

Meals on Wheels People
7710 SW 31st Avenue
PO Box 19477
Portland, OR 97280-0477
Phone: 503.736.6325 Fax: 503.736.6322

FINANCE COMMITTEE MEETING

Wednesday, February 19, 2020

12:00 – 1:00

805 SW Broadway, Suite 1200

Portland, OR

Agenda

- 12:00 noon Call to Order.....Tim Kalberg
- 12:00 noon Approval of minutes – January 15, 2020.....Tim Kalberg
- 12:05 p.m. New Business.....Tim Kalberg
- a. Investment Policy.....Will Nolan
 - b. New management dashboard.....Linda Reynolds
 - c. January Financials.....Linda Reynolds
 - d. Benefit Renewals.....Linda Reynolds

Attachments: January Financials
Investment Policy
Benefit Renewals

Meeting Schedule: Next meeting: **March 18 at 12:00 – Telephone meeting**

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
January 15, 2020 at noon
Via phone

Present: Tim Kalberg (Chair), Ashley Osten, Arnie Gardner, Scott Christiansen, David Van Speybroeck

Staff: Linda Reynolds, Suzanne Washington, Tony Staser, minutes: Kristin Mueller

Meeting called to order at 12:00pm

Approval of minutes – November 20, 2019 approved with corrections as needed.

1. New Business

a. December financials (Linda)

- Great month, per Tony.
- Contracts (\$88K) unfavorable – mostly Meals 4 Kids.
- Expenses unfavorable (\$38K), mostly spending variance and that will drop.
- Days cash at 82.
- The Diner is YTD (\$112K), expenses and cost of sales are down.

b. FY20 Forecast (Linda)

- New contract with Fresh and Local adds \$92K revenue.
- Conservative forecast with expectations to lose ground on auto show and billboard.
- Putting December's surplus back into additional meals served. Serving more people than in budget this year.
- Net income impact: \$0.
- Discussion of upside/downside: putting in buffers for Stride for Seniors, and if the Kaiser contract starts slowly.
- The Diner FY20 Forecast: Forecast net income of (\$215,009). With actions plans in place, potential net income loss will be \$196,509).
 - December gross profit YTD 12/31/19 at \$8,495. Have another \$100K Bank of America money for the first 6 months of FY21 budget.
 - Cost of sales down.
 - Rent enticement credit of \$80K amortized over the next 5 years for the Diner's roof repairs.

- Discussion of The Diner being a typical subsidy for a regular center. Enrolling new people more than other centers and are serving seniors in a new way.
 - Looking at “success” and bringing metrics to the board at March meeting.
 - Finance Committee will continue to receive Operations statement on the Diner once a quarter.
- c. IRS Form 990 (Linda)
- No changes to discuss.
- d. Fundraising (Tony)
- Brand awareness campaign continues with multi-prong approach, and has shown value.
 - Many nonprofits have seen fallout from the tax implications – which we have not seen in our fundraising. Head of NAO wants to chat, and is putting data together for context to % change. Suzanne will bring to finance committee.
- e. Next meeting will be a live meeting with Will Nolan attending. Linda will give him a draft in advance with comments on our investment policies.

Meeting adjourned 12:30pm

Next Finance Committee Meeting:

February 19, 2020

Noon-1:00pm

Live meeting at Moss Adams



February 13, 2020

MOWP Investment Committee,

We were asked to review the MOWP Investment Policy Statement and offer any suggestions to update the document. The following are changes we believe would be beneficial.

1. Add Treasury Bills as allowable investments for short term needs (page 6).
2. Lower cash allocations in the Board Designated and Joan Smith portfolios to 1-2%.
3. Consider adopting a similar asset allocation for each portfolio unless you feel the investing objectives are different enough to warrant separate allocations.
 - a. Along with this recommendation would be to move the "Purpose" paragraphs from the appendix to under the "Accounts" subheading on page 1.
4. Consider simplifying the asset allocations, and subsequent policy benchmark, from the current 11 categories to 5 as follows:

Current allocation breakdown:

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%		

Suggested allocation breakdown (note that the specific weighting in the "Normal Range" column will be finalized by the Board after we present our updated Asset Allocation Study to the finance committee):

Asset Class	Asset Type	Normal Range	Min Weighting	Max Weighting
Cash	Money Market Fund	1%	1%	2%
Global Fixed Income	Core Fixed Income	15-20%	10%	35%
	Non-Core Fixed Income	10-15%	5%	20%
Global Equity	Core Equity	40-55%	30%	60%
	Non-Core Equity	15-25%	5%	30%

Included in non-core fixed income would be foreign developed market bonds, emerging market bonds, and high yield bonds. In equity, non-core would include emerging market equity, real estate and other categories such as infrastructure.

Along with the changes in asset categories, we would then need to update the Asset Class Descriptions (starting on page 7). This could be simplified to Core and Non-Core Fixed Income, and Core and Non-Core Equity, with examples of sub-asset classes included under each. We would recommend eliminating the benchmark for each asset class, instead using the following four indexes for the policy benchmark with weights determined by our "normal" weighting (to be determined later).

Macro Asset Class	Sub-Asset Class Examples	Representative Index	Normal Weighting
Cash	Money Market Fund	Citi Treasury Bill 3 Mon Index	1%
Core Fixed Income	US Fixed Income	Barclays US Agg Bond Index	15-20%
Non-Core Fixed Income	Developed Market Fixed Income High Yield Fixed Income Emerging Market Fixed Income (Local Currency) Emerging Market Fixed Income (Dollar Denominated)	Barclays Global Aggregate Bond Index	10-15%
Core Equity	US Equity (LC, MC, SC) Developed Market Equity	MSCI ACWI Index	40-55%
Non-Core Equity	Emerging Markets Infrastructure Real Estate		15-25%

We are finalizing the asset allocation study, which will inform our specific recommendation for changes to the asset allocation weightings. This study is based upon our expectations of what returns and risk might look like in the years ahead. Since we set up the portfolios almost four years ago, we have altered our asset classes. Most significantly, we have eliminated "Allocation Strategies" due to the difficulty in determining an appropriate benchmark.

We look forward to presenting the results from 2019 as well as our asset allocation study to the committee next week. In the meantime, if we can answer any specific questions regarding either the quarterly report or our suggested changes to the Investment Policy Statement, please do not hesitate to contact us.

Sincerely,



Will Nolan, CFA
Managing Member/Chief Investment Officer

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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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.)

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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.

Date

President, Meals on Wheels People

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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

January 2020 Executive Summary

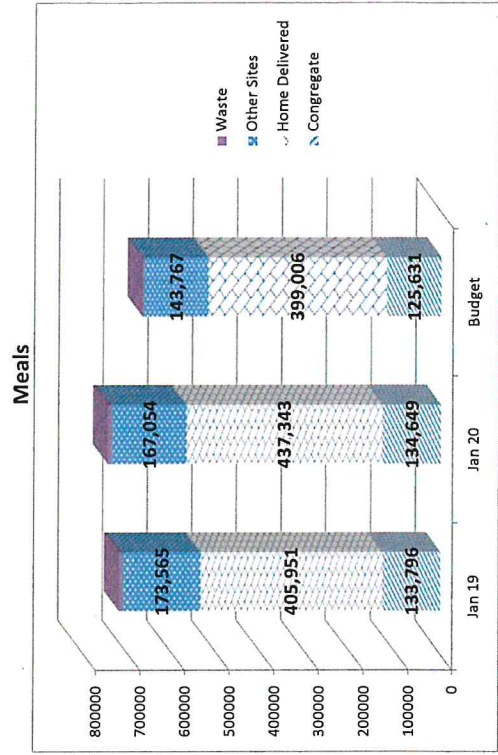
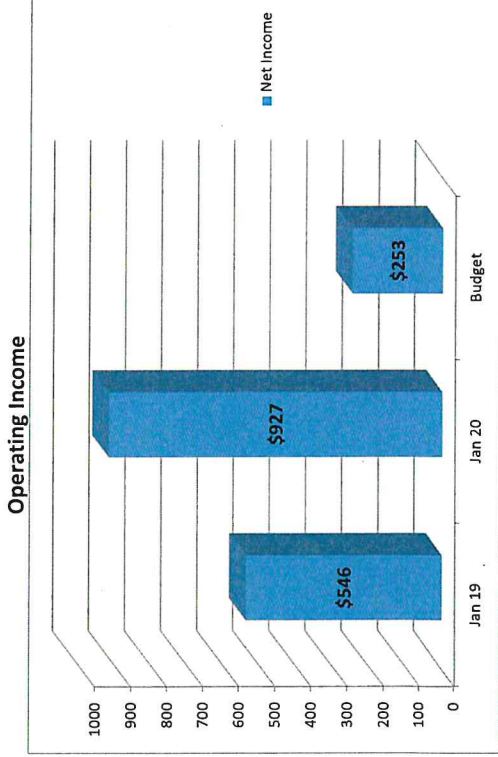
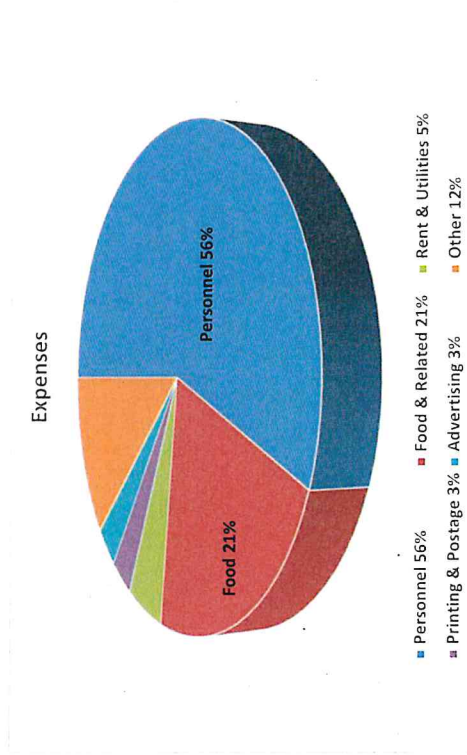
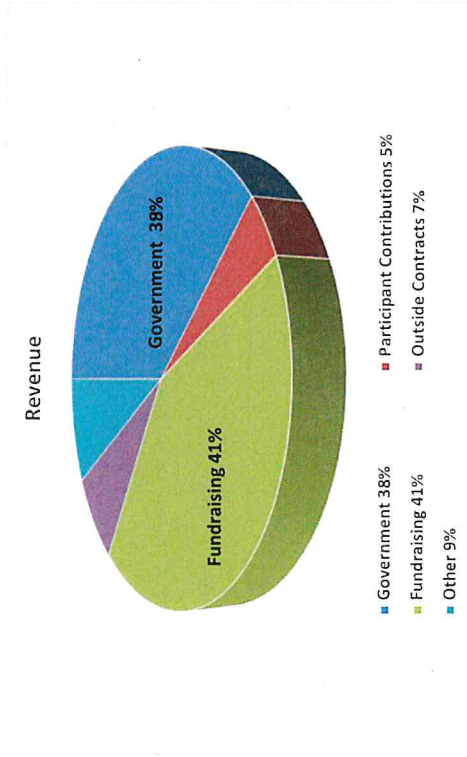
CASH
\$2,432,688

REVENUE
\$7,155,036

EXPENSES
\$6,228,081

NET INCOME
\$926,955

MEALS
739,046



Meals on Wheels People

Statement of Financial Position
Unaudited
Consolidated

	January 31, 2020	January 31, 2019	June 30, 2019
ASSETS			
Current assets:			
Cash and cash equivalents	2,432,688	2,763,905	1,482,459
Investments - short term	518,931	53,961	517,516
	2,951,619	2,817,866	1,999,975
Accounts receivable:			
Older Americans Act	208,243	285,465	585,058
Medicaid	114,475	144,800	105,145
NSIP	51,610	100,523	67,245
Contract meals	161,192	145,956	233,911
Grants	-	-	-
Bequests & Other	44,312	13,223	127,763
Less: Allowance for uncollectible accounts	(4,733)	(5,000)	(16,601)
	575,099	684,967	1,102,521
Contributions receivable	10,000	-	118,000
Less: Allowance for uncollectible pledges	-	-	-
Inventories	101,577	83,648	93,913
Prepaid expenses and other assets	428,054	154,014	265,125
	4,066,349	3,740,495	3,579,534
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	388,879	362,306	386,437
Board Designated for Financial Reserve	-	-	-
Other Investments Long Term			
The Community Foundation for SW Washington	70,989	63,375	68,728
Board Designated for Capital and Maintenance	3,338,745	2,845,671	3,162,180
Joan Smith fund	206,555	174,128	195,357
Long Term Investments	6,755,859	5,786,747	6,506,479
Trademarks	7,867	-	9,522
Property plant and equipment			
Building and land	6,657,837	6,657,837	6,657,837
Furniture and equipment	4,597,406	4,252,274	4,395,359
Accumulated depreciation	(4,697,442)	(4,345,620)	(4,485,849)
TOTAL ASSETS	\$ 21,673,654	\$ 19,804,427	\$ 20,756,194

LIABILITIES AND NET ASSETS

Current liabilities:			
Accounts payable	\$ 194,679	\$ 27,648	\$ 192,970
Accrued liabilities	366,109	318,923	381,866
Reserve for annuities	14,016	14,820	14,706
TOTAL LIABILITIES	574,804	361,391	589,542
Net assets:			
Unrestricted:			
Available for operations	3,250,333	2,931,701	2,449,054
Net investment in property and equipment	6,557,801	6,564,491	6,567,347
Designated for Joan Smith ED Fund	156,374	123,948	145,177
Designated for advertising initiatives	24,387	48,470	150,000
Designated for financial reserve	6,755,859	5,786,747	6,682,908
Designated for capital and maintenance reserve	3,338,745	2,845,671	3,162,180
Total net assets without donor restrictions	20,083,499	18,301,028	19,156,666
Net assets with donor restrictions	1,015,351	1,142,008	1,009,986
TOTAL NET ASSETS	21,098,850	19,443,036	20,166,652
TOTAL LIABILITIES AND NET ASSETS	\$ 21,673,654	\$ 19,804,427	\$ 20,756,194

Meals on Wheels People

Statement of Revenues & Functional Expenses

7 Months Ended 1/31/2020

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	\$ 2,715,761	\$ -	\$ 7,248	\$ -	\$ 2,723,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Participant Contributions	333,676	-	1,442	-	335,118	-	-	-	335,040	-	-	-
Fundraising	2,799,731	107,422	70,284	-	2,977,437	-	-	-	2,370,770	131,945	-	-
Bequests	450,817	99,835	284,899	107,989	939,540	-	-	-	722,560	39,595	-	-
Food and contract revenue and merchandise sales	141,833	-	-	-	141,833	-	-	-	141,830	-	-	(141,833)
Transfer from (to) Endowment	393,111	-	122,067	8,861	524,039	-	-	-	323,870	(464,140)	(16)	585,100
In-kind contributions	7,040,921	203,257	485,940	116,850	7,640,976	-	-	-	6,442,750	(292,600)	(16)	443,267
Other												
Total Revenues												
	2,073,215	821,883	353,125	40,711	3,288,934	266,418	283,295	3,838,647	3,593,680	-	-	3,838,647
Salaries and wages	219,054	1,020,096	125,943	62,858	1,427,951	3,866	9,264	1,441,081	1,228,540	-	-	1,441,081
Food and related supplies	46,140	13,464	4,601	7,417	71,622	57,732	55,406	184,760	213,180	-	-	184,760
Professional Services	103,467	169,163	33,291	174	306,095	18,838	12,533	337,466	296,050	-	-	337,466
Rent and utilities	20,039	1,461	3,349	3,466	28,315	5,301	98,652	132,268	131,400	-	-	132,268
Printing	6,428	-	-	(462)	5,966	1,248	52,366	59,580	46,480	-	-	59,580
Truck costs	7,091	70,282	-	-	77,373	-	-	77,373	75,910	-	-	77,373
Insurance	33,878	12,153	3,058	-	49,089	3,295	292	52,676	48,790	-	-	52,676
Office supplies and equipment	5,999	6,691	7,222	694	20,606	4,446	2,170	27,222	37,550	-	-	27,222
Repairs and maintenance	35,464	23,086	3,184	-	61,734	-	-	61,734	49,740	-	-	61,734
Miscellaneous	100,013	5,418	22,169	10,101	137,701	29,408	246,453	413,562	302,670	20,250	1,217	435,029
Depreciation	104,737	38,987	53,938	1,158	198,820	3,888	8,885	211,593	165,320	-	-	211,593
Total expenses	2,755,525	2,182,684	609,880	126,117	5,674,206	394,440	769,316	6,837,962	6,189,310	-	20,250	6,859,429
Revenue over (under) expenses as of 1/31/2020	4,285,396	(1,979,427)	(123,940)	(9,267)	1,966,770	(394,440)	(769,316)	803,014	253,440	(292,600)	(20,266)	442,050
												7,791,627

Meals on Wheels People

Statement of Operations

7 Months Ended 1/31/2020

Consolidated

Unaudited

	Jan 31, 2020	Jan 31, 2020	Jan 31, 2019	Jan 31, 2019	Jan 31, 2020	Year-to-	Budget		Approved
	This	Month	Prior	Prior Year	Current Year	Date	Variance YTD	%	Annual
	Month	Budget	Year	to Date	to Date	Budget	Forecast	Variance	Budget
Revenue:									
Government:									
Older Americans Act	115,140	114,029	136,755	1,554,773	1,659,334	1,581,378	77,956	4.9%	2,151,524
Medicaid	114,694	79,803	88,932	586,100	666,921	554,819	112,102	20.2%	953,814
NSIP (formerly USDA)	35,060	43,032	38,961	299,261	244,123	300,248	(56,125)	-18.7%	515,305
Local Governments	21,092	11,052	10,050	111,629	145,382	112,238	33,144	29.5%	170,000
Participant Contributions Congregate	13,018	15,143	14,857	109,612	91,091	105,283	(14,192)	-13.5%	181,000
Participant Contributions Home Delivered	34,450	33,048	32,741	228,913	242,585	229,761	12,824	5.6%	395,000
Fundraising:									
Partnerships	54,907	33,000	(3,507)	26,562	154,009	104,000	50,009	48.1%	462,000
Grants	48,431	3,500	6,768	253,307	411,112	170,900	240,212	140.6%	445,400
Donations	212,630	92,000	85,647	1,027,959	1,245,798	1,029,332	216,466	21.0%	1,405,632
Direct Solicitation	35,452	56,250	36,505	583,660	656,901	659,750	(2,849)	-0.4%	853,250
Special events	37,771	38,167	41,520	354,414	427,436	391,769	35,667	9.1%	905,000
Center fundraising	1,149	3,685	1,793	15,259	9,768	14,035	(4,267)	-30.4%	22,520
Release restricted funds	9,890	-	-	120,000	50,980	-	50,980	-	-
Meal sales :									
Diner Food Sales	-	-	-	-	-	-	-	-	-
Contract meal sales	75,046	93,738	90,172	681,272	532,201	639,112	(106,911)	-16.7%	1,097,000
Other :									
Center programming	672	140	1,955	3,147	2,130	980	1,150	117.3%	1,680
Co-packing	62,275	4,610	-	-	83,510	32,271	51,239	158.8%	55,321
Merchandise/Product	5,257	10,456	4,108	28,306	38,931	51,179	(12,248)	-23.9%	80,612
Interest earned and other investment earnings	31	196	84	1,310	788	1,270	(482)	-38.0%	2,149
Rental revenue	9,479	7,468	10,861	56,486	59,109	52,276	6,833	13.1%	89,616
In-kind contributions (net)	-	-	-	-	-	-	-	-	-
Board Designated	40,600	63,975	46,581	274,110	291,094	270,324	20,770	7.7%	435,199
Transfer from (to) Endowment & Investments	-	-	-	140,282	141,833	141,833	-	-	283,666
Total revenue	927,044	703,292	644,783	6,456,362	7,155,036	6,442,758	712,278		10,505,688
Expenses:									
Personnel:									
Salaries and wages	367,014	403,444	404,038	2,597,504	2,711,310	2,830,916	119,606	4.2%	4,787,742
Payroll taxes and benefits	112,339	107,659	101,240	693,561	741,009	755,761	14,752	2.0%	1,277,474
Contract employees	8,505	1,000	2,745	21,557	33,203	7,000	(26,203)	-374.3%	12,000
Food:									
Program meals	162,794	142,767	130,127	974,349	1,057,311	995,855	(61,456)	-6.2%	1,705,228
Food for events	5,000	500	1,093	3,314	18,412	3,950	(14,462)	-366.1%	17,600
Food and supplies for revenue	322	55	1,414	2,900	5,923	385	(5,538)	-1438.4%	660
MOW Supplies	23,502	25,450	26,962	176,586	182,090	179,343	(2,747)	-1.5%	307,942
Food Service Supplies	594	7,153	4,053	47,834	51,401	48,997	(2,404)	-4.9%	83,426
Professional services	58,400	26,184	25,059	130,375	180,159	213,181	33,022	15.5%	370,862
Printing	16,758	16,068	11,118	99,565	128,918	131,402	2,484	1.9%	221,742
Rent	25,225	24,825	28,094	186,204	185,906	182,605	(3,301)	-1.8%	306,837
Utilities	12,818	11,016	15,226	81,890	83,901	78,252	(5,649)	-7.2%	133,332
Telephone and internet	4,994	4,991	4,703	35,418	34,368	35,186	818	2.3%	60,141
Postage	(15,974)	3,413	4,944	42,161	59,580	46,478	(13,102)	-28.2%	67,043
Truck costs	9,213	10,844	9,400	75,912	77,373	75,908	(1,465)	-1.9%	130,128
Insurance	6,998	6,932	6,287	47,713	49,617	48,787	(830)	-1.7%	83,447
Office Supplies	2,325	2,812	10,891	42,530	9,794	16,391	6,597	40.2%	27,881
Small Equipment	412	2,821	3,497	28,376	10,206	21,155	10,949	51.8%	35,242
Repairs and maintenance	12,379	7,105	11,497	58,986	58,550	49,735	(8,815)	-17.7%	85,256
Training	828	1,667	(2,645)	12,852	3,637	11,669	8,032	68.8%	20,000
Subscriptions and memberships	3,098	1,647	856	16,686	23,604	13,998	(9,606)	-68.6%	20,644
Janitorial services and supplies	3,591	3,552	3,193	25,151	26,362	24,864	(1,498)	-6.0%	42,624
Mileage	5,203	6,421	5,966	42,129	48,491	44,677	(3,814)	-8.5%	76,512
Out of town travel	6,882	100	1,008	21,885	21,649	25,350	3,701	14.6%	34,250
Volunteer costs	101	262	124	1,362	3,666	1,834	(1,832)	-99.9%	6,690
Center programming	249	258	17	579	483	2,004	1,521	75.9%	3,400
Fundraising costs	2,842	3,775	734	10,494	17,838	8,075	(9,763)	-120.9%	20,950
Recruitment ads	367	1,182	554	8,357	3,257	7,758	4,501	58.0%	13,152
Advertising	28,371	43,160	19,400	220,502	193,083	126,110	(66,973)	-53.1%	185,183
Bank charges	5,154	3,476	4,888	22,093	20,565	21,332	767	3.6%	55,712
Employee Recognition	2,385	507	546	3,244	6,240	3,649	(2,591)	-71.0%	6,184
Wellness	1,370	833	-	3,368	2,309	5,831	3,522	60.4%	10,000
Miscellaneous	483	788	(1,272)	15,448	19,647	5,516	(14,131)	-256.2%	11,205
Trademark Amortization	81	-	-	-	564	-	(564)	0.0%	-
Depreciation	23,241	23,975	21,753	159,549	157,655	165,324	7,669	4.6%	285,199
Intra-Unit Meals	-	-	-	-	-	-	-	-	-
Program Operations	-	-	-	-	-	-	-	-	-
Indirect expenses	-	-	-	-	-	-	-	-	-
Total Expenses	897,864	896,642	857,510	5,910,434	6,228,081	6,189,278	(38,803)		10,505,688
Revenue over (under) expenses	29,180	(193,350)	(212,727)	545,928	926,955	253,480	673,475		-

Meals on Wheels People
Statement of Operations
7 Months Ended 1/31/2020
The Diner Vancouver

	Jan 31, 2020 This Month	Jan 31, 2020 Month Budget	Jan 31, 2019 Prior Year	Jan 31, 2019 Prior Year To Date	Jan 31, 2020 Current Year To Date	Year to Date Budget	Budget Variance YTD	% Variance	Preliminary Annual Budget
Revenue:									
Government:									
Older Americans Act	1,148	-	-	48,000	7,106	-	7,106	0.0%	
NSIP	68	-	-	-	142	-	142	0.0%	
Participant Contributions Congregate	240	500	-	-	1,442	3,500	(2,058)	-58.8%	6,000
Fundraising:									
Grants	-	-	-	-	-	-	-	0.0%	
Donations	11,141	13,571	-	-	70,284	95,901	(25,617)	-26.7%	163,873
Release Restricted Funds	8,334	8,333	-	7,910	75,834	58,333	17,501	30.0%	100,000
Meal Sales:									
Food	45,031	52,197	-	-	297,340	368,856	(71,516)	-19.4%	630,283
Beer	58	116	-	-	310	820	(510)	-62.2%	1,401
Wine	555	750	-	-	4,148	5,300	(1,152)	-21.7%	9,050
Special Events	-	2,625	-	-	-	18,375	(18,375)	-100.0%	31,500
Retail	-	100	-	-	886	700	186	26.6%	1,200
Discounts	(3,058)	-	-	-	(17,526)	-	(17,526)	0.0%	
Comps	-	-	-	-	(259)	-	(259)	0.0%	
Board Designated Funds for Operations	7,705	-	-	-	46,233	-	-		
Total Revenue	71,222	78,192	-	55,910	485,940	551,785	(112,078)	-20.3%	943,307
Cost of Sales:									
Food	15,729	13,114	3,646	4,398	111,609	103,427	(8,182)	-7.9%	169,113
Beer	40	26	-	-	78	181	103	56.9%	308
Wine	655	188	-	-	2,473	1,327	(1,146)	-86.4%	2,263
Special Events	-	788	232	232	-	5,516	5,516	100.0%	9,450
Retail	-	-	-	-	-	-	-	0.0%	-
Food & Restaurant Supplies	1,447	885	7,632	7,989	11,783	4,195	(7,588)	-180.9%	6,620
Total Cost of Sales	17,871	15,001	11,510	12,619	125,943	114,646	(11,297)	-9.9%	187,754
Salaries & Wages	43,798	41,315	9,910	32,732	283,875	287,137	3,262	1.1%	483,134
Payroll Taxes & Benefits	11,179	6,692	1,087	3,240	69,250	59,051	(10,199)	-17.3%	90,972
Contract Employees	-	-	-	-	-	-	-	0.0%	
Total Labor	54,977	48,007	10,997	35,972	353,125	346,188	(6,937)	-2.0%	574,106
Prime Cost (COS + Labor)	72,848	63,008	22,507	48,591	479,068	460,834	(18,234)	-4.0%	761,860
Gross Profit	(1,626)	15,184	(22,507)	7,319	6,872	90,951	(93,844)	-103.2%	181,447
GM%	-2.3%	19.4%	-	-	1.4%	16.5%	83.7%		19.2%
Professional Services	1,097	376	586	2,239	4,601	2,632	(1,969)	-74.8%	4,512
Printing	120	435	-	-	3,349	3,045	(304)	-10.0%	5,220
Rent	2,903	3,541	5,185	17,093	19,242	26,471	7,229	27.3%	44,676
Utilities	1,788	720	720	2,266	11,353	5,040	(6,313)	-125.3%	8,640
Telephone & Internet	347	285	283	535	2,696	1,995	(701)	-35.1%	3,420
Postage	-	-	-	-	-	-	-	0.0%	-
Insurance	437	296	296	1,348	3,058	2,072	(986)	-47.6%	3,552
Office Supplies	167	42	1,708	2,232	886	294	(592)	-201.4%	500
Small Equipment	113	100	10,797	27,507	6,336	700	(5,636)	-805.1%	1,200
Repairs & Maintenance	1,030	200	-	-	3,184	1,400	(1,784)	-127.4%	2,400
Training	-	90	341	341	-	630	630	100.0%	1,080
Subscriptions & memberships	111	-	27	163	1,766	-	(1,766)	0.0%	-
Entertainment/music	-	30	-	-	-	210	210	100.0%	360
Janitorial services & supplies	1,089	150	2,706	2,706	6,755	1,050	(5,705)	-543.3%	1,800
Mileage	30	350	365	605	46	2,450	2,404	98.1%	4,200
Fundraising Costs	-	-	-	-	628	-	-		
Out of town travel	-	-	-	-	-	-	-	0.0%	-
Recruitment Ads	-	150	320	640	291	1,050	759	72.3%	1,800
Advertising	-	1,000	146	146	1,717	4,000	2,283	57.1%	5,000
Over/Short	-	50	-	-	64	350	286	81.7%	600
Bank Charges	1,449	42	-	-	6,864	294	(6,570)	-2234.7%	504
Employee Recognition	87	-	-	-	(227)	-	(227)	0.0%	
Wellness	49	-	-	95	139	-	(139)	0.0%	
Miscellaneous	19	84	414	462	3,673	592	(3,081)	-520.4%	1,020
Depreciation	7,705	5,222	-	-	53,938	36,554	(17,384)	-47.6%	62,664
Program Operations									
Indirect Expenses	1,278	2,346	-	-	9,740	16,553	6,813	41.2%	28,299
Total Other Expenses	19,819	15,509	23,894	58,378	140,553	107,382	(32,543)	-30.3%	181,447
Net Income (Loss)	(21,445)	(325)	(46,401)	(51,059)	(133,681)	(16,430)	(117,251)	713.6%	-

Meals on Wheels

Employee Benefit Plans - Total Estimated Annual Costs

April 1, 2020

	Current Costs		Renewal Costs		\$ Change		% Change	
	Annual Cost	EEs	Annual Cost	EEs	Annual Cost	Cost/EE	Annual Cost	Cost/EE
Kaiser HMO \$500 w/ Vision	\$632,433	70	\$655,800	70	\$23,367	\$9,369	\$334	3.7%
Kaiser Added Choice POS \$500	\$45,103	4	\$46,769	4	\$1,666	\$11,692	\$416	3.7%
Medical/Rx Drug Subtotal	\$677,536	74	\$702,569	74	\$25,033	\$9,494	\$338	3.7%
Moda/ODS - PPO Dental	\$22,393	31	\$23,289	31	\$896	\$751	\$29	4.0%
Willamette Dental - HMO	\$34,838	44	\$35,557	44	\$720	\$808	\$16	2.1%
Dental Subtotal	\$57,231	75	\$58,846	75	\$1,615	\$785	\$22	2.8%
All Health Subtotal	\$734,767	74	\$761,415	74	\$26,648	\$10,289	\$360	3.6%
Principal - Basic Term Life	\$4,110	101	\$4,110	101	\$0	\$41	\$0	0.0%
Principal - Basic AD&D	\$743	101	\$743	101	\$0	\$7	\$0	0.0%
Principal - Short Term Disability	\$22,966	102	\$22,966	102	\$0	\$225	\$0	0.0%
Principal - Long Term Disability	\$25,657	102	\$25,657	102	\$0	\$252	\$0	0.0%
Life, AD&D & Disability Subtotal	\$53,476	101	\$53,476	101	\$0	\$529	\$0	0.0%
Allegiance - 125 Plan Administration	\$684	12	\$900	12	\$216	\$75	\$18	31.6%
Magellan - EAP Plan	\$2,610	145	\$2,610	145	\$0	\$18	\$0	0.0%
Gross Total All Plans	\$791,537	74	\$818,401	74	\$26,864	\$11,059	\$363	3.4%
Employee Contributions	\$96,265	74	\$96,204	74	(\$61)	\$1,300	(\$1)	-0.1%
Net Total All Plans	\$695,272	74	\$722,197	74	\$26,925	\$9,759	\$364	3.9%

Cost/EE calculations are based on medical plan enrollment for All Health Subtotal, Gross Total All Plans and Net Total All Plans. Life, AD&D and Disability Subtotal is based on Life plan enrollment. The cost/employee in each plan is based on the current number of employees in that plan (including COBRA, retirees, and disableds if participating).