



# North Country Food Bank, Inc.

## ANNUAL REPORT FISCAL YEAR 2007/2008

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### SERVICES:

**Mission Statement:** The Mission of North Country Food Bank, Inc. is to distribute food and other resources to participating agencies, and to educate the public about hunger and its solutions.

**Total Food Bank Distribution:**

The total poundage of food and products distributed by North Country is again headed in an upward direction! In the 2007/2008 fiscal year, North Country Food Bank distributed 2,098,637 pounds of food and non-food products, with an estimated value of about \$1 per pound, to nonprofit member agencies. This was an increase from the 2006/2007 fiscal year when 1,899,199 pounds of food and non-food products were distributed.

The Minnesota Food Bank Cluster has a relatively new system of acquiring donated food. Feeding America implemented the Choice System, which allows food banks to acquire loads of food on a nation-wide basis. Previously, most of our products came from local donors in the Midwest. This new system has improved the selection of products available to us from across the nation.

**Purchase Program:** During this Fiscal Year, North Country expanded its purchase program. This program allows North Country to purchase desired food products in large quantities and distribute these products to agencies at a small markup. This program allows North Country to supplement the donated food available to its agencies. North Country has worked very hard to proactively fill the needs of our agencies through the acquisition of purchased items whenever possible. We have sought new vendors, both locally and throughout the United States, to provide a fresh supply of affordable products that are in demand.

**TEFAP Commodities:**

North Country Food Bank distributes TEFAP commodities to its agencies. The TEFAP program is set up as a price support commodity removal system to help US farmers and producers. The distribution of these items varies greatly, depending upon what is available during any given month. These items are highly valued by the food shelves we serve. They are high quality products distributed to our agencies free of charge.

### FINANCIAL INFORMATION:

**Financials:** Our audit for the 2007/2008 fiscal year (available upon request), shows total Support and Revenues of \$2,712,558 (including \$1,689,634 in food donations) and total Expenses of \$2,675,350 (including \$2,512,203 in distributions of donated food).

**Charges to Agencies:** Agencies served by North Country paid 54.3% of total revenue (excluding food) in 2007/2008. These charges consist of shared maintenance fees, freight charges and a membership fee. The maximum stated shared maintenance fee is 16 cents per pound. However, when considering the free produce provided to our agencies, and a variety of free and reduced products, the average cost paid by agencies is 10 cents per pound. Freight charges for agencies using our delivery service are 6 cents per pound. In addition, in 2007/2008 all member agencies paid an annual membership fee of \$50.

**Other Income:** The remaining 45.7% of funds come from donations, fees, grants and rentals. Local United Way organizations provided \$51,148 in donations, and individuals provided \$8,470 in donations. North Country received \$48,687 in Federal funds to distribute USDA commodities and commodities valued at \$273,578. Additionally, North Country received \$27,628 in other events and promotions; \$7,103 (net of expenses) from the rental of apartments on the second floor of the building; \$11,979 in other revenue; and \$4,392 in interest on the required reserve funds and other sources.

**Fundraising:** Currently, North Country is in the process of developing a fundraising and direct mail program that involve requesting financial or product donations from individuals, companies and organizations. Six local United Way organizations in our service region contribute generously to our work. WE-Fest is one major fundraising project North Country works with each year. North Country contracts with We-Fest in Detroit Lakes, Minnesota, to provide 250 volunteers to assist with VIP food service. North Country's total fundraising expenses for the year were \$18,406.

**STATEMENT OF ACTIVITIES:**

**SUPPORT**

**Donations**

Cash.....	86,245
Food.....	1,689,634

**Grants**

Federal.....	48,687
Commodities.....	273,578
Other.....	153,672

**REVENUE**

Shared Maintenance.....	166,382
Freight Charges.....	93,975
Product Sales.....	179,891
Membership Fees.....	7,044
Interest.....	4,392
Other.....	1,955
Building Rent (net of expenses).....	7,103
Satisfaction of Program Restrictions.....	-

**TOTAL SUPPORT & REVENUES..... 2,712,558**

**EXPENSES**

Program Services	
Food Distribution.....	2,512,203
Fund-raising.....	18,406
Management and General.....	<u>144,741</u>
<b>TOTAL EXPENSES.....</b>	<b><u>2,675,350</u></b>

CHANGE IN NET ASSETS .....	37,208
NET ASSETS AT BEGINNING OF YEAR.....	<u>530,685</u>
NET ASSETS AT END OF YEAR.....	567,893

**STATEMENT OF FINANCIAL POSITION:****ASSETS****Current Assets**

Cash.....	198,469
Receivables	
Trade.....	74,079
Inventories	
USDA Commodities.....	24,545
Other.....	176,476
Prepaid Insurance.....	<u>16,401</u>
TOTAL CURRENT ASSETS.....	489,970

<b>Property &amp; Equipment.....</b>	419,281
Less Accumulated Depreciation.....	<u>(260,505)</u>
Net Property & Equipment.....	158,776

<b>TOTAL ASSETS.....</b>	<b>648,746</b>
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**LIABILITIES & NET ASSETS****Current Liabilities**

Accounts Payable.....	42,553
Accrued Salaries.....	5,569
Other Accrued Liabilities.....	4,919
Deferred Revenue:	
Grants.....	<u>15,205</u>
Total Current Liabilities.....	68,246

**Non-Current Liabilities**

Compensated Absences.....	<u>12,607</u>
TOTAL LIABILITIES.....	80,853

**Net Assets**

Temporarily Restricted.....	81,549
Unrestricted.....	326,675
Unrestricted - Designated.....	<u>159,669</u>
TOTAL NET ASSETS.....	<u>567,893</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS.....</b>	<b>648,746</b>

## **BOARD OF DIRECTORS & STAFF:**

**Our Board:** The Board of Directors for North Country Food Bank consists of 11 members. Currently, 4 members are at-large members elected by the board, and 7 members represent Community Action Programs in our service area. The term of office is three years with approximately 1/3 of the terms expiring each year. Meetings are held quarterly on the 4<sup>th</sup> Thursday of January, April and July, with an annual meeting in October, at 11:00 a.m. in Crookston, MN.

### **Board of Directors List:**

Robert Melby, Chair  
Oklee, MN

Bob Cameron, Vice Chair  
Crookston, MN

Leah Pigatti, Sec./Treas.  
Detroit Lakes, MN

Randy Nordin  
Badger, MN

Davis Leino Mills  
New York Mills, MN

Dr. David Naatz  
Wheaton, MN

Lori Theis  
Bemidji, MN

Dennis DeMers  
Crookston, MN

Mike Boelter  
East Grand Forks, MN

Bonita Prescott  
Alexandria, MN

Dan Zavoral  
East Grand Forks, MN

### **Staff List:**

Executive Director:  
Office Manager:  
Agency Relations/Program Coordinator  
Warehouse Manager  
Warehouse Assistant:  
Truck Driver:

Susie Novak  
Deb Normandin  
Bonnie Peterson  
Mike Davidson  
Gary Moser  
Greg Husfeldt

## **SUMMARY:**

In its 26 years of service, North Country Food Bank, Inc. has developed into an organization that serves over 155 charitable agencies in 21 counties in northwest Minnesota, and Grand Forks, North Dakota. North Country owns its warehouse and office building in Crookston, Minnesota, and all the necessary equipment to run an efficient organization. North Country is currently operating with a staff of 6 full-time positions. We also supplement our permanent staff with volunteers in the community who are willing to assist with our work.

During the past fiscal year North Country has been able to meet increased need in our region while continuing to operate with limited staff and the original facility. We are currently working to restructure our transportation and distribution methods to better serve our agencies and communities.

North Country Food Bank, Inc. continues to work closely with the Minnesota Food Bank Cluster and Feeding America. These associations are essential in providing most of the food a needed to serve our region.

North Country has benefited from the leadership of its board and the generosity of those in the food industry. Working with others, North Country continues to be a significant player in meeting hunger needs in our service region.

North Country is a member of Feeding America. North Country also works in cooperation with many other organizations to provide services, including: the Minnesota Food Bank Cluster, Hunger Solutions Minnesota; Minnesota OEO, and United Way.

It is through the collaboration and assistance of many that we are able to make a difference in the lives of the individuals our agencies serve. We look forward to a good year in 2009. We will work to educate the public about hunger; expand the programs we offer; develop creative methods for distributing even more food to those in need; expand our board; and provide information, training and appropriate certifications for the agencies we serve.