Accrual Basis

Feeding Our Communities Partners
Fiscal Year 2027 - Budget Overview
July 2026 through June 2027

	FY26 Budget Jul 25 - Jun 26	YTD March 26 YTD March 26	FY27 TOTAL Jul 26 - Jun 27	% Increase over FY26 Budget	Notes
Ordinary Income/Expense					
Income					
43300 · Direct Public Grants					
	$ -				
43330 · Foundation and Trust Grants	$ 400,000.00	$ 422,055.00	$ 298,000.00	-34%	Column K includes a large multi-year grant pledge secured this year. Current YTD actual =260K.
Total 43300 · Direct Public Grants	$ 400,000.00	$ 422,055.00	**$ 298,000.00**	-34%	
43400 · Direct Public Support					
43410 · Corporate Contributions	$ 205,000.00	$ 126,374.00	$ 235,000.00	13%	Current rate of revenue is $15.5K/mo. Large corproate pledges we expect to maintain annual pledges. FY27 goals include 2 new multi-year ppledges
43430 · Donated Prof Fees, Facilities	$ 43,176.00		$ 18,660.00	-131%	In-kind marketing materials + advertising from Navitor & NSP,Free Press Media, Radio Mankato. Offset in code: 65031. Booked at YE
43440 · Gifts in Kind - Food	$ 11,000.00	$ 7,240.00	$ 3,000.00	-267%	Value of in-kind food donations. Offset by code: 65068
43450 · Individual Contributions	$ 197,000.00	$ 143,865.00	$ 228,300.00	14%	Current rate of revenue is 16K/mo.+ annual donations Aug/March
43453 ·Year-End Mail Campaign	$ 80,000.00	$ 85,685.00	$ 90,000.00	11%	Consolidated direct mail efforts + increased ROI
43455 · Nonprofit Contribution	$ 36,000.00	$ 29,991.00	$ 42,000.00	14%	Based on upward trends + consorted efforts
Total 43400 · Direct Public Support	$ 572,176.00	$ 393,155.00	**$ 616,960.00**	7%	
44500 · Government Grants		$ -			
44530 · Local Government Grants	$ 5,000.00	$ 10,000.00	$ 15,000.00		County supported funds
Total 44500 · Government Grants	$ 5,000.00	$ 10,000.00	**$ 15,000.00**		
46400 · Other Types of Income					
45030· Interest Savings, MAF	$ 30,000.00	$ 27,787.00	$ 30,000.00	0%	Hopeful return on Agency Fund investments with Mankato Area Foundation
49010 · Special Event Income	$ 21,500.00	$ 2,680.00	$ 17,000.00	-26%	
46410 · Sublease Income	$ 18,000.00	$ 9,000.00	$ 34,200.00	47%	$2.1K secured and hopeful for addition of one sublease partners in Oct.
46430 · Affiliate Partner Revenue	$ 36,000.00	$ 5,016.00	$ 19,210.00	-87%	Affiliate Partners Income, offset by food expense in code 65061
Total 46400 · Other Types of Income	$ 105,500.00	$ 44,483.00	**$ 100,410.00**		
49100 · Climb 2 Feed Kids					
49101 · Climb 2 Feed Kids Event	$ 145,000.00	$ 85,395.00	$ 105,000.00	-38%	Historical trends show this as an achievable goal
Total 49100 · Climb 2 Feed Kids	$ 145,000.00	$ 85,395.00	**$ 105,000.00**		
49201 · Crave Event					
49201 · Crave Event	$ 75,000.00	$ 58,770.00	$ 80,000.00	6%	$45K Sponsors + $35K Tickets/games/silent auction/Raffle
Total 49201 · Crave	$ 75,000.00	$ 58,770.00	**$ 80,000.00**		
49300 · BBB			$ -		
49301 · BBB Event	$ 100,000.00	$ 28,523.00	$ 105,000.00	5%	$45K Sponsors + $60K Tickets/games/silent auction
Total 49300 · BBB Event	$ 100,000.00	$ 28,523.00	**$ 105,000.00**		
Total Income	$ 1,402,676.00	$ 1,042,381.00	$ 1,320,370.00		
Gross Profit	$ 1,402,676.00	$ 1,042,381.00	**$ 1,320,370.00**	-6%	

Accrual Basis

Feeding Our Communities Partners
Fiscal Year 2027 - Budget Overview
July 2026 through June 2027

	FY26 Budget	YTD March 26	FY27 TOTAL		
	Jul 25 - Jun 26	YTD March 26	Jul 26 - Jun 27	% Increase over FY26 Budget	Notes
Expense					
60900 · Business Expenses			$ -		
60920 · Business Registration Fees	$ 25.00	$ 25.00	$ 25.00	0%	Annual state renewal
60960 · Bank/MAF Service Fees	$ 2,900.00	$ 1,672.00	$ 3,000.00		Agency Fund service fees
Total 60900 · Business Expenses	$ 2,925.00	$ 25.00	**$ 3,025.00**	3%	
62100 · Contract Services					
62110 · Accounting Fees	$ 23,360.00	$ 22,407.00	$ 24,750.00	6%	Monthly Bookkeeping, Abdo 900 & Audit based on provided quote
Total 62100 · Contract Services	$ 23,360.00	$ 22,407.00	**$ 24,750.00**	6%	
62800 · Facilities and Equipment					
62810 · Depr and Amort - Allowable	$ 12,000.00	$ 9,650.00	$ 12,720.00	6%	Includes grant-supported equipment purchases. Cash was already expended (this is the expense to move from balance sheet to P&L)
62840 · Equip Maintenance & Repairs	$ 5,000.00	$ 232.00	$ 500.00	-900%	Fortunate to lean in in-kind service partners as needed
62860 · Pest Control Services	$ 528.00	$ 410.00	$ 552.00	4%	
62870 · Property Insurance	$ 3,696.00	$ 3,160.00	$ 5,520.00	33%	Quote from Insurance
62889 · Utilities	$ 22,800.00	$ 16,573.00	$ 22,800.00	0%	Running under budget and estimates are flat with PY projections
62890 · Rent Paid in Cash/CAM	$ 50,316.00	$ 37,735.00	$ 56,640.00	11%	Total rent= code 62890 + 62892 (broken out based on audit requirements
62891 · Vehicle/Transpo Expense (Kato Moving)	$ 8,760.00	$ 4,805.00	$ 8,775.00	0%	
62892 - Lease Expense	$ 115,200.00	$ 85,400.00	$ 115,200.00	0%	Rent/CAM adjustment. See above comment for acct #62890
Total 62800 · Facilities and Equipment	$ 218,300.00	$ 157,965.00	**$ 222,707.00**	2%	
65010 · Subscriptions	$ 332.00	$ 982.00	$ 357.00	7%	
65020 · Postage, Mailing Service	$ 3,468.00	$ 794.00	$ 3,000.00	-16%	
65030 · Printing and Copying	$ 5,640.00	$ 2,723.00	$ 5,340.00	-6%	
65031 · Donated Printing and Copying	$ 43,176.00		$ 18,660.00	-131%	This is a full in-kind expense, booked at FYE: Navitor & NSP/Free Press media/Radio Mankato. Offset by account 43430.
65040 · Supplies					
65041 · BackPack Food Program Supplies	$ 1,800.00	$ 792.00	$ 2,250.00	20%	
65040 · Supplies - General	$ 3,360.00	$ 1,247.00	$ 2,760.00	-22%	
Total 65040 · Supplies	$ 5,160.00	$ 6,538.00	**$ 32,367.00**		
65050 · Telephone, Telecommunications					
65051 · Telephone	$ 3,600.00	$ 2,680.00	$ 3,600.00	0%	Actuals
65052 · IT	$ 23,580.00	$ 24,544.00	$ 30,120.00	22%	CRM renewal fee ($7K annual that was not budgeted for last year) + 1 new laptop + monthly service plan with Mankato Computer Technology
Total 65050 · Telephone, Telecommunications	$ 27,180.00	$ 27,224.00	**$ 33,720.00**	19%	
65060 · Food					
65061 · K-12 Food Expense	$ 378,811.00	$ 154,082.00	$ 350,474.00	-8%	Includes ALL K-12 program food epenses + addition of preschool pilot
65062 · Food Costs-Shipping	$ 10,200.00	$ 7,783.00	$ 12,000.00	15%	JA Food Service shipping fees
65063 · Winter Break Food	$ 39,336.00	$ 29,165.00	$ 40,000.00	2%	
65064 · Voucher Redemption	$ 20,004.00	$ 15,360.00	$ 25,080.00	20%	Based on redemption trends (on the rise)
65065 · STOMP	$ 16,041.00	$ 7,262.00	$ 19,500.00	18%	Dependent on number of locations and useage
65067 · Community Cupboard	$ -	$ -	$ 1,800.00	100%	New initiative. Community Cupboard allowance
65068 · Food Donations		$ 915.00	$ 3,000.00		Added for tracking purposes

Accrual Basis

Feeding Our Communities Partners
Fiscal Year 2027 - Budget Overview
July 2026 through June 2027

	FY26 Budget	YTD March 26	FY27 TOTAL		
	Jul 25 - Jun 26	YTD March 26	Jul 26 - Jun 27	% Increase over FY26 Budget	Notes
Total 65060 · Food	$ 466,432.00	$ 214,567.00	**$ 451,854.00**	-3%	
65100 · Other Types of Expenses					
65110 · Fundraising Expenses					
65113 · BBB	$ 14,500.00	$ 2,360.00	$ 15,000.00	3%	
65115 · Year-End Mail Campaign	$ 2,600.00	$ 1,315.00	$ 1,400.00	-86%	In-kind partners offset costs
65116 · Kind Kiosk		$ -	$ 3,000.00		New portable credit card processing equipment
65117 · Crave	$ 10,000.00	$ 6,055.00	$ 8,000.00	-25%	Based on actuals with shift in venue
65118 · Climb 2 Feed Kids	$ 26,000.00	$ 13,560.00	$ 14,500.00	-79%	Previous year budget included $10K for professional promotion services that we did not utilize
65110 · Fundraising Expenses - Other	$ 2,376.00	$ 486.00	$ 560.00	-324%	Shift to internal Partner Wall updates
Total 65110 · Fundraising Expenses	$ 55,476.00	$ 23,776.00	**$ 42,460.00**	-31%	
65120 · Insurance - Liability, D and O	$ 995.00	$ -	$ 995.00	0%	Directors + Officers Insurance
65150 · Memberships and Dues	$ 3,072.00	$ 1,494.00	$ 1,950.00	-58%	Greater Mankato Growth , Minnesota Council of Nonprofits, Charities Review Council
65160 · Other Costs	$ 1,600.00	$ 175.00	$ 2,000.00	20%	Event registrations
65165 · Volunteer Expense	$ 420.00	$ 320.00	$ 720.00	42%	Includes appreciation for volunteers
65166 · Board Expense	$ 450.00	$ 157.00	$ 625.00	28%	Annual strategic planning
65169 · Development	$ 2,520.00	$ 1,848.00	$ 5,720.00	56%	Purchased Kind Kiosk credit card processor in Feb. 2026 (includes mo. Fee for use) + Open Houses (2) + Donor Appreciation
65170 · Staff Development	$ 2,220.00	$ 2,007.00	$ 2,890.00	23%	Team building and staff Birthday recognition
Total 65100 · Other Types of Expenses	$ 11,277.00	$ 29,777.00	**$ 14,900.00**	24%	
66000 · Payroll Expenses					
66010 · Total Compensation	$ 486,796.00	$ 311,653.00	$ 467,579.00	-4%	We elminited 1.5 FTE's over the last year. We did budget for the addition of a part-time employee, as needed
66020 · Payroll Taxes	$ 39,073.00	$ 25,056.00	$ 39,367.00	1%	
66025 · Employee Benefits		$ 4,293.00	$ 14,520.00		New code specific to HRA + Small Group Health Plan (Jan-Jun)
66030 · Other Employee Expenses	$ 13,980.00	$ 1,210.00	$ 600.00	-2230%	Had budgeted for insurance in this code previously
66040 · Work Comp Insurance	$ 6,700.00	$ 4,747.00	$ 8,136.00	18%	Quote received from Insurance
66050 · Retirement Expense	$ 14,088.00	$ 9,167.00	$ 14,040.00	0%	FOCP's Simple IRA contribution for participating employees
Total 66000 · Payroll Expenses	$ 560,637.00	$ 356,126.00	**$ 544,242.00**	-3%	
68300 · Travel and Meetings					
68310 · Conferences + Continuing Education	$ 4,404.00	$ 1,632.00	$ 3,900.00	-13%	$500/employee annually + Advocay Travel Ecpenses
68320 · Mileage Expense	$ 5,400.00	$ 3,100.00	$ 5,400.00	0%	
Total 68300 · Travel and Meetings	$ 9,804.00	$ 4,732.00	**$ 9,300.00**	-5%	
Total Expense	$ 1,380,551.00	$ 843,112.00	**$ 1,379,325.00**	0%	
Net Ordinary Income	$ 22,125.00	$ 199,269.00	$ (58,955.00)	138%	
Net Income	**$ 22,125.00**	**$ 199,269.00**	**$ (58,955.00)**	138%	
	$ 22,125.00		$ (58,955.00)		

FY27 Budget Narrative & Executive Summary

Feeding Our Communities Partners | July 2026 – June 2027

Prepared for Grant Proposals | Finance Committee Presentation

EXECUTIVE SUMMARY

FOCP's FY27 budget projects a net operating loss of ($58,955) on an accrual basis. This deficit is expected and manageable for three key reasons:

1. Multi-year pledges booked in prior years will generate $291,000 in cash collections during FY27 — revenue that was already recognized under GAAP but will be received as cash this year. This transforms the accrual deficit into a projected $229,132 increase in cash.

2. Non-cash items ($12,720 depreciation) and in-kind offsets ($21,660 net zero) inflate accrual expenses without consuming cash. Adjusting for these, the true cash operating position is stronger than the P&L suggests.

3. Year-end cash is projected at $329,603 (Base Case), up from $100,471 at the start of the year. Even in the Downside scenario, year-end cash of $150,103 exceeds the beginning balance.

WHY THE ACCRUAL LOSS MAKES SENSE

The ($58,955) accrual-basis loss does not mean FOCP is running out of money. Here is why:

Accrual vs. Cash Timing

Under GAAP, multi-year pledges are recognized as revenue when the donor commits — not when cash is received. FOCP booked several large multi-year pledges in FY25 and FY26. That revenue is already on the books. In FY27, FOCP will collect $291,000 in cash from these pledges, but none of it shows as FY27 revenue on the P&L because it was already recognized.

The Bridge

Start with the ($58,955) accrual loss. Add back $12,720 in depreciation (non-cash). Add $291,000 in pledge collections. The result is approximately $245,000 in positive cash flow before working capital. The Base Case projects ending the year at $329,603 in cash — more than triple the $100,471 starting balance.

Expense Discipline

Total expenses are budgeted to decrease slightly vs. FY26 (approximately flat to -1%). The organization eliminated 1.5 FTEs and held operating costs steady. The loss is driven by revenue recognition timing, not overspending.

BUDGET HIGHLIGHTS: REVENUE

Revenue Category	FY27 Budget	vs. FY26	Commentary
Foundation/Trust Grants	$298,000	-34%	FY26 included large multi-year grant. YTD actual already at $260K supports achievability.
Corporate Contributions	$235,000	13%	Current run rate $15.5K/mo. Includes expected annual pledges.
Individual Contributions	$228,300	14%	Supported by $16K/mo run rate plus an annual donation in Aug/Mar from an individual donor.
Climb 2 Feed Kids Event	$105,000	-38%	Achievable based on historical trends. Peak collections in Nov–Jan.

BBB Event	$105,000	5%	$45K sponsors + $60K tickets/auction. Collections concentrated Apr–Jun.
Year-End Mail Campaign	$90,000	11%	Consolidated direct mail efforts with increased ROI. FY26 actual $85.7K supports target.

BUDGET HIGHLIGHTS: EXPENSES

Expense Category	FY27 Budget	vs. FY26	Commentary
Total Compensation	$467,579	-4%	Eliminated 1.5 FTEs. Budgeted for part-time addition as needed.
Payroll & Benefits	$76,663	*New*	Includes new HRA + small group health plan (Jan–Jun). Work comp up 18% per Insurance quote.
K-12 Food Program	$350,474	-8%	Includes all K-12 food expenses + preschool pilot addition. Budgeted based on actuals with less of a buffer than previous budgets.
Facilities (Rent + Lease + Utilities)	$222,707	2%	Rent/CAM split per audit requirements. Utilities flat with FY26 projections.
Fundraising Expenses	$42,460	-31%	Significant savings: eliminated $10K external promotion services. In-kind partners offset costs.