Friends of AAFB,

We believe people have a right to food. And we are responsible for feeding them. And that “we” is food banks, government, communities and individuals. Thankfully, you have chosen to be a part of this!

This year we had some success. Food insecurity in Arizona is down due in part to our charitable emergency food distribution, but also because the economy is improving. The most recent “Map the Meal Gap” study from Feeding America shows that food insecurity in Arizona is down to 12.5% overall, and among children to 17%. While these numbers are not cause for celebration, we are trending in the right direction.

This year our focus was on healthy food. We secured an additional $1 million to help distribute fresh produce, we connected more children to school and summer meals and we helped food banks transport 23% more fruits and vegetables to communities across the state. And of course, none of this would have been possible without our partners, donors and advocates. Thank you once again for believing with us that in Arizona no one should be hungry.

So thank you for being a part of this effort. We look forward to working with you next year and beyond!

Angie Rodgers

President and CEO
Member Services

The overarching goal of all of AAFB’s work is to help food bank members and their clients. This work includes produce movement through the Logistics Task Force, transportation, food procurement, volunteer recruitment through AmeriCorps VISTA, and more.

Transportation

In FY 2017–2018, the AAFB Logistics Task Force distributed 44,554,057 pounds of food. Even though this is a slight decrease from the previous year, there was a 23% increase in distribution of fresh produce. AAFB drivers transported 801 loads, and food bank members transported 977 loads.

AAFB drivers transported 393 loads of fresh produce totaling 12,123,177 pounds of fruits and vegetables. A total of 36,312,843 pounds of produce was moved by AAFB and member food banks. In December 2017, AAFB received private grant funds to support a third driver in Tucson, in partnership with Community Food Bank of Southern Arizona. AAFB and the Logistics Task Force determined the largest benefit would be to add a driver in Tucson, which occurred in June 2018 in partnership with Community Food Bank of Southern Arizona. In addition to the driver, AAFB was able to purchase 2 refrigerated trailers. AAFB also supported food banks by managing rental trailers when requested.

Southwest Produce Co-op (SPC)

Due to increased produce solicitation within the state (which prompted a high volume of donations) and an increased focus on nationwide sharing, AAFB and member food banks met in August 2017 to discuss a formal cooperative model. This model would allow collective sharing, planning, and support of transportation for excess produce, with a goal of maximizing donations and minimizing waste. The model developed into what is now known as the Southwest Produce Co-op (SPC), established with a Memorandum of Understanding signed by five partners and formalized in October 2017. AAFB assumed the coordinator role for the SPC.

Food Purchases

AAFB purchased highly nutritious food to ensure a healthy product mix for food bank network clients. This includes food purchased with state funds, donated funds designated for produce (during non-growing seasons), and holiday protein purchases funded by restricted grants. AAFB also coordinated food purchases by the food banks.
Coordination
AAFB ensures food bank members have proper representation and the ability to align as a collective. This includes hosting a statewide food acquisition call, where purchasing partnerships and sharing strategies for TEFAP ordering were discussed, daily coordination with the Logistics Task Force, and creating agendas for quarterly SPC meetings. Each food bank CEO holds a seat on AAFB’s Board of Directors in order to provide strategic direction and ensure collective benefit.

Disaster Preparation and Response
AAFB supports members that respond to disaster relief efforts. In Arizona, the majority of natural disasters are managed effectively by the regional food bank that serves the area. AAFB provides food banks with situational awareness received through Arizona Voluntary Organizations Active in Disasters (AZ VOAD) or the Arizona Department of Military Affairs Emergency (AZ DEMA). AAFB also represents food banks at AZ VOAD, which connects the food bank network with organizations that support disaster response. This work includes participation in state and county exercises. In May 2018, AAFB sat on the Feeding Task Force during the Federal Emergency Management Agency’s (FEMA’s) National Mass Care Exercise. Exercises allow the network to evaluate disaster response plans and identify areas that need improvement to ensure an effective and collaborative response.

Annual Conference and Workshops
On June 7, 2018, more than 150 food bank staff, advocates, and faith leaders convened at St. Patrick Catholic Community in Scottsdale, Arizona, for AAFB’s annual food bank conference. The conference began with Creative Problem Solving, allowing the audience to discover innovative solutions and network with other attendees. In addition, the audience had the opportunity to attend workshops to expand skill sets and knowledge.

Hunger Hotline
In FY 17–18 AAFB answered 1,530 phone calls. More than 1,200 were from clients looking for help with food, and 150 were from people looking to make a food donation. When a client calls, they receive detailed information about food banks that serve their area, resources for SNAP and other government programs, and general resources available through 211. AAFB also maintains and updates an online directory. This allows clients...
with internet access to easily find food banks that serve their area, along with detailed hours of operation and contact information. AAFB also targeted keyword searches through a Google Ad Grant to enable users to find the directory more quickly. This resulted in 91,582 impressions and 6,284 clicks to help clients.

**AmeriCorps VISTA**

In September 2017, AAFB was awarded a grant through the Corporation for National and Community Service to sponsor AmeriCorps VISTA (Volunteers In Service To America) for member food banks. This program allows for one year of dedicated service on key projects related to rural and tribal communities. The first VISTA volunteers joined the food bank network in March 2018. VISTA volunteers were placed in Flagstaff, Phoenix and Tucson, all in conjunction with member food banks.

**Communication and Awareness**

Facebook and Twitter updates were posted regularly to share member food bank information as well as critical hunger awareness data. Consistent communications were sent to AAFB’s email list of nearly 4,000. These communications included articles related to food bank members, newsletters and donation solicitations. A weekly Media Watch email included news articles about member food banks and hunger relief in general. AAFB also supported Hunger Action Month events through social media and a dedicated web page.

**Child and Youth Outreach**

AAFB’s child and youth outreach team work with community partners to promote greater access to school meals and summer feeding programs.

**Summer Feeding**

AAFB helped onboard 2 new Maricopa County Summer Feeding library sites and 2 new Pima County library sites, resulting in 3,049 more lunches and 551 more dinners served to kids in need. AAFB staff also supported northern Arizona’s regional expansion efforts by placing an AAFB AmeriCorps VISTA member with St. Mary’s Food Bank Alliance’s Flagstaff team, which helped open new summer meal sites in Mohave County. A social media campaign promoted summer sites to boost participation. In April and May 2018 AAFB responded to print and broadcast media reporters who needed information about summer meals, which yielded stories in Arizona’s Jewish News (www.jewishaz.com) and Spanish-language news broadcasts on Telemundo.
Community Eligibility Provision (CEP)

CEP allows qualifying high-need schools to provide free breakfast and lunch to all children without the burden of collecting individual applications. In FY17-18 AAFB participated in an all-day ADE CEP training titled “Making ‘Cents’ of CEP,” held in Phoenix. Phoenix area public radio station KJZZ and commercial news station KTAR interviewed AAFB about CEP adoption in Arizona. Since school year 2014–2015 (the first year that Arizona schools participated in CEP), Arizona has experienced a nearly fourfold increase in the number of school sites operating CEP. As of September 2018, 356 schools affiliated with 150 local education agencies (LEAs) were participating in CEP.

School Breakfast Program and Alternative Breakfast Models

AAFB promoted school breakfast expansion with focus on school systems that have significant “breakfast gaps.” AAFB worked with ADE, community and national partners to promote and administer “Breakfast After the Bell” grants. A No Kid Hungry/Amazon Grant supported 5 schools in Amazon’s priority Arizona markets (Phoenix, Goodyear, and Tucson). This program resulted in more than $36,700 awarded. Also in 2018, a spring grant cycle awarded five grants totaling $20,000 to Arizona-based schools from Share Our Strength’s No Kid Hungry program. AAFB successfully leveraged an additional grant from Valley of the Sun United Way to benefit 7 different schools in the Buckeye Unified School District.

Meet Arizonans Facing Hunger

Rudy, Clifton
“I buy my own food, and my room has a small fridge and microwave, so I buy things to make a sandwich and fresh fruit. I also go to the senior center every day—they have a really good breakfast. Next month, I’ll start getting $50 a month in SNAP, which will help a lot.”

Meet Arizonans Facing Hunger

Kimberly, Thatcher
“This is my first time at a food pantry. After ending up homeless in Tucson, I moved back to my hometown of Thatcher two months ago, so that I could find an affordable place to live.”
Advocacy

AAFB advocates for policies that support clients served by food bank members. This includes policies that encourage effective food bank operations, help low-income Arizonans access federal nutrition programs and address the root causes of hunger.

Fresh Produce Fund

With support from Governor Doug Ducey, AAFB and its members secured a one-time $1 million appropriation in the state’s budget for fiscal year 2019. These critical funds will be used at three large food banks, St. Mary’s Food Bank Alliance, United Food Bank, and Community Food Bank of Southern Arizona for special projects. The remaining $500,000 is being distributed through AAFB as part of a competitive proposal process. This funding will be used by agencies served by the food banks to increase refrigeration capacity, especially in rural locations.

Double-Up Food Bucks State Match

This legislation provided $400,000 in General Fund support for the Double-Up Food Bucks Program, which enables families receiving SNAP benefits to purchase twice as much fresh produce at farmers’ markets. For every $1 spent on SNAP-eligible foods, participants get $1 in “double-up-food-bucks” to purchase Arizona-grown produce. The legislation was led by a partner organization, Pinnacle Prevention, with bipartisan support. AAFB provided supporting statements and spoke consistently with state legislators about the need for both these funds and the food bank $1 million appropriation to ensure there was no confusion.

Hunger Stories

Hunger-fighting work must include statistics and data that shows the depth and breadth of the hunger problem in Arizona. At times, these numbers can become too large and overwhelming to understand. Because
of this, AAFB undertook a storytelling campaign that shows the true reality of hunger and poverty by sharing the experiences of food bank clients and other Arizonans in need. To date, more than 50 stories have been shared from working families and single parents, older adults, college students, people with physical disabilities and mental illness, veterans, grandparents raising grandchildren, and others.

Profiles include people from 13 counties, 17 legislative districts, and all 9 federal congressional districts in Arizona. In addition to raising awareness of hunger in the state, this campaign allowed AAFB to connect individuals to additional support and to bring stories to elected officials that highlight how legislation impacts people and their families in Arizona.

Meet Arizonans Facing Hunger
Amber, Globe

“I am a married mother of three. My husband works full-time as a line cook, and we barely make ends meet after we pay rent, bills, and the car payment. I go to the food bank every week. The people at the food bank are very nice, they understand my situation.”

Our Members

AAFB thanks member food banks, volunteers and donors for another successful year working to end hunger in Arizona.
Association of Arizona Food Banks, Inc.

STATEMENT OF FINANCIAL POSITION
June 30, 2018

ASSETS
Current Assets:
  Cash $ 1,755,358
  Grants, promises to give and trade receivables 101,805
  Short term investments 1,091,525
  Prepaid expenses 21,248

Total Current Assets $ 2,969,936

Property and equipment
  Furniture, fixtures and equipment 232,042
  Less: Accumulated depreciation (170,775)

Net Property and Equipment 61,267

Other Assets:
  Restricted cash and cash equivalents 82,313
  Restricted long term investments 116,492
  Security deposits 4,341

Total Other Assets 203,146

TOTAL ASSETS $ 3,234,349

LIABILITIES AND NET ASSETS

Current Liabilities:
  Accounts payable $ 32,431
  Credit card payable 9,193
  Accrued payroll 34,990

Total Current Liabilities $ 76,614

Total Liabilities 76,614

Net Assets:
  Unrestricted net assets 2,450,507
  Restricted net assets 707,228

Total Net Assets 3,157,735

TOTAL LIABILITIES AND NET ASSETS $ 3,234,349

See accompanying notes to financial statements
Association of Arizona Food Banks, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Revenue and Support</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$ 1,071,887</td>
<td>$ 681,857</td>
<td>$ 1,753,744</td>
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<tr>
<td>Governmental grants</td>
<td>475,092</td>
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<td>475,092</td>
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<tr>
<td>Fee for service</td>
<td>261,340</td>
<td>-</td>
<td>261,340</td>
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<tr>
<td>Membership</td>
<td>64,752</td>
<td>-</td>
<td>64,752</td>
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<tr>
<td>Investment income</td>
<td>40,314</td>
<td>-</td>
<td>40,314</td>
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<tr>
<td>Loss on fixed asset disposals</td>
<td>(446)</td>
<td>-</td>
<td>(446)</td>
</tr>
<tr>
<td>Miscellaneous revenue</td>
<td>17,369</td>
<td>-</td>
<td>17,369</td>
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<tr>
<td>Net assets released from restriction</td>
<td>61,491</td>
<td>(61,491)</td>
<td>-</td>
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<tr>
<td><strong>Total Revenue and Support</strong></td>
<td>1,991,799</td>
<td>620,366</td>
<td>2,612,165</td>
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<table>
<thead>
<tr>
<th>Expenses</th>
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<tbody>
<tr>
<td>Program Expenses:</td>
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<tr>
<td><strong>Total Program Expenses</strong></td>
<td>1,690,226</td>
<td>-</td>
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<th>Support Services:</th>
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<tbody>
<tr>
<td>General and administrative</td>
<td>167,962</td>
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<td>167,962</td>
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<tr>
<td>Fundraising</td>
<td>144,958</td>
<td>-</td>
<td>144,958</td>
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<tr>
<td><strong>Total Support Services</strong></td>
<td>312,920</td>
<td>-</td>
<td>312,920</td>
</tr>
</tbody>
</table>

| Total Expenses                                     | 2,003,146    | -          | 2,003,146 |

| Change in Net Assets                               | (11,347)     | 620,366    | 609,019  |

| Net Assets, Beginning of Year                      | 2,461,854    | 86,862     | 2,548,716 |

| Net Assets, End of Year                            | $ 2,450,507  | $ 707,228  | $ 3,157,735 |

See accompanying notes to financial statements
Association of Arizona Food Banks, Inc.

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2018

Reconciliation of changes in net assets to net cash provided by operating activities

Cash Flows From Operating Activities
Increase in net assets $ 609,019

Adjustments to reconcile increase in net assets to net cash provided by operating activities:

  Depreciation $ 6,692
  Noncash donations (stock) (205,472)
  Loss on sale of fixed assets 446
  Unrealized gain on investments (16,075)
  Realized gain on investments (954)
  (Increase)/decrease in:
    Accounts receivable 156,330
    Prepaid expenses (1,860)
  Increase/(decrease) in:
    Accounts payable 26,836
    Credit cards payable 2,317
    Accrued expenses (16,142)
Total adjustments (47,882)

Net cash provided operating activities 561,137

Cash Flows From Investing Activities

  Purchases of fixed assets (67,663)
  Purchase of investments (1,191,941)
  Proceeds from sale of investments 206,425

Net cash used in investing activities (1,053,179)

Net decrease in cash and cash equivalents (492,042)

Cash and Cash Equivalents, beginning of year 2,329,713

Cash and Cash Equivalents, end of year $ 1,837,671

See accompanying notes to financial statements