

AUBURN INTERFAITH FOOD CLOSET
BOARD OF DIRECTORS

MINUTES OF THE MEETING

HELD

November 28, 2022

AT

1788 Auburn Ravine Rd., Auburn CA 95603

Andy Hayes called the meeting to order at 6:00 PM.

In attendance were: Sandy Bassett, Joan Beesley, Leah Capuchino, Peter Clark, Belva Durel, Peggy Fleming, Richard Goss, Andy Hayes, Denise Hoffman, Mary Krebs, Carol Mulder, Margaret Platt, Delores Roberson, Laurie Soper, Fran Wheaton, Judie Whitman, Don Wilford, and Claudia Wilson.

Absent were: Katy Bartosh, Barbara Ford, Jeff Garland, and Pam Murray.

Guest: Jessica Hubbard, Placer Community Foundation

1. Sandy Bassett offered the opening meditation based on Matthew 5:16 reminding the Board that every volunteer in the Food Closet plays a part in letting light shine for our guests
2. GUEST PRESENTER. Andy Hayes said he is planning to have guest speakers come from organizations and agencies that also serve our guests to acquaint the Board members with the spectrum of community organizations in our service area. He introduced Jessica Hubbard, Philanthropic Services Manager from the Placer Community Foundation.

Hubbard reminded the Board members that the AIFC and Placer Community Foundation (PCF) have crossed paths many times over the past years. She said that at least 65 grants totaling \$165,000 have been made by PCF to the AIFC. She gave the Board an overview of PCF's role in connecting funds from charitable donors with community organizations meeting those needs in the middle and western County area. PCF has also functioned in a community leadership role advocating for things like affordable housing over the past several years.

3. TAKE ACTION ON FOLLOWING ITEMS
 - a. Meeting Minutes approval – October 31, 2022. Rich Goss presented the minutes of the meeting held on Halloween. Judie Whitman moved, Bassett seconded approval of the minutes as presented. Approved by unanimous vote.
 - b. 2023 Budget. Hayes said that the prospect of a deficit budget for 2023 has been discussed at previous meetings; it can be considered because of the cash

balance available for use in covering shortfalls. He used the slides in the AIFC 2023 Budget Review deck to remind the Board members about the assumptions and factors on which the 2023 budget is based.

Hayes pointed out that over the past few years AIFC has taken in over \$919,000 more than was spent (Slide 3). Slide 4 shows an estimated \$31,376 in donations over expenses despite the rise in expenses in 2022. For 2023 cost drivers are: 1) More guests to be served, 2) The 4th day of food distributed to all guests, 3) Food cost inflation, and 4) Less food available from the Placer Food Bank in 2023. We are now serving more guests per month than in 2019; it is now more like the numbers in 2007-08. The budget assumes a 2% per month increase in guest visits, which we may or may not see. The proposed budget retains the 4th day of food, and food costs are estimated to be 2.5x 2020's cost.

Hayes went on to Slide 7 which compares the 2022 Budget to the 2022 estimated actual income/expenditures to the 2023 Budget. The 2023 Budget reflects an increase in income to \$321,000 which is more than the 2022 budget but is based on the much higher actual income in 2022 continuing, in part, in to 2023.

Hayes went to Slide 8 that outlines the risks/opportunities for 2023. He asked the Board members for their thoughts and comments on the Budget proposal.

Mary Krebs said in the warehouse we're trying new things while cutting back on others, so we'll see where we wind up. We can tweak things as we go.

Laurie Soper said we have had to adjust before.

Denise Hoffman said our community will step up if there is a need, so we will have to make sure we communicate because nothing ventured is nothing gained.

Claudia Wilson reflected on the AIFC mission statement saying we need to couple the mission with identified needs in the poverty areas in our service area – success is giving out everything that comes in.

Hayes commented that a year ago we had the frustrating situation of fewer guests coming in – they told us that they could take care of themselves at that time. So we added the 4th day of food, the food staples, and we're now serving 100 homebound families. If there is a downside, the tradeoff would be supplying less food to more people.

Soper moved, Carol Mulder seconded adoption of the 2023 Budget as presented, with a deep review after the March 31 quarter to determine any adjustments that might need to be made. Adoption approved by unanimous vote.

Hayes asked for a separate motion to establish a reserve in the cash accounts equal to the deficit in the adopted 2023 Budget.

Goss moved, Whitman seconded that a reserve be established using funds in the cash accounts totaling \$178,200 which may be drawn upon during 2023 if food expenses exceed the budget amount. The motion was approved by unanimous vote.

- c. 2023 Training Requirements. Wilson said she would be leading the training effort. The annual Civil Rights training is the first item up: Level 1 must be completed by front desk volunteers and any non-leadership volunteers who have guest contact; Level 2 must be completed by Board members. The training is a power point slide deck available on the AIFC website in the I Am A Volunteer tab. It needs to be completed by everyone by the end of January. Wilson said Lana Greenan will send an email to everyone who needs to take the training; Hayes said he would send an email to Board members with the link. This training is required by the Placer Food Bank to satisfy their TEFAP requirements.

4. STRATEGIC PLAN PROGRESS REPORTS

Goal 2 – AIFC Roles Board v. Operations. Pete Clark referred to the draft organization chart which was sent to each Board member. The chart reflects the AIFC's current organization. He said that the current organization has board functions meshed with the operations function. The Work Group recognized that the organization could be different, that a smaller board with one or two advisory groups like the Placer Community Foundation and other similar groups would be more effective.

Bassett said this chart looks similar to the current org chart and maybe should be adopted as an update.

Clark agreed that the org chart reflects how AIFC is organized now. The current format has led to many successes. But organizations face many challenges as well. The representative from the Center for Non-profit Leadership and the Work Group members including two pastors believe that better planning for dealing with future challenging events needs to be undertaken. We have potential near-term vacancies in key positions and there is currently no succession plan for those. The Executive Committee now distills issues to bring them to the full Board. Clark suggested that a group go to the pastors of supporting faith communities to see how they feel about an advisory role for representatives versus a director role.

Mulder said that God has blessed AIFC for many years, so we don't need to worry.

Clark agreed that God does provide, and that we also need to reflect on possible revisions.

Leah Capuchino asked if the leaders have job manuals, or is any shadowing done to acquaint backups with the functions of the key positions?

Clark said that those positions require time commitment, skills, and experience and everyone wants an exit strategy.

Capuchino said it is the challenge to the leaders to design how to parcel out the responsibilities of their positions.

Clark said that Hayes and Bassett will work on succession plans for their President and Operations Manager positions, and he said all Board members should determine what position each would be willing to step in to.

Bassett said the org chart should be approved.

Hayes said we should develop roles and responsibilities statements to go with it.

Margaret Platt told the Board that she had advised her church council of the reduction in the size of the Board and that they objected to the potential elimination of representatives of the four founding churches from the Board of Directors. Clark and Hayes confirmed that this org chart reflects the current Board structure and that no reduction in the size of the AIFC Board has been approved. Platt said she would report that to her church council.

Belva Durel said that every Board member is supposed to serve on a committee. Bassett agreed that in addition to service on a committee, each new Board member should have an orientation of about 3 days in operations.

Clark asked if anyone would be uneasy about a group meeting with churches' leadership? Bassett said that shouldn't be done until there is unity on what we plan to do. Clark agreed it would be better to wait until a plan is put together. Mulder said every church should have a representative on the Board.

5. FUNCTIONAL FOCUS REPORTS

a. Financial Reports. Hayes referred to the Profit & Loss Budget Performance through October spreadsheet which shows a \$70,000 loss. That loss is attributed to 1) We paid for the van purchase, 2) Food cost inflation, 3) The approved solar project. The Balance Sheet reflects the financial health of AIFC.

b. Results – Turkey Drive. Whitman reported that:

- \$4,146 was donated,
- Expenses totaled \$2,142 (for refrigerated truck rental, printing, and meal “fixins” that were distributed)
- 515 people registered for a turkey (vs. 363 in 2021)
- 405 turkeys were picked up (vs. 281 in 2021) plus 17 went to unregistered guests
- 434 turkeys were picked up (including through Wednesday)
- 110 registered but didn't pick up a turkey
- 503 turkeys were donated (vs 480 in 2021)

c. Results – Walk to Stock. Clark reported that:

- 400 people took the walk/run
- \$7,700 total donated; \$6,400 in person, \$1,383 through Eventbrite

6. OTHER BUSINESS

- a. Bassett reminded the Board of the Christmas Drive-Thru at Upper Room Church next to the Auburn DMV on Sunday evening, December 18. Flyers will be sent to AIFC donors and volunteers; she will be at the event with barrels to collect food for AIFC; and Goss will be singing.
- b. Bassett told the Board that books are needed for Bailey's Books for our guests.
- c. Hayes said that 5,000 pounds of mandarins were picked by volunteers last Saturday, and today another 1,000 pounds of mandarins were delivered. Everyone is being given mandarins!
- d. Hayes told the Board that a Friday volunteer is a landscape architect and is interested in helping design and build a garden to cultivate food for the AIFC. Jeff Garland has been enlisted to help spearhead this project. Land, on the same property as the mandarins, is available with adjacent irrigation for the garden.
- e. Hoffman distributed "Thank You" Christmas tree ornaments made by her daughter that will be given to each AIFC volunteer, thanking them for their service. AIFC funds were not used for the materials for the ornaments.

Hayes adjourned the meeting at 7:58 PM.

These minutes were approved by the Board of Directors of the Auburn Interfaith Food Closet at its meeting held January 30, 2023.

Richard Goss
Secretary



AIFC 2023 Budget Review

Board of Directors Meeting
November 28, 2022

2023 Budget Overview – Looking Back

- Over the past 4 years, AIFC revenues will exceed expenses by \$919,000
- Our 2022 Food budget was 50% over budget due to inflation, additional guests, covering for PFB donation shortage and adding a 4th meal per guest
- We've covered the increased food costs and purchased the van
- Per the October 2022 Statement of Financial Position, we have \$362,153 in our Money Market account, and this should rise to nearly \$450,000 by the end of the year

We will end 2022 in an
excellent financial position

Past Year Financials

	2019	2020	2021	2022 (est)	
Income					
Donations	171,708	449,197	358,233	322,789	
Fundraising	23,187	64,084	35,079	34,268	
Grants	12,284	44,240	94,271	47,118	
Other	<u>373</u>	<u>3,071</u>	<u>4,868</u>	<u>346</u>	
TOTAL	207,116	560,591	490,358	404,528	
Expense					
Admin	12,183	11,508	17,233	33,028	
Building	34,954	34,065	23,187	47,207	
Fundraising	8,182	7,765	7,800	5,053	
Grants	0	0	0	2,118	
Food	46,161	23,148	50,356	153,253	
Other Program	<u>42,844</u>	<u>35,668</u>	<u>73,578</u>	<u>118,740</u>	
TOTAL	114,324	112,154	173,898	373,152	
Profit/(Loss)	92,792	448,437	316,456	31,376	+\$919,062

Slide 3

2022 Budget Performance

	Plan	YTD	Nov-Dec (est)	Year End (est)	
Income					
Donations	143,300	202,789	120,000	322,789	
Fundraising	26,000	24,268	10,000	34,268	
Grants	32,400	42,118	5,000	47,118	
Other	<u>18,308</u>	<u>346</u>	<u>0</u>	<u>346</u>	
TOTAL	220,008	269,528	135,000	404,528	
Expense					
Admin	23,631	27,628	5,400	33,028	+\$4,398
Building	49,678	39,207	8,000	47,207	
Fundraising	8,696	4,053	1,000	5,053	
Grants	0	2,118	0	2,118	
Food	95,409	135,253	28,000	153,253	+\$57,844
Other Program	<u>32,962</u>	<u>110,740</u>	<u>8,000</u>	<u>118,740</u>	+\$85,788
TOTAL	210,576	323,132	50,400	373,152	
Profit/(Loss)	9,432			31,376	

Drivers

- More guests
- 4th day of food
- Inflation
- Less PFB

2022 Review

Expense Overrun Factors

- Increased costs versus plan
 - Total guest visits 2x that of 2021 and planned budget projections
 - Inflation
 - Reduced Placer Food Bank donations
- Board approved expenditures after budget
 - Van purchase
 - 4th day of food for all guests

2023 Budget Overview – Looking Forward

- Guest visits increased throughout 2022, surpassing pre-COVID levels. There are no indicators this will change soon, so we are assuming 2% monthly growth for 2023
- We will continue with the 4-day food approach, and anticipate additional bag programs
- The result is we expect food costs to increase 2.5x over 2022. while all other cost lines are holding stable

Deficit budget = **(\$178,208)**

2023 Budget

	Plan Budget	2022 (est)	2023 Budget
Income			
Donations	143,300	322,789	213,000
Fundraising	26,000	34,268	30,000
Grants	32,400	47,118	60,000
Other	<u>18,308</u>	<u>346</u>	<u>18,000</u>
TOTAL	220,008	404,528	321,000
Expense			
Admin	23,631	33,028	25,105
Building	49,678	47,207	52,228
Fundraising	8,696	5,053	10,738
Grants	0	2,118	0
Food	95,409	153,253	386,977
Other	<u>32,962</u>	<u>118,740</u>	<u>24,160</u>
Program	210,576	373,152	499,208
TOTAL			
Profit/(Loss)	9,432	31,376	(178,208)

Slide 7

2023 Budget Risks / Opportunities

- Opportunities
 - Donations at or above 2022 levels: +\$100,000
 - Building costs at 2022 level: +\$5,000
 - Guest growth lower than projected
- Risks
 - Guest growth greater than projected
 - PFB donations at 2022 level: -\$50,000
 - Food cost inflation exceeds 7%:

Slide 8

Next steps

- Discuss budget detail
- Approve budget
- Approve new restricted account for balance sheet
 - “2023 Operating Cost Reserve Account”
 - Funded at the deficit
- Month-by-month review with deep dive after 1st quarter

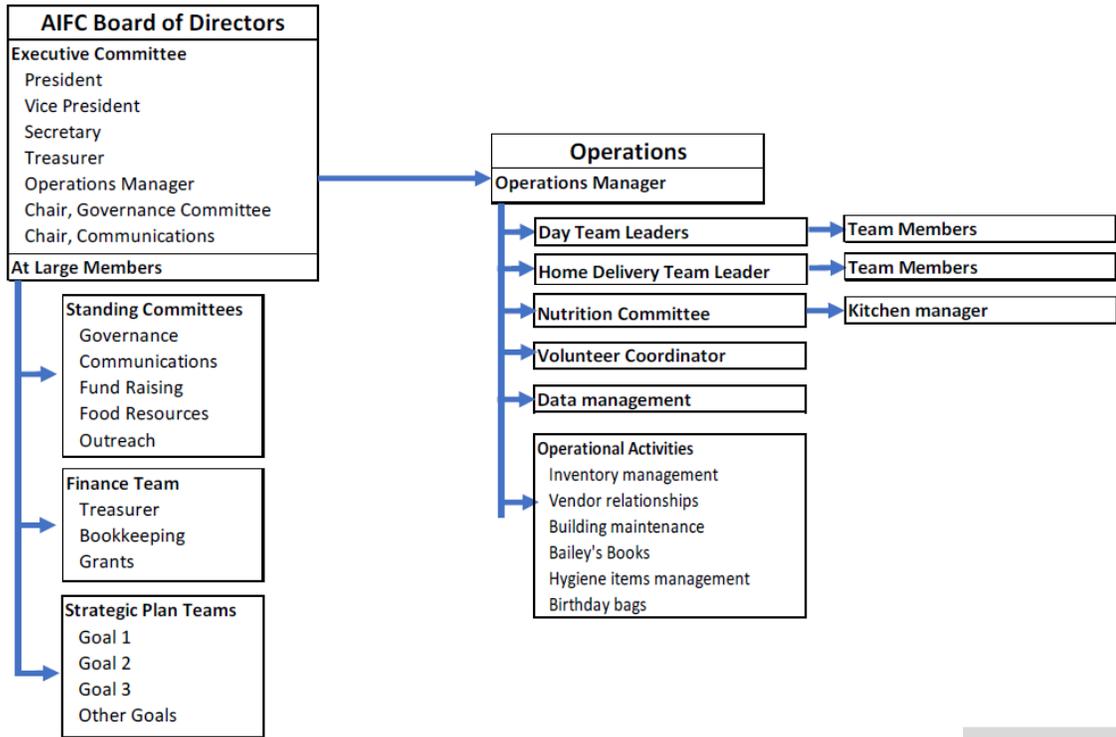
AUBURN INTERFATH FOOD CLOSET
2023 BUDGET DEVELOPMENT SUMMARY

	2022 Budget	2022 Estimate	2023 Request
Ordinary Income/Expense		Jan - Dec 22	
Income			
Contributions Income			
Church Donations	9,000.00	12,996.00	13,000.00
Corporate Organization Donation	18,000.00	37,992.00	38,000.00
Individual Donation	54,000.00	99,996.00	100,000.00
Memorials/Honor Of	1,800.00	0.00	
Sponsor A Family Income	54,000.00	54,000.00	54,000.00
Virtual Food Drive - All Combined		7,998.00	8,000.00
Total Contributions Income	143,300.00	212,982.00	213,000.00
Fundraising Income			
Big DoG	17,000.00	20,000.00	20,000.00
Walk To Stock the Closet	9,000.00	10,000.00	10,000.00
Total Fundraising Income	26,000.00	30,000.00	30,000.00
Grants/Restricted Income			
EISP Grants Phase 33 & ARPA	12,000.00	30,000.00	30,000.00
Other Grants			30,000.00
Total Grants/Restricted Income	32,400.00	60,000.00	60,000.00
Other Income	18,308.00	18,000.00	18,000.00
Total Income	220,008.00	320,982.00	321,000.00
Gross Profit	220,008.00	320,982.00	321,000.00
Expenses			
Administrative		green items used in total expenses	
Bank Service Charges	0.00	0.00	0.00
Financial Review	1,845.00	1,845.00	1,845.00
Governance Committee			
Volunteer Appreciation	1,000.00	1,000.00	1,000.00
Governance Committee - Other	250.00	250.00	250.00
Total Governance Committee	1,250.00	1,250.00	1,250.00
Insurance			
Board D&O Insurance	100.00	605.00	605.00
General Liability	2,452.00	1,646.00	1,646.00
Insurance-Property	4,386.00	3,977.00	3,977.00
Insurance Fidelity Bond	108.00	108.00	108.00
Vehicle Insurance		3,868.00	3,868.00
Total Insurance	7,046.00	10,204.00	10,204.00
IT Software/Support			
Adobe	264.00	360.00	360.00
GoDaddy - Email and Domain	274.00	274.00	274.00
Website Update			3,000.00
Mailchimp	372.00	375.00	408.00
Quickbooks	720.00	720.00	720.00
Zoom			0.00
SendBox	360.00	360.00	360.00
Webmaster	1,200.00	1,200.00	1,500.00
Total IT Software/Support	3,190.00	3,289.00	6,622.00
Office Expense			
Office Supplies	4,200.00	4,200.00	4,200.00
Postage and Delivery	684.00	684.00	684.00
Total Office Expense	4,884.00	4,884.00	4,884.00
Volunteer Training	300.00	300.00	300.00
Total Administrative	18,515.00	21,772.00	25,105.00
Building Admin			
Exterior Maintenance			
Streetlight Maintenance	3,396.00	3,396.00	3,396.00
?	1,596.00	1,596.00	1,596.00
Total Exterior Maintenance	4,992.00	4,992.00	4,992.00
Fire Assessment, Annual	600.00	600.00	600.00
Interior Maintenance	2,040.00	2,040.00	2,040.00
Mortgage	27,048.00	27,048.00	27,048.00
Property Taxes	1,390.00	1,406.00	1,406.00
Total Bldg Admin	36,070.00	36,086.00	31,094.00

AUBURN INTERFATH FOOD CLOSET
2023 BUDGET DEVELOPMENT SUMMARY

	2022 Budget	2022 Estimate	2023 Request
Utilities			
Electric	9,600.00	3,000.00	3,000.00
Fire Alarm Monitor	600.00	600.00	1,910.00
Gas	1,080.00	1,080.00	1,080.00
Pest Control	1,320.00	1,320.00	1,320.00
Telephone - Internet	1,680.00	1,680.00	1,680.00
Trash/Disposal	2,244.00	4,404.00	4,404.00
Water	2,400.00	2,748.00	2,748.00
Total Utilities	18,924.00	14,832.00	16,142.00
Total Building	54,994.00	50,918.00	52,228.00
Fundraising Expenses			
Advertising	1,008.00	1,008.00	1,500.00
Benefity Fees	60.00	60.00	60.00
Big Dog	130.00	130.00	130.00
Food Resources			
Printing Food Resources	3,650.00	5,000.00	5,000.00
KCRA Kids Can Food Drive	400.00	400.00	400.00
Outside Food Drive Expenses	1,200.00	1,200.00	1,200.00
PAYPAL Expenses	1,848.00	1,848.00	1,848.00
Walk to Stock the Closet	400.00	600.00	600.00
Total Fundraising Expenses	8,696.00	5,246.00	10,738.00
Program			
A/C Vehicle			
Fuel	888.00	6,504.00	6,500.00
Van and Refrigeration Mainten	15,948.00	1,500.00	1,500.00
DWV Licenses & Registration			600.00
Total A/C Vehicle	16,836.00	8,004.00	8,600.00
Client Outreach	3,000.00	3,000.00	3,000.00
Food			
Fixings	1,295.00	3,000.00	3,000.00
Home Delivery Meat		2,500.00	2,500.00
Bag Program food items			17,980
Package of Foods-Staples			17,541.94
Food - Coats Standard	77,100.00	345,956.00	345,956.20
Total Food	85,808.60	386,977.52	386,977.72
Homebound Program Expense			
Homebound Food Special	4,665.60	4,665.60	0.00
Total Homebound Program Expense	4,665.60	4,665.60	0.00
Non-Food Related Client Program			
Bailey's Books	96.00	96.00	96.00
Birthday Bags	240.00	2,004.00	2,000.00
Hygiene	504.00	504.00	504.00
Total Non-Food Related Client Prog	840.00	2,604.00	2,600.00
Non-Office Supplies	3,000.00	3,000.00	3,000.00
Major Equipment			2,500.00
Nutrition Committee			
Nutrition Resources	3,160.00	3,000.00	3,000.00
Printing	960.00	960.00	960.00
Other Bag Programs			0.00
Youth Program	500.00	500.00	500.00
Total Program	128,370.20	412,711.12	411,137.72
Total Expense	210,575.20	490,647.12	499,208.72
Net Ordinary Income	9,432.80	-169,665.12	-178,208.72
Net Income	9,432.80	-169,665.12	-178,208.72
PF B Contribution		159,996.00	
In Kind Contribution		135,000.00	

Auburn Interfaith Food Closet Organization Chart



November 2022

11/14/22
Cash Basis

Auburn Interfaith Food Closet, Inc.
Profit & Loss Budget Performance
October 2022

	Oct 22	Budget	Jan - Oct 22	YTD Budget	Annual Budget	Oct 22	Jan - Oct 22
Ordinary Income/Expense							
Income							
Bank of America interest	1		7			1	7
Contributions Income	24,899	12,900	202,789	118,000	143,300	24,899	202,789
Fundraising Income	454		24,268	17,000	26,000	454	24,268
Grants/Restricted Income		1,700	42,118	29,000	32,400		42,118
Other Income	15	2,712	346	15,472	18,308	15	346
Total Income	25,369	17,312	269,528	179,472	220,008	25,369	269,528
Gross Profit							
Expense							
Administrative							
Building	8,353	2,645	27,828	21,669	23,831	8,353	27,828
Fundraising Expenses	3,800	4,719	39,207	41,630	49,678	3,800	39,207
Grants/Unused returns	349	1,873	4,053	7,760	8,696	349	4,053
Program			2,118				2,118
AIFC Vehicle	55,825	1,403	96,334	14,030	16,836	1,000	40,334
Building Expenses	7,573		7,791			7,573	7,791
Client Outreach		250		2,500	3,000		
Food	18,284	9,138	135,253	79,723	95,409	18,284	135,253
Food Resources	475		475			475	475
Homebound Program Expense		389	53	3,888	4,666		53
Hygiene kits			424				424
Licenses and Permits			25				25
Non-Food Related Client Program	456	70	747	700	840	456	747
Non-Office Supplies	295	250	3,914	2,500	3,000	295	3,914
Nutrition Committee	415	280	736	2,630	3,160	415	736
Printing	138	350	1,282	710	960	138	1,282
Printing Discount	(41)		(41)			(41)	(41)
Youth Program		42		418	500		
Total Program	83,420	12,152	246,993	106,999	128,371	28,596	190,993
Reconciliation	302		4,133			302	4,133
Total Expense	96,224	21,389	323,132	178,058	210,576	41,399	208,132
Net Ordinary Income	(70,855)	(4,077)	(53,604)	1,384	9,432	(16,030)	1,396

3:03 PM
11/14/22
Cash Basis

Auburn Interfaith Food Closet, Inc.
Balance Sheet
As of October 31, 2022

	<u>Oct 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
BofA - 1728 Operating Account	47,875.97
BofA - 2666 Money Market	382,153.98
BofA - 6005 Emergency	
Equipment Reserve Savings 1656	12,500.00
BofA - 6005 Emergency - Other	118,418.77
Total BofA - 6005 Emergency	<u>128,918.77</u>
Debt Reserve Acct 2760	27,049.80
New Bldg Bof A ACCT 9007	
Construction Fund	0.10
New Kitchen	8,560.45
Solar/Generator	42,205.50
New Bldg Bof A ACCT 9007 - Other	10.89
Total New Bldg Bof A ACCT 9007	<u>50,776.74</u>
Total Checking/Savings	<u>618,773.24</u>
Total Current Assets	618,773.24
Fixed Assets	1,943,818.01
TOTAL ASSETS	<u><u>2,560,591.25</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	-43,420.07
Long Term Liabilities	681,189.88
Total Liabilities	<u>637,769.79</u>
Equity	
Mortgage Principal	6,824.70
Opening Bal Equity	87,873.83
Retained Earnings	1,897,277.10
Net Income	-89,154.17
Total Equity	<u>1,922,821.46</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,560,591.25</u></u>