

# MANNA FoodBank

## Summary of Financial Reports

For Quarters ending Dec 31, 2018

### Statement of Position:

MANNA continues to have a strong cash position; the combined Cash/Equivalents + Investments gives us 6.7 months of cash on hand. This bodes well for us given the current issues with the government shutdown and potential delays in payments on government grants.

Receivables, which include the remaining pledges from the Capital Campaign and the 3 year grant from BCNC, make up 15.3% of our total. Additionally, our liabilities are at 10.1% of our total assets which includes the payout to FBCENC for the Blue Cross NC grant. One of the new financial benchmarks that we are tracking is the current ratio for liquidity. This is defined as (Cash + current portion of Investments + current net pledges)/(Accounts Payable & Accrued Expenses + current portion of Long-term debt + other current liabilities). MANNA's Current Ratio is 4:1 with the benchmark being 2:1.

Based on all of these indicators, MANNA is in excellent financial health at this point in time. With the continued uncertainty of the political climate and potential impacts of the tax reform yet to be determined the financial health of MANNA is critical.

### Statement of Activities:

#### Revenues:

Contributions and Grants are 4% ahead of budget year to date but are lagging behind the prior year by 5.15%. This is really quite remarkable given the record receipts in 2017. Direct Mail\* is ahead of YTD budget by 9.81% and ahead of the prior year by nearly 4.71%. Special Event revenues have exceeded the YTD budget and the prior year receipts. Earned Income is 4% below budget but this is a timing issue only due to a change in the Ingles close out dates. It is important to note that in addition to the new revenues received in the first quarter, we also have \$475,493 of restricted grants recognized in the prior year that will actually be spent in the current fiscal year. The expenses related to these funds are included in the 2018-19 budget and actual expenses.

*{\* Direct Mail Revenues/Expense Ratio: \$554,522 revenues/\$143,572 expenses = 3.86:1}*

#### Expenses:

Total operating expenses (excluding non-cash) are 4.4% below budget. A couple of items to note are Equipment Expenses and Vehicle Operating Expenses. We have had some significant repairs to our forklifts that were unforeseen (approx. \$9600); we also sustained damages to one of our vehicles while it was parked in our lot resulting in \$13,274 in repairs and \$6765 in rental fees while the vehicle was undergoing repairs. However, there is an offsetting receipt of \$12,634 in other revenues which helps to offset this cost.

#### Adjustments to Change in Net Assets:

As a reminder, each year we have restricted grants that are recorded in a prior fiscal year but the expenses are in the current year. For the current fiscal year, we have \$475,493 in restricted grants that were recorded in 17-18 but the expenses are in the current year budget and statement of activities. This is accounted for, along with non-cash activities, as adjustments “below the line” so that you can see the cash flow impacts of these grants. This will continue to be a significant accounting issue for us with the BCNC grant that extends through 2021.