



Association
of Arizona
Food Banks

A • R • I • Z • O • N • A

FOOD LINES

2007 - 2008 ANNUAL REPORT

Dear Friends,

As we write to you in this Annual Report, we are reflecting on the challenges the Association met and the accomplishments made in the July, 2007- June, 2008 year, thanks to your support.

Working with advocates throughout the country for more than a year our advocacy at the federal level brought welcome changes in the Farm Bill. One change specifically recognizing today's reality - the actual cost of child day care, not the previously capped low amount, is now deducted from assets when computing a Food Stamp applicant's eligibility. This potentially will mean more assistance for working families with children. This bill also added major funding for the Emergency Food Assistance Program that provides USDA surplus foods to distribute through food banks meaning more food in the network.

Because of our work with other advocates over several years, Arizona is now moving forward to implement the expanded food package for the Women, Infants & Children Program (WIC), to be offered by December, 2009. The expanded package will include new food options, including whole grain breads/cereals and fresh produce. WIC participants will also be able to purchase products such as soy milk without a prescription. We are proud we were able to bring about these and other changes that will help Arizona households access better nutrition for their families.

Our Arizona Statewide Gleaning Project handled 38.1 million pounds of food, mostly donated - the equivalent of 29.3 million meals for hungry Arizona families. The collaboration with our member food banks, growers, food brokers and Feeding America (formerly America's Second Harvest) made this possible.

After almost two years of collaboration with our member food banks, envisioning a capacity building strategy, securing funding and purchasing fifteen 20' or 40' refrigerated containers, the plan was implemented. The containers are placed at agencies from Show Low to Sells, Tombstone to Williams and parts in between, increasing the local capacity to accept, store and distribute more nutritious fresh and frozen foods to the

increasing number of households in need. And not a moment too soon!

The Association is proud of these accomplishments during the 2007/2008 year, a year that could however be described as the "canary in the mine" year, a year giving us clear indications of the critical situation we're in today. Before the stock market crisis, the credit crunch, the bank and corporate failures made the headlines, food banks were clearly seeing the impact of rising food and fuel costs, the devastation of foreclosures and job losses. In the summer and fall of 2007 the needs were increasing. By January, 2008 Food Stamps were going to the highest number of Arizona households ever recorded.

By March news articles were citing low food supplies and decreasing food and monetary donations, and Governor Janet Napolitano's office requested the Association to provide her an update on the status of hunger in Arizona. As the fiscal year ended in June the Association and member food banks knew we were in for an even greater challenge, which continues today and is predicted to grow and last for the foreseeable future.

Meeting this unprecedented and growing need is and will be a major challenge. We need your help to keep our trucks delivering food and our voice strong, advocating for more effective and accessible nutrition assistance programs.

Your help has meant so much in the past and is needed now more than ever. Please donate in the enclosed envelope or through our web site at www.azfoodbanks.org. Thank you for all you do to help alleviate the unacceptable condition of hunger in Arizona.

Sincerely,

Bill Carnegie
Board President

Ginny Hildebrand
President & CEO





Association of Arizona Food Banks

Helping Make Food Banking Better Since 1984

2008 - 2009 BOARD OF DIRECTORS

President: Bill Carnegie
Community Food Bank

Vice President: Mary Jo Swartz, MSW
Retired AZ Dept. of Economic Security

Secretary / Treasurer: Ann Rosing, MPH
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Salt River Project

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Litchfield Elementary School District

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Terry Shannon, MBA
St. Mary's Food Bank Alliance

Ronna Sue Stubbs,
Yuma Community Food Bank

Sister Frances Vista, MSW
St. Jude Food Bank

OUR MISSION

To deliver food and quality services to food banks and foster relationships in support of our commitment to eliminate hunger.

Established in 1984, the Association is a support organization serving its five member regional food bank warehouses and a network of nearly 1,700 food pantries and agencies in Arizona. Its vision is achieving a hunger-free Arizona. Major activities include: developing more food resources, promoting nutrition, advocating for public policy changes to help hungry people, fostering cooperation among food banks and networking with government, as well as, local, state and national leaders dedicated to ending hunger and engaging all sectors of society in hunger awareness and sensitivity. The Association of Arizona Food Banks is not a food bank - we help make food banking better.

OUR MEMBER FOOD BANKS



CONTACT AAFB

1-800-445-1914
2100 North Central Avenue, Suite 230
Phoenix, Arizona 85004-1400
www.azfoodbanks.org

STATUS OF HUNGER IN ARIZONA – THE CAUSES & THE EFFECTS

As of November 2008



Economic Turmoil = Families in Crisis

The latest data released by the US Census Bureau on the incidence of poverty in our Nation underscores what many know and experience here in Arizona – we are losing ground in the fight to end hunger, homelessness and economic insecurity.

Every day, this bleak picture is reinforced with the seemingly endless announcements of corporate bankruptcy filings, job layoffs, home foreclosures and social support services unable to meet the unprecedented need – the result of which is more and more individuals and families on the brink of disaster.

Here's what we know about the circumstances Arizonans are facing:

- Since 2001, an additional 14.2% of residents – equating to a quarter of a million people – suffered the effects of inadequate resources;
- The jobless rate is currently at a 6-year high, at close to 6% of the population. It is anticipated to go as high as 7.5%, well over the current national average;
- Home foreclosure rates have increased significantly over the same period last year, with 1 in 149 households in foreclosure;
- Social service agencies are serving a record number of individuals. For instance, Food Stamp caseloads are at 685,000 individuals while the WIC caseload is nearly 183,400 women and children – a record high in terms of individuals served;
- Food prices in the last year have risen 20% by some estimates – and are anticipated to rise even further.

The Food Demand – Why We Can't Let Our Food Banks Fail

A recent survey of Association of Arizona Food Banks (AAFB) members reveals an equally startling picture - unprecedented growth in need, a marked decline in donations and the resulting depletion of agency resources. AAFB members represent food banks, their food pantries, soup kitchens and support agencies in all 15 counties of Arizona. We have compiled the following statistical and anecdotal information in consultation with the member Directors.

Emergency Food Box (EFB) Distribution

EFBs typically provide a three-day supply of food to meet the immediate needs of a family, household, or individual during a time of crisis until more permanent assistance is found.

- 18% - 35% increase in number of requests in September compared to same time last year; the largest food bank in AZ reported a 42% increase in number of requests since May 2008;
- 20% increase in new clients;
- 29% - 37% increase among vulnerable populations (seniors and infants).

Food Donations

Food banks largely rely on the donations of the public - schools, small businesses, corporations, retail grocers, growers, churches, colleges – to support their programs. In difficult economic times, this task becomes all the more challenging.

- Food banks are reporting donations of a 0% increase to a 2% decrease compared to the same time last year;
- One food bank reported that food drive contributions and store donations were down 30% from 2007 levels.



ASSETS

Cash & Cash Equivalents	\$205,180
Short-Term Investments	\$255,951
Grants & Accounts Receivable	\$155,956
Contributions Receivable	\$80,650
Prepaid Expenses	\$3,324
Property & Equipment , Net of Accumulated Depreciation	\$294,976
Total Assets	\$996,037

LIABILITIES & NET ASSETS

Liabilities	
Accounts Payable	\$45,411
Accrued Expenses	\$19,046
Capital Lease Obligation	\$23,007
Total Liabilities	\$87,464
Net Assets	
Unrestricted	
Undesignated	\$670,640
Designated	\$117,844
Temporarily Restricted	\$120,089
Total Net Assets	\$908,573
Total Liabilities & Assets	\$996,037

STATEMENT OF ACTIVITY

Support & Revenue	
Fees for Services	\$1,117,121
Government Grants & Contracts	\$744,968
Contributions Revenue	\$562,245
Membership Fees	\$56,017
Miscellaneous	\$15,406
Investment Income	\$4,610
In-Kind	\$8,752
Total Unrestricted Support & Revenue	\$2,509,119
Net Assets Released from Restrictions	\$139,634
Total Unrestricted Revenue & Other Support	\$2,648,753
Expenses	
Food Bank Coordination	\$469,211
Gleaning	\$1,587,321
General & Administrative	\$96,868
Fundraising	\$130,076
Total Expenses	\$2,283,476

The complete set of financials is available by contacting the Association or by going to www.azfoodbanks.org.

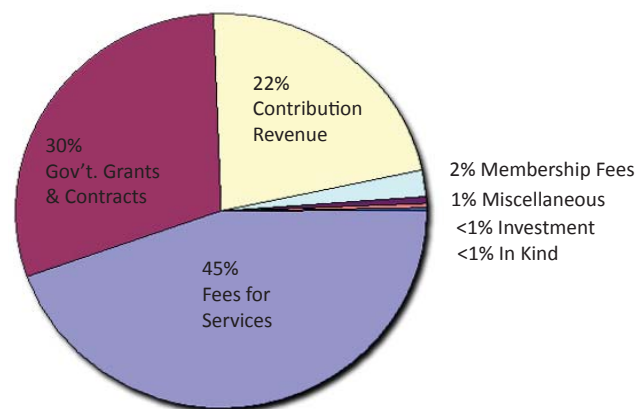


AAFB

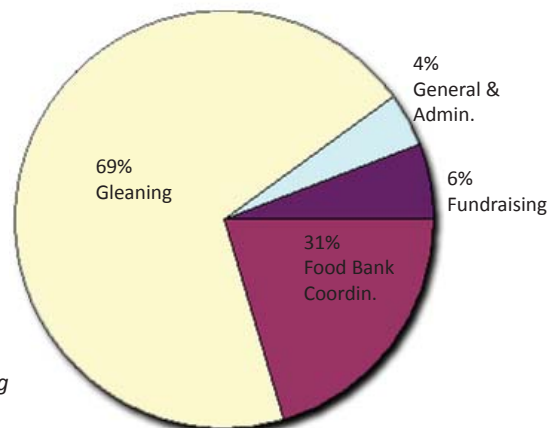
JULY 07 - JUNE 08 FINANCIALS

BASED ON FINANCIAL FIGURES FOR YEAR
ENDING JUNE 30, 2008, AUDITED BY
WALKER & ARMSTRONG LLP.

Revenues



Expenses





ARIZONA STATEWIDE GLEANING PROJECT

“A program of the Association of Arizona Food Banks”

(602) 528-0740

The Year in Review

By Jami Kakinuma

Gleaning Operations Administrative Manager

The 2007-2008 fiscal year brought with it many changes and challenges. Yet, despite these and other conditions, the Arizona Statewide Gleaning Project (the Project) still coordinated the distribution of more than 38 million pounds of food this year to our partners in Arizona and across the country.

The Project, using \$133,605 of State allocated funds, purchased and distributed over 1.4 million (included in above total) pounds statewide to all of Arizona’s counties.

The Project is able to accomplish what it does by working closely with our many partners. The following are just a few of our partners who help to make it all happen!

- Maricopa County Sheriff’s Office transported more than 7.9 million pounds of food and donated countless bins, caps and pallets.
- Shamrock Foods donated the use of their drivers, trucks and trailers to bring 429,007 pounds of salad items from Yuma to Phoenix.
- Kraft Foods, who supports the Project with grant funding, this year gave additional support to fund the Joint Solicitation project with the California Association of Food Banks, to purchase the ethylene dioxide filters for the Project’s trailers and supported some additional costs associated with the Refrigerated Container Project.
- America’s Second Harvest’s (now Feeding America) team who works with the Arizona Cluster through the Choice System helping to bring over 3.7 million pounds of food and household products to Arizona this year.
- Duncan Family Farms, our biggest supporter in the farming community, donated over 1.6 million pounds of fresh produce to Arizona Food Banks.
- Arizona’s Department of Economic Security, whose funding and support in so many ways, makes this Project possible.
- Our member food banks who continue the “chain of distribution” to hungry people.
- Our many out-of-state partners who shared food with Arizona. In particular: Ag Against Hunger, California Emergency Food Link, the Dare to Share Collaborative, Roadrunner Food Bank, Food Lifeline, Rotary First Harvest and the growing opportunities

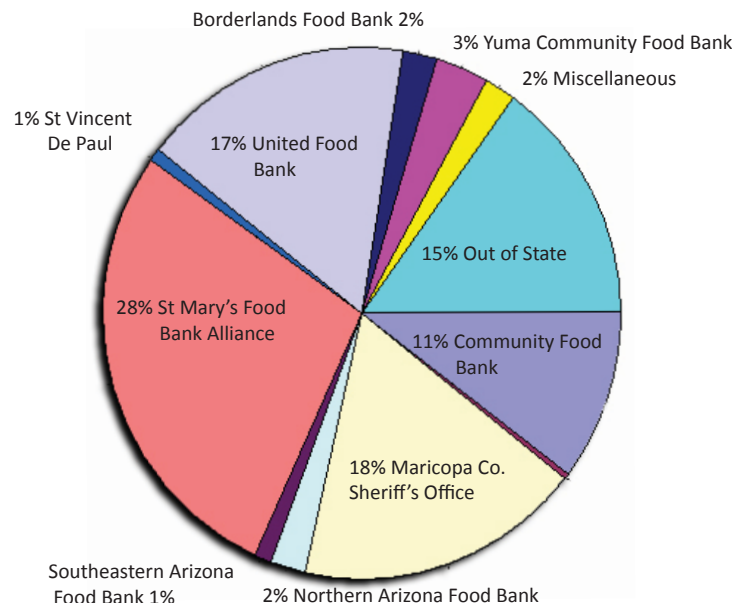
with Farm to Family of the California Association of Food Banks to secure produce donations.

The new year has begun and our goal is to move even more food in 2009 than 2008 to help our member food banks meet the increasing demand for food in the coming year. We count on you to continue your support and help us find new partners willing to help rescue fresh produce and put it in the hands of our hungry neighbors.

Thank you!



38.1 Million Pounds Distributed via the Arizona Statewide Gleaning Project in 2007-2008



Our Corporate & Civic Partners in 2007 - 2008

A and D Sales	Fox Restaurant Concepts	San Francisco Food Bank
Ag Against Hunger	Glenn D’Lima Enterprises, Inc.	Sandhills Publishing
All Round Construction, Inc.	Kraft Foods, Inc.	Second Harvest Food Banks
Alliance Insurance Group	LA Foods	Second Harvest Food Bank of Riverside
Arizona Community Action Association	LDS Cannery	Share Our Strength – Taste of the Nation
Arizona Department of Agriculture	Liberty Mutual Insurance	Shamrock Foods Company
Arizona Department of Corrections	Lincoln GIVES– John C. Lincoln Health Foundation	Society of St. Vincent de Paul
Arizona Department of Economic Security	Los Angeles Food Bank	Southern Wine & Spirits
Arizona Division of Emergency Management	McMiles Foundation	Stardust Foundation
Arizona Public Service	Maricopa County Combined Federal Campaign	Sun Valley Printing
Aspen Produce	Maricopa County Sheriff’s Office	Sundance Farms
The Arizona Republic and 12 News Season for Sharing	MAZON: A Jewish Response to Hunger	Trigent Farms
Bashas’	Meeho Brokerage	US Airways
Bonita Bean	Nina Mason Pulliam Charitable Trust	Utah Food Bank
California Assn. of Food Banks	Northern Arizona Combined Federal Campaign	ValMark Securities
California Emergency Food Link	Operation Blessing	Valley of the Sun United Way
Cargo-Master, Inc.	Oregon Food Bank	Virginia G. Piper Charitable Trust
Central Refrigerated Services	Pinto Creek	Wells Fargo
Copper Mist Homes	Project SCRUB	Western Refining
The Chrysler Foundation	QV Distributors, Inc.	Western Vegetable Producers
Duncan Family Farms	Red Hawk Farming & Cooling	The Wyss Foundation
EMW Marketing & Design	Redwood Empire Food Bank	
Fasturtle Technologies	Reliable Freight Distributors	
Feeding America (Formerly America’s Second Harvest)	Roadrunner Food Bank	
Field Calibrations, Inc.	Rotary First Harvest	
Food Lifeline	Safeway Foundation	
Food Link of Tulare County	Salt River Project	

**Thank you for all
you do to help us
help Arizona!**

The Staff & Members of AAFB

A Holiday Gift that Gives Twice

Starting your list of holiday gifts for friends and family? A contribution to the AAFB in honor of a special person in your life says how much you appreciate them. It also tells them you care about Arizona families in need. To donate visit www.azfoodbanks.org or use the envelope enclosed in this FOOD LINES. We will send your honoree an acknowledgement of your thoughtful gift, without the amount, and send you an acknowledgement as well.



Preparing For Your 2008 Tax Return?

Receive a tax credit for your 2008 donation! Under Arizona law (ARS43-1088.G.2) the Association of Arizona Food Banks (AAFB) is recognized as serving the working poor.

If you qualify, it is possible to receive a FULL TAX CREDIT of up to \$200 (filing as a single unmarried head of household) or \$400 (married filing joint) for donating to AAFB. Not only can you receive the Arizona tax credit, but you can also include the donation on your Federal Tax Return.

Please check details with your tax preparer, or at: www.revenue.state.az.us or 1-800-843-7196.

If you donate to a school, you can receive both tax credits. For the 2008 tax year donations must be received by AAFB no later than December 31, 2008.



ANOTHER OPTION: If you are at least 70 1/2 years young, you may qualify to donate from your IRA without triggering tax consequences when you transfer the funds directly. This option was extended in the recently signed Fiscal Relief Act. Again, contact your tax preparer for specific advice.

Employer Matching Gifts Program

You may be able to double your gift to the Association of Arizona Food Banks through Matching Gift Programs! Many employers offer to match your gifts as a way to encourage their employees and often their retirees to support charitable organizations. While many of our donors access this opportunity, there are probably many more who may not realize this potential. Please ask your human resources office if your company offers this opportunity. By simply filling out the required forms, you can offer a "second helping" of generosity to people who are hungry throughout Arizona.

AAFB CREDIT CARD DONATION FORM

2100 North Central Ave., #230 Phoenix, AZ 85004
Tel: 800-445-1914 Fax: 602-528-3838

YES! I want a hunger free Arizona. Please charge my one time tax-deductible contribution in the amount of \$ _____ to my credit card.

I would like to be a monthly donor by using my credit card.

I authorize AAFB to make a monthly deduction from my credit card in the amount of \$ _____ on the 5th or 20th (circle one) of the month starting _____. This authorization will remain in effect until I notify AAFB in writing that I wish to discontinue the contributions.

Simply check the card type, fill in your card number, expiration date, 3-digit security code from the back of your card, and sign this form. Then just clip and mail in the enclosed envelope.

Thank you for your donation!

CARD TYPE: Visa MasterCard American Express Discover/NOVUS

_____ / _____
Card Number

Expiration Date

3-Digit Code

Signature of Cardholder

Daytime Phone

Questions? Please call our Director of Development at (602) 528-3434, ext. 18.

WE REALLY KNOW HOW TO MULTIPLY!

Donations to the Association of Arizona Food Banks support our collaborative work to help food banking better serve hungry people.

For every \$1 donated, through our programs and our members, 9 lbs. of food is generated.

To help, call 1.800.445.1914 or visit:

www.azfoodbanks.org



FOOD LINES

a newsletter of Association of Arizona Food Banks
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<http://www.azfoodbanks.org>

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3rd class mail NON-PROFIT ORGANIZATION

to: