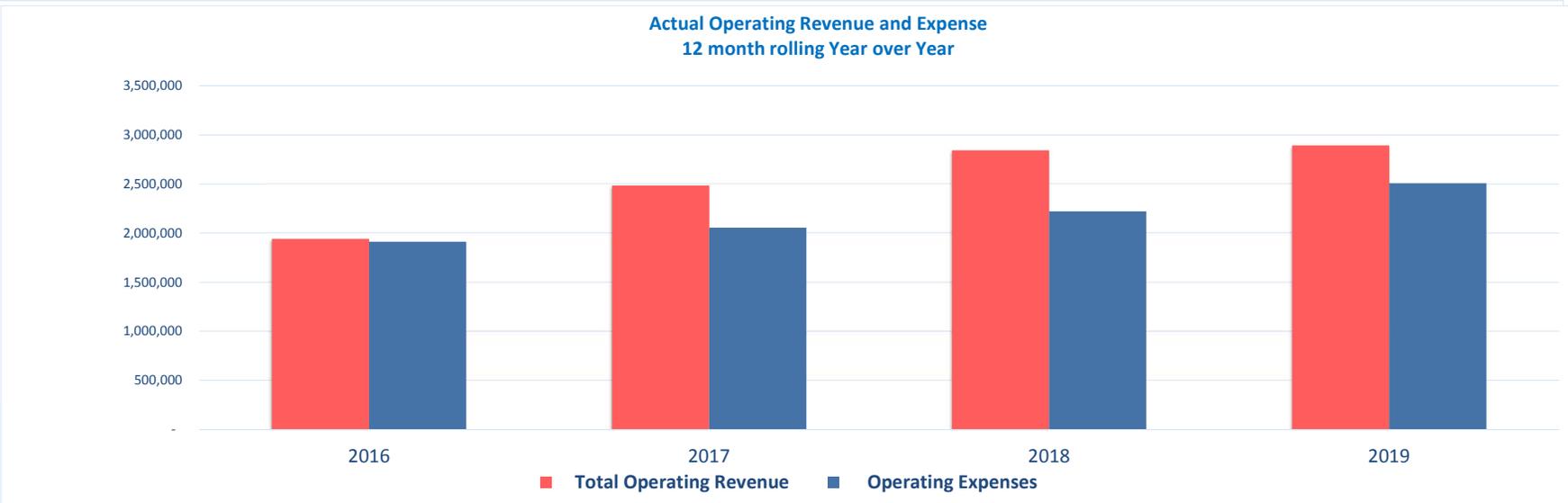
Operating expenses were \$40,000 better than budget.

- Food purchased was \$27,000 worse than budget due to the timing.
- Salaries & related were \$50,000 better than budget primarily due to vacancies. It was \$243,000 worse than last year due to several new hires, higher vacancies last year, and some market adjustments.
- Contracts and professional fees was \$27,000 worse than budget due to temporary help in the warehouse and accounting.
- Supplies, printing, postage were \$50,000 better than budget due to timing of development activities.
- Program supplies were \$18,000 worse than budget due to timing of Meals on Wheels consumable purchases.
- Occupancy was \$13,000 worse than budget due to the timing of roof and gutter maintenance and replacement of a water heater.
- Other expense was \$14,000 better than budget due to lower bad debt expense in Meals on Wheels.

**Marion-Polk Food Share, Inc.
December 2018**



Marion-Polk Food Share, Inc.
December 2018



Marion-Polk Food Share

Statement of Financial Position - Year over Year Review

As of December 31, 2018

	Current year	Prior year	
	Actual 12/31/2018	Actual 12/31/2017	Variance Fav (Unfav)
ASSETS			
Cash and other assets			
Liquid cash, cash equivalents	\$937,301	\$1,477,116	(\$539,815)
Accounts & grants receivable, net	\$159,173	\$225,625	(\$66,452)
Prepaid expenses and deferred charges	\$111,171	\$107,435	\$3,736
Total cash and other assets	<u>\$1,207,645</u>	<u>\$1,810,176</u>	<u>(\$602,531)</u>
Inventory			
Food inventory	\$938,255	\$716,716	\$221,538
Total Inventory	<u>\$938,255</u>	<u>\$716,716</u>	<u>\$221,538</u>
Investments			
Investments	\$1,910,176	\$976,713	\$933,463
Investments - OCF True Endowment	\$254,412	\$253,831	\$581
Total Investments	<u>\$2,164,588</u>	<u>\$1,230,545</u>	<u>\$934,043</u>
Land, buildings and equipment, net			
Land, buildings, and equipment, net	\$3,082,439	\$3,260,277	(\$177,838)
Total Land, buildings and equipment, net	<u>\$3,082,439</u>	<u>\$3,260,277</u>	<u>(\$177,838)</u>
Total ASSETS	<u><u>\$7,392,926</u></u>	<u><u>\$7,017,713</u></u>	<u><u>\$375,213</u></u>
LIABILITIES & NET ASSETS			
Liabilities			
Accounts payable and accrued expenses	\$184,027	\$128,245	(\$55,782)
Deferred revenue	\$30,530	\$30,000	(\$530)
Accrued payroll liabilities	\$93,973	\$85,543	(\$8,430)
Total Liabilities	<u>\$308,530</u>	<u>\$243,788</u>	<u>(\$64,742)</u>
Net assets			
Unrestricted	\$2,615,893	\$2,436,738	\$179,155
Temporarily restricted	\$209,853	\$161,595	\$48,259
Permanently restricted	\$237,955	\$237,650	\$305
Land, buildings and equipment, net	\$3,082,439	\$3,265,475	(\$183,036)
Inventory	\$938,255	\$672,466	\$265,789
Total Net assets	<u>\$7,084,396</u>	<u>\$6,773,925</u>	<u>\$310,471</u>
Total LIABILITIES & NET ASSETS	<u><u>\$7,392,926</u></u>	<u><u>\$7,017,713</u></u>	<u><u>(\$375,213)</u></u>

* 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 \$702,271

Marion-Polk Food Share
Statement of Cash Flows
YTD ending December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

NET SURPLUS/(DEFICIT) FOR PERIOD	\$	635,316
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		331,409
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		966,725

CASH FLOWS FROM INVESTING ACTIVITIES

CASH FLOWS FROM INVESTING (CAPITAL) ACTIVITIES		
Increase in Investments-Wells Fargo Advisors		(1,199,744)
Furniture, fixtures, & equip		(33,649)
Construction in progress		(6,187)
TOTAL CASH FLOWS FROM INVESTING (CAPITAL) ACTIVITIES		(1,239,580)
NET INCREASE/(DECREASE) IN CASH		(272,856)
CASH AND CASH EQUIVALENTS AS OF 7/1/2018		1,210,157
CASH AND CASH EQUIVALENTS AS OF 12/31/2018	\$	937,301

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

	Year-to-Date	Budget		Year-over-Year			
	Current Year FY 19 Actual 7/1 - 12/31/2018	Budget (Approved Oct 2018) 7/1 - 12/31/2018	\$ Variance Fa (Un)	% Variance Fa (Un)	Last Year FY 18 Actual 7/1 - 12/31/2017	\$ Variance Fa (Un)	% Variance Fa (Un)
Operating							
Operating Revenue							
Donations	\$2,348,460	\$2,201,730	\$146,730	7 %	\$2,261,668	\$86,792	4 %
Program Service Revenue	\$516,071	\$518,246	(\$2,175)	0 %	\$504,977	\$11,095	2 %
Interest and investments	\$27,019	\$29,214	(\$2,194)	(8)%	\$73,662	(\$46,642)	(63)%
Total Operating Revenue	<u>\$2,891,551</u>	<u>\$2,749,191</u>	<u>\$142,361</u>	<u>5 %</u>	<u>\$2,840,306</u>	<u>\$51,245</u>	<u>2 %</u>
Operating Expenses	\$2,515,916	\$2,555,915	\$39,998	2 %	\$2,221,162	(\$294,754)	(13)%
Net surplus/(deficit) - Operating	<u>\$375,635</u>	<u>\$193,276</u>	<u>\$182,359</u>	<u>94 %</u>	<u>\$619,144</u>	<u>(\$243,509)</u>	<u>(39)%</u>

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

	Year-to-Date	Budget		Year-over-Year			
	Current Year FY 19 Actual 7/1 - 12/31/2018	Budget (Approved Oct 2018) 7/1 - 12/31/2018	\$ Variance Fa (Un)	% Variance Fa (Un)	Last Year FY 18 Actual 7/1 - 12/31/2017	\$ Variance Fa (Un)	% Variance Fa (Un)
Food							
Donated food							
Food Received-Donated	\$4,622,811	\$4,262,101	\$360,709	8 %	\$3,994,276	\$628,534	16 %
Food Received-USDA	\$557,144	\$328,548	\$228,596	70 %	\$395,143	\$162,000	41 %
Total Donated food	\$5,179,955	\$4,590,649	\$589,305	13 %	\$4,389,420	\$790,535	18 %
Food distributed (donated)							
Distributed Food - USDA	\$487,865	\$328,548	(\$159,317)	(48)%	\$414,983	(\$72,883)	(18)%
Distributed Food - Non USDA	\$4,392,776	\$4,262,101	(\$130,674)	(3)%	\$3,930,188	(\$462,588)	(12)%
Total Food distributed	(\$4,880,641)	(\$4,590,649)	\$289,992	6 %	(\$4,345,170)	\$535,471	12 %
Total Food	\$299,314	\$0	\$299,314	0 %	\$44,250	\$255,064	576 %
Capital							
Capital Revenue	\$80,000	\$55,000	\$25,000	45 %	\$21,137	\$58,863	278 %
Less: depreciation	\$122,093	\$123,000	\$907	1 %	\$116,059	(\$6,033)	(5)%
Net Surplus/(Deficit) - Capital	(\$42,093)	(\$68,000)	\$25,907	38 %	(\$94,922)	\$52,829	56 %
Endowment							
Endowment Revenue	\$2,460	\$300	\$2,160	720 %	\$340	\$2,120	624 %
Net Surplus/(Deficit) - Endowment	\$2,460	\$300	\$2,160	720 %	\$340	\$2,120	624 %
In-kind							
Contributions	\$14,703	\$0	\$14,703	0 %	\$17,164	(\$2,460)	(14)%
Less: In-kind expense	\$14,703	\$0	(\$14,703)	0 %	\$17,164	\$2,460	14 %
Net surplus/(deficit) - In-Kind	\$0	\$0	\$0	0 %	\$0	\$0	0 %
BEGINNING NET ASSETS	\$6,449,080	\$6,449,080	\$0	0 %	\$6,205,113	\$243,967	4 %
NET SURPLUS/(DEFICIT)	\$635,316	\$125,576	\$509,740	406 %	\$568,812	\$66,504	12 %
ENDING NET ASSETS	\$7,084,396	\$6,574,656	\$509,740	8 %	\$6,773,925	\$310,471	5 %

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	
	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 account 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

	Past Year	Current Year	Variance
	Fiscal Year to Date	Fiscal Year to Date	Fiscal Year to Date
	Actual	Actual	Variance
	7/1/2017 -	7/1/2018 -	
	12/31/2017	12/31/2018	
Operating Revenue			
Donor Communications	\$431,186	\$374,778	(\$56,408)
Events	\$150,464	\$178,626	\$28,162
Food and Food Drives*	\$291,241	\$251,420	(\$39,822)
Fundraisers	\$8,086	\$33,112	\$25,027
Grant Proposals	\$268,038	\$398,753	\$130,714
Mission and Brand Awareness**	\$319,109	\$424,086	\$104,977
Monthly Sustainer Circle	\$386,617	\$388,612	\$1,995
Online Solicitations	\$11,005	\$8,251	(\$2,754)
Personal Solicitations	\$208,686	\$221,775	\$13,089
Annual Trust Distributions	\$47,095	\$47,450	\$355
Bequests	\$72,000	\$4,023	(\$67,977)
Total Operating Revenue	\$2,193,527	\$2,330,886	\$137,358
Capital Revenue			
Donor Communications	\$0	\$0	\$0
Fundraisers	\$0	\$0	\$0
Grant Proposals	\$41,160	\$25,000	(\$16,160)
Mission and Brand Awareness	\$0	\$0	\$0
Monthly Sustainer Circle	\$0	\$0	\$0
Personal Solicitations	\$12,500	\$55,000	\$42,500
Total Capital Revenue	\$53,660	\$80,000	\$26,340
Endowment Revenue			
Donor Communications	\$290	\$2,160	\$1,870
Food and Fund Drives	\$0	\$0	\$0
Mission and Brand Awareness	\$50	\$0	(\$50)
Online Solicitations	\$0	\$300	\$300
Planned Gifts	\$0	\$0	\$0
Personal Solicitation	\$0	\$0	\$0
Total Endowment Revenue	\$340	\$2,460	\$2,120
Total Revenue	\$2,247,527	\$2,413,346	\$165,818

* CenturyLink donation was \$100,000 in July 2017 and \$58,252 in July 2018.

** Includes stock gift valued at \$97,668, which was received in Sept 2018

Note: In this report, donations are recorded on a cash basis (when the donation arrives at the Food Share). These numbers will vary from other financial reports, which record revenue on an accrual basis. Government grants and event revenue are the most likely to have different cash and accrual dates.

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
Annual Trust Distributions	Annual distributions on trust funds held outside the Food Share's endowment
Bequests	Bequests and other legacy gifts