

AUBURN INTERFAITH FOOD CLOSET, INC. 2017 ANNUAL REPORT

“Sharing the Blessings”



Randy is the sole provider for his family of four. Due to his cancer, he currently cannot work. Seen here with his daughter Raelynn, he is grateful for the food he receives from AIFC which supplements his disability benefit. A loving and caring father, AIFC food allows Randy to meet month-end needs and connect nutrition with his family. April 2018



12972 Earhart Avenue, Suite 301 (behind Moonrakers)
PO Box 132
Auburn, CA 95604
530-885-1921
www.auburnfoodcloset.org
aifc@auburnfoodcloset.org



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THANK YOU FOR YOUR SUPPORT!

EXECUTIVE SUMMARY

2017 was an exciting year for the AIFC. We purchased property at 1788 Auburn Ravine Rd., which is destined to become the new home for the AIFC. We also launched “AIFC Home 4 Us” Capital Campaign to fund the difference between the cost of building and a likely construction loan. We completed Phase I of the Capital Campaign when 25 Friends of the Food Closet donated \$75,000. We began Phase II of the Capital Campaign on March 11, 2018 to raise \$300,000. When that is complete, Phase III will follow with the purchase of engraver bricks.

In 2017, we provided 208,455 meals to 8,018 families (24,000 individuals). In that number, 32.4% only visited us one time because of some emergency. Only 5% visit us each month. Contrary to popular belief, only 7.7% were homeless individuals. This amounts to 685 families each month or 33 families per day.

Financially, we are sound. Net ordinary income was \$27,302 with another \$45,763 toward the new building. 2018 poses an exceptional challenge for us. We need to receive about \$215,000 to provide groceries and work with clients, plus we must raise about \$300,000 for the new building. This will take a community-wide effort and response. If you have not already joined us in this effort, please consider doing so.

The AIFC is a unique nonprofit. We are the largest food closet in the Auburn area and we are staffed entirely by volunteers (@ 220). Of the \$215,000 in financial donations received, we spent \$133,338 (62%) purchasing food. The rest goes primarily to lease and utility costs. Client food accounts for 86% of our total expenditures. 94% of total expenses directly benefit our clients. This is extremely high for any nonprofit agency.

Owning our building will reduce our monthly facility costs as well as provide new opportunities to expand cooking skills for our clients through cooking classes and additional tasting events. We will continue to provide recipes and a nutrition video in our resource room.

If you are interested in a tour of the facility or more information about our building program, please contact us. We would love to share information with you. Hopefully you will become one of our partners in this effort.

“If we as a community don’t step up to help each other, then who will?”

Katy Grimes
Quotehd.com

OFFICERS

President

Sandy Bassett
530-878-9324
slbassett@att.net

Vice-President

Andy Hayes
916-259-1358
Ach_igh@hotmail.com

Secretary

Karen Grow
530-885-3535
karengrow@sbcglobal.net

Treasurer

Duane Holte
530-887-9963
duaneholte@gmail.com

DAILY OPERATIONS

Operations Manager

Sharon Furlong

916-838-8075

pinkiefurlong@sbcglobal.net

Monday Co- Team Leaders

Alan Ford, Vince Anaclerio

Tuesday Team Leader

Carol Mulder

Wednesday Co-Team Leaders

Jim Parrish, Don Wilford

Thursday Team Leader

Ed Moore

Friday Co-Team Leaders

Cammy Fuller, Carol Mulder

Sandy Bassett, Belva Durel

Saturdays

Participating congregations host Saturday operations.

CURRENT PARTICIPATING CONGREGATIONS

BOARD MEMBER CONGREGATIONS	Board of Director Representatives
Auburn Presbyterian	Peggy Fleming, Peg Johnson
Bethlehem Lutheran	Delores Roberson
Church of Jesus Christ of Latter Day Saints	Karen Grow, David Luke, Pam Murray
First Congregational Church of Auburn	Peter Clark
Our Savior Lutheran Church	Fran Wheaton
Parkside Nazarene	Carol Mulder, Betty Benham, Belva Durel
Pioneer United Methodist	Margaret Platt
Sierra Foothills Unitarian Universalists	Laurie Soper, Bonnie Dahl
St. Joseph's Catholic	Don Wilford
St. Luke's Episcopal	Jeff and Judy Garland
St. Teresa of Avila Catholic	Andy Hayes, Barbara Kilborn, Donna Kasica
Upper Room Community Church	Sandy Bassett, Duane Holte

ASSOCIATE CONGREGATIONS

CONGREGATIONS	Representatives
Auburn Grace Community Church	Meredith Jordan, Lawrence Buren
Auburn Insight Buddhist Group	Maeve Hassett, Al Franklin
Baha'is of Rocklin	Gary Bond
Faith Lutheran of Meadow Vista*	Colleen Hogan, Stacy Hogsett
St. Paul Lutheran	Orville Harshbarger
Unity of Auburn*	Rev. Karen Schindler, Ruby Evers

*During 2017, Crossroads Fellowship Assembly of God, Faith Lutheran of Meadow Vista, and Unity of Auburn were participating congregations.

About Us

Our Vision

All people in need, living in our service area, will have access to nutritious food.

Our Mission

The Auburn Interfaith Food Closet will provide nutritious food to those in need, preserving their dignity and encouraging self-reliance.

Our Values

- We value our clients as individuals.
- We value our volunteers' dedication to our mission.
- We value the generosity of our donors.
- We value the direction, leadership, volunteers and funds the participating congregations provide.
- We value the relationships with other organizations that help us improve our service.

OUR GOALS FOR 2017:

In October of 2016, we received a very large bequest from a prior board member, Max and Ginger Kane. The Board also realized there were families in our area who likely needed our services but either did not know about us or had no way to reach us. Therefore, we adopted the following goals for 2017:

1. Increase client numbers by 5% through active client outreach programs
2. Determine how to utilize the bequest of Max and Ginger Kane

OUR 2017 ACCOMPLISHMENTS

AIFC completed its 19th year serving hungry families. We were fiscally prudent, raising slightly more money than we spent for our operation needs. We remain a 100% volunteer organization. This allows us to be a highly efficient nonprofit, with 94% of our budget returned as services to our clients, of which 86% of the program budget is to purchase food.

The client outreach program was very successful. We distributed over 5,000 pamphlets specifically developed for potential clients to all the mobile home parks as well as to most apartments. We also participated in various resource fairs to make ourselves more visible. The average number of clients per month increased from 666 in 2016 to 696 in 2017 (4.5%). The following activities helped achieve this:

- A collaboration to provide groceries to homebound seniors began in early 2017, providing monthly supplemental food to 20 homes by year-end.
- Distribution of a new brochure to inform prospective clients about AIFC services to 20 other area nonprofit groups and city/county offices.
- Delivery on three different occasions, of the new brochure to front doors in various neighborhoods of Auburn.

The Board decided the best use of the Max and Ginger Kane bequest was to acquire our own facility. This would reduce future facility costs and provide us the capability to expand some of our nutrition services to clients. AIFC began the process to acquire land or a suitable building with the goal for occupancy in early 2019. Not finding a suitable building within our cost range, we did find land that would allow us to build and design a building that would fit our needs now and in the future. We also began discussions with USDA Rural Development about a potential construction loan and received a pre-approval to apply for such a loan. We are in the process of complying with their conditions now. We also initiated our first ever capital campaign to secure the funding needed to bridge the gap between the construction loan and the projected cost of the building.

SPECIAL EVENTS

Auburn Community Turkey Drive: With sponsorship from Wells Fargo Bank, Auburn Grocery Outlet, Auburn Moving Company, and the Auburn Journal, we held the 2nd annual turkey drive on the Saturday before Thanksgiving in November. This year we also accepted whole chickens to provide a main dish for smaller families. The Auburn community donated 445 turkeys, 73 chickens, one ham and \$919. We distributed those to the families who had registered on the following Monday. As in the past, Grocery Outlet was such a blessing; they allowed customers to pre-purchase turkeys all during November. Safeway also joined us on the day of the event and allowed us to have volunteers promoting the drive on site on the collection day. Many families were thrilled to have this event in our community. One was happy to have their young son lug the turkey out of the car using it to teach him the family values they want him to develop.

Food Drives

We held two stuff-a-bus events: one at Grocery Outlet and one at Safeway. The community continues to be generous in their giving and we appreciate the Auburn Transit for donating the use of their bus for each of these events. We are also greatly appreciative of the annual Letter Carriers food drive. We received 8,263 pounds of food and the Auburn Salvation Army received 6,705.

Walk to Stock the Closet: After six years being the beneficiary of this event created by a group of local women, at their invitation, we hosted this event ourselves in 2017. Hundreds of generous community members participated in the 5K walk/10K run on Thanksgiving morning, donating \$10,348 for food for our hungry neighbors.

September Hunger Action Month: For the second year, the City of Auburn City Council and the Placer County Board of Supervisors proclaimed September as Hunger Action Month! We collaborated with the Auburn Salvation Army and the Auburn Community Service Day to hold a community-wide food drive and distributed grocery bags with flyers to 44 neighborhoods in the Auburn area. Thanks to our generous community we collected a total 7,130 items of food in 634 grocery bags plus \$230 in cash. The donated percentage by households was 11 ½% compared to 15% last year. Nearly every congregation provide a team as well as organizations such as service clubs, the Boy Scouts, and the Girl Scouts. The two agencies divided the proceeds.

Nutrition Committee: The Nutrition Committee conducted a survey of AIFC clients to determine the success of efforts to encourage clients to try new foods by using recipes we provide, spices we provide, viewing the nutrition video (which portrays cooking skills, nutrition information, and other “how to” information), as well as their

preference in certain types of foods. We discovered that clients use our recipes about 36% of the time, that 57% found the nutrition video helpful, that our clients really liked the spices but they were not always available, as well as their preferences on foods.

STATISTICS

The December 2017 unemployment rate reflected by the U.S. Bureau of Labor (bls.gov) declined to a low of 3.1% in Placer County. This is a 0.9% decline over the year and the seventh consecutive year of decline since the high of 11.3% in December 2010.

AIFC has seen a corresponding decrease in our client base each year through 2016. As noted above, we took proactive steps in 2017 to ensure all eligible residents in our service area were aware of our services. As a result, in 2017, we served an average of 696 families each month, up 4.5% year-over-year. The average size per family decreased from 2.9 to 2.8 person, netting an average 1,975 individuals per month; this was a 1.6% increase over the prior year. For the year, we served 8,018 families of which 691 were new to the AIFC. These families include 23,600 individuals, of which 1,803 (7.8%) were homeless.

We provided 208,455 meals in 2017, a 1.3% increase over 2016. The number of meals increased each quarter of the year, so we anticipate we will continue to see more demand in 2018. The value of the food we distributed was \$463,697 in 2017. This included \$130,374 for purchased food, \$160,801 of food donated by the public and \$172,522 donated by Placer Food Bank. The value of each meal was \$2.22, of which \$0.63 is food purchased by the AIFC. Each client receives groceries for nine meals, per person in their household, per visit. The value of food a household receives per month is \$58.95.

CLIENT PROFILE

Our clients are primarily adults, with only 26.4% being children under 18. Ten percent are seniors 65 and over. The table below shows the distribution of our clients by age group, and the percentage of each age group in Auburn:

AIFC 2017		Auburn		
Ages	Client Mix		Ages	95603*
0-2	3.0%		Under 5	4.1%
3-9	10.5%		5-9	4.3%
10-17	12.9%		10-19	9.9%
18-64	62.9%		20-64	57.7%
65+	10.6%		65->85	24.0%
Total	100%		Total	100%

*U. S. Census Report for Auburn Zip Codes 95603.

FAMILY SIZE (Households)

Half (52.5%) of our non-homeless clients are families of one to two people; 88.1% percent have four or less. Most of our homeless are singles (70.1%). The average family size continues to be three per family. The following table shows the largest segments of our client population.

Number in Family						
Type of Family	1	2	3	4	>4	Total
Non-homeless	24.9%	21.7%	17.1%	14.7%	21.5%	100%
Homeless	70.1%	18.8%	5.3%	3.8%	2.2%	100%
Overall	31.2%	21.3%	15.4%	13.2%	15.8%	100%

In summary, most people (32.4%) visit us when there is an emergency, and they only visit us once. 66.8% visited us 2-4 times during the year. Only 5% visit us every month.

Expenses by Type

Category	Amount	Percent
Administrative	\$10,683	5.5%
Fundraising	\$ 3,437	1.8%
Program	\$174,324	91.0%
New Building	\$ 3,200	1.7
Total Cash Expenses	\$191,644	100%
Value of Non-Cash Expenses		
In-Kind Food Donations	\$322,441	
Depreciation	<u>\$ 8,823</u>	
Total Non-Cash Expenses	\$331,264	
GRAND TOTAL	\$528,892	

We allocate 90% of building expenses to program; this means 94% of our total expenses are program expenses. We keep administrative and fundraising costs as low as possible. This is possible because we are an all-volunteer staff.

Food Donations

Members of the Auburn community and the Placer Food Bank donate a substantial amount of food (71%). The following chart reflects the sources of food in 2017. Note that 86% of total expense is for food.

Source	Percent	
Donations from Community	149,567	32.8%
Donations from Placer Food Bank	172,874	37.9%
Purchased by AIFC	<u>133,338</u>	<u>29.3%</u>
Total	455,779	100%

Donations of Fresh Fruit and Vegetables

We are especially pleased that farmers and independent gardeners donate fresh fruits and vegetables from their gardens. Fresh produce helps our clients stay healthy. We continue to provide recipes for each type of produce we receive to encourage clients to try new foods and to promote healthy ways of preparing it.

Revenue by Sources

Category	Amount	Percent
Financial Donations		
Congregations	\$15,953	7.4%
Community Partners	\$ 800	.3%
Corporate/Organizations	\$27,570	12.8%
Individuals	\$77,493	35.9%
Memorials	\$0	0%
Sponsor A Family	\$56,575	26.2%
Fundraising	\$29,311	13.6%
Grants	\$5,500	2.5%
Interest	\$144	.0%
New Building	<u>\$2,400</u>	<u>1.1%</u>
Financial Total	\$215,746	100.0%
Value of In-Kind Food Donations		
Auburn Community	\$149,567	
Placer Food Bank	\$172,874	
In-Kind Total	<u>\$322,441</u>	
Grand Total	\$538,187	

2018 Outlook

Client visits

As noted earlier, we saw an increase in the average monthly number of households each quarter. As a minimum, we will stabilize at the 4th quarter level of 712 families per month, which will be 2.9% higher than the average for all 2017. Because we are continuing client outreach activities, we have planned for a 3% increase in in 2018.

Fundraising

Fundraising risks

The newly enacted U.S. Tax Law has the potential to affect donations by individuals to charities. The number of people who will donate to charitable causes may fall because of the doubling of the standard deduction and the cap on the amount of taxes allowable.

Operations fundraising

Our historic sources of income are the supporting congregations, individual donations, the Sponsor A Family program, and two annual fundraising events. We will monitor donation patterns in the early months of 2018; should we see reductions compared to prior years, the Fundraising Committee will plan at least one additional event.

Menu Options Taken to Reduce Average Meal Cost

Prices have increased for some of the categories of food items we purchase. For example, beef and cheese prices are higher now than when we initiated the 2016 program to provide these. We examined our menu offerings for 2018 and substituted chicken for hamburger and canned vegetables for frozen vegetables to reduce operating costs. We continue to analyze our supplier costs to find the best buy.

The 2018 goal is to manage our food expenses so that we only see a 2% increase in food costs, even with the 3% increase in client demand.

Capital Campaign

AIFC is running its first ever Capital Campaign to raise the money necessary to complete our building. We are targeting grants and donations from the business community, to avoid impacting our traditional operations income support from individual donors and our faith communities. The Capital Campaign must raise \$300,000 in 2018. We completed Phase 1 of the Capital Campaign at the beginning of March 2018, with \$75,000 pledged by 25 Friends of the Food Closet. We launched Phase 2 to the community on March 11, 2018 as the *AIFC Home 4 Us Capital Campaign*. We are challenging area businesses and community leaders to triple the amount – adding an additional \$150,000 by September. We will incorporate Phase 3 with the sale of engraved paver bricks, which will become a commemorative element at the new building.

Building Construction and Occupancy

Our lease runs through the end of December 2018. Our current landlord has two successful businesses and has informed us we would not have the option to renew our lease. In addition, the landlord would like us to vacate the building earlier if possible and would allow us to do so without penalty. Our new building program target is to allow us to move at year end. To achieve this, architectural planning and county approvals must be completed in the second quarter. If construction can begin at the end of June (or sooner), we should be able to move at the end of 2018. We will develop contingency plans in the fall if there is a delay.