

Feeding Families, Fueling Hope

2013 Annual Meeting, January 28, 2014
Final Record Version



Web: www.interfaithfoodministry.org

Phone: 530 273-8132

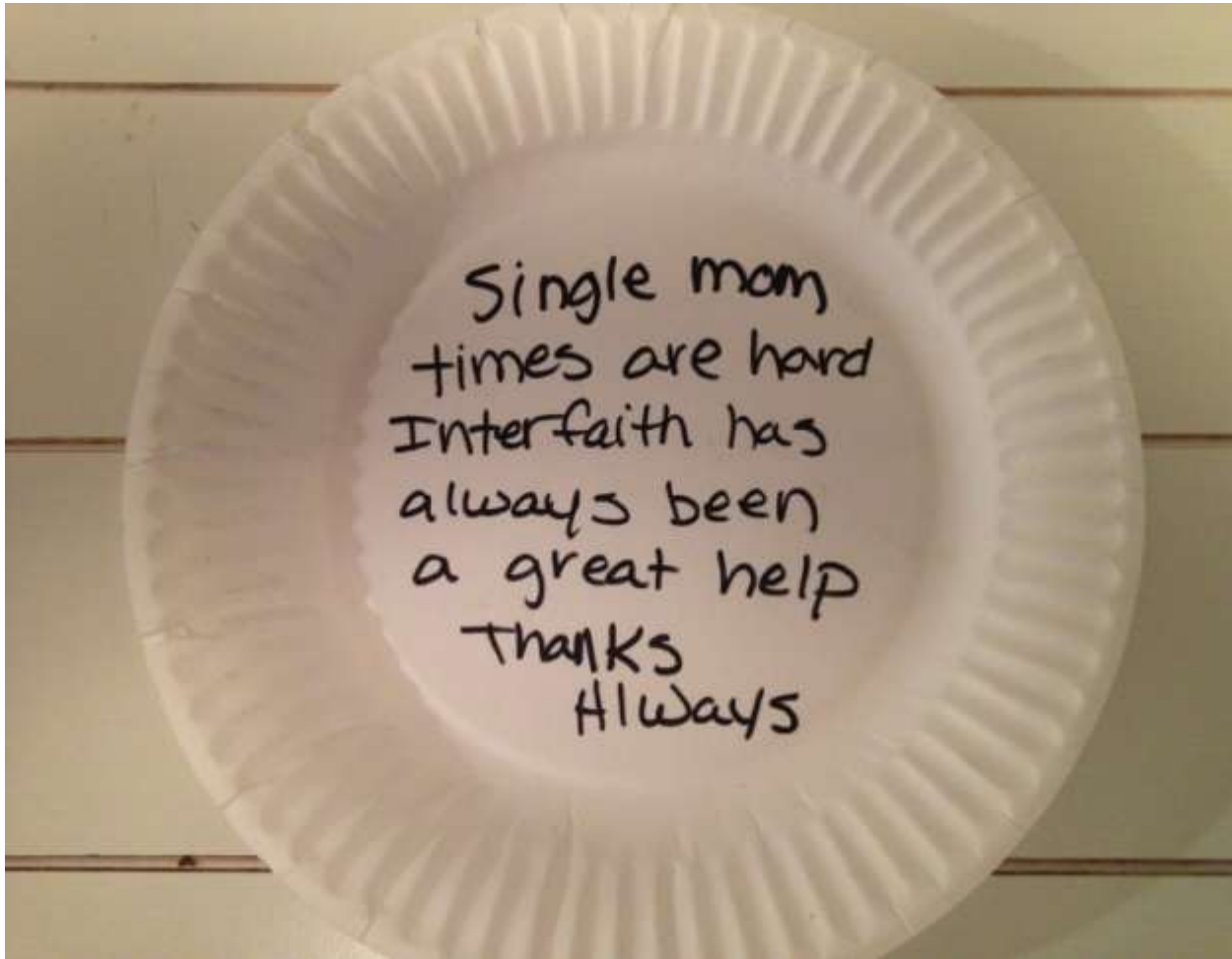
Email: info@interfaithfoodministry.org

Mail: PO Box 1174 Grass Valley, CA 95945

Agenda

- 8:30 - 9:00 Mingle, Coffee & Snacks
- 9:00 - 9:05 Welcome - Bob Thurman
- 9:05 - 9:15 Prayer - Reverend Michael Griffin
- 9:15 – 9:30 General Business - Introductions, Confirm Quorum, Approve November Minutes
- 9:30 - 9:45 2013 Report
 - Highlights - Sue Van Son
 - Financials & Key Measurements - Kathy Mollet and Rick Kahil
- 9:45 - 10:00 Hospitality House & Salvation Army - Approve Request For Food
- 10:00 - 10:10 Henderson St Construction & Whiting St Sale Update – Bob Thurman & Kathy Mollet
- 10:10 - 10:25 Guest Speaker: Paul Haas - The \$4.50 Food Challenge
- 10:25 - 11:00 2014 Looking Forward
 - Approve Mission revision and Strategic Plan – Bob Thurman
 - Approve 2014 Budget – Kathy Mollet
 - Approve 2014 Operations Plan – Sue Van Son
 - 2014 Calendar – Sue Van Son
- 11:00 - 11:10 Election IFM Officers
- 11:10 - 11:15 Next Meeting – February 25, 9am, Whiting Street

2013 Report



2013 Highlights

- Clients

- Demand for food services trending up slightly.
- Government shutdown, sequestration, and food stamp program issues, placed added pressure on our clients.
- Unemployment decreased, relieving some pressure.
- Hunger to Health initiative implemented to support healthier eating habits for our clients.
- Holiday distributions were all drive-thru – A first, including Thanksgiving and Christmas at the new building.
- Providing more food/client visit to help offset reduced service capability.

2013 Highlights

- Community and Partnering

- Member Churches and Community supply funding and volunteers (50/50)
- Accepted as United Way Affiliate
- Non-profit of the month at KNCO
- Service groups speaking/fundraising
- Other non-profits we support

2013 Highlights

- Donations

- The community was incredibly generous – Most \$ donations ever!
- First ever major fundraiser (Rock Around Hunger) was a resounding success raising approx. \$75,000 (\$3,000 expenses)
- The month of December alone raised over \$120,000.
- Paulette's and California Organics fundraisers raised over \$15,000.
- Received \$15,000 grant from Community Development Agency for new freezer.
- Food Donations - Postal Food Drive, Fill The Trailer, grocery stores, churches

- Expense Management

- Food Committee and Placer County Food Bank instrumental in keeping costs down (Food now coming twice/week from PCFB).
- Food inflation fairly tame in 2013 – Approx. 1%, less than forecast.
- First year of pt ED salary accounted for most of yr/yr expense increase.

2013 Highlights

- Fiduciary & Stewardship

- Promoted increased transparency by posting Board minutes and other key documents on IFM public website.
- Supported various State and Federal compliancy requirements by developing and implementing
 - ✧ Employee Handbook, Conflict of Interest, Document Retention, Fixed Asset, Gift in Kind, and Whistle Blower policies
- Filed 2012 tax return on-time.
- Failed to publish 2012 Annual Report - Will be published Feb 2014 with 2013 report.
- Purchased Director and Officer liability Insurance.
- Purchased Fidelity Bond covering IFM Officers.
- Applied for and received Calif State Seller's and raffle permit

2013 Highlights

- Technology and IFM

- Client check-in process and tool (SoxBox) working well.
- Two computers for Receptionists will need replacing.
- Started using on-line Volunteer scheduling program called Volunteer Spot.



Note: The Board unanimously approved the purchase of two new computers not to exceed \$1600.

- Real Estate

- USDA loan approved and funded.
- Successfully purchased 440 Henderson Street building.
- Developed remodel plans for new building and started construction.
- Marketed 551 Whiting Street for sale.

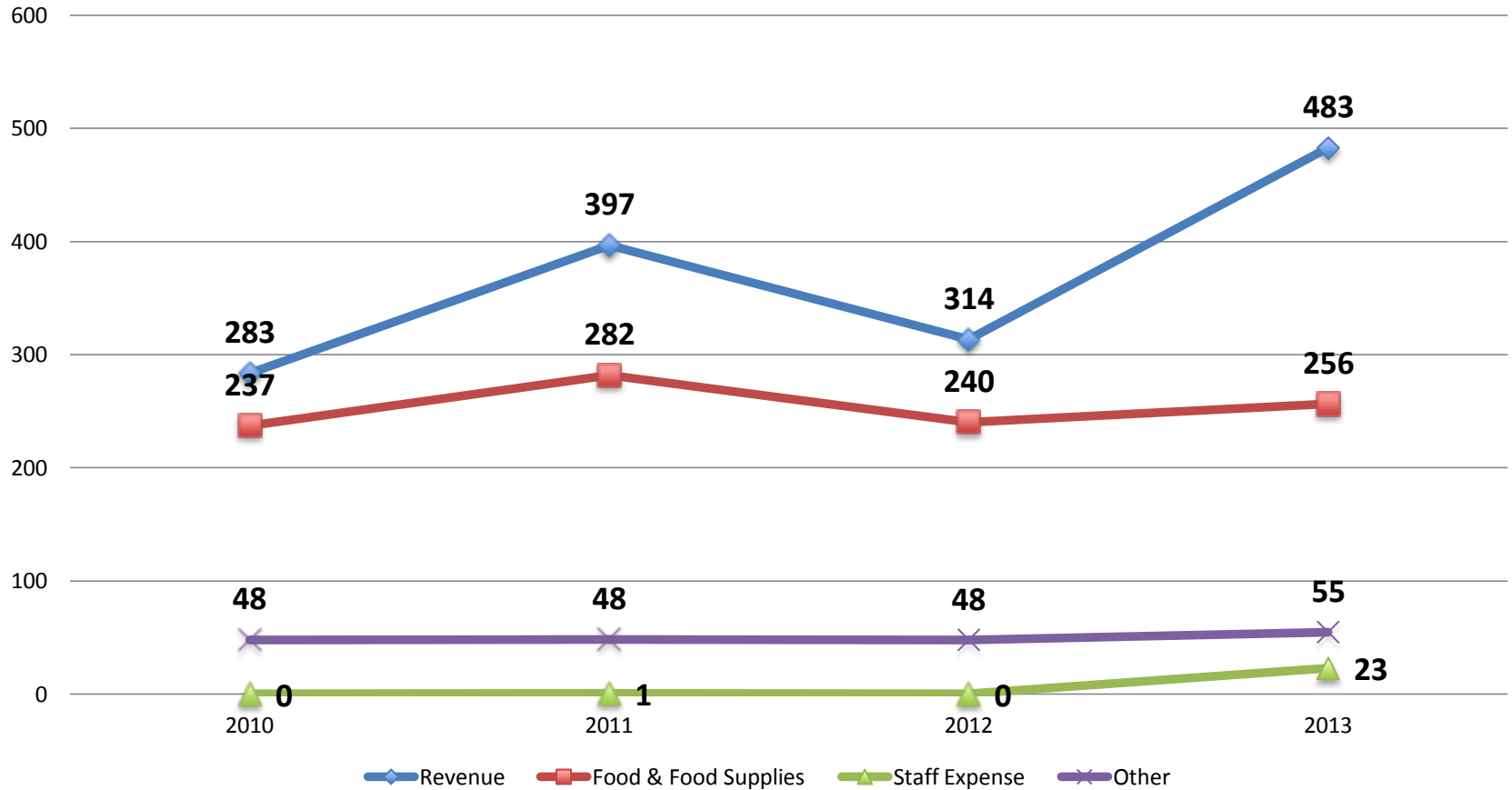
2013 Highlights

- Human Resources/Volunteers

- Hired first IFM employee March 1 - Sue Van Son (part-time paid Executive Director).
- Volunteer workforce stable, though filling key positions still remains a significant challenge.
- New Driver Scheduler and new Distribution Scheduler volunteers.
- Elected new Treasurer, Kathy Mollet, to replace Dick Singleton – Thank you Dick!
- Successful volunteer appreciation luncheon.
- Thank you to new and departing Board members
 - Phil LaMarche seceded by Bill Kerler (Calvary Bible)
 - Judie St. John seceded by Lani Brunmeier (Twin Cities)
 - Bob Fulkerson seceded by Jim Schroeder (Peace Lutheran)
 - Bill Dempsey seceded by Pam Sufleski (Sierra Presbyterian)
- Over 27,000 volunteer hours – Thank You!

IFM Trended Financials (\$K)

(excluding in-kind)



Facility Fund Contributions by Year

2010 - \$3K

2011 - \$97.0K

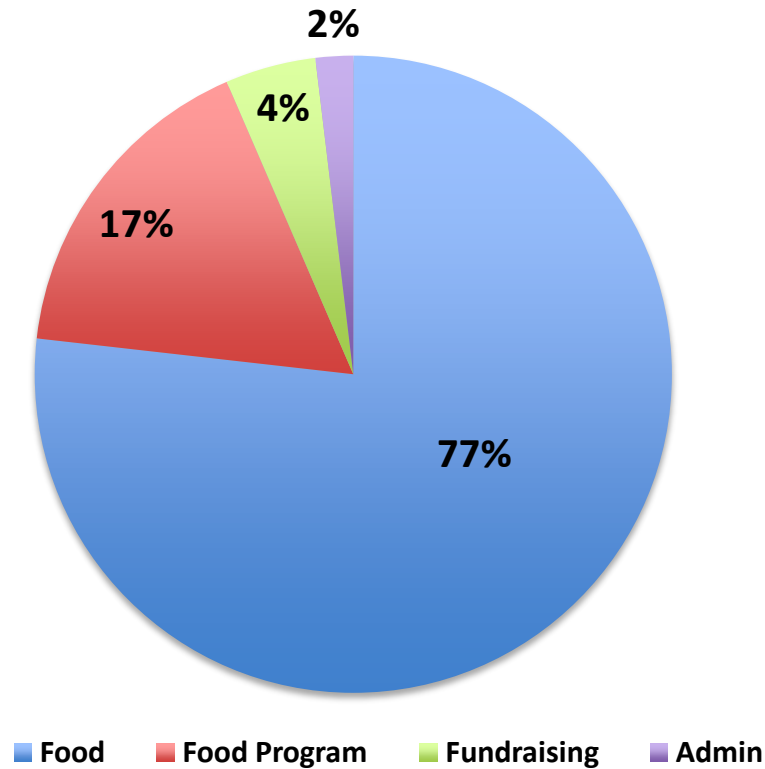
2012 - \$36.4K

2013 - \$127.6K

Audit Pending

2013 Expense Allocation

93.5% Food & Food Program



Audit Pending

Balance Sheet

| in \$K | 12/31/13 |
|---------------------------------------|----------------|
| Current Assets | |
| Cash | \$262 * |
| USDA Receivable | \$178 |
| Prepays | \$8 |
| Total Current Assets | \$448 |
| Fixed Assets | |
| Whiting | \$173 |
| Machinery & Equipment | \$56 |
| Depreciation | \$(87) |
| Construction in Progress | \$578 |
| Total Fixed Assets | \$721 |
| TOTAL ASSETS | \$1,169 |
| Liabilities | |
| Current Liabilities | \$15 |
| USDA Loan Payable | \$599 |
| Total Liabilities | \$614 |
| Equity | |
| Retained Earnings | \$395 |
| Net Income | \$160 |
| Total Equity | \$555 |
| TOTAL LIABILITIES & EQUITY | \$1,169 |

* \$262K Cash = \$198K for Operations and \$64K for Facilities Fund
Audit Pending

Facilities Fund

in \$K

| | |
|-------------------------------|-----------------------|
| Building Fund Receipts | \$264 |
| Spent to Date | \$(56) |
| Committed to Spent | <u>\$(144)</u> |
| Building Fund Balance | \$64 |

Audit Pending

2013 Summary Measurements

Client Profile

- 3628 Registered families of which 3047 used our service at least once in 2013
- 1136 New registered families
- 72% Adults
- 28% Children
- 10% Seniors
- 3% Homeless

Visit Information

- 58,399 total individuals served
- 22,272 total families served
 - 35% of our clients used our services 1 or 2 times only
 - 65% of our clients used our service 3 times or more
- We averaged 428 client visit a week

Food Provided

- 79,170 grocery bags of food were distributed
- \$246,057 was expended on foods
- The estimated market value of the food we distributed was \$1,747,712
- Holiday Meals Provided to Families
 - Easter - 649
 - Thanksgiving - 761
 - Christmas - 777

Audit Pending

2013 Measurements

Interfaith Food Ministry Client Stats As Of December 31, 2013

| Client Profile | 2012 | 2013 | Incr/Decr | % Inc/Decr |
|--|-------------|-------------|-----------|------------|
| Total Registered Families | 2,492 | 3,628 | 1136 | 46% |
| Families Who Used Our Services | | 3,047 | | |
| Adults | 62% | 72% | 10% | 16% |
| Children | 30% | 28% | -2% | -6% |
| Seniors (Incl in Adult #) | 8% | 10% | 2% | 26% |
| Homeless | 2.6% | 2.9% | 0.3% | 13% |
| Visit Information | 2012 | 2013 | Incr/Decr | % Inc/Decr |
| Total # Of People Served | 60,053 | 58,399 | -1654 | -3% |
| Client Visits To Whiting St | 23,947 | 22,272 | -1675 | -7% |
| Average Client Visits/Week (39 Weeks) | 461 | 428 | -32 | -7% |
| % Who Visited 1 Time | | 23% | | |
| % Who Visited 2 Times | | 12% | | |
| % Who Visited 3 or More Times | | 65% | | |
| Food Provided | 2012 | 2013 | Incr/Decr | % Inc/Decr |
| Total Grocery Bags | 75,083 | 79,170 | 4,087 | 5% |
| Avg Bags/Family | 3.14 | 3.55 | 0.42 | 13% |
| Avg \$ Value of One Bag (Staples + Food) | \$18 | \$22 | \$3.59 | 19% |
| \$ Retail Value Of Food Distributed | \$1,388,135 | \$1,747,712 | \$359,577 | 26% |
| Donated | \$1,147,745 | \$1,501,665 | \$353,920 | 31% |
| Purchased | \$240,390 | \$246,047 | \$5,657 | 2% |

Note: Total people served actually increased by 11% and number of bags distributed increased 9% when January numbers were excluded. (Beginning February we reduced service from every week to every other week.)

Audit Pending

Henderson Street Update As Of Dec 31, 2013



Henderson Street Update As Of Dec 31, 2013

Total Budget: \$800,000 (\$600k USDA + \$200k IFM)

Spent To Date: \$656,250

- Building Purchase: \$501,000
- Closing/Escrow: \$4,195
- Soft Costs: \$20,981
- Demolition: \$7,690
- Construction First Draw: \$31,109
- Freezer/Cooler Deposit: \$29,900 (\$15K grant received)
- French Drain: \$8,778
- Security System: \$4,311
- Construction Second Draw: \$48,286

Remaining In Budget: \$143,750 (includes contingency of \$8,914)

Forecast To Spend: \$137,064 (may not need all of the contingency)

Target first day of food service – April 2, 2014

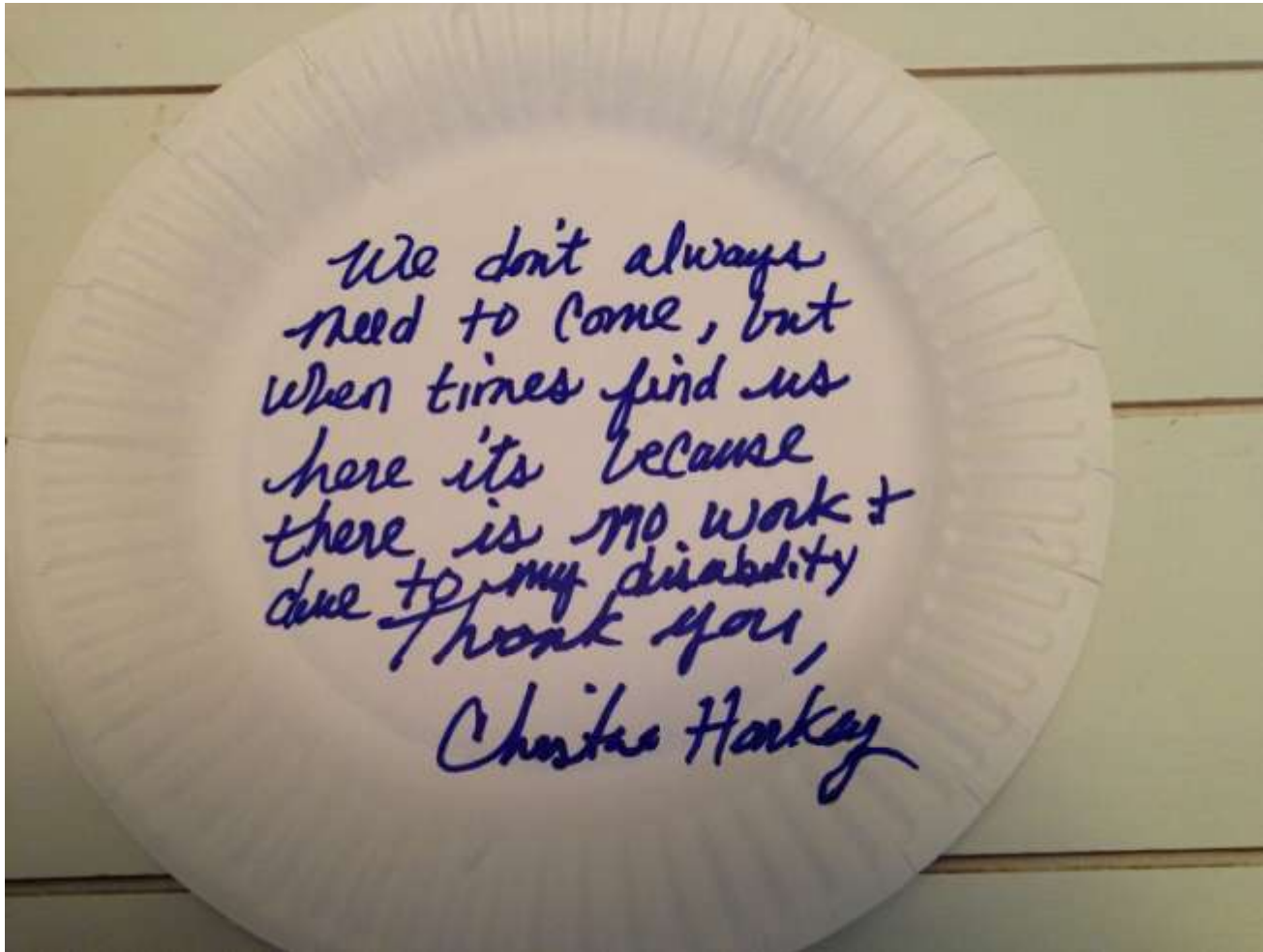
Whiting Street Sale Update

| | |
|------------|---|
| 11/26/2013 | Board unanimously agreed to market Whiting Street for sale <ul style="list-style-type: none">• Listing price \$219K• Net proceeds after all costs estimated to be \$175k• Net proceeds will be used to pay down USDA loan |
| 12/19/2013 | All cash offer of \$175K rejected by IFM |
| 1/13/2014 | Counter offer of \$200K was received and signed by all parties <ul style="list-style-type: none">• Proceeds projected from sale of \$186.5K (buyer may request repairs as a result of inspections) |
| 1/16/2014 | Buyer deposited \$5K in escrow account |
| 2/12/2014 | Buyer inspections to be completed |
| 2/13/2014 | Subject to removal of contingency Buyer will increase non-refundable deposit to \$20,000 total |
| 4/30/2014 | Escrow to close no later than this date |

Resolution: Board President, Bob Thurman, and Executive Director, Sue Van Son are authorized to sell 551 Whiting Street on behalf of Interfaith Food Ministry of Nevada County for the price of \$200,000. Resolution was unanimously approved January 28th, 2014. Quorum was established with thirteen of fifteen Board members present.

Note: Authorization to sell 551 Whiting Street was approved unanimously by the IFM Board on November 26, 2013. A quorum was present with thirteen Board members voting Yes and two absent.

Hospitality House and Salvation Army Request For Food





Welcome Hospitality House

Request for food service was granted to Hospitality House by unanimous vote of the Board on January 28, 2014

Mary Leibke

Hospitality House is a 501 (c) (3) nonprofit community shelter for the Homeless in Nevada County funded primarily by individual donations. The year-round shelter is a no tolerance safe haven; those seeking shelter at Hospitality House are offered three meals, along with laundry and shower facilities. Hospitality House is committed to ending homelessness by providing intensive case management services to all its guests. Seventy-five percent of our guests move out of homelessness into permanent housing.



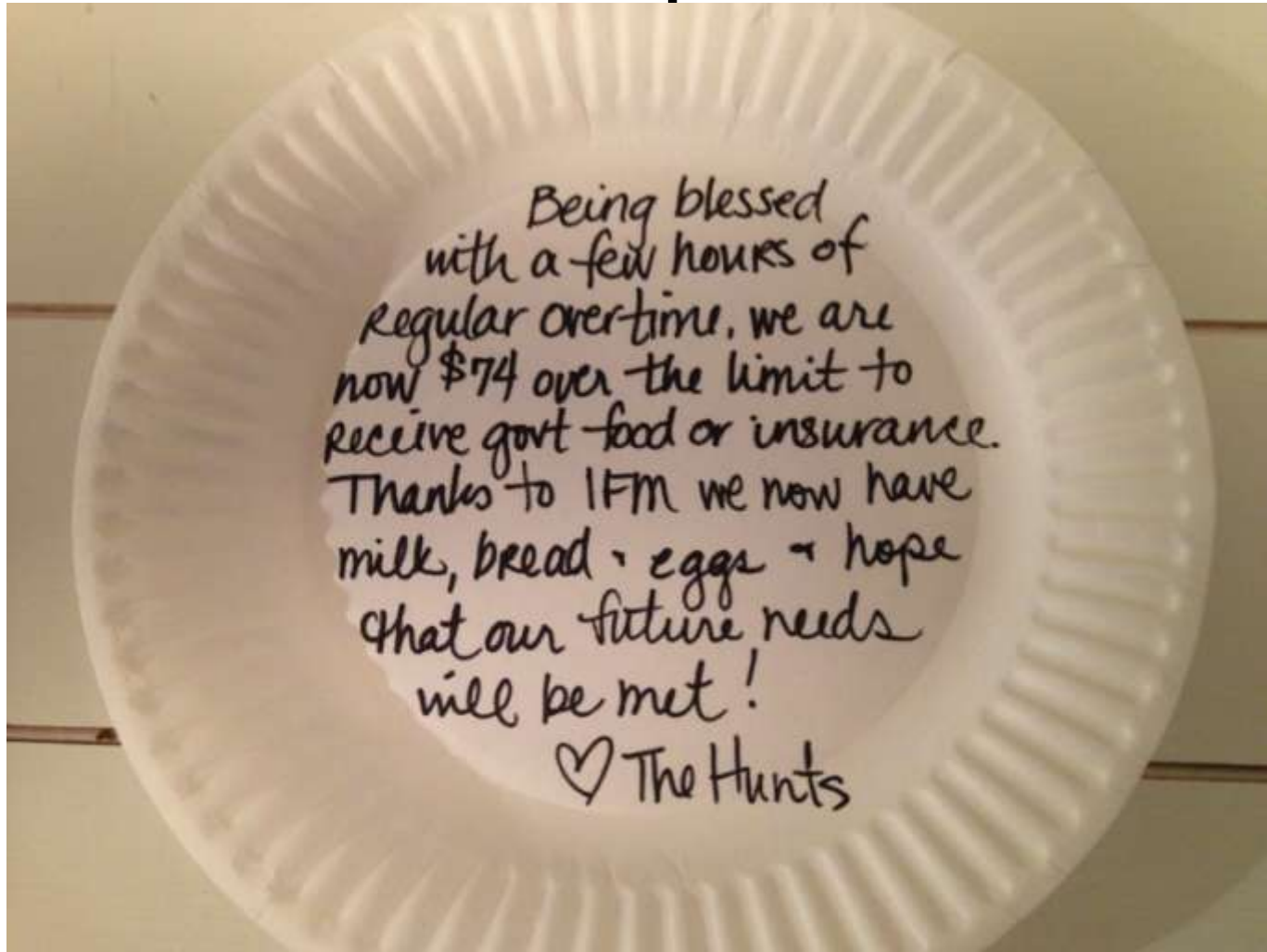
Welcome Salvation Army

*Request for food service was granted to Salvation Army
by unanimous vote of the Board on
January 28, 2014*

Lieutenants Sidney and Reyna Salcido

"Doing The Most Good." In these four words, our mission - to feed, to clothe, to comfort, to care. To rebuild broken homes and broken lives. By walking with the addicted, we can lead them to recovery. In fighting hunger and poverty, we can feed and nurture the spirit. And, in living and sharing the Christian Gospel by meeting tangible needs, we give the world a lasting display of the love behind our beliefs.

Guest Speaker





Welcome Paul Haas

\$4.50 Food Challenge

Paul Haas
Author

Almost 30 years in education as a teacher, county-regional-state program director, and a school principal, combined with my media background and technology skills, have prepared me for the responsibility of reporting the news at KNCO. I look forward to sharing stories the residents of Nevada County and surrounding communities create. Keeping you informed is my job. Its time to reconnect and expand relationships with the people that make Nevada County so great. Don't be afraid to ask the hard questions!

2014



Mission & Vision

Core Values

Strategy

2014 Budget

2014 Operations Plan

GOT CHANGE?



©2002 SHE PLAYS SPORTS, INC.



Vision & Proposed Mission *Note: New*

*Mission as stated below was unanimously approved by the Board on
January 28, 2013*

Vision

A community where no one should feel the hurt of hunger.

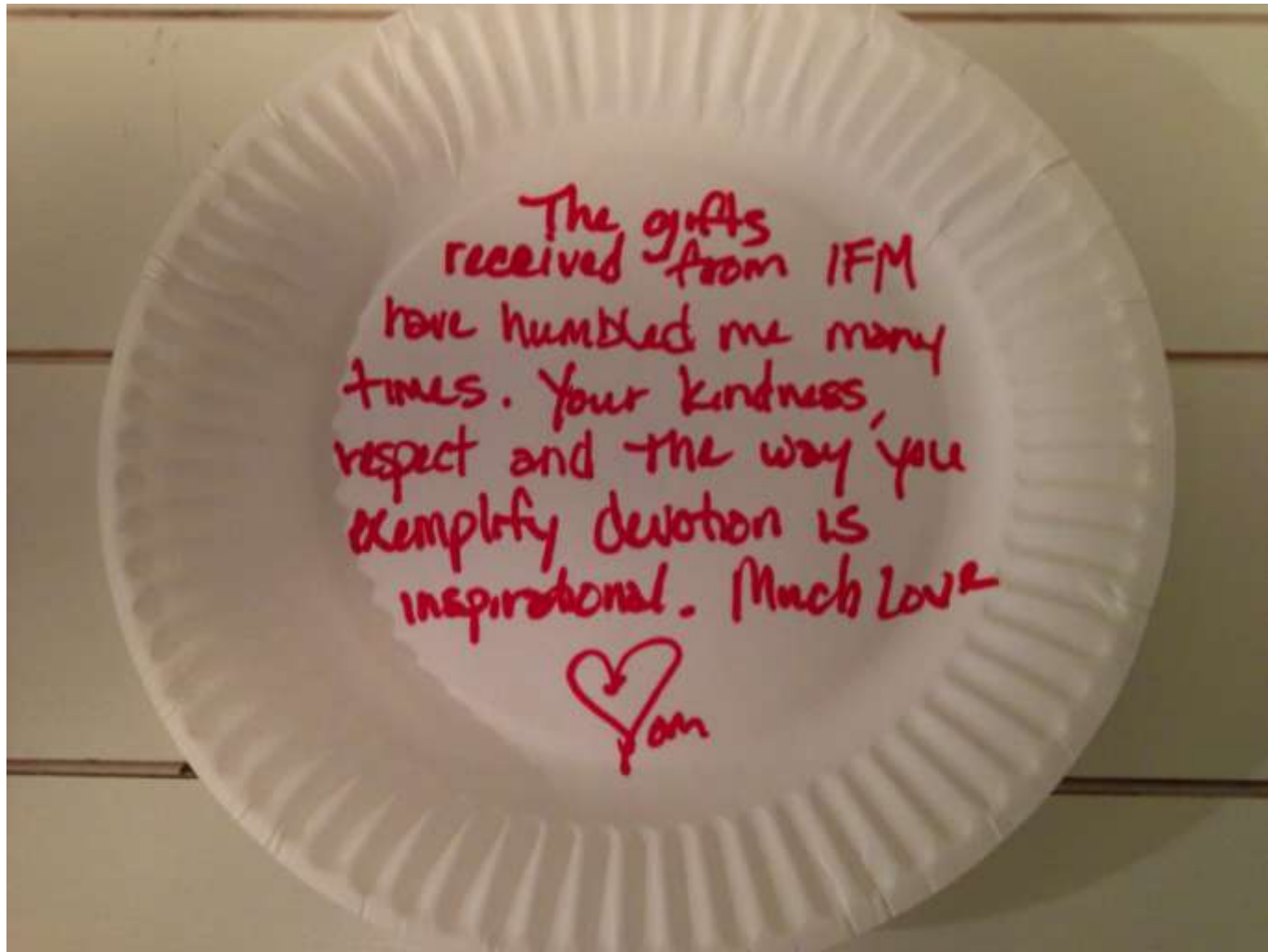
Mission

Interfaith Food Ministry feeds the hungry and works to reduce food insecurity in Nevada County. We help to sustain health, human dignity, and the opportunity for individuals to realize their full potential.

Values - The Foundation To Deliver



To the 450 – Thank You!



Strategic Goals

Note: Strategic Goals were unanimously approved by the Board on January 28, 2014.

Stakeholders United To A Common Purpose

- Help our **Community** better understand what IFM does and how it benefits everyone.
- Actively support and help develop **Community Leaders and Partners** who share a common goal to end hunger and support healthier living.

Superior Financial Performance, Integrity & Stewardship

- Increased services and expenses will require **Sustainable Funding** sources and improved **Expense Management**.
- Be known for **Transparency, Accountability, Reporting, and Governance** compliancy.

Strategic Goals

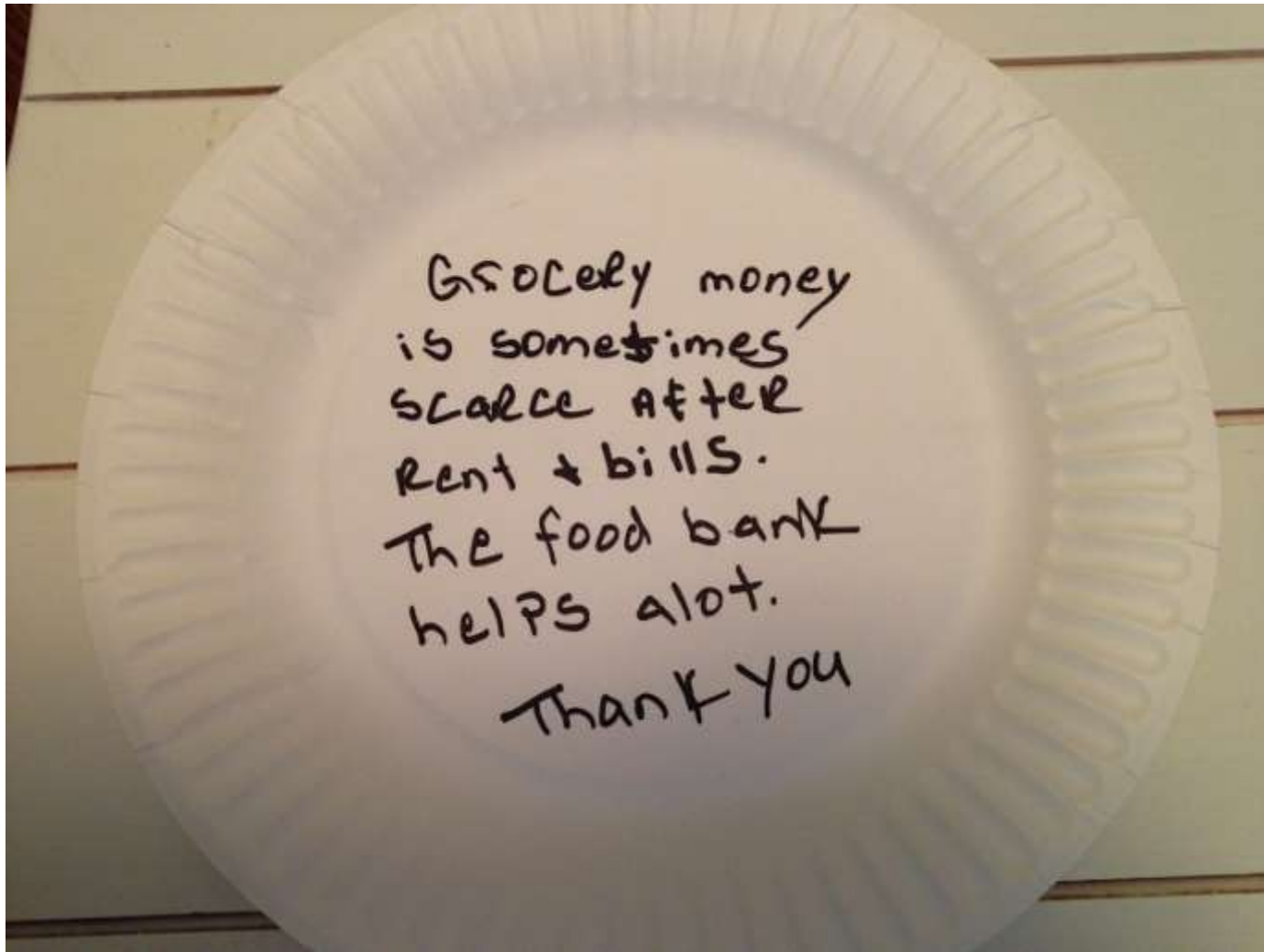
Volunteer & Organizational Development

- Our volunteer staff will be encouraged to **Grow, Diversify, and Learn**.
- **Preserve our culture**

Deliver Through Operational Effectiveness & Efficiency

- **Optimize** technology, processes, and facilities.
- **Evolve Services** that support nutrition and a healthier lifestyle
- **Mitigate Risk** through ongoing focus on safe food handling practices, volunteer safety, and superior management.
- **Balance Simplicity** of the operation with the need to expand, evolve, and comply.

2014 Budget

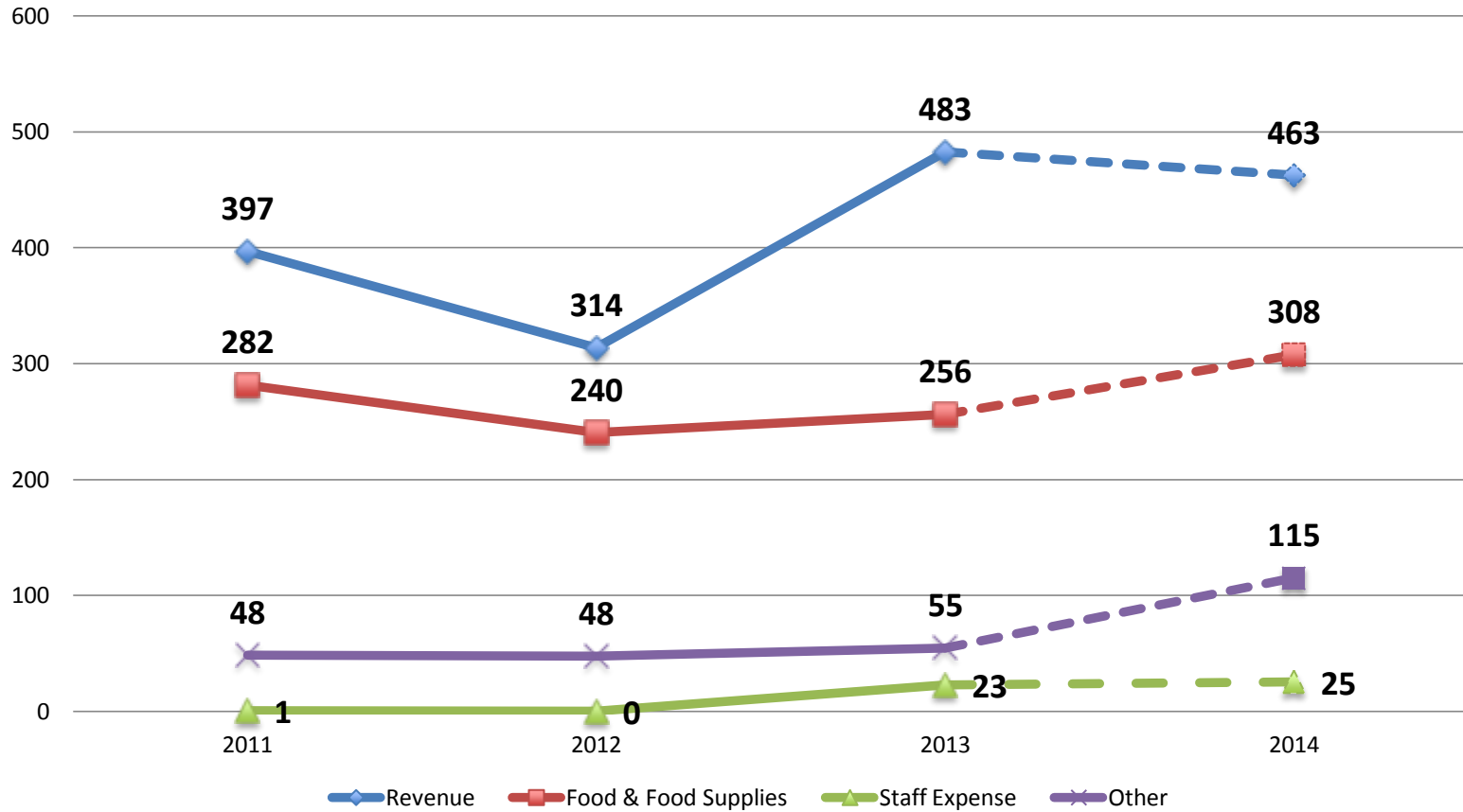


2014 Budget Assumptions

- Henderson Street construction complete by March 1, 2014 with a move in by April 1, 2014
- Whiting Street marketed for sale but NOT forecasted to sell in 2014 (conservative approach). Building assumed to be unoccupied by April 1, 2014
- Total clients served forecasted to increase 27%. Assumes return to weekly service July 1 + 4% increase in client demand
- Total food costs expected to increase by 20% (3% inflation offset by 3% cost savings and increased distribution offset by reduction in bag/client of 1.22 to 1.04)
- Continuation of paid part-time Executive Director, same salary but an entire year in 2014

IFM Trended Financials (\$K)

(excluding in-kind)



Facility Fund Contributions by Year

2011 - \$97.0K

2012 - \$36.4K

2013 - \$127.6K

2013 vs. 2014 Budget

| in \$K | Actual | Budget | YoY | % inc/dec |
|----------------------------|--------|--------|---------|-----------|
| | 2013 | 2014 | | |
| REVENUE | | | | |
| Business Contributions | \$22 | \$18 | \$(4) | -18% |
| Individual Contributions | \$340 | \$318 | \$(21) | -6% |
| Fundraisers | \$106 | \$115 | \$9 | 8% |
| Grants/Other | \$15 | \$12 | \$(4) | -25% |
| Total Revenue | \$483 | \$463 | \$(20) | -4% |
| EXPENSES | | | | |
| Food and Food Supplies | \$256 | \$308 | \$51 | 20% |
| Staff Expense | \$23 | \$25 | \$3 | 12% |
| Other | \$55 | \$115 | \$60 | 110% |
| Total Expenses | \$334 | \$448 | \$114 | 34% |
| NET ORDINARY INCOME | \$149 | \$14 | \$(134) | -90% |
| INKIND | | | | |
| In-Kind Revenue | \$867 | \$900 | \$33 | 4% |
| In-Kind Expense | \$867 | \$900 | \$33 | 4% |
| NET INCOME | \$149 | \$14 | \$(134) | -90% |

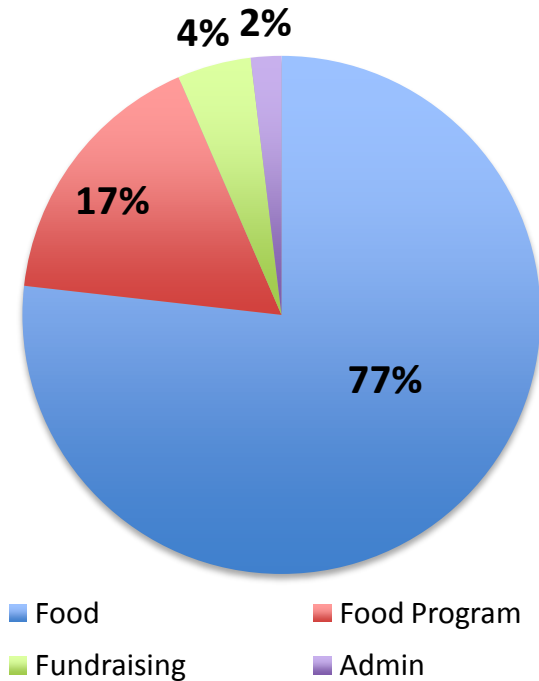
2014 Budget-Other Expense Detail

| in \$K | Actual | Budget | YoY | % inc/dec | |
|----------------------------|--------|--------|-------|-----------|--------------|
| | 2013 | 2014 | | | |
| OTHER EXPENSES DETAIL | | | | | |
| Accounting Charges | \$1 | \$4 | \$3 | 238% | Audit |
| Bank Fees/PayPal | \$1 | \$1 | \$0 | 9% | |
| City,County,State Fees | \$2 | \$4 | \$2 | 82% | New Building |
| Depreciation | \$4 | \$10 | \$5 | 126% | New Building |
| Fundraising/Special Events | \$7 | \$7 | \$(0) | -3% | |
| Insurance | \$2 | \$8 | \$6 | 239% | New Building |
| Landscaping | \$- | \$1 | \$1 | 0% | |
| Loan Interest | \$3 | \$19 | \$15 | 496% | New Building |
| Misc. | \$0 | \$0 | \$0 | 13% | |
| Office Expense | \$2 | \$3 | \$0 | 3% | |
| Repairs/Maintenance | \$6 | \$14 | \$8 | 133% | New Building |
| Small Furniture/Fixtures | \$- | \$5 | \$5 | 0% | New Building |
| Training | \$- | \$1 | \$1 | 0% | |
| Trash Disposal | \$9 | \$11 | \$2 | 24% | New Building |
| Utilities | \$15 | \$27 | \$11 | 76% | New Building |
| Volunteer Mileage | \$1 | \$1 | \$0 | 8% | |
| Total Other Expenses | \$55 | \$115 | \$60 | 110% | |

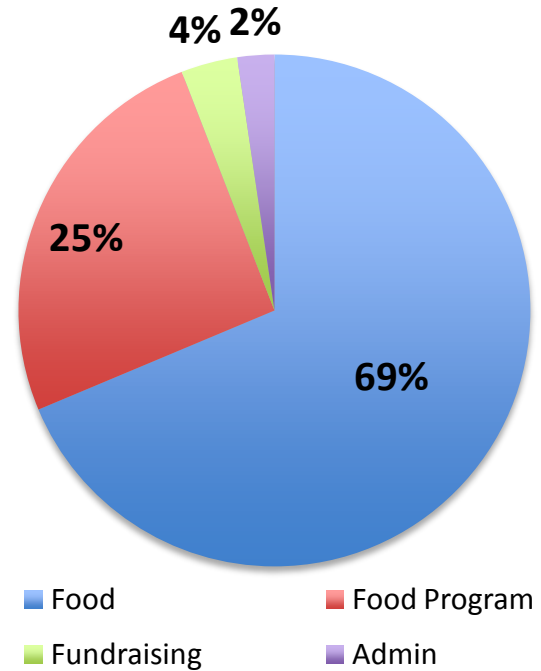
Expense Allocation

Food & Food Program

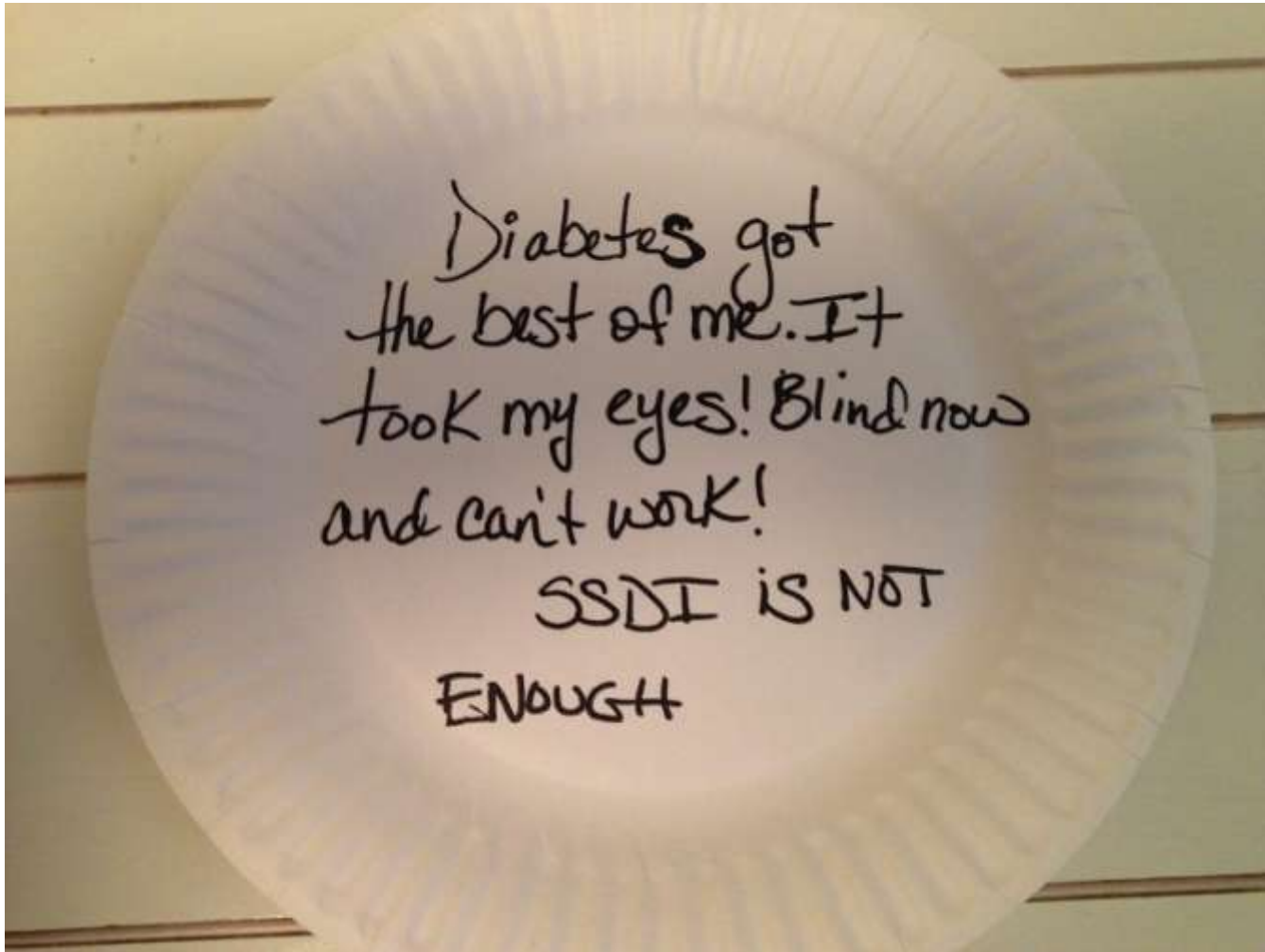
2013 = 93.5%



2014 = 94.1%



2014 Operations Goals



2014 Goals and Objectives *Note: 2014 Goals and Objectives were unanimously approved by the Board on January 28, 2014.*

Deliver Through Operational Effectiveness and Efficiency

- Prepare new building to begin service at Henderson Street by April 2, 2014.
- Support efficient and effective transition to new building.
 - Communicate to volunteers, clients, and the community
 - Conduct open house/ribbon cutting, April 2014
 - Develop new procedures and train Supervisors to implement
 - Develop standardized distribution and sorting practices
- Return to weekly service for all clients by July 1, 2014 (volunteer and donation dependent).
- Continue to evolve Hunger to Health initiative.
 - Increase amount and quality of protein products available to County's low income residents (County grant requirement)
 - Provide healthier food options, cost and client dependent (low sodium, no hot dogs, brown rice, etc)

2014 Goals and Objectives

Volunteer and Organizational Effectiveness

- Groom leaders and establish backups for key IFM positions.
- Board President and ED to meet semi-annually with all volunteers.
- Develop volunteer safety plan and practices – Train and post.
- Actively recruit new volunteers and develop introductory training program.
- Develop and formalize Executive Committee.
- Acknowledge volunteers through luncheon and other means.

2014 Goals and Objectives

Stakeholders United To A Common Purpose

- Develop consistent communication with present donors.
- Support & collaborate with other community food services (NCFB, Salvation Army, Health and Human Services, etc).
- Communicate - Who are our clients, how can they be helped, how does the community benefit?
- Define and develop Partner recognition program.
- Collaborate with local restaurants.
- Support increased Board and church advocacy.
- Support United Way fundraising efforts.

Superior Financial Performance, Integrity, and Stewardship

- Income - Meet 100% of expense requirements through fundraisers, various donor management initiatives, and grants.
 - Target operational fundraising goal is \$115K from one major, five smaller, & Operation Turkey fundraisers
 - Target grant goal: \$11.5K from United Way and/or other opportunities
 - General donations to fund remaining expense requirements \$336K
 - Historical analysis to better target donor giving patterns and with development of targeted donor campaigns
 - Maintain sufficient capital replacement fund for long-term repair/replacement of Henderson St building assets
- Expense
 - Reduce food costs by 3% to offset inflation factor without reduction in quantity or quality

Superior Financial Performance, Integrity, and Stewardship

- **Fiduciary and Stewardship**

- Provide requested metrics to Nevada County that supports freezer grant of \$15,000
- Comply with all tax reporting laws including collection of sales tax on all applicable 'sales'
- Comply with all raffle reporting requirements
- Conduct and comply with 2013 financial audit that supports United Way partner requirements and other grant opportunities
- Comply with USDA loan "Letter of Conditions"
- Provide summary and full 2013 Annual Report
- Conduct annual insurance review and seek to reduce costs.
- Implement better, more efficient and hopefully free banking services including online bill pay, payroll services, and better overall online capabilities (some of these will create better internal control)
- Ensure all grocery store receipts are approved by the receiver and turned over to the Treasurer (quite a few missing in December as an example)
- Design and implement a signature authorization matrix

IFM 2014 SCHEDULE OF EVENTS

| <u>Event</u> | <u>When</u> | <u>Activity/Location</u> | <u>Time</u> |
|-------------------------|-------------|--------------------------|---|
| Board Meetings | 4th Tuesday | Each Month - IFM | 9:00 am |
| Annual Meeting | Jan. 28 | Sierra Presbyterian | Tuesday, 9:00 am |
| EASTER | April 20 | Distribution Days | Monday, April 14 Wednesday, April 16 Friday, April 18 |
| Fill the Trailer | April 4-7 | Grocery Outlet | 8 am - 8 pm. |
| Bite Out of Hunger | May 3 | Nevada City Elks Lodge | 5 pm - 10 pm |
| Shred Day | May 10 | Owens Plaza | 8 am - noon |
| Volunteer Luncheon | May 20 | Twin Cities Church | Tuesday, 11:00 am |
| MEMORIAL DAY | May 26 | IFM CLOSED | Monday |
| 4 th of July | July 4 | IFM CLOSED | Friday |
| LABOR DAY | Sept. 1 | IFM CLOSED | Monday |
| U.S. Postal Drive | Sept. 15 | Prepare Boxes | Monday, 2-4 pm |
| Food Collection | Sept. 16 | Sort Food | Tuesday 12-4 pm |
| | Sept. 17 | IFM CLOSED - Sort | Wednesday |
| NU Football Team | Oct. 26 | Food Drive | Sunday, 10 am - 4 pm |
| THANKSGIVING | Nov. 27 | Distribution Days | Wednesday, Nov. 19 Friday, Nov. 21 Monday, Nov. 24 |
| THANKSGIVING | Nov. 28 | IFM CLOSED | Friday |
| CHRISTMAS | Dec. 24 | IFM CLOSED | Wednesday |
| CHRISTMAS | Dec. 25 | Distribution Days | Wednesday, Dec. 17 Friday, Dec. 19 Monday, Dec. 22 |

UNDERLINED ACTIVITIES INDICATE A NEED FOR VOLUNTEERS

Officer Election

Note: All nominees were unanimously re-elected on January 28, 2014 and will continue to serve through January 27, 2014.

| <u>Position</u> | <u>Nominated Nov 26, 2013</u> |
|-----------------|-------------------------------|
|-----------------|-------------------------------|

- | | |
|------------------------|-----------------|
| • Board President | Bob Thurman |
| • Board Vice President | Rick Kahil |
| • Assistant Treasurer | Bernie Del Gado |
| • Secretary | Connie Wright |

Note: A new Treasurer, Kathy Mollet, was elected via electronic vote on December 15, 2013 effective January 1, 2014.

Feeding Families, Fueling Hope

2013 Annual Meeting, January 28, 2014



Web: www.interfaithfoodministry.org

Phone: 530 273-8132

Email: info@interfaithfoodministry.org

Mail: PO Box 1174 Grass Valley, CA 95945