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**Return of Organization Exempt From Income Tax**

OMB No 1545-0047

**2011****Open to Public Inspection**Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

<b>A For the 2011 calendar year, or tax year beginning</b> June 1, 2011, and ending May 31, 2012	
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b> Northwest Food Processor Education & Research Institute <b>Doing Business As</b> Number and street (or P O box if mail is not delivered to street address) Room/suite <b>8338 NE Alderwood Road Suite 160</b> City or town, state or country, and ZIP + 4 <b>Portland, OR 97220</b>
	<b>D Employer identification number</b> <b>61-1524236</b>
	<b>E Telephone number</b> <b>503-327-2200</b>
	<b>G Gross receipts \$</b> 626,261
	<b>F Name and address of principal officer</b> <b>Dave Zepponi, above</b>
<b>I Tax-exempt status</b> <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
<b>J Website:</b> ▶	
<b>K Form of organization</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	
<b>L Year of formation</b> 2007 <b>M State of legal domicile</b> OR	

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>ERI will be a resource to the NW food processing industry by providing education, scholarships and research, through fundraising activities and volunteerism, which continuously improve the exchange of knowledge between members and promotes sustainability.</b>	
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) <span style="float: right;"><b>3</b> <b>15</b></span>	
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) <span style="float: right;"><b>4</b> <b>14</b></span>	
	<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a) <span style="float: right;"><b>5</b> <b>0</b></span>	
	<b>6</b> Total number of volunteers (estimate if necessary) <span style="float: right;"><b>6</b> <b>50</b></span>	
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 <span style="float: right;"><b>7a</b> <b>0</b></span>	
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 <span style="float: right;"><b>7b</b> <b>0</b></span>		
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b> <b>1,141,042</b> <b>Current Year</b> <b>618,469</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>1,451</b> <b>2,100</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>6,461</b> <b>5,692</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>1,148,954</b> <b>626,261</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)	<b>15,000</b> <b>15,000</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	<b>449,948</b> <b>217,176</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶	
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	<b>680,520</b> <b>395,116</b>
	<b>18</b> Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	<b>1,145,468</b> <b>627,292</b>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>3,486</b> <b>(1,031)</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b> <b>853,627</b> <b>End of Year</b> <b>806,150</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>413,631</b> <b>367,185</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>439,996</b> <b>438,965</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <i>Dave Zepponi</i>	Date <b>10/3/12</b>			
	Type or print name and title <b>DAVE ZEPPONI, PRESIDENT NA ACTING / OPS</b>				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no			

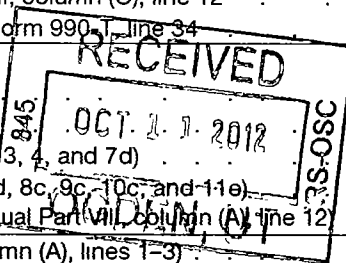
May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form **990** (2011)

SCANNED NOV 01 2012



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**Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III ☐**1** Briefly describe the organization's mission:

ERI will be a resource to the NW food processing industry by providing education, scholarships and research, through fundraising activities and volunteerism, which continuously improve the exchange of knowledge between members and promotes sustainability.

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code: ) (Expenses \$ **542,628** including grants of \$ ) (Revenue \$ **610,569** )

Conduct services, projects and programs, including training, conferences, symposia, expositions, web portals, pilot projects, and other gatherings or activities to facilitate the dissemination of knowledge and to provide opportunities for people in the industry to share ideas, innovations and experience. Projects that work to improve innovation capacity and help to retain and create jobs in the industry cluster. Initiatives that address the challenge of global competition by supporting a model of common development, integrating leadership, and innovation to the benefit of the regional economy.

**4b** (Code: ) (Expenses \$ **16,722** including grants of \$ **15,000** ) (Revenue \$ **10,000** )

Provide educational and learning opportunities for students interested in a trade, technical or professional career in the industry cluster. Provide financial support in the form of scholarships, grants, internships, loans or matching funds to students, researchers and continuing learners for training, education, research, and development of skills for application in business or academia.

**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )**4d** Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses **559,350**

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>9</b> Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>c</b> Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>12 a</b> Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>14 a</b> Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>20 a</b> Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>21.</b> Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	<b>21</b>	✓
<b>22.</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	<b>22</b>	✓
<b>23.</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	<b>23</b>	✓
<b>24a.</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	<b>24a</b>	✓
<b>b.</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	<b>24b</b>	✓
<b>c.</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	<b>24c</b>	✓
<b>d.</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	<b>24d</b>	✓
<b>25a. Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	<b>25a</b>	✓
<b>b.</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	<b>25b</b>	✓
<b>26.</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	<b>26</b>	✓
<b>27.</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	<b>27</b>	✓
<b>28.</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
<b>a.</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	<b>28a</b>	✓
<b>b.</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	<b>28b</b>	✓
<b>c.</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	<b>28c</b>	✓
<b>29.</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	<b>29</b>	✓
<b>30.</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	<b>30</b>	✓
<b>31.</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	<b>31</b>	✓
<b>32.</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	<b>32</b>	✓
<b>33.</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	<b>33</b>	✓
<b>34.</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	<b>34</b>	✓
<b>35a.</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?	<b>35a</b>	✓
<b>b.</b> Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	<b>35b</b>	✓
<b>36. Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	<b>36</b>	✓
<b>37.</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	<b>37</b>	✓
<b>38.</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O	<b>38</b>	✓

**Part V** Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☒

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	<b>1a</b> 7	
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	<b>1b</b> 0	
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b> ✓	
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	<b>2a</b> 0	
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	<b>2b</b>	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	✓
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	<b>3b</b>	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>	✓
<b>b</b>	If "Yes," enter the name of the foreign country. See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	✓
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	✓
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>	
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	<b>6a</b>	✓
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>	✓
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	✓
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year.	<b>7d</b>	
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	✓
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	✓
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?	<b>9a</b>	
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12.	<b>10a</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders.	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	<b>12b</b>	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>	
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	<b>13b</b>	
<b>c</b>	Enter the amount of reserves on hand.	<b>13c</b>	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	✓
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	<b>14b</b>	

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response to any question in this Part VI ☒

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year . . . . .	<b>1a</b> <b>16</b>		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent . . . . .	<b>1b</b> <b>15</b>		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	<b>2</b>		✓
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . . . .	<b>3</b>		✓
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .	<b>4</b>		✓
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .	<b>5</b>		✓
<b>6</b> Did the organization have members or stockholders? . . . . .	<b>6</b>		✓
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .	<b>7a</b>		✓
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	<b>7b</b>		✓
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
<b>a</b> The governing body? . . . . .	<b>8a</b>	✓	
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . .	<b>8b</b>	✓	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	<b>9</b>		✓

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates? . . . . .	<b>10a</b>	✓
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . .	<b>10b</b>	
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	<b>11a</b>	✓
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990. . . . .		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	<b>12a</b>	✓
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	<b>12b</b>	✓
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	<b>12c</b>	✓
<b>13</b> Did the organization have a written whistleblower policy? . . . . .	<b>13</b>	✓
<b>14</b> Did the organization have a written document retention and destruction policy? . . . . .	<b>14</b>	✓
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official . . . . .	<b>15a</b>	✓
<b>b</b> Other officers or key employees of the organization . . . . .	<b>15b</b>	✓
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	<b>16a</b>	✓
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	<b>16b</b>	

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed ► **Oregon**

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website    ☐ Another's website    ☒ Upon request

**19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► **Patricia Pepin, Director Accounting & Operations, 8338 NE Alderwood Road, Suite 160, Portland OR 503.327.2215**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Ed Johnson Chair	1	✓						0	0	0
(2) Mark Dunn Director	1	✓						0	0	0
(3) Kurt McKnight Director	1	✓						0	0	0
(4) Todd Peretti Director	1	✓						0	0	0
(5) Mark Haas Director	1	✓						0	0	0
(6) Jim McMullen Director	1	✓						0	0	0
(7) Bryan Brown Director	1	✓						0	0	0
(8) Mark May Director	1	✓						0	0	0
(9) Randy Hecker Director	1	✓						0	0	0
(10) Dean Stearman Director	1	✓						0	0	0
(11) Tom Flaherty Director	1	✓						0	0	0
(12) Frank Panarra Director	1	✓						0	0	0
(13) Dennis Flabetich Director	1	✓						0	0	0
(14) Nancy Buck Director	1	✓						0	0	0



**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) Fred Vetter Director	1	✓						0	0	0
(16) Dave Zepponi President	8			✓				0	165,792	24,318
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
<b>1b Sub-total</b>									<b>165,792</b>	<b>24,318</b>
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>									<b>165,792</b>	<b>24,318</b>

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶ 1**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	3	✓
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	4	✓
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5	✓

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Mesh Strategic Partners, 5331 SW Macadam, #220, Portland OR 97239	Consulting -web develop	118,860

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **▶ 1**

**Part VIII Statement of Revenue**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b>	Federated campaigns . . . . .	<b>1a</b>				
	<b>b</b>	Membership dues . . . . .	<b>1b</b>				
	<b>c</b>	Fundraising events . . . . .	<b>1c</b>				
	<b>d</b>	Related organizations . . . . .	<b>1d</b>	5,000			
	<b>e</b>	Government grants (contributions)	<b>1e</b>	608,469			
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	5,000			
	<b>g</b>	Noncash contributions included in lines 1a-1f \$					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f			618,469		
<b>Program Service Revenue</b>	<b>2a</b>	Workshop registrations	Business Code	2,100	2,100		
	<b>b</b>						
	<b>c</b>						
	<b>d</b>						
	<b>e</b>						
	<b>f</b>	All other program service revenue					
	<b>g</b>	<b>Total.</b> Add lines 2a-2f					
	<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts)		5,692		
<b>4</b>		Income from investment of tax-exempt bond proceeds					
<b>5</b>		Royalties					
<b>6a</b>		Gross rents	(i) Real (ii) Personal				
<b>b</b>		Less: rental expenses					
<b>c</b>		Rental income or (loss)					
<b>d</b>		Net rental income or (loss)					
<b>7a</b>		Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
<b>b</b>		Less: cost or other basis and sales expenses					
<b>c</b>		Gain or (loss)					
<b>d</b>		Net gain or (loss)					
<b>8a</b>		Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	<b>a</b>				
<b>b</b>		Less: direct expenses	<b>b</b>				
<b>c</b>		Net income or (loss) from fundraising events					
<b>9a</b>		Gross income from gaming activities. See Part IV, line 19	<b>a</b>				
<b>b</b>		Less: direct expenses	<b>b</b>				
<b>c</b>		Net income or (loss) from gaming activities					
<b>10a</b>		Gross sales of inventory, less returns and allowances	<b>a</b>				
<b>b</b>		Less: cost of goods sold	<b>b</b>				
<b>c</b>		Net income or (loss) from sales of inventory					
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11a</b>							
<b>b</b>							
<b>c</b>							
<b>d</b>	All other revenue						
<b>e</b>	<b>Total.</b> Add lines 11a-11d						
<b>12</b>	<b>Total revenue.</b> See instructions.			626,261	2,100		5,692

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX ☒

**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
<b>2</b> Grants and other assistance to individuals in the United States. See Part IV, line 22	15,000	15,000		
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees				
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages	171,833	171,833		
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	5,049	5,049		
<b>9</b> Other employee benefits	24,031	24,031		
<b>10</b> Payroll taxes	16,263	16,263		
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management				
<b>b</b> Legal	163	163		
<b>c</b> Accounting	13,857	5363	8494	
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees				
<b>g</b> Other	223,593	223,593		
<b>12</b> Advertising and promotion				
<b>13</b> Office expenses	2,900	2,900		
<b>14</b> Information technology				
<b>15</b> Royalties				
<b>16</b> Occupancy				
<b>17</b> Travel	7,325	7,325		
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings	14,313	14,313		
<b>20</b> Interest				
<b>21</b> Payments to affiliates	105,263	45,815	59,448	
<b>22</b> Depreciation, depletion, and amortization				
<b>23</b> Insurance				
<b>24</b> Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> Endowment Expenses	1,722	1,722		
<b>b</b> Dues & subscriptions	786	786		
<b>c</b> Research & project expense	25,194	25,194		
<b>d</b>				
<b>e</b> All other expenses				
<b>25</b> Total functional expenses. Add lines 1 through 24e	627,292	559,350	67,942	
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	<b>448,819</b>	<b>1</b>	<b>499,052</b>
	<b>2</b> Savings and temporary cash investments . . . . .		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net . . . . .	<b>36,783</b>	<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	<b>44,562</b>	<b>4</b>	<b>1,500</b>
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges . . . . .		<b>9</b>	
	<b>10a</b> Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D . . . . .	<b>10a</b>		
	<b>b</b> Less: accumulated depreciation . . . . .	<b>10b</b>	<b>10c</b>	
	<b>11</b> Investments—publicly traded securities . . . . .	<b>323,463</b>	<b>11</b>	<b>305,598</b>
	<b>12</b> Investments—other securities. See Part IV, line 11 . . . . .		<b>12</b>	
	<b>13</b> Investments—program-related. See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 . . . . .		<b>15</b>	
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	<b>853,627</b>	<b>16</b>	<b>806,150</b>	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	<b>18,265</b>	<b>17</b>	<b>154,210</b>
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .	<b>395,366</b>	<b>19</b>	<b>212,975</b>
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D . . . . .		<b>25</b>	
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	<b>413,631</b>	<b>26</b>	<b>367,185</b>
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	<b>56,833</b>	<b>27</b>	<b>50,802</b>
	<b>28</b> Temporarily restricted net assets . . . . .	<b>383,163</b>	<b>28</b>	<b>388,163</b>
	<b>29</b> Permanently restricted net assets . . . . .		<b>29</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
	<b>33</b> <b>Total net assets or fund balances . . . . .</b>	<b>439,996</b>	<b>33</b>	<b>438,965</b>
	<b>34</b> <b>Total liabilities and net assets/fund balances . . . . .</b>	<b>853,627</b>	<b>34</b>	<b>806,150</b>

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI ☐

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	<b>1</b>	<b>626,261</b>
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25) . . . . .	<b>2</b>	<b>627,292</b>
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1 . . . . .	<b>3</b>	<b>(1,031)</b>
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	<b>4</b>	<b>439,996</b>
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	<b>5</b>	
<b>6</b>	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) . . . . .	<b>6</b>	<b>438,965</b>

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII ☐

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .		
<b>b</b> Were the organization's financial statements audited by an independent accountant? . . . . .	✓	
<b>c</b> If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . . . If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	✓	
<b>d</b> If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .		✓
<b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

**2011**

**Open to Public Inspection**

Name of the organization

Northwest Food Processors Education & Research Institute

Employer identification number

61-1524236

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state.
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a ☐ Type I
  - b ☐ Type II
  - c ☐ Type III—Functionally integrated
  - d ☐ Type III—Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**.
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐.
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
  - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ☐
  - (ii) A family member of a person described in (i) above? ☐
  - (iii) A 35% controlled entity of a person described in (i) or (ii) above? ☐

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
<b>Total</b>									

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .	727,412	1,588,900	1,868,399	1,141,052	618,469	5,944,232
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>4 Total.</b> Add lines 1 through 3. . . . .	727,412	1,588,900	1,868,399	1,141,052	618,469	5,944,232
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f). . . . .						
<b>6 Public support.</b> Subtract line 5 from line 4. . . . .						5,944,232

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>7</b> Amounts from line 4 . . . . .	727,412	1,588,900	1,868,399	1,141,052	618,469	5,944,232
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .	9,699	13,080	2,144	6,461	5,692	37,076
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .				1,451	2,100	3,551
<b>11 Total support.</b> Add lines 7 through 10 . . . . .						5,984,859
<b>12</b> Gross receipts from related activities, etc. (see instructions) . . . . .					12	3,551
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> . . . . .						<input checked="" type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) . . . . .	<b>14</b>	99.3 %
<b>15</b> Public support percentage from 2010 Schedule A, Part II, line 14 . . . . .	<b>15</b>	n/a %
<b>16a 33 1/3% support test—2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . .	<input checked="" type="checkbox"/>	
<b>b 33 1/3% support test—2010.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization . . . . .	<input type="checkbox"/>	
<b>17a 10%-facts-and-circumstances test—2011.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization . . . . .	<input type="checkbox"/>	
<b>b 10%-facts-and-circumstances test—2010.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization . . . . .	<input type="checkbox"/>	
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . .	<input type="checkbox"/>	

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.  
If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> <span style="float: right;">► <input type="checkbox"/></span>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2010 Schedule A, Part III, line 17	<b>18</b>	%
<b>19a 33 1/3% support tests—2011.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization <span style="float: right;">► <input type="checkbox"/></span>		
<b>b 33 1/3% support tests—2010.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization <span style="float: right;">► <input type="checkbox"/></span>		
<b>20 Private foundation.</b> If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions <span style="float: right;">► <input type="checkbox"/></span>		



## Part IV

**Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

► **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**  
► **Attach to Form 990. ► See separate instructions.**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

Name of the organization

Employer identification number

**Northwest Food Processors Education & Research Institute**

**61-1524236**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year . . . . .		
2 Aggregate contributions to (during year) . . . . .		
3 Aggregate grants from (during year) . . . . .		
4 Aggregate value at end of year . . . . .		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).  
☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of an historically important land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements . . . . .	2a
b Total acreage restricted by conservation easements . . . . .	2b
c Number of conservation easements on a certified historic structure included in (a) . . . . .	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register . . . . .	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? . . . . . ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? . . . . . ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 . . . . . ► \$

(ii) Assets included in Form 990, Part X . . . . . ► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 . . . . . ► \$

b Assets included in Form 990, Part X . . . . . ► \$

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a ☐ Public exhibition d ☐ Loan or exchange programs
- b ☐ Scholarly research e ☐ Other .....
- c ☐ Preservation for future generations
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No
- b If "Yes," explain the arrangement in Part XIV and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No
- b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	373,342	368,963	379,616		
b Contributions	5,000	14,200	7,112	396,309	
c Net investment earnings, gains, and losses	5,692	6,154			
d Grants or scholarships	(15,000)	(15,000)	(15,000)	(15,000)	
e Other expenditures for facilities and programs	(1,722)	(975)	(2,765)	(1,693)	
f Administrative expenses					
g End of year balance	367,312	373,342	368,963	379,616	

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ▶ 100 %
- b Permanent endowment ▶ %
- c Temporarily restricted endowment ▶ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	✓
(ii) related organizations	3a(ii)	✓
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

- 4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c)) ▶

**Part VII Investments—Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives . . . . .		
(2) Closely-held equity interests . . . . .		
(3) Other . . . . .		
(A) . . . . .		
(B) . . . . .		
(C) . . . . .		
(D) . . . . .		
(E) . . . . .		
(F) . . . . .		
(G) . . . . .		
(H) . . . . .		
(I) . . . . .		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►		

**Part VIII Investments—Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) . . . . .		
(2) . . . . .		
(3) . . . . .		
(4) . . . . .		
(5) . . . . .		
(6) . . . . .		
(7) . . . . .		
(8) . . . . .		
(9) . . . . .		
(10) . . . . .		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) . . . . .	
(2) . . . . .	
(3) . . . . .	
(4) . . . . .	
(5) . . . . .	
(6) . . . . .	
(7) . . . . .	
(8) . . . . .	
(9) . . . . .	
(10) . . . . .	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes . . . . .	
(2) . . . . .	
(3) . . . . .	
(4) . . . . .	
(5) . . . . .	
(6) . . . . .	
(7) . . . . .	
(8) . . . . .	
(9) . . . . .	
(10) . . . . .	
(11) . . . . .	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	626,261
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	627,292
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	(1,031)
4	Net unrealized gains (losses) on investments	4	(10,659)
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	(10,659)
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	(11,690)

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	615,602
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	(10,659)
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	(10,659)
3	Subtract line 2e from line 1	3	626,261
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	626,261

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	627,292
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	627,292
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	627,292

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**Part V, Line – Use of Endowment Funds**

The Endowment Fund provides educational and learning opportunities for students interested in a trade, technical or professional career in the industry cluster through financial support in the form of scholarships, grants, internships, loans or matching funds to students. The Fund also supports researchers and continuing learners for training, education, research, and development of skills for application in business or academia.

**Part XIV** Supplemental Information *(continued)*

Area for supplemental information with horizontal dashed lines.

SCHEDULE I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization

Northwest Food Processors Education & Research Institute

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States. ☐

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000.

Part II can be duplicated if additional space is needed ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ☐
- 3 Enter total number of other organizations listed in the line 1 table ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50055P

Schedule I (Form 990) (2011)

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990.

OMB No 1545-0047

2011

Open to Public Inspection

Employer identification number

61-1524236

**Part III** **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1 Scholarships	3	15,000			
2					
3					
4					
5					
6					
7					
<b>Part IV</b> <b>Supplemental Information.</b> Complete this part to provide the information required in Part I, line 2, and any other additional information.					

**Part I, Line 2: Procedures for Monitoring the Use of Grant Funds**

The Board of Directors for ERI has delegated authority for oversight of the endowment funds\*\* and scholarship program to the Endowment Task Force. Policies have been adopted by

the Board of Directors for management of the Endowment, including asset allocation and distribution policies. The Finance Committee of the Board monitors compliance with asset

allocation policies in its periodic review of financial statements; the Task Force authorizes expenditure and distribution of funds in accordance with the prescribed policy (currently 5% of

Net Assets for the fund as of June 1st of each year). Scholarships are awarded based on a nomination and application process and are reviewed by the Task Force. Scholarship awards

are distributed directly to the schools for application to the student's/recipient's accounts.

\*\* Endowment Funds are quasi-endowment or board-designated and temporarily restricted funds functioning as an endowment.



**SCHEDULE J**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990,  
Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2011**

**Open to Public  
Inspection**

Name of the organization

**Northwest Food Processors Education & Research Institute**

Employer identification number

**61-1524236**

**Part I Questions Regarding Compensation**

	Yes	No								
<b>1a</b> Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <table border="0"><tr><td><input type="checkbox"/> First-class or charter travel</td><td><input type="checkbox"/> Housing allowance or residence for personal use</td></tr><tr><td><input checked="" type="checkbox"/> Travel for companions</td><td><input type="checkbox"/> Payments for business use of personal residence</td></tr><tr><td><input type="checkbox"/> Tax indemnification and gross-up payments</td><td><input type="checkbox"/> Health or social club dues or initiation fees</td></tr><tr><td><input type="checkbox"/> Discretionary spending account</td><td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td></tr></table>	<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use	<input checked="" type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees	<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use									
<input checked="" type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence									
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees									
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)									
<b>b</b> If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.	<input checked="" type="checkbox"/>									
<b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	<input checked="" type="checkbox"/>									
<b>3</b> Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III. <table border="0"><tr><td><input type="checkbox"/> Compensation committee</td><td><input checked="" type="checkbox"/> Written employment contract</td></tr><tr><td><input type="checkbox"/> Independent compensation consultant</td><td><input checked="" type="checkbox"/> Compensation survey or study</td></tr><tr><td><input type="checkbox"/> Form 990 of other organizations</td><td><input checked="" type="checkbox"/> Approval by the board or compensation committee</td></tr></table>	<input type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract	<input type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study	<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee				
<input type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract									
<input type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study									
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee									
<b>4</b> During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization: <b>a</b> Receive a severance payment or change-of-control payment? <b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? <b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>								
<b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.</b>										
<b>5</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: <b>a</b> The organization? <b>b</b> Any related organization? If "Yes" to line 5a or 5b, describe in Part III.	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>								
<b>6</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: <b>a</b> The organization? <b>b</b> Any related organization? If "Yes" to line 6a or 6b, describe in Part III.	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>								
<b>7</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	<input checked="" type="checkbox"/>									
<b>8</b> Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.		<input checked="" type="checkbox"/>								
<b>9</b> If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?										

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
<b>David Zepponi</b>							
<b>1</b>	(i) 158,880	(ii) 6,912		(C) 5,257	(D) 19,061	(E) 190,110	(F) 7,604
<b>2</b>	(i)						
<b>3</b>	(i)						
<b>4</b>	(i)						
<b>5</b>	(i)						
<b>6</b>	(i)						
<b>7</b>	(i)						
<b>8</b>	(i)						
<b>9</b>	(i)						
<b>10</b>	(i)						
<b>11</b>	(i)						
<b>12</b>	(i)						
<b>13</b>	(i)						
<b>14</b>	(i)						
<b>15</b>	(i)						
<b>16</b>	(i)						

**Part III** Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

**Part I, Line 1a – Travel for Companions**

The affiliated organization pays for travel of the President's spouse to designated events where spouse attendance is expected. Approved by the Executive Committee to the Board of

Directors, Employee Handbook Policy and by employment contract.

**Part I, Line 7 – Non-Fixed Payments**

At the discretion of the Executive Committee, the President may be awarded bonuses for performance. Amounts are not fixed or guaranteed.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

OMB No 1545-0047

**2011**

**Open to Public  
Inspection**

Name of the organization

**Northwest Food Processors Education & Research Institute**

Employer identification number

**61-1524236**

**Form 990, Part V, Line 2a, Form 990 Part IX, Lines 7-10:**

ERI does not have any employees. Employees are employed by an affiliated entity, Northwest Food Processors Association, to perform work for ERI. Time and effort reports are maintained consistent with OMB-122 standards and ERI pays for the employees based on actual costs incurred. Expenses related to these contract employees are recorded under personnel line items to provide a realistic representation of the cost of operations if ERI were to operate its own organizational payroll.

**Part VI, Section B, Line 11a: Process to Review Form 990:**

The Form 990 is prepared by the Director of Accounting and is tied to the audited financial statements. The Form is reviewed and signed by the President; the Form is reviewed by the Finance Committee as the delegated review authority of the Board of Directors.

**Part VI, Section B, Line 12c: Conflicts of Interest Policy:**

The Anti-Trust Policy/Statement is read and reviewed prior to each meeting of the Board of Directors, Finance Committee and all other committee or task force meetings.

**Part VI, Section B, Line 15a: Compensation for Top Official (related organization):**

The Executive Committee of the affiliated organization reviews, on an annual basis, the compensation of the organization's President and recommends to the Board of Directors changes that it deems appropriate.

**Part VI, Section B, Line 15b: Compensation for other Key Employees:**

Compensation of other key employees employed by contract with the affiliated organization is determined by the affiliated organization's President, and approved by the Board of Directors through the annual budget process.

**Part VI, Section C, Line 19: Disclosure of Governing Documents and Other**

The organization's governing documents, anti-trust policy and financial statements are made available to the public upon request.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

Northwest Food Processors Education & Research Institute

**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
▶ Attach to Form 990 ▶ See separate instructions.

OMB No 1545-0047

**2011**

**Open to Public  
Inspection**

Employer identification number  
**61-1524236**

**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) Northwest Food Processors Association 93-0238010 8338 NE Alderwood Road, Suite 160, Portland OR 97220	Industry Association	Oregon	501(c)6		NA		✓
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50135Y

**Schedule R (Form 990) 2011**

**Part III Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) _____												
(2) _____												
(3) _____												
(4) _____												
(5) _____												
(6) _____												
(7) _____												

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) _____							
(2) _____							
(3) _____							
(4) _____							
(5) _____							
(6) _____							
(7) _____							

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
<b>1</b>	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?		
<b>a</b>	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a	✓
<b>b</b>	Gift, grant, or capital contribution to related organization(s)	1b	✓
<b>c</b>	Gift, grant, or capital contribution from related organization(s)	1c	✓
<b>d</b>	Loans or loan guarantees to or for related organization(s)	1d	✓
<b>e</b>	Loans or loan guarantees by related organization(s)	1e	✓
<b>f</b>	Sale of assets to related organization(s)	1f	✓
<b>g</b>	Purchase of assets from related organization(s)	1g	✓
<b>h</b>	Exchange of assets with related organization(s)	1h	✓
<b>i</b>	Lease of facilities, equipment, or other assets to related organization(s)	1i	✓
<b>j</b>	Lease of facilities, equipment, or other assets from related organization(s)	1j	✓
<b>k</b>	Performance of services or membership or fundraising solicitations for related organization(s)	1k	✓
<b>l</b>	Performance of services or membership or fundraising solicitations by related organization(s)	1l	✓
<b>m</b>	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m	✓
<b>n</b>	Sharing of paid employees with related organization(s)	1n	✓
<b>o</b>	Reimbursement paid to related organization(s) for expenses	1o	✓
<b>p</b>	Reimbursement paid by related organization(s) for expenses	1p	✓
<b>q</b>	Other transfer of cash or property to related organization(s)	1q	✓
<b>r</b>	Other transfer of cash or property from related organization(s)	1r	✓

		(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
<b>2</b>	If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds				
	Northwest Food Processors Association		c	5,000	Board Authorized
(1)					
	Northwest Food Processors Association		l,m	105,263	Mgmt Contract
(2)					
	Northwest Food Processors Association		n	217,176	Time-at cost
(3)					
	Northwest Food Processors Association		o	82,077	at cost
(4)					
(5)					
(6)					

**Part VI** **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) .....													
(2) .....													
(3) .....													
(4) .....													
(5) .....													
(6) .....													
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(14) .....													
(15) .....													
(16) .....													



**NORTHWEST FOOD PROCESSORS EDUCATION AND  
RESEARCH INSTITUTE**

**FINANCIAL STATEMENTS**

**For the Years Ended May 31, 2012 and 2011**

***Jones & Roth***  
CPAs & Business Advisors

NORTHWEST FOOD PROCESSORS EDUCATION AND RESEARCH INSTITUTE  
FINANCIAL STATEMENTS  
For the Years Ended May 31, 2012 and 2011

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Northwest Food Processors Education and Research Institute  
Portland, Oregon

We have audited the accompanying statements of financial position of Northwest Food Processors Education and Research Institute (a nonprofit organization) as of May 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwest Food Processors Education and Research Institute as of May 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Jones & Roth, P.C.*

Jones & Roth, P.C.  
Hillsboro, Oregon  
September 6, 2012

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Eugene, OR 97401  
phone (541) 687-2320  
fax (541) 485-0960

HILLSBORO 5635 NE Elam Young Pkwy.  
Suite 100  
Hillsboro, OR 97124  
phone (503) 648-0521  
fax (503) 648-2692

## FINANCIAL STATEMENTS

NORTHWEST FOOD PROCESSORS EDUCATION AND RESEARCH INSTITUTE  
STATEMENTS OF FINANCIAL POSITION  
May 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Cash	\$ 456,725	\$ 440,016
Cash - temporarily restricted	42,327	8,803
Investments - temporarily restricted	345,836	374,360
Grants and other receivables	<u>1,500</u>	<u>81,345</u>
<b>Total assets</b>	<u><u>\$ 846,388</u></u>	<u><u>\$ 904,524</u></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 1,085
Accrued vacation payable	8,785	10,580
Accrued expenses	145,425	6,600
Deferred revenue	<u>212,975</u>	<u>395,366</u>
<b>Total liabilities</b>	<u>367,185</u>	<u>413,631</u>
<b>Net assets</b>		
Unrestricted	71,654	66,654
Unrestricted - Board-designated	19,386	41,076
Temporarily restricted	<u>388,163</u>	<u>383,163</u>
<b>Total net assets</b>	<u>479,203</u>	<u>490,893</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 846,388</u></u>	<u><u>\$ 904,524</u></u>

The accompanying notes are an integral part of these statements

NORTHWEST FOOD PROCESSORS EDUCATION AND RESEARCH INSTITUTE  
STATEMENT OF ACTIVITIES  
For the Year Ended May 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue</b>			
Non-federal grant revenue	\$ 608,469	\$ -	\$ 608,469
Interest and loss on investments	(4,967)	-	(4,967)
Contributions	5,000	5,000	10,000
Miscellaneous revenue	<u>2,100</u>	<u>-</u>	<u>2,100</u>
 Total revenue	 <u>610,602</u>	 <u>5,000</u>	 <u>615,602</u>
<b>Expenses</b>			
Salaries, taxes, and benefits	217,176	-	217,176
Professional fees	324,962	-	324,962
Events and activities	15,139	-	15,139
Travel	2,899	-	2,899
Rent	29,463	-	29,463
Office expense	21,299	-	21,299
Scholarship support	15,000	-	15,000
Miscellaneous expenses	<u>1,354</u>	<u>-</u>	<u>1,354</u>
 Total expenses	 <u>627,292</u>	 <u>-</u>	 <u>627,292</u>
 <b>Change in net assets</b>	 (16,690)	 5,000	 (11,690)
 Net assets, beginning of year	 <u>107,730</u>	 <u>383,163</u>	 <u>490,893</u>
 Net assets, end of year	 <u>\$ 91,040</u>	 <u>\$ 388,163</u>	 <u>\$ 479,203</u>

The accompanying notes are an integral part of these statements.

NORTHWEST FOOD PROCESSORS EDUCATION AND RESEARCH INSTITUTE  
STATEMENT OF ACTIVITIES  
For the Year Ended May 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue</b>			
Non-federal grant revenue	\$ 1,014,899	\$ -	\$ 1,014,899
Federal grant revenue	101,943	-	101,943
Interest and gain on investments	57,358	-	57,358
Contributions	10,000	14,200	24,200
Miscellaneous revenue	<u>1,451</u>	<u>-</u>	<u>1,451</u>
 Total revenue	 <u>1,185,651</u>	 <u>14,200</u>	 <u>1,199,851</u>
 <b>Expenses</b>			
Salaries, taxes, and benefits	449,948	-	449,948
Research and project expenses	236,354	-	236,354
Professional fees	326,153	-	326,153
Events and activities	37,051	-	37,051
Travel	16,154	-	16,154
Rent	42,667	-	42,667
Office expense	21,244	-	21,244
Scholarship support	15,000	-	15,000
Miscellaneous expenses	<u>897</u>	<u>-</u>	<u>897</u>
 Total expenses	 <u>1,145,468</u>	 <u>-</u>	 <u>1,145,468</u>
 <b>Change in net assets</b>	 40,183	 14,200	 54,383
 Net assets, beginning of year	 <u>67,547</u>	 <u>368,963</u>	 <u>436,510</u>
 Net assets, end of year	 <u>\$ 107,730</u>	 <u>\$ 383,163</u>	 <u>\$ 490,893</u>

The accompanying notes are an integral part of these statements.

NORTHWEST FOOD PROCESSORS EDUCATION AND RESEARCH INSTITUTE  
STATEMENTS OF CASH FLOWS  
For the Years Ended May 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (11,690)	\$ 54,383
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Unrealized (gain) loss on investments	10,659	(50,897)
(Increase) decrease in:		
Grants and other receivables	79,845	(39,050)
Increase (decrease) in:		
Accounts payable	(1,085)	(254,259)
Accrued vacation payable	(1,795)	(5,729)
Accrued expenses	138,825	(88,094)
Deferred revenue	<u>(182,391)</u>	<u>(157,650)</u>
Net cash provided (used) by operating activities	<u>32,368</u>	<u>(541,296)</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(31,023)	(330,000)
Proceeds from sale of investments	<u>48,888</u>	<u>6,537</u>
Net cash provided (used) by investing activities	<u>17,865</u>	<u>(323,463)</u>
<b>Net increase (decrease) in cash</b>	50,233	(864,759)
Cash, beginning of year	<u>448,819</u>	<u>1,313,578</u>
Cash, end of year	<u>\$ 499,052</u>	<u>\$ 448,819</u>

The accompanying notes are an integral part of these statements.



NORTHWEST FOOD PROCESSORS EDUCATION AND RESEARCH INSTITUTE  
NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies**

**Nature of Operations**

Northwest Food Processors Education and Research Institute (ERI) was incorporated March 7, 2007, and activity began on July 1, 2007. ERI was created to position food processors in Oregon, Washington, and Idaho to compete more effectively on a global scale through increased innovations and productivity. ERI is a clearing house of information, technical resources, and advisors linking industry needs to existing private and public providers.

**Basis of Presentation**

The financial statements are classified on the existence or absence of donor-imposed restrictions using the following classifications: permanently restricted, temporarily restricted, and unrestricted. These classifications are defined as follows:

*Permanently restricted* net assets contain a donor-imposed restriction that stipulates resources be maintained permanently, but permits ERI to use or expend the income derived from the donated asset. There were no permanently restricted net assets at May 31, 2012 and 2011.

*Temporarily restricted* net assets contain donor-imposed restrictions that permit ERI to use or expend the donated assets as specified and are satisfied either by the passage of time or by actions of ERI.

*Unrestricted* net assets are not restricted by donors or the donor-imposed restrictions have expired.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

The Organization considers the functional categorization of all expenses to be grant or program related.

**Cash**

Cash consists of demand deposits and money market funds. For purposes of the statements of cash flows, ERI considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at May 31, 2012 and 2011. Amounts on deposit with financial institutions may at times exceed federally insured limits. At May 31, 2012 and 2011, ERI's cash deposits were fully insured. ERI's money market funds are not federally insured. Uninsured money market balances were \$36,247 and \$12,691 at May 31, 2012 and 2011, respectively.

**Revenue Recognition**

Grant revenue is considered available for unrestricted use unless specifically restricted by the donor. Grant revenue is recognized upon specific conditions being met. Until these conditions are met, revenue is deferred. Endowment contributions are considered temporarily restricted and are recorded as revenue when received.

NORTHWEST FOOD PROCESSORS EDUCATION AND RESEARCH INSTITUTE  
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**1. Summary of Significant Accounting Policies, continued**

**Endowment Fund Policy**

The Board of Directors has established guidelines for the utilization of the endowment fund maintained to benefit the general purposes of ERI. Interest earnings on investments are designated by the Board for the endowment fund. The policy sets forth that ERI shall accept current and deferred gifts to the endowment fund. The Finance Committee has authorized expenditures of up to 5 percent of the endowment fund balance, including interest earned during the prior year. The authorized funds are to be used for the following:

- Scholarship awards for undergraduate or postgraduate students pursuing studies relevant to food manufacturing at each of the land grant universities in Idaho, Oregon, and Washington.
- Northwest Food Processors Association (the Association) internship opportunities for undergraduate or postgraduate students enrolled at accredited institutions. The internships should focus on research, studies, analyses, or projects of benefit to the Association and its members.
- Funding of research projects of benefit to Association members with accredited institutions of higher learning, government agencies, or professional private consultants.
- Supporting workforce development and skills training for incumbent employees of the Association member companies.

**Income Tax Status**

ERI has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC). In any year in which ERI has unrelated business gross income of \$1,000 or more, it must file Form 990-T with the Internal Revenue Service and may have to pay tax on such income. ERI's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended May 31, 2012 and 2011, are subject to examination by the IRS generally for three years after they were filed.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**2. Endowment Fund**

In 2008, endowment funds were held by the Oregon State University Foundation in a fiduciary capacity for ERI. These funds were temporarily restricted assets operated as an endowment fund. During the year ended May 31, 2009, the Association collected endowment fund contributions totaling \$32,266. In May 2009, the Oregon State University Foundation and the Association transferred the amounts they were holding into the endowment fund for ERI. Subsequent to the transfer of assets in May 2009, all contributions are made directly to ERI. All contributions received to date are temporarily restricted by the donors. Any investment earnings are recorded separately from contributions and are unrestricted. Investment earnings have been designated by the Board of Directors for endowment fund purposes. Cash balances transferred from the Oregon State University Foundation were invested in mutual funds on June 8, 2010. For the years ended May 31, 2012 and 2011, there was \$(4,967) and \$57,050, respectively, in investment (losses)/earnings in the endowment fund.

NORTHWEST FOOD PROCESSORS EDUCATION AND RESEARCH INSTITUTE  
NOTES TO FINANCIAL STATEMENTS

**2. Endowment Fund, continued**

For the years ended May 31, the endowment fund had the following activity:

	<u>2012</u>	<u>2011</u>
Beginning balance	\$ 383,163	\$ 368,963
Current year contributions	<u>5,000</u>	<u>14,200</u>
Ending balance	<u>\$ 388,163</u>	<u>\$ 383,163</u>

These funds are considered restricted and are classified as temporarily restricted in the financial statements. Investment earnings on the endowment fund while the funds were held by the Oregon State University Foundation are included in temporarily restricted endowment contributions.

**3. Investments**

ERI held temporarily restricted and Board-designated investments in mutual funds of \$345,836 and \$374,360 at May 31, 2012 and 2011, respectively. These investments are recorded at fair market value based on quoted market rates.

The amortized cost and fair value of investments, with net unrealized gains and losses, was as follows at May 31.

	<u>Amortized Cost</u>	<u>Net Unrealized Gains</u>	<u>Fair Value</u>
<u>2012</u>			
Investments – mutual funds	<u>\$ 309,209</u>	<u>\$ 36,627</u>	<u>\$ 345,836</u>
<u>2011</u>			
Investments – mutual funds	<u>\$ 323,463</u>	<u>\$ 50,897</u>	<u>\$ 374,360</u>

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended May 31:

	<u>2012</u>	<u>2011</u>
Interest income	\$ 5,692	\$ 6,153
Net realized and unrealized gains (losses)	<u>(10,659)</u>	<u>50,897</u>
Total investment return (loss)	<u>\$ (4,967)</u>	<u>\$ 57,050</u>

Interest income is reported net of investment fees. Investment fees were \$2,364 and \$416 for the years ended May 31, 2012 and 2011, respectively.

NORTHWEST FOOD PROCESSORS EDUCATION AND RESEARCH INSTITUTE  
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**4. Retirement Savings Plan**

The Association has a 401(k) plan whereby employees may contribute up to 15 percent of their earnings and defer payment of income taxes on those funds until such time as they withdraw them from the plan. The Association may contribute up to 3 percent of compensation to those employees that qualify to participate. In order to participate, employees must be at least 18 years of age and have at least 1,000 hours of service with the Association. Plan expenses incurred for Association employees that performed work solely for ERI were recorded as expenses on ERI's books. During the years ended May 31, 2012 and 2011, ERI incurred employer contribution expenses of \$5,049 and \$9,717, respectively.

**5. Related Party Transactions**

Transactions occurred during the years ended May 31, 2012 and 2011, between ERI and the Association. ERI and the Association are considered related parties, as they share common Board members and management.

ERI has entered into a management pricing agreement with the Association for space, management, and support. The agreement approved beginning July 1, 2011, calls for a payment of 25 percent of expenses unless otherwise restricted by funding agreements. The agreement in effect from June 1, 2010 to June 30, 2011, called for a payment of \$18,006 per month. The total amount paid to the Association under the management pricing agreement for the years ended May 31, 2012 and 2011, was \$108,122 and \$216,067, respectively. Additionally, the Association authorized contributions to ERI of \$5,000 and \$10,000 for the years ended May 31, 2012 and 2011, respectively.

Amounts recognized as payable to and receivable from related parties for the years ended May 31 were:

		<u>2012</u>	<u>2011</u>
Northwest Food Processors Association	Accounts receivable	\$ -	\$ 42,562
Northwest Food Processors Association	Accounts payable	\$ 145,425	\$ -

During the year ended May 31, 2011, ERI contracted with the business of one of its Finance Committee members for consulting services. For the year ended May 31, 2011, ERI incurred expenses of \$19,066 for consulting services that were provided under the related party contract. The term of the contract ended in October 2010. During the term of the contract, the related Finance Committee member abstained from voting in Finance Committee meetings when a conflict of interest existed.

**6. Concentration of Credit Risk**

ERI's accounts receivable and payable are highly concentrated with receivables and payables due to its related party, the Association. The related party transactions accounted for 100 percent of ERI's total accrued expenses balance at May 31, 2012, and 52.3 percent of ERI's total accounts receivable balance at May 31, 2011.

NORTHWEST FOOD PROCESSORS EDUCATION AND RESEARCH INSTITUTE  
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**6. Concentration of Credit Risk, continued**

ERI's revenue is primarily derived from grant agreements with the State of Oregon. The combined grant revenue from the State of Oregon represents 71.6 percent and 84.6 percent of ERI's total revenue for the years ended May 31, 2012 and 2011, respectively. Grant revenue is comprised of two individual grants. The first grant is in the amount of \$1,620,000 for the period July 1, 2009 through June 30, 2011. This grant was extended to June 30, 2012, by amendment. The second grant is in the amount of \$500,000 for the period July 1, 2011 through June 30, 2013.

ERI's expenses are concentrated with expenses derived through a transfer pricing agreement between ERI and the Association. These expenses represent approximately 17.2 percent and 18.9 percent of total expenses for the years ended May 31, 2012 and 2011, respectively.

**7. Fair Value Measurements**

ERI uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the entity's various financial instruments. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

FASB ASC 820 provides a consistent definition of fair value which focuses on exit price in an orderly transaction (that is, not forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

In accordance with FASB ASC 820, ERI groups its financial assets and financial liabilities generally measured at fair value in three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

NORTHWEST FOOD PROCESSORS EDUCATION AND RESEARCH INSTITUTE  
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**7. Fair Value Measurements, continued**

Level 2 – Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 – Valuation is based on unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Fair value of assets measured on a recurring basis at May 31 was as follows:

<u>Assets at Fair Value as of May 31, 2012</u>			
<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments – mutual funds	\$ 345,836	\$ -	\$ 345,836
<u>Assets at Fair Value as of May 31, 2011</u>			
<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments – mutual funds	\$ 374,360	\$ -	\$ 374,360

**8. Subsequent Events**

Management evaluates events and transactions that occur after the date of the statement of financial position as potential subsequent events. Management has performed this evaluation through the date of the auditor's report.