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MEMO

Date: December 18, 2018

To: Marion-Polk Food Share Board of Directors

From: James E. Green

Re: November 2018 Financials

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### *Summary*

The first five months of fiscal year 2019 (ended November 30) showed strong financial performance. The organization is healthy with a net operating surplus of \$150,000. That is \$243,000 better than budget yet \$210,000 worse than last year. The total surplus including donated food was \$236,000, \$375,000 better than budget but \$81,000 worse than last year. Total net assets increased by \$138,000 from last year. Cash and investments totaled \$2.8 million, \$172,000 better than last year.

### *Some highlights:*

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

- Food inventory was \$54,000 better than last year.
- Investments were \$766,000 better than last year after moving cash and money markets to our brokerage account to invest in bank certificates of deposit.

#### ***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):***

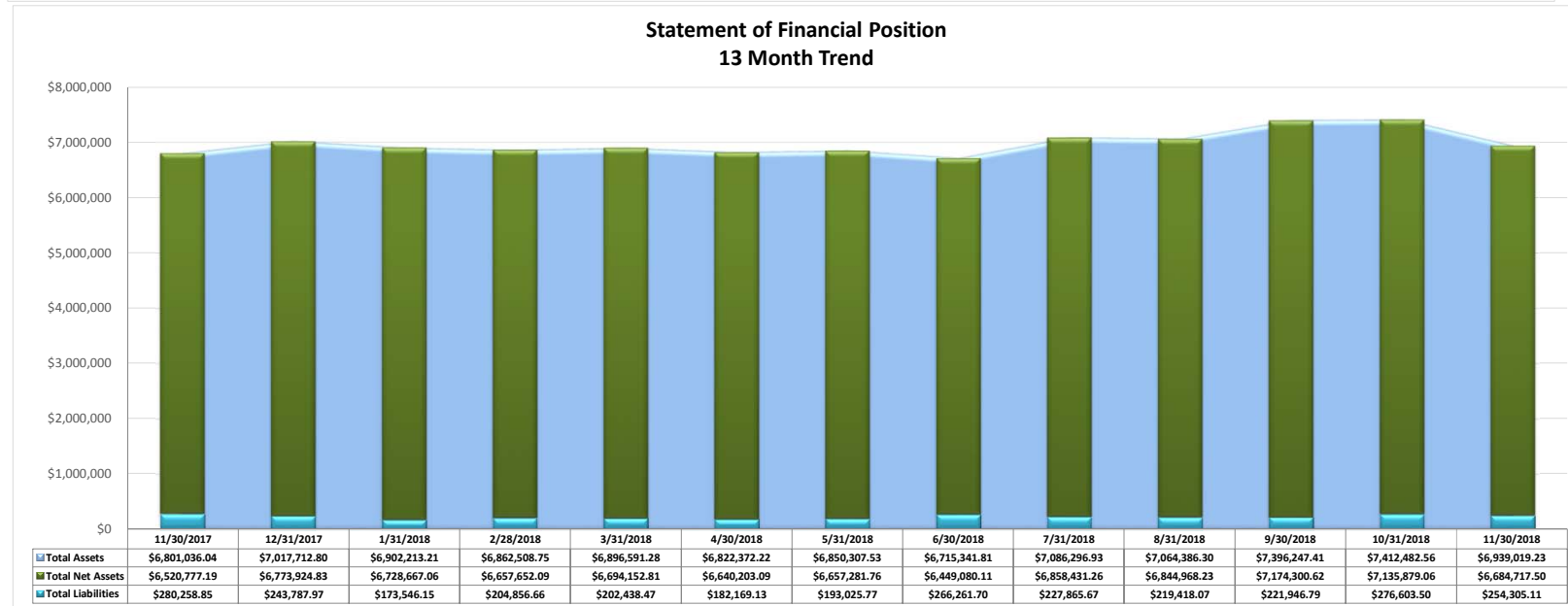
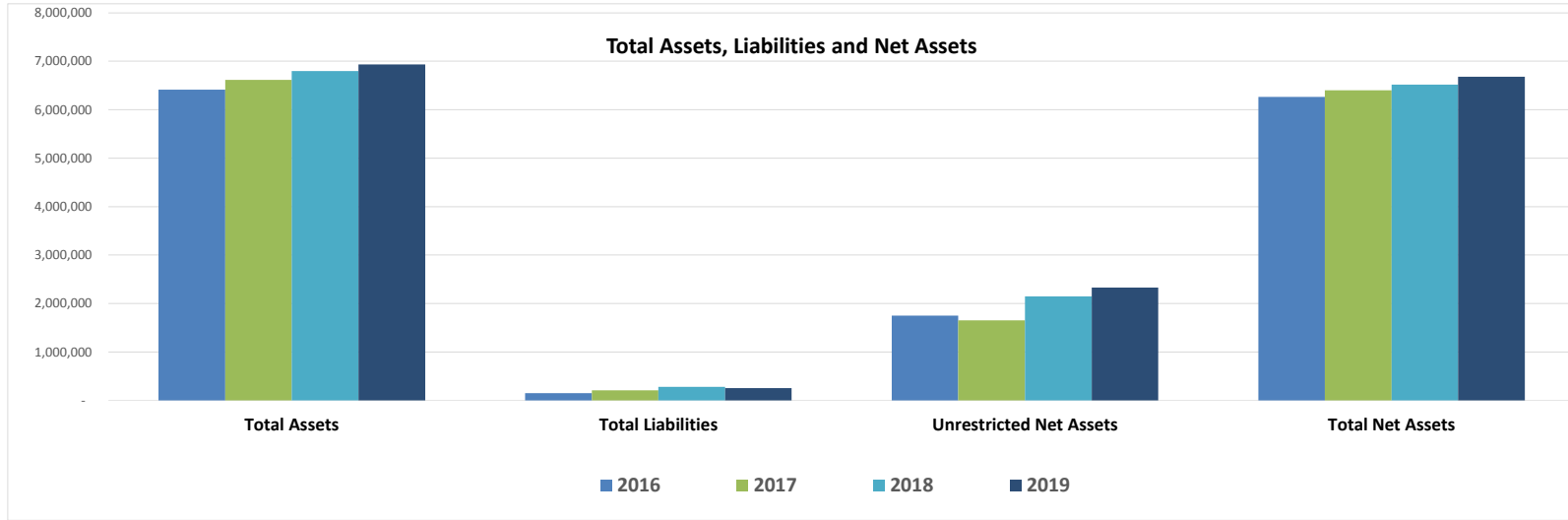
##### **Operating revenue was nearly \$179,000 better than budget.**

- Donation revenue was \$174,000 better than to budget. Donation revenue was also \$77,000 better than last year. Approximately half this variance is the timing of budgeted donations.

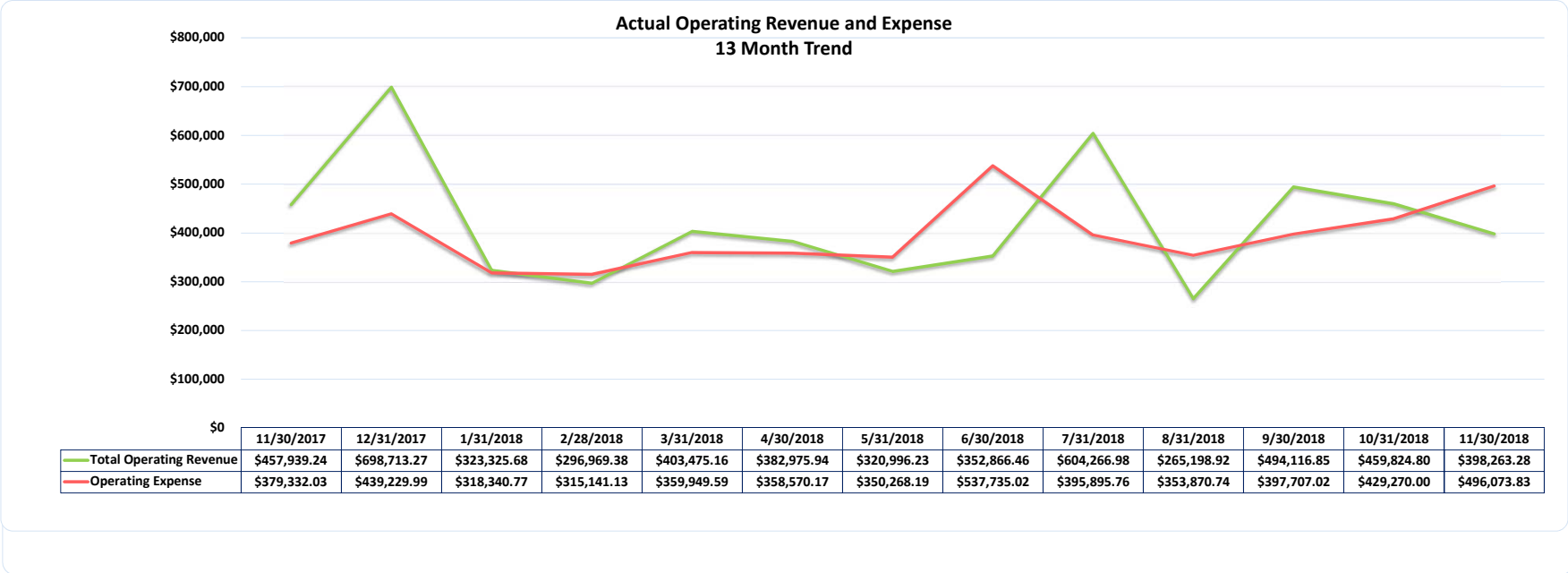
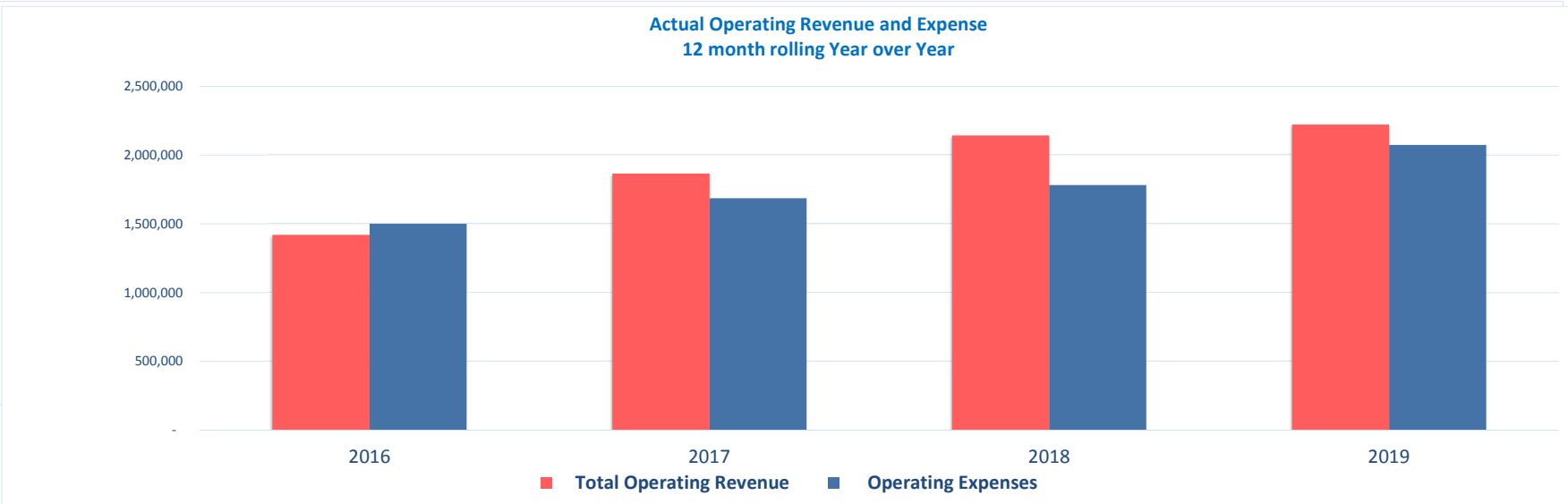
##### **Operating expenses were \$64,000 better than budget.**

- Food purchases were \$31,000 worse than budget due to the timing of purchases.
- Salaries & related were \$95,000 better than budget primarily due to vacancies. It was \$229,000 worse than last year.
- Contracts and professional fees was \$22,000 worse than budget due to temporary help in the warehouse.
- Supplies, printing, postage were \$19,000 better than budget due to timing of expenses.

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



Marion-Polk Food Share, Inc.  
November 2018



## Marion-Polk Food Share

### Statement of Financial Position - Year over Year Review

As of November 30, 2018

	Current year	Prior year	Variance Fav (Unfav)
	Actual	Actual	
	11/30/2018	11/30/2017	
<b>ASSETS</b>			
Cash and other assets			
Liquid cash, cash equivalents	\$802,063.25	\$1,396,397.44	(\$594,334.19)
Accounts & grants receivable, net	\$195,620.93	\$254,473.93	(\$58,853.00)
Prepaid expenses and deferred charges	\$100,909.64	\$96,548.73	\$4,360.91
Total cash and other assets	<u>\$1,098,593.82</u>	<u>\$1,747,420.10</u>	<u>(\$648,826.28)</u>
Inventory			
Food inventory	\$769,975.95	\$715,608.28	\$54,367.67
Total Inventory	<u>\$769,975.95</u>	<u>\$715,608.28</u>	<u>\$54,367.67</u>
Investments			
Investments	\$1,706,646.36	\$950,258.87	\$756,387.49
Investments - OCF True Endowment	\$259,653.13	\$249,266.80	\$10,386.33
Total Investments	<u>\$1,966,299.49</u>	<u>\$1,199,525.67</u>	<u>\$766,773.82</u>
Land, buildings and equipment, net			
Land, buildings, and equipment, net	\$3,104,149.97	\$3,138,481.99	(\$34,332.02)
Total Land, buildings and equipment, net	<u>\$3,104,149.97</u>	<u>\$3,138,481.99</u>	<u>(\$34,332.02)</u>
Total ASSETS	<u>\$6,939,019.23</u>	<u>\$6,801,036.04</u>	<u>\$137,983.19</u>
<b>LIABILITIES &amp; NET ASSETS</b>			
Liabilities			
Accounts payable and accrued expenses	\$130,373.67	\$164,757.54	\$34,380.49
Deferred revenue	\$30,530.00	\$30,000.00	(\$530.00)
Accrued payroll liabilities	\$93,398.06	\$85,501.31	(\$7,896.75)
Total Liabilities	<u>\$254,301.73</u>	<u>\$280,258.85</u>	<u>\$25,953.74</u>
Net assets			
Unrestricted	\$2,334,248.40	\$2,152,553.27	\$181,695.13
Temporarily restricted	\$238,387.71	\$313,105.21	(\$74,717.50)
Permanently restricted	\$237,955.00	\$237,310.00	\$645.00
Land, buildings and equipment, net	\$3,104,150.08	\$3,145,342.40	(\$41,192.32)
Inventory	\$769,976.31	\$672,466.31	\$97,510.00
Total Net assets	<u>\$6,684,717.50</u>	<u>\$6,520,777.19</u>	<u>\$163,940.31</u>
Total LIABILITIES & NET ASSETS	<u>\$6,939,019.23</u>	<u>\$6,801,036.04</u>	<u>\$137,983.19</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 November 30, 2018

### CASH FLOWS FROM OPERATING ACTIVITIES

NET SURPLUS/(DEFICIT) FOR PERIOD	\$235,637.39
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	395,836.25
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	631,473.64

### CASH FLOWS FROM INVESTING ACTIVITIES

<b>CASH FLOWS FROM INVESTING (CAPITAL) ACTIVITIES</b>	
Investments in Wells Fargo Advisors	(999,731.32)
Furniture, fixtures, & equip	(33,649.15)
Construction in progress	(6,187.02)
TOTAL CASH FLOWS FROM INVESTING (CAPITAL) ACTIVITIES	(1,039,567.49)
NET INCREASE/(DECREASE) IN CASH	(408,093.85)
CASH AND CASH EQUIVALENTS AS OF 7/1/2018	1,210,157.10
CASH AND CASH EQUIVALENTS AS OF 11/30/2018	\$802,063.25

**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 - 11/30/2018	Budget (Approved Oct 2018) 7/1 - 11/30/2018	\$ Variance Fa (Un)	% Variance Fa (Un)	Last Year FY 18 Actual 7/1 - 11/30/2017	\$ Variance Fa (Un)	% Variance Fa (Un)
Operating							
Operating Revenue							
Donations							
General donations and grants	\$1,314,061	\$1,160,316	\$153,745	13 %	\$1,195,660	\$118,402	10 %
Government grants and contracts	\$192,645	\$173,561	\$19,084	11 %	\$174,577	\$18,069	10 %
Special event revenue	\$201,271	\$200,181	\$1,090	1 %	\$193,171	\$8,100	4 %
Planned gifts	\$51,473	\$51,713	(\$240)	0 %	\$119,095	(\$67,623)	(57)%
Total Donations	\$1,759,451	\$1,585,771	\$173,679	11 %	\$1,682,503	\$76,947	5 %
Program Service Revenue							
MOW Home Delivered Meal Revenue	\$244,542	\$238,440	\$6,102	3 %	\$253,617	(\$9,075)	(4)%
Contract Revenue	\$47,657	\$46,657	\$1,000	2 %	\$46,657	\$1,000	2 %
Food Service Revenue	\$31,895	\$34,968	(\$3,073)	(9)%	\$47,235	(\$15,340)	(32)%
Vocational Training Contract Revenue	\$60,295	\$47,600	\$12,695	27 %	\$28,310	\$31,985	113 %
Farm Revenue	\$25,000	\$25,000	\$0	0 %	\$24,242	\$758	3 %
SNAP Programs	\$15,928	\$43,000	(\$27,072)	(63)%	\$10,735	\$5,193	48 %
Miscellaneous Revenue	\$14,452	\$7,350	\$7,102	97 %	\$12,892	\$1,560	12 %
Total Program Service Revenue	\$439,769	\$443,015	(\$3,246)	(1)%	\$423,687	\$16,082	4 %
Interest and investments	\$23,451	\$14,657	\$8,794	60 %	\$35,403	(\$11,951)	(34)%
Total Operating Revenue	\$2,222,671	\$2,043,443	\$179,228	9 %	\$2,141,593	\$81,078	4 %
Operating Expenses							
Emergency Food Purchase (for distribution)	\$92,503	\$78,099	(\$14,404)	(18)%	\$88,551	(\$3,951)	(4)%
Production Food Purchases	\$111,310	\$94,653	(\$16,657)	(18)%	\$85,673	(\$25,637)	(30)%
Salaries & Related Expenses	\$1,253,787	\$1,348,612	\$94,825	7 %	\$1,024,928	(\$228,859)	(22)%
Contracts & Professional Fees	\$105,353	\$83,586	(\$21,767)	(26)%	\$91,860	(\$13,493)	(15)%
Supplies, Printing, Postage	\$120,065	\$139,133	\$19,068	14 %	\$138,264	\$18,199	13 %
Program Supplies	\$67,847	\$61,008	(\$6,839)	(11)%	\$72,394	\$4,547	6 %
Network Development	\$2,679	\$2,500	(\$179)	(7)%	\$1,983	(\$696)	(35)%
Occupancy Expenses	\$87,156	\$74,447	(\$12,709)	(17)%	\$75,913	(\$11,243)	(15)%
Equipment and Vehicle Expenses	\$55,735	\$55,521	(\$214)	0 %	\$47,967	(\$7,768)	(16)%

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

Report 3

	Year-to-Date	Budget			Year-over-Year		
	Current Year FY 19 Actual 7/1 - 11/30/2018	Budget (Approved Oct 2018) 7/1 - 11/30/2018	\$ Variance Fa (Un)	% Variance Fa (Un)	Last Year FY 18 Actual 7/1 - 11/30/2017	\$ Variance Fa (Un)	% Variance Fa (Un)
Travel, Meetings and Trainings Expense	\$16,839	\$17,410	\$571	3 %	\$23,003	\$6,163	27 %
Volunteer & Donor Development	\$4,306	\$9,428	\$5,122	54 %	\$4,108	(\$198)	(5)%
Advertising, Marketing & Event Expenses	\$71,583	\$74,674	\$3,091	4 %	\$53,759	(\$17,824)	(33)%
Computer Expenses	\$45,361	\$52,640	\$7,278	14 %	\$37,615	(\$7,746)	(21)%
Membership & Related Costs	\$1,913	\$1,412	(\$501)	(35)%	\$1,892	(\$21)	(1)%
Bank Fees	\$18,808	\$21,907	\$3,098	14 %	\$19,276	\$467	2 %
Liability Insurance Expense	\$16,281	\$12,795	(\$3,486)	(27)%	\$13,201	(\$3,080)	(23)%
Other Expenses	\$1,290	\$8,783	\$7,493	85 %	\$1,545	\$255	17 %
Total Operating Expenses	<u>\$2,072,817</u>	<u>\$2,136,607</u>	<u>\$63,790</u>	<u>3 %</u>	<u>\$1,781,932</u>	<u>(\$290,885)</u>	<u>(16)%</u>
<b>Net surplus/(deficit) - Operating</b>	<u><b>\$149,853</b></u>	<u><b>(\$93,164)</b></u>	<u><b>\$243,018</b></u>	<u><b>261 %</b></u>	<u><b>\$359,661</b></u>	<u><b>(\$209,807)</b></u>	<u><b>(58)%</b></u>

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

Report 3

	Year-to-Date	Budget		Year-over-Year			
	Current Year FY 19 Actual 7/1 - 11/30/2018	Budget (Approved Oct 2018) 7/1 - 11/30/2018	\$ Variance Fa (Un)	% Variance Fa (Un)	Last Year FY 18 Actual 7/1 - 11/30/2017	\$ Variance Fa (Un)	% Variance Fa (Un)
Food							
Donated food							
Food Received-Donated	\$3,935,836	\$3,562,101	\$373,735	10 %	\$3,299,764	\$636,073	19 %
Food Received-USDA	\$412,839	\$278,548	\$134,291	48 %	\$336,298	\$76,541	23 %
Total Donated food	\$4,348,675	\$3,840,649	\$508,026	13 %	\$3,636,062	\$712,613	20 %
Food distributed (donated)							
Distributed Food - USDA	\$392,964	\$278,548	(\$114,416)	(41)%	\$336,993	(\$55,971)	(17)%
Distributed Food - Non USDA	\$3,824,676	\$3,562,101	(\$262,574)	(7)%	\$3,255,926	(\$568,749)	(17)%
Total Food distributed	(\$4,217,640)	(\$3,840,649)	\$376,990	10 %	(\$3,592,920)	\$624,720	17 %
Total Food	\$131,035	\$0	\$131,035	0 %	\$43,142	\$87,893	204 %
Capital							
Capital Revenue	\$55,000	\$55,000	\$0	0 %	\$8,637	\$46,363	537 %
Less: depreciation	\$100,381	\$102,500	\$2,119	2 %	\$96,006	(\$4,375)	(5)%
<b>Net Surplus/(Deficit) - Capital</b>	<b>(\$45,381)</b>	<b>(\$47,500)</b>	<b>\$2,119</b>	<b>4 %</b>	<b>(\$87,369)</b>	<b>\$41,987</b>	<b>48 %</b>
Endowment							
Endowment Revenue	\$130	\$250	(\$120)	(48)%	\$230	(\$100)	(43)%
<b>Net Surplus/(Deficit) - Endowment</b>	<b>\$130</b>	<b>\$250</b>	<b>(\$120)</b>	<b>(48)%</b>	<b>\$230</b>	<b>(\$100)</b>	<b>(43)%</b>
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 %
<b>Net surplus/(deficit) - In-Kind</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0 %</b>	<b>\$0</b>	<b>\$0</b>	<b>0 %</b>
<b>BEGINNING NET ASSETS</b>	<b>\$6,449,080</b>	<b>\$6,449,080</b>	<b>\$0</b>	<b>0 %</b>	<b>\$6,205,113</b>	<b>\$243,967</b>	<b>4 %</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$235,637</b>	<b>(\$140,414)</b>	<b>\$376,052</b>	<b>268 %</b>	<b>\$315,664</b>	<b>(\$80,027)</b>	<b>(25)%</b>
<b>ENDING NET ASSETS</b>	<b>\$6,684,718</b>	<b>\$6,308,666</b>	<b>\$376,052</b>	<b>6 %</b>	<b>\$6,520,777</b>	<b>\$163,940</b>	<b>3 %</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
	<b>Total Operating Expenses</b>	
<b>Capital</b>	<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.
<b>Endowment</b>	<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.
<b>In-kind</b>	<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	Variance
	Fiscal Year to Date	Fiscal Year to Date	Fiscal Year to Date
	Actual	Actual	Variance
	7/1/2017 -	7/1/2018 -	
	11/30/2017	11/30/2018	
<b>Operating Revenue</b>			
Donor Communications	\$204,525	\$199,570	(\$4,954)
Events	\$150,464	\$178,626	\$28,162
Food and Food Drives*	\$253,877	\$208,525	(\$45,351)
Fundraisers	\$6,549	\$11,095	\$4,546
Grant Proposals	\$241,980	\$365,878	\$123,898
Mission and Brand Awareness**	\$121,714	\$246,673	\$124,958
Monthly Sustainer Circle	\$318,445	\$319,132	\$687
Online Solicitations	\$1,405	\$3,330	\$1,925
Personal Solicitations	\$208,686	\$161,720	(\$46,966)
Annual Trust Distributions	\$47,095	\$47,450	\$355
Bequests	\$72,000	\$4,023	(\$67,977)
<b>Total Operating Revenue</b>	<b>\$1,626,740</b>	<b>\$1,746,022</b>	<b>\$119,282</b>
<b>Capital Revenue</b>			
Donor Communications	\$0	\$0	\$0
Fundraisers	\$0	\$0	\$0
Grant Proposals	\$0	\$0	\$0
Mission and Brand Awareness	\$0	\$0	\$0
Monthly Sustainer Circle	\$0	\$0	\$0
Personal Solicitations	\$0	\$55,000	\$55,000
<b>Total Capital Revenue</b>	<b>\$0</b>	<b>\$55,000</b>	<b>\$55,000</b>
<b>Endowment Revenue</b>			
Donor Communications	\$180	\$130	(\$50)
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
<b>Total Endowment Revenue</b>	<b>\$230</b>	<b>\$430</b>	<b>\$200</b>
<b>Total Revenue</b>	<b>\$1,626,970</b>	<b>\$1,801,452</b>	<b>\$174,482</b>

\* 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