

Meals on Wheels People
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FINANCE COMMITTEE MEETING

Wednesday, November 20, 2019

12:00 – 1:00

Telephone Meeting

Dial: 712-770-5605

Participant code: 795083

Agenda

- 12:00 noon Call to Order.....Tim Kalberg
12:00 noon Approval of minutes – October 16, 2019.....Tim Kalberg
12:05 p.m. New Business.....Tim Kalberg
 a. Long Term Investment Policy Review.....Linda Reynolds
 b. October financials.....Linda Reynolds

Attachments: October Financials
Long Term Investment Policy

Meeting Schedule: Next meeting: **January 15 at 12:00 – Telephone meeting**
NO MEETING IN DECEMBER

Semi-annual Schedule:

- Audit review	(April, September)
- Fund raising	(January, May)
- Forecast/Budget	(January, May)

Annual Review Schedule:

- Benefit Renewals	(February)
- Next year's budget	(May)
- Insurance	(July)
- Gift Annuities	(August)
- 401 k	(October)

Meals on Wheels People
Finance Committee Meeting Minutes
October 16, 2019 at noon
Moss Adams
805 SW Broadway, Suite 1200

Present: Tim Kalberg (Chair), Ashley Osten, David VanSpeybroeck, Arnie Gardner, Scott Christiansen
Staff: Linda Reynolds, minutes: Kristin Mueller
Guest: Jed Schlanger with The Commerce Company

Meeting called to order at 12:05pm

Approval of minutes – September 25, 2019. Approved with correction.

1. New Business

a. 410(k) Review (Jed)

- Acknowledgement now investment fiduciary on signature line. Board is covered by DNO insurance, and the only real risk is paycheck withholdings (deposits) not getting to where they need to go. Discussion of deposits happening on day zero or one.
- Executive Summary & Key Benchmarks: \$3.7m total assets, down (1.6%) due to employee turnover and long-term employees retiring - \$636K out.
- Discussion of recent changes to fund lineup. 24 fund choices, 23 have balances. Encouraging younger employees to do ROTH. 3 employees are investing in a not age-appropriate range.

ACTION: Jed will connect with Linda to add online loans and deferrals.

- Discussion of Jed requesting a fee reduction from John Hancock, possibly 4-5 basis points.
- 84.2% participation rate is up 1.9%.
- Employee loans are 5% with loans, average at 11.5% of account balance.
- Discussion of plan costs: 0.21% underlying fund next costs + 0.40% John Hancock services + 0.25% third party services = 0.86%. Averages between 1.02% to 1.16%. Not 100% indexed which would be cheaper.
- Monitoring two funds that have done well in the past and are underperforming and are on a watch list. Some targeted 2015 funds will be sunsetted 2020.
- Larger organizations don't have as many choices, but the average for organizations our size is 24 funds. Still have some redundancy with three mid-caps and three small-caps, and could easily drop four total with two from each. Wait until we do Safe Harbor announcement and do together in 2020. Will do 401k audit review in August 2020 next year.

b. September 2019 Financials (Linda Reynolds)

- Mutual of America approached us with a 401k proposal. Coming back with a cost comparison and will bring to Finance Committee meeting to discuss when received.
- Received notice from Clark County - there was a mistake on our allocation, revenue will be less \$9K.
- Contract revenue was under budget at (\$51K). Meals 4 Kids down – meeting goals for number of meals but meal cost is down and contract is cost plus.
- Food and supplies were unfavorable (\$9k).
- Days cash at 41.
- Diner's OAA meals are up each month, and total guests are up as well. Cost of sales at (\$24,692). Average meal \$/guest is \$9.96. Discussion of goals for the diner and alignment with five year strategic plan.
- \$63K in donations/grants – not in revenue, break even contracts. Have good \$9.80/meal contracts, especially in the health industry.

Meeting adjourned 1:22pm

Next Finance Committee Meeting:

November 20, 2019

Noon-1:00pm

Telephone meeting

MEALS ON WHEELS PEOPLE
STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

Purpose

The mission of Meals on Wheels People (MOWP) is to enrich the lives of seniors and assist them in maintaining independence, by providing nutritious food, human connections, and social support. We also use our expertise and capacity to serve other nutritionally at risk populations.

The purpose of this Investment Policy Statement (IPS) is to set forth the policies and procedures that shall guide the Board of Directors (Board) of MOWP in supervising and monitoring the management of MOWP investable assets. These policies include risk levels, asset allocation, diversification and the selection of investment managers and/or consultants who will implement and manage the investment plan. The Board has delegated oversight to the Finance Committee (Committee), which assumes the role of oversight and stewardship of the assets entrusted to MOWP. The Board of Directors and Finance Committee recognize that sound investment practices and procedural prudence are the keys to fulfillment of their fiduciary responsibilities.

Accounts

To better accomplish the different goals of these assets, the Board has determined that it is appropriate to maintain three separate Accounts as follows:

- Board Designated Financial Reserve Fund
- Joan Smith Executive Director Fund
- Capital & Maintenance Fund

The respective purpose and target asset allocation for each Account is detailed in Appendix I.

This Investment Policy Statement will supersede any earlier Investment Policy Statement(s). The policies and practices outlined in this Investment Policy Statement are not intended to be overly restrictive given changing economic, business and capital market conditions.

Investment Objective:

Meals on Wheels People has a long-term investment horizon. The primary investment objective is to maintain the real purchasing power of current assets and all future contributions in perpetuity, after inflation, costs and spending. A secondary objective is to achieve a total return in excess of the Policy Benchmark at an equal or lower level of risk.

Time Horizon:

The investment guidelines are based on an investment horizon of greater than five years. With a perpetual investment time horizon, the Board of Directors takes a long-term perspective in setting and monitoring the impact of these policies.

Risk Tolerances

The Committee recognizes that some risk of loss must be assumed to achieve the investment objectives of the portfolios and that returns from capital markets will vary from one period to the next, sometimes

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dramatically. The Committee is willing to accept this volatility in order to earn the higher long-term rates of return necessary to meet spending and capital appreciation requirements.

Performance Expectations

The investment objective is to achieve the desired spending rate, which includes the costs of managing the portfolios, plus inflation. This return should allow MOWP to maintain its purchasing power over time. It is understood that performance will vary from period to period and a set rate of return may not be meaningful during some periods. Accordingly, relative performance benchmarks for the investment options are set forth in the Investment Return and Risk Objectives section.

Governance

Meals on Wheels People investment philosophy is built on the precepts of diversification, long-term strategic focus, and prudent risk management. MOWP utilizes a “total return” approach, which allows the Board to establish an annual payout rate based on a percentage of the asset base over a rolling twelve quarter period. By using the total return approach, MOWP is able to maintain and increase the value of donated assets while funding current needs at an appropriate level. Because investments can be managed for both growth and income, rather than requiring distributions from income alone, a larger and more predictable flow of funds will be available to meet both current and future needs.

Management of MOWP assets is to be done in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Act requires that all fiduciaries (members of the Board and Committee as well as the Investment Advisor) “shall manage and invest the fund in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.”

In performing their duties the following shall be considered:

- The need of MOWP to make distributions and to preserve capital
- The expected total return from income and appreciation of investments
- The possible effect of inflation or deflation
- General economic conditions
- The role that each investment or strategy plays within the overall portfolio
- Ensuring that costs are appropriate and reasonable in relation to the assets and the purposes of MOWP.

Policy Review

This Policy Statement shall be reviewed annually by the Finance Committee and any recommendations for changes presented to the Board.

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STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

Key Responsibilities

Board of Directors

The governing body of MOWP is the Board of Directors who are fiduciaries, and ultimately responsible for the disposition of MOWP's investable assets. The Board has delegated the direct management and fiduciary oversight of the investment management of investable assets to the Finance Committee. The Board retains the responsibility of approving any changes to this Policy Statement.

Finance Committee

The Finance Committee shall be selected by and report to the Board of Directors.

The Finance Committee shall be responsible for:

- Assisting in the development and periodic review of investment policy, recommending changes when appropriate
- Managing liquidity to allow for timely transactions and distributions
- Monitoring the asset allocation to ensure compliance with Policy guidelines
- Reviewing asset allocation targets periodically or in response to Investment Advisor suggestions
- Reviewing and monitoring the performance of the Investment Advisor in the management of assets to achieve the investment objectives within the guidelines of policy
- Determine if overall policies and objectives continue to be appropriate and reasonable, providing recommended changes to the Board as necessary.
- Ensuring that all costs are reasonable
- Meeting with Investment Advisor quarterly to review portfolio performance

Investment Advisor

The Investment Advisor serves as an objective, third-party professional retained to assist the committee in managing the overall investment process. The Advisor is responsible for guiding the committee through a disciplined and rigorous investment process to enable the committee to meet the fiduciary responsibilities outlined above. The Advisor shall be a Registered Investment Advisor (RIA) and shall act on a discretionary basis with a written acknowledgement of fiduciary status.

The investment Advisor shall be responsible for:

- Assisting in the development and periodic review of investment policy, recommending changes when appropriate
- Designing and implementing an appropriate asset allocation plan consistent with the investment objectives, time horizon, risk profile and the guidelines and constraints outlined in this statement.
- Periodically rebalancing the portfolio(s) back to target allocations taking into consideration transactions costs and prevailing market conditions
- Recommend new asset categories when appropriate
- The selection and monitoring of Investment Managers/Funds
- Providing periodic reports evaluating the return and risk characteristics of individual investments compared to appropriate indexes and/or peer group universes

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- Apprising the Committee of changes with regard to Investment Funds in a reasonable time frame given the significance of the information
- Meeting with the Committee quarterly to present performance reports, asset allocation reviews, economic outlooks and any recommended changes to investment policy
- Selecting and monitoring an independent custodian to hold MOWP assets
- Ensuring that investment costs are reasonable

Investment Manager and Investment Funds

The Investment Manager (Manager) is an individual or entity that manages assets for MOWP. The vehicle through which the Investment Manager manages assets for MOWP is an Investment Fund (Fund). Given the advantages of transparency, liquidity, and regulatory/compliance oversight, MOWP requires that invested assets be held in an SEC-registered Investment Company, as defined in the Investment Company Act of 1940, commonly known as mutual funds, unit-investment trusts, separately-managed accounts and most exchange-traded funds. Direct security investment, hedge funds, non-registered ETF's and limited partnerships are excluded from this definition and inclusion in the portfolio would require specific approval of the Board.

Spending Policy

Distributions by MOWP are guided by prudence, current economic conditions, and by the donor's intent. The general goal is to spend up to 4.5% of the "fund value" in a given year for operating expenses. The "fund value" will be the average value of the fund over the last twelve full quarters or the total number of full quarters the fund has been in existence if less than twelve quarters. The distribution will be reviewed by the Committee every six months.

The Board will review MOWP's spending policy for reasonableness and compliance with regulatory parameters (e.g. UMPIFA) with the objective of providing stable and predictable distributions. The Committee may factor material changes to MOWP's spending policy in the process of reviewing asset allocation targets.

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Investment Return and Risk Objectives

Meals on Wheels People seeks to outperform its Policy Benchmark over a full market cycle and does not expect that all investment objectives will be attained in each year. Furthermore, the Committee recognizes that over various time periods, the portfolio may produce significant deviations relative to the Policy Benchmark. For this reason, investment returns will be evaluated over a full market cycle (for measurement purposes, at least 5 years).

The Committee will periodically review the investment performance of MOWP portfolios to ensure that performance is generally in line with expectations.

Portfolio Performance Review

Aggregate performance of the overall portfolio will be measured against the Policy Benchmark, which is equal to the target weight for each asset class (see Asset Allocation section) multiplied by the performance of the relevant asset class benchmark. Performance will be reviewed over various trailing and rolling time periods with more emphasis given to longer periods (5-10 years).

Investment Fund Performance

Individual Fund performance will be evaluated versus the appropriate peer group and/or benchmark index. Evaluation of Investment Funds will primarily consist of the following quantitative and qualitative factors:

Quantitative Factors:

- Risk-adjusted returns versus peer group over rolling periods
- Risk-adjusted returns versus benchmark index over rolling periods
- Management fees or expense ratios
- Asset flows

Qualitative Factors:

- Consistency of key personnel
- Consistency to stated investment strategy
- Deviation from style and/or market cap for which the Fund was selected
- Significant organizational change (ownership change, compensation structure, etc.)

Portfolio Construction and Management

Portfolio Diversification Requirements

The portfolio will be invested so all assets will be well diversified, with the intent of minimizing the risk of large loss. The total portfolio will be constructed and maintained to meet UPMIFA guidelines, including providing for reasonable diversification with regard to the concentration of holdings in individual issues, corporations or industries. Diversification will be achieved at the total portfolio level and not necessarily at the individual Fund level.

Portfolio Rebalancing

Market conditions will cause the investments to vary from the established allocation. To remain consistent with these guidelines, the portfolio will be periodically reviewed and rebalanced back to the permitted range. Current and anticipated market conditions and transaction costs will be considered in the process.

Asset Allocation

To achieve its long-term goal, The Board has adopted an asset allocation plan that includes a distribution of assets among major asset classes. The allocation acknowledges that over long investment horizons, the allocation among various asset classes will outweigh security selection. As each Account has a different purpose, it is prudent to designate a specific asset allocation target to each. These are detailed in Appendix I.

Investment Guidelines and Benchmarks

The investment strategy will be implemented using a combination of diversified active and passive investment approaches through commingled investments in the form of mutual funds and/or exchange-traded funds. This structure will enable the portfolio to achieve full diversification and lower costs through economies of scale. Other implementation structures may at times be considered in part or in full. Decisions as to individual security selection, security size, and quality, number of industries and holdings, current income level, use of derivatives, turnover and the other tools employed by active Investment Managers are left to the Manager's discretion, subject to the usual standards of fiduciary prudence and individual manager guidelines.

For funds designated for short-term investment, the Board has approved the use of:

- Interest-bearing checking accounts for cash needed within the next 60 days,
- Money market mutual funds, and
- FDIC-insured certificates of deposit, with maturities of no longer than two years.

Cash, money market funds and certificates of deposit are used to meet the liquidity demands of MOWP.

Fixed income instruments reduce volatility and provide income to the portfolio.

Equity will be used in the portfolio to provide long-term capital appreciation in order to facilitate growth of the portfolio. Equity investments have a greater volatility than fixed income or cash instruments.

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Allocation Strategies will be used primarily to replace market risk (beta) with manager risk (alpha) and lower overall portfolio risk through additional diversification.

Asset Class Descriptions

Global Fixed Income

Fixed Income – Domestic and International: The Fixed Income portfolio shall be comprised of predominantly investment grade securities having a minimum quality rating from Moody's of Baa3 or a BBB-rating from Standard and Poor's. The aggregate fixed income portfolio should have an average credit quality of A or better. *The Domestic Fixed Income assets in this portfolio should, over a market cycle, outperform the Barclays Aggregate Bond Index. The International Fixed Income assets should, over a market cycle, outperform the Citi WGBI Non USD Index.*

Global Equities

Domestic Equities

Large Capitalization: The Large Capitalization Domestic Equity asset class will be invested in predominantly U.S. equities with a market capitalization of \$10 billion or more. This may include common stock, securities that are convertible into common stock, preferred stock, warrants and rights to subscribe to common stock. The securities may be listed on registered exchanges or traded in the over-the-counter market. *The Large Capitalization Domestic Equity asset class in this portfolio should, over a market cycle, outperform the Standard and Poor's 500 Index.*

Mid-Capitalization: The Mid-Capitalization Domestic Equity asset class will be invested in predominantly U.S. equities with market capitalization typically between \$2 billion and \$10 billion. Mid-capitalization stocks bridge the gap between large and small capitalization stocks and incorporate tendencies of both, including volatility. In addition mid-cap companies tend to have narrower product lines, more limited financial resources and a more limited trading market than larger companies. The securities may be listed on registered exchanges or traded in the over-the-counter market. *The Mid-Capitalization Domestic Equity asset class in this portfolio should, over a market cycle, outperform the Russell Mid-Cap Index.*

Small Capitalization: The Small Capitalization Domestic Equity asset class will be invested in predominantly U.S. equities with market capitalization of less than \$2 billion. Small capitalization stocks represent companies that are less established but, in many cases, faster-growing companies. Their faster-growing nature can provide additional return potential; however, their less established nature can also result in additional volatility. The securities may be listed on registered exchanges or traded in the over-the-counter market. *The Small Capitalization Domestic Equity asset class in this portfolio should, over a market cycle, outperform the Russell 2000 Index.*

International Equity

Developed Markets: The International Equity – Developed Markets asset class will be invested in the stock of foreign corporations in developed countries. *The International Equity – Developed Markets*

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asset class in this portfolio should, over a market cycle, outperform the MSCI All Country ex-US World Index.

International Equity – Emerging Markets: The International Equity – Emerging Markets asset class will be predominately invested in the stock of foreign corporations in the 21 developing or emerging countries as listed in the MSCI Emerging Markets Index. The International Equity – Emerging Markets asset class in this portfolio should, over a market cycle, outperform the MSCI EM (Emerging Markets) Index.

Real Estate

Real Estate: The real estate asset class will be invested in the stock of domestic and/or foreign Real Estate Investment Trusts. The Real Estate asset class in this portfolio should, over a market cycle, outperform the DJ US Select REIT Index.

Allocation Strategies.

Allocation Strategies should, over a market cycle, outperform their respective benchmark index.

Allocation Strategies: Investments that utilize asset allocation strategies. Specifically, Allocation Strategies is sub-divided and defined in two categories as follows:

- *Conservative: Funds in this group allocate into an optimal mix of stocks, bonds and cash, both foreign and domestic with a primary goal of principal protection. Managers have the flexibility to rebalance the asset mix based upon their perception of the strongest market segments or to take advantage of temporary price anomalies. Additionally, these strategies can invest in alternative asset classes such as real estate, commodities and precious metals. It is anticipated that the equity portion of the allocation will not typically exceed 50% and will average 20-40%.*
- *Growth: Funds in this group allocate into an optimal mix of stocks, bonds and cash, both foreign and domestic with a primary goal of asset growth. Managers have the flexibility to rebalance the asset mix based upon their perception of the strongest market segments or to take advantage of temporary price anomalies. Additionally, these strategies can invest in alternative asset classes such as real estate, commodities and precious metals. It is anticipated that the equity portion of the allocation will average 60-85%.*
- *Specifically excluded from consideration are non-liquid alternative asset classes and vehicles such as venture capital, limited partnerships, non-traded REITS, private equity and hedge funds.*

Benchmarks for each sector are as follows:

- *Flexible Allocation: An appropriate combination of fixed income and equity indexes. The appropriate index for each fund will be constructed using a Returns-Based Style Analysis (RBSA) review of historical return characteristics. The weighting shall be reviewed annually and adjusted as needed, however the historic index weights will be retained in calculating trailing returns.*

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Adoption and Signatures

Review Procedure

To assure continued relevance of the guidelines and objectives contained herein, the Committee will review this Policy at least annually to determine if it continues to best serve MOWP's needs and objectives. Changes will be submitted to the Board for approval.

The Committee shall review the portfolio and investment results on a quarterly basis and report the results to the Board.

8/1/16
Date



President, Meals on Wheels People

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STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

Appendix I

Board Designated Financial Reserve Fund

Purpose:

The assets of the Board Designated Financial Reserve Fund will be used to provide an income stream for the benefit of the Meals on Wheels People Mission.

Asset Allocation

For funds designated for the Board Designated Financial Reserve Fund, the Board has approved the following asset allocation targets:

Asset Class	Asset Type	Normal Weighting	Minimum Weighting	Maximum Weighting
Cash	Money Market Fund	4%	1%	10%
Global Fixed Income	US Fixed Income	15%	10%	30%
	Non-US Fixed Income	13%	0%	17%
Global Equity	Large Cap US Stocks	17%	12%	30%
	Mid Cap US Stocks	6%	3%	10%
	Small Cap US Stocks	4%	3%	10%
	Developed Country Stocks	14%	10%	20%
	Emerging Country Stocks	5%	0%	8%
	Real Estate	4%	0%	8%
Allocation Strategies	Flexible Allocation - Conservative	6%	0%	12%
	Flexible Allocation - Growth	12%	5%	17%
Total		100%		

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Capital & Maintenance Fund

Purpose:

The assets of the Capital & Maintenance Fund investment portfolio will be used to replace assets and fund major maintenance of Meals on Wheels People, Inc. owned equipment and facilities. Capital equipment is defined as any equipment with a cost exceeding \$1,500 and a life expectancy of more than 1 year. Major maintenance is defined as maintenance exceeding \$5,000.

Asset Allocation

For funds designated for the Capital & Maintenance Fund investment portfolio, the Board has approved the following asset allocation targets:

Asset Class	Asset Type	Normal Weighting	Minimum Weighting	Maximum Weighting
Cash	Money Market Fund	2%	1%	10%
Global Fixed Income	US Fixed Income	16%	10%	30%
	Non-US Fixed Income	14%	0%	17%
Global Equity	Large Cap US Stocks	17%	12%	30%
	Mid Cap US Stocks	6%	3%	10%
	Small Cap US Stocks	4%	3%	10%
	Developed Country Stocks	14%	10%	20%
	Emerging Country Stocks	5%	0%	8%
	Real Estate	4%	0%	8%
Allocation Strategies	Flexible Allocation - Conservative	6%	0%	12%
	Flexible Allocation - Growth	12%	5%	17%
Total		100%		

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Joan Smith Executive Director Fund

Purpose:

The assets of the Joan Smith Executive Director Fund will be used to provide a resource for the Executive Director to quickly fund a special operations related project that is outside of the budget. The project should enhance something for seniors or the children's program.

- The intent is to maintain this account at or above \$100,000 on an annual basis. If it drops below this amount, withdrawals will not be made until it reaches \$100,000 unless pre-approved by the Finance Committee.
- Withdrawals are at the discretion of the Executive Director. Withdrawals are limited to \$10,000 per request. If the need is greater than \$10,000, the pre-approval of the Finance Committee is required.
- A spending report will be provided to the Finance Committee and Board of Directors upon use of these funds.

Asset Allocation

For funds designated for the Joan Smith Executive Director Fund, the Board has approved the following asset allocation targets:

Asset Class	Asset Type	Normal Weighting	Minimum Weighting	Maximum Weighting
Cash	Money Market Fund	5%	1%	10%
Global Fixed Income	US Fixed Income	14%	10%	30%
	Non-US Fixed Income	13%	0%	17%
Global Equity	Large Cap US Stocks	17%	12%	30%
	Mid Cap US Stocks	6%	3%	10%
	Small Cap US Stocks	4%	3%	10%
	Developed Country Stocks	14%	10%	20%
	Emerging Country Stocks	5%	0%	8%
	Real Estate	4%	0%	8%
Allocation Strategies	Flexible Allocation - Conservative	6%	0%	12%
	Flexible Allocation - Growth	12%	5%	17%
Total		100%		

Meals on Wheels People - Historical Operations

October 2019 Executive Summary

	Celebrate	Caution	Unfavorable	Comment	Key issues/challenges/opportunities /risk
Management Operating Revenues	←				
Government	X			Favorable \$171K Government was over budget \$65K primarily due to OAA and OPI revenue over budget, offset by a shortfall in NSIP.	
Development/Center Fundraising	X			Development fundraising was \$138K over budget primarily in general donations and grants.	A \$100K individual donation was received and will be booked in November.
Contract		X		Contract revenue was under budget (\$64K). Edwards Center (\$19K) and Meals 4 Kids (\$30K) had the largest revenue shortfalls. Multiple contracts were short (\$1-3K).	
Expenses	←			Expenses were \$17K favorable year to date.	
Food & Supplies		X		Food & supplies were unfavorable to budget (\$1.5K). The volume variance was (\$10K) and the spending variance \$8.5K for meals served.	The variance to budget will continue to be unfavorable as we serve more meals than planned.
Salaries	X			Salaries were favorable to budget \$75K primarily in Centers and Operations staff due to staff turnover and a delay in hiring.	
Benefits	X			Benefits were \$22K favorable year to date.	
Advertising	X			Unfavorable (\$54K) due to paying for 3 months of the billboard on Hwy 217, a month of the billboard on I-5, and winter spots on TV stations.	This account will be unfavorable all year as we pay for a new billboard on I-5. This expense will be offset in "Release from restricted" revenue as we received 2 grants for the billboard in FY20.
Printing		X		Unfavorable (\$31K) due to a payment for the large winter mailings.	
Management net income	←			We ended October with a loss of (\$78K) compared to a budgeted loss of (\$266K), a \$188K favorable variance.	
Liquidity	←			Days cash = 46.	
Food Cost	←				
Bulk meal	X			Raw food costs per meal were \$1.323 for the month. The budget is \$1.36 per meal.	
Contract meals	X			The large bump in food cost for October was Summer Meals for Kids charged with \$9K of additional food from the central kitchen. This was a correction from prior months. The YTD cost per meal of \$1.55 is still under the budgeted cost per meal of \$1.60.	
Number of meals served	←			All senior meal types (congregate, home delivered & Medicaid) were over plan. Contract meals were under plan and last year.	
Total cost per meal served	←			The full absorption cost was \$8.61 YTD compared to a budget of \$8.88. The favorable impact of Meals 4 Kids on the full absorption cost was \$0.98.	The large variance from budget is due to more meals served than planned and being under budget in expenses.

Meals on Wheels People - Historical Operations

October 2019 Executive Summary

MANAGEMENT REPORTING REVENUES

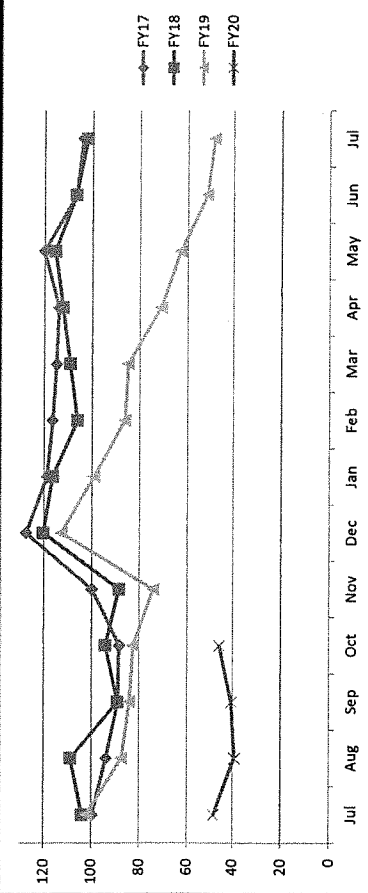
REVENUES	Actual YTD	Budget YTD	Variance YTD	Annual Budget
Government Contracts				
Older Americans Act	\$1,297,808	1,239,291	\$58,517	\$2,151,524
Medicaid	357,349	326,817	30,532	953,814
NSIP	140,115	174,084	(33,969)	515,305
Other	88,839	78,517	10,322	170,000
Fundraising				
Contract Meal Sales	841,028	702,800	138,228	4,093,802
Participant Contributions	302,378	366,822	(64,444)	1,097,000
	190,703	197,355	(6,652)	576,000
Board Designated				
Transfer from Investments	154,367	113,400	40,967	435,199
Other	67,044	69,854	(2,810)	283,666
Total Management reporting revenues	\$3,439,631	3,268,940	\$170,691	\$10,505,688

* See fundraising details below

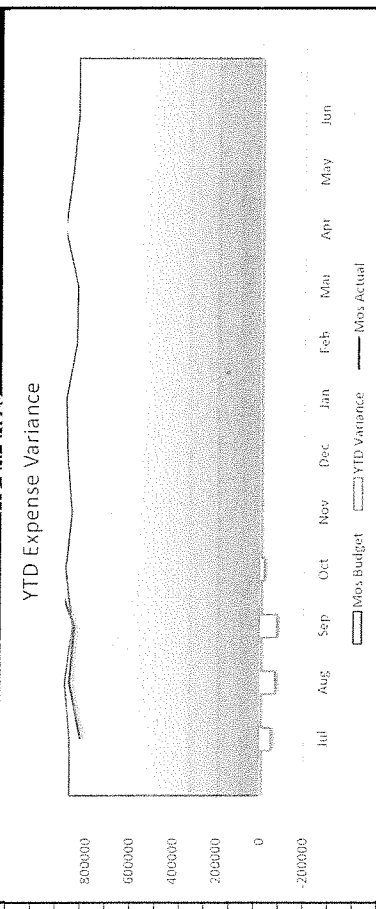
FUNDRAISING REVENUES

Operating Statement	Restricted	Total	YTD Budget
Special Events	\$ 37,057	\$ 37,057	\$ 40,168
Best Tables in Town	2,500	2,500	2,000
Donate Dinner	12,647	12,647	-
Stride for Seniors Luncheons	21,160	21,160	16,500
50th Anniversary	750	750	3,000
Direct Solicitation	-	-	16,668
Donations	239,450	239,450	252,500
Grants	338,609	338,609	305,332
Partnerships	151,445	151,445	48,900
Center Fundraising	49,824	49,824	49,000
Release restricted grants	6,496	6,496	6,900
	18,147	18,147	-
Sub-total	\$ 841,028	\$ 841,028	\$ 702,800
Bequests	-	-	66,667
Total Fundraising	\$ 841,028	\$ 841,028	\$ 769,467

DAYS CASH



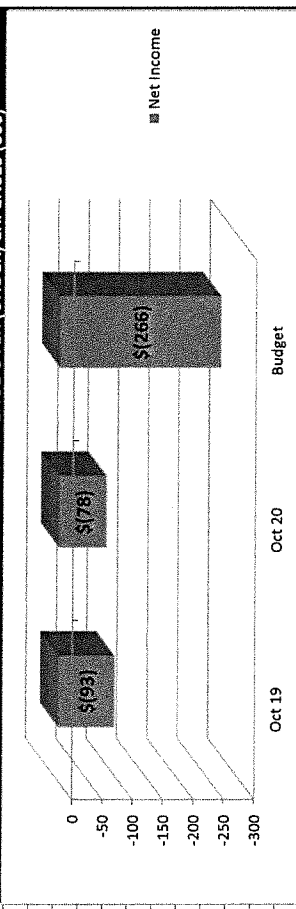
YTD EXPENSES



Expenses are under budget \$17K YTD. This is primarily labor & related \$96K due to the timing of new hires and attrition. Professional services is under budget \$41K due to timing. Food is over budget with a (\$1.5K) variance.

Printing and postage is over budget (\$31K) and (\$7K) respectively due to the large winter mailing. Advertising is over budget (\$54K) due to the billboard expenses and payments for TV ads.

MANAGEMENT REPORTING OPERATING REVENUE OVER (UNDER) EXPENSES (000)



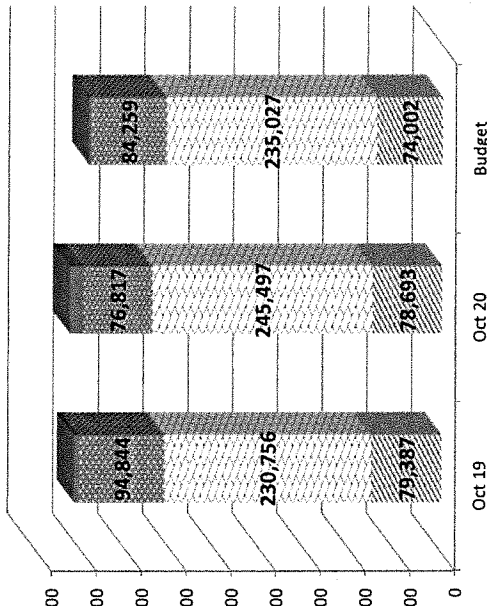
STATEMENT OF REVENUES & FUNCTIONAL EXPENSES (000)

	Actual YTD	Budget YTD	Variance YTD	Annual Budget
Total Revenues	3,582,802	3,222,207	360,595	9,986,823
Total Expenses	3,878,735	3,534,595	(344,140)	10,505,688
Increase (Decrease) in net assets	(295,933)	(312,388)	16,455	(518,865)
Components:				
Management reporting profit(loss)	(159,742)	(265,655)	105,913	-
Bequests	1,387	66,667	(65,280)	200,000
Board designated funds	(177,483)	(113,400)	(64,083)	(435,199)
Release restricted funds	(60,230)	-	(60,230)	-
Trf from Long Term Investments	-	-	-	(283,666)
Restricted Interest Earned	16,842	-	16,842	-
Gain(Loss) on investments	20,261	-	20,261	-
Restricted Gifts	-	-	-	-
Other (Gain/loss on disposition of equipment)	63,032	-	63,032	-
	(295,933)	(312,388)	16,455	(518,865)

Meals on Wheels People - Historical Operations

October 2019 Executive Summary

Meals Served
4 months ending 10/31



CONTRACTS

	October	YTD	YTD Bud	FY20 Bud
Contract sales	\$82,417	\$365,369	\$366,822	\$1,097,000
Direct Food	(35,147)	(116,835)	(131,632)	(387,591)
Direct Labor	(31,258)	(122,922)	(129,561)	(386,389)
Other Direct Expenses	(1,572)	(22,973)	(4,590)	(14,069)
Benefit to MOWP	14,440	102,639	101,039	308,951
GM%	17.5%	28.1%	27.5%	28.2%
Allocation of Expenses	(11,351)	(50,913)	(49,444)	(145,327)
Net Profit(Loss)	\$3,089	\$51,726	\$51,595	163,624

CONTRACT MEALS UPDATE

The Summer Kids program is included in these numbers. Revenue for this program credited grants and donations for \$63,991 which is why the YTD sales number do not equal the financial statements.

RAW FOOD COST PER MEALS SHIPPED

	Oct	YTD	FY20 Budget
Raw food cost - bulk meal program	\$1,323	\$1,347	\$1,360
Raw food cost - contract meal programs	\$1,947	\$1,551	\$1,645
Cost per meal allocated to centers	\$3,885	\$3,972	\$4,197

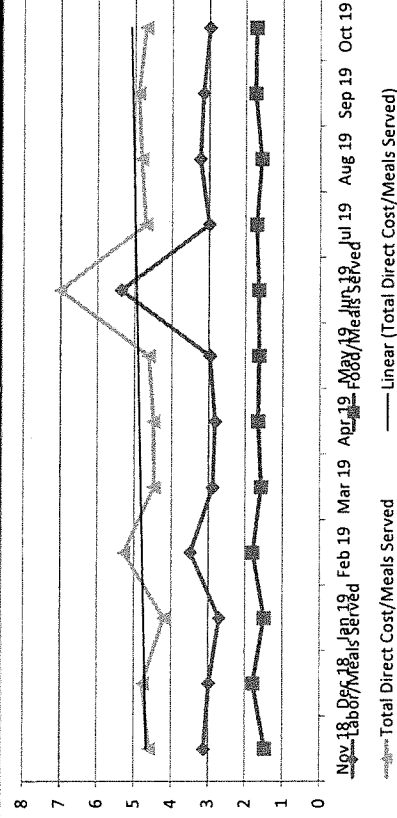
TOTAL COST PER MEAL SERVED

4 months ending 10/31

	Oct 19	Oct 20	YTD Budget	FY20 Budget
All Meals (Includes Meals 4 Kids)				
Central Kitchen	\$ 2.90	\$ 3.11	\$ 3.20	\$ 2.86
Operations	\$ 3.77	\$ 3.89	\$ 4.20	\$ 3.81
Administration	\$ 0.59	\$ 0.57	\$ 0.63	\$ 0.57
Development	\$ 0.74	\$ 1.05	\$ 0.84	\$ 0.87
Total	\$ 8.00	\$ 8.61	\$ 8.88	\$ 8.11
Meals without Meals 4 Kids				
Central Kitchen	\$ 3.37	\$ 3.65	\$ 3.76	\$ 3.32
Operations	\$ 3.83	\$ 4.05	\$ 4.34	\$ 3.88
Administration	\$ 0.68	\$ 0.67	\$ 0.74	\$ 0.66
Development	\$ 0.86	\$ 1.23	\$ 0.99	\$ 1.00
Total	\$ 8.75	\$ 9.59	\$ 9.84	\$ 8.86

VARIABLE COSTS PER MEALS SERVED

12 months ending 10/31



Meals on Wheels People

Statement of Financial Position
Unaudited
Consolidated

	October 31, 2019	October 31, 2018	June 30, 2019
ASSETS			
Current assets:			
Cash and cash equivalents	1,438,839	2,303,558	1,482,459
Investments - short term	518,526	54,540	517,516
	1,957,365	2,358,098	1,999,975
Accounts receivable:			
Older Americans Act	421,772	467,817	585,058
Medicaid	102,392	179,969	105,145
NSIP	51,178	68,920	67,245
Contract meals	259,879	149,757	233,911
Grants	100,000		
Bequests & Other	39,666	18,826	127,763
Less: Allowance for uncollectible accounts	(9,741)	(5,000)	(16,601)
	965,146	880,289	1,102,521
Contributions receivable	10,000	7,000	118,000
Less: Allowance for uncollectible pledges	-	-	-
Inventories	101,239	87,135	93,913
Prepaid expenses and other assets	407,546	170,584	265,125
	3,441,296	3,503,106	3,579,534
Total current assets			
Investments held related to charitable gift annuities	17,648	18,613	17,648
Beneficial interest in trusts	262,962	248,601	262,962
Investments			
Oregon Community Foundation	386,537	371,732	386,437
Board Designated for Financial Reserve	-	-	-
Other Investments Long Term			
The Community Foundation for SW Washington	68,722	67,116	68,728
Board Designated for Capital and Maintenance	3,171,762	3,074,023	3,162,180
Joan Smith fund	195,438	189,794	195,357
Long Term Investments	6,533,043	6,586,206	6,506,479
Trademarks	9,392	-	9,522
Property plant and equipment			
Building and land	6,657,837	6,657,837	6,657,837
Furniture and equipment	4,502,915	3,898,324	4,395,359
Accumulated depreciation	(4,605,502)	(4,279,996)	(4,485,849)
TOTAL ASSETS	\$ 20,642,050	\$ 20,335,356	\$ 20,756,194
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable	\$ 366,383	\$ 215,945	\$ 192,970
Accrued liabilities	404,016	259,124	395,295
Reserve for annuities	14,361	15,165	14,706
TOTAL LIABILITIES	784,760	490,234	602,971
Net assets:			
Unrestricted:			
Available for operations	2,345,187	2,669,313	2,435,625
Net investment in property and equipment	6,555,250	6,276,165	6,567,347
Designated for Joan Smith ED Fund	145,258	139,614	145,177
Designated for advertising initiatives	88,190	112,875	150,000
Designated for financial reserve	6,533,043	6,586,206	6,682,908
Designated for capital and maintenance reserve	3,171,762	3,074,023	3,162,180
Total net assets without donor restrictions	18,838,690	18,858,196	19,143,237
Net assets with donor restrictions	1,018,600	986,926	1,009,986
TOTAL NET ASSETS	19,857,290	19,845,122	20,153,223
TOTAL LIABILITIES AND NET ASSETS	\$ 20,642,050	\$ 20,335,356	\$ 20,756,194

Meals on Wheels People

Statement of Revenues & Functional Expenses

4 Months Ended 10/31/2019

Unaudited

	Program Services				Total	Supporting Services				Total		
	Center Operations	Kitchen Operations	The Diner Vancouver	Taxable		General and Administrative	Fund-raising	Total Operations	Current Budget		Capital and multi-year grants	Planned Gifts
Revenue:												
Government contracts	\$ 1,884,111	\$ -	\$ 3,350	\$ -	\$ 1,887,461	\$ -	\$ -	\$ 1,887,461	\$ 1,818,710	\$ -	\$ -	\$ 1,887,461
Participant Contributions	190,703	-	754	-	191,457	-	-	191,457	197,350	-	-	191,457
Fundraising	773,022	50,986	38,030	-	862,038	-	-	862,038	703,360	76,945	-	938,983
Bequests	-	-	-	-	-	-	-	-	-	1,387	-	1,387
Food and contract revenue and merchandise sales	257,281	52,229	158,314	25,659	493,483	-	-	493,483	405,460	-	-	493,483
In-kind contributions	-	-	-	-	-	-	-	-	-	-	-	-
Other	202,700	-	65,199	2,940	270,839	-	-	270,839	144,060	(237,713)	467	70,031
Total Revenues	3,307,817	103,215	265,647	28,599	3,705,278	-	-	3,705,278	3,268,940	(159,381)	467	3,582,802
Expenses:												
Salaries and wages	1,176,323	479,489	200,109	17,300	1,873,221	152,712	153,063	2,178,996	2,058,060	-	-	2,178,996
Food and related supplies	131,262	575,337	71,294	10,372	788,265	3,670	20	791,935	719,190	-	-	791,935
Professional Services	21,119	7,551	1,325	5,396	35,391	30,680	17,714	83,785	123,030	-	-	83,786
Rent and utilities	61,870	96,795	18,669	-	177,334	10,133	7,118	194,585	173,350	-	-	194,585
Printing	20,247	621	2,637	2,692	26,197	3,289	79,097	108,583	74,960	-	-	108,583
Postage	356	-	-	-	356	(158)	40,801	40,999	34,490	-	-	40,999
Truck costs	6,603	40,606	-	-	47,209	-	-	47,209	43,380	-	-	47,209
Insurance	19,419	6,945	1,747	-	28,111	1,883	167	30,161	27,990	-	-	30,161
Office supplies and equipment	2,368	2,550	6,511	180	11,609	3,326	1,530	16,465	20,680	-	-	16,465
Repairs and maintenance	22,965	11,157	1,316	-	35,438	-	-	35,438	28,420	-	-	35,438
Miscellaneous	61,361	2,843	12,917	4,252	81,373	19,969	115,849	217,191	137,620	-	13,500	230,905
Depreciation	58,590	22,197	30,822	662	112,271	2,274	5,108	119,653	93,400	-	-	119,653
Total expenses	1,582,483	1,246,091	347,347	40,854	3,216,775	227,778	420,467	3,865,020	3,534,570	-	13,500	3,878,735
Revenue over (under) expenses as of 10/31/2019	1,725,334	(1,142,876)	(81,700)	(12,255)	488,503	(227,778)	(420,467)	(159,742)	(265,630)	(165,531)	(13,033)	36,221
												(295,933)

Meals on Wheels People
Statement of Operations
4 Months Ended 10/31/19
The Diner Vancouver

	Oct 31, 2019 This Month	Oct 31, 2019 Month Budget	Oct 31, 2018 Prior Year	Oct 31, 2018 Prior Year To Date	Oct 31, 2019 Current Year To Date	Year to Date Budget	Budget Variance YTD	% Variance	Preliminary Annual Budget
Revenue:									
Government:									
Older Americans Act	1,301	-	-	-	3,276	-	3,276	#DIV/0!	
NSIP	26	-	-	-	74	-	74	#DIV/0!	
Participant Contributions Congregate	264	500	-	-	754	2,000	(1,246)	-62.3%	6,000
Fundraising:									
Grants	-	-	-	-	-	-	-	#DIV/0!	
Donations	10,381	14,023	-	-	38,030	55,640	(17,610)	-31.6%	163,873
Release Restricted Funds	8,333	8,333	-	-	42,083	33,333	8,750	26.3%	100,000
Meal Sales:									
Food	43,935	53,936	-	-	165,189	214,007	(48,818)	-22.8%	630,283
Beer	52	120	-	-	173	476	(303)	-63.7%	1,401
Wine	582	775	-	-	2,364	3,075	(711)	-23.1%	9,050
Special Events	-	2,625	-	-	-	10,500	(10,500)	-100.0%	31,500
Retail	15	100	-	-	15	400	(385)	-96.3%	1,200
Discounts	(2,697)	-	-	-	(9,241)	-	(9,241)	#DIV/0!	
Comps	-	-	-	-	(186)	-	(186)	#DIV/0!	
Board Designated Funds for Operations	7,705	-	-	-	23,116	-	-		
Total Revenue	69,897	80,412	-	-	265,647	319,431	(76,900)	-24.1%	943,307
						319,431			
Cost of Sales:									
Food	17,899	16,262	92	154	62,999	64,523	1,524	2.4%	169,113
Beer	(5)	26	-	-	(4)	104	108	103.8%	308
Wine	153	194	-	-	1,338	770	(568)	-73.8%	2,263
Special Events	-	788	-	-	-	3,152	3,152	100.0%	9,450
Retail	-	-	-	-	-	-	-	#DIV/0!	-
Food & Restaurant Supplies	2,375	885	-	-	6,962	2,540	(4,422)	-174.1%	6,620
Total Cost of Sales	20,422	18,155	92	154	71,295	71,089	(206)	-0.3%	187,754
Salaries & Wages	38,043	41,475	3,846	7,596	159,598	164,381	4,783	2.9%	483,134
Payroll Taxes & Benefits	11,522	6,615	373	654	40,511	39,349	(1,162)	-3.0%	90,972
Contract Employees	-	-	-	-	-	-	-	#DIV/0!	
Total Labor	49,565	48,090	4,219	8,250	200,109	203,730	3,621	1.8%	574,106
Prime Cost (COS + Labor)	69,987	66,245	4,311	8,404	271,404	274,819	3,415	1.2%	761,860
Gross Profit	(90)	14,167	(4,311)	(8,404)	(5,757)	44,612	(80,315)	-180.0%	181,447
GM%	-0.1%	17.6%	-	-	-2.2%	14.0%	104.4%		19.2%
Professional Services	831	376	599	1,012	1,325	1,504	179	11.9%	4,512
Printing	199	435	-	-	2,637	1,740	(897)	-51.6%	5,220
Rent	2,817	3,455	1,685	7,319	10,619	14,070	3,451	24.5%	44,676
Utilities	1,724	720	192	694	6,178	2,880	(3,298)	-114.5%	8,640
Telephone & Internet	174	285	111	111	1,872	1,140	(732)	-64.2%	3,420
Postage	-	-	-	-	-	-	-	#DIV/0!	-
Insurance	437	296	296	460	1,747	1,184	(563)	-47.6%	3,552
Office Supplies	48	42	-	-	420	168	(252)	-150.0%	500
Small Equipment	5,264	100	1,870	10,061	6,091	400	(5,691)	-1422.8%	1,200
Repairs & Maintenance	122	200	-	-	1,316	800	(516)	-64.5%	2,400
Training	-	90	-	-	-	360	360	100.0%	1,080
Subscriptions & memberships	547	-	-	-	1,149	-	(1,149)	#DIV/0!	-
Entertainment/music	-	30	-	-	-	120	120	100.0%	360
Janitorial services & supplies	1,302	150	-	-	3,725	600	(3,125)	-520.8%	1,800
Mileage	-	350	178	178	16	1,400	1,384	98.9%	4,200
Fundraising Costs	-	-	-	-	628	-	-		
Out of town travel	-	-	-	-	-	-	-	#DIV/0!	-
Recruitment Ads	84	150	-	-	168	600	432	72.0%	1,800
Advertising	150	-	-	-	1,530	2,000	470	23.5%	5,000
Over/Short	45	50	-	-	64	200	136	68.0%	600
Bank Charges	1,100	42	-	-	4,258	168	(4,090)	-2434.5%	504
Employee Recognition	71	-	-	-	83	-	(83)	#DIV/0!	
Wellness	-	-	-	-	90	-	(90)	#DIV/0!	
Miscellaneous	622	85	-	-	1,205	340	(865)	-254.4%	1,020
Depreciation	7,705	5,222	-	-	30,822	20,887	(9,935)	-47.6%	62,664
Program Operations	1,211	2,412	-	-	4,704	9,582	4,878	50.9%	28,299
Indirect Expenses	24,453	14,490	4,931	19,835	80,647	60,143	(19,876)	-33.0%	181,447
Net Income (Loss)	(24,543)	(322)	(9,242)	(28,239)	(86,404)	(15,531)	(70,873)	456.3%	-