MANNA FoodBank

Summary of Financial Reports

For Quarter ending Dec 31, 2019

Statement of Position:

- The months of November and December were extremely good; our cash balance increased 52% over the ending balance in June; our reserves are at 7.4 months
- Receivables make up roughly 10% of our total assets
- Liabilities are roughly 7% of total assets
- Liquidity measure is a ratio of cash + current receivables compared to accounts payable and other current liabilities; our current ratio is 5.8:1 with the benchmark being 2:1

Based on all of these indicators, MANNA continues to show exceptionally strong financial health. We are so grateful for the continued support we receive from so many individuals, foundations, and corporations; we are mindful that many other organizations are struggling to raise support to continue with their work.

Based on the strong results of the year thus far, the senior management team is reviewing some potential recommendations for some budget adjustments. This will be discussed with the Finance Committee in detail and if further action is needed, this will be brought to the Board at a future date.

Statement of Activities:

Revenues:

- Contribution & Grant Income is 28% over budget for the year and is 13% ahead of the prior year—individual contributions have been very strong at 47.5% over budget; our combined direct mail receipts are 18% ahead of budget—we continue to buck the national trends in giving
- Bequests are 517% over budget for the year, totaling $254,202 received to date
- Special Event Income is 59% over budget YTD
- Earned Income is 10% ahead of budget for the year; both revenues from reclaim are up and revenues from the coop program
- We received an extra $179,000 from NCDA from the additional TEFAP funds they received and did not expend; this is above the earned admin fees for which we budgeted.

We are all extremely humbled and grateful for the outpouring of support that MANNA continues to receive; this fuels our commitment to continue to find as many ways as possible to get food to our neighbors throughout WNC AND to work towards finding ways to “shorten the line”. We will, of course, continue to monitor giving trends so that we can respond accordingly.

Expenses:

- Overall expenses are 11% *below* budget for the year to date

    - Wages & Benefits are 10% below budget—4 budgeted positions were unfilled for the first quarter and 2 additional positions were unfilled for 2/3 of the first quarter as well
    - Equipment expenses are 33% under budget which is good news since this was an area of concern last year
- Other than wages & benefits, which we will not make up for later in the year, the items that are under budget now will more than likely catch up over time—we do not anticipate any significant decreases in spending versus budget
- Our advertising budget for the first 6 months of the year has significantly exceed budget; this is due to the number of job posting (as noted in wages above) during this time period
- We have split the depreciation expense into 2line items—the first line item is now called "replacement reserves"; this is the portion of the depreciation for items that we want to be sure we are able to replace as needed; the balance of the depreciation is for items that would not necessarily be replaced or would be funded through a capital campaign or other fundraising endeavor. We are counting the replacement reserve as part of our operating budget. The finance committee approved an expenditure of $41,700 from this accrual for the purchase of 2 lift trucks to replace the 2 antiquated trucks that we were using. This purchase has been a great help to our distribution team.

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 $441,699 in restricted grants that were recorded in a prior fiscal year 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. Our *adjusted net YTD is* ***$1,218,776*** and our *unadjusted net is* ***$777,077****.*

Another important item to note is that we have opted, for the second year, to not draw down any of the spendable income from our investments. The 2 years combine for a total of $37,720 available for our use.