





EVERY DAY, WE'RE DELIVERING HOPE FOR OUR NEIGHBORS IN NEED.

In 2010, the Greater Chicago Food Depository brought an unprecedented 66 million pounds of food—including more than 15 million pounds of produce—to the tables of hungry Chicagoans. In partnership with 650 member organizations, we provided 135,000 nutritious meals a day to men, women and children in need.

Today, in Illinois, 1.6 million people live in poverty. The 2010 Food Depository study, *Running on Empty*, revealed that fewer than half of the Cook County children surveyed received the U.S. Department of Agriculture's recommended daily allowance in any single major food group—and the problem worsens in summer when school meal programs shut down. For far too many in our own communities, the question is not “What is for dinner,” but “Is there dinner?”

Every day in every neighborhood in Chicago and Cook County, the Food Depository is providing food for hungry people and striving to end hunger in our community.

DEAR FRIENDS AND SUPPORTERS,

Amidst unprecedented need, the strength, resiliency and responsibility of the Greater Chicago Food Depository has never been more important. We responded last year to extraordinary challenges, distributing a record 66 million pounds of food. Since we launched our last strategic plan in 2007, we have exceeded all of our goals — delivering more food of higher nutritional value, strengthening our collaboration with community organizations and rolling out new programs to get more quality food quickly to those in need. We are proud of our achievements and energized for the tasks ahead.


Every day, we see the gratifying results of our efforts. In the past year, we intensified our outreach to those who are most vulnerable — children and older adults — striking new partnerships that expand access to healthy produce and fresh food. Through our pilot partnership, Healthy Kids Markets, with three Chicago Public Schools, children and families can now pick up nutritious produce and nonperishable items from in-school pantries. The principal at one of the schools calls the program a “Godsend” for the families. The Healthy Helpings Program distributes 4,500 heat-and-serve meals each month for delivery to older adult residences. The program is a big hit for residents of locations like Wentworth Haven, on the city’s South Side, where the closest grocery store is 10 blocks away.

Yet there is so much more to do. It’s with great enthusiasm that we look ahead to our new five-year strategic plan. We have set ambitious, but achievable goals. We aim to increase fresh produce from 25 to 30 percent of total distribution by 2015 while making more healthy food available including whole-grain, transfat-free and reduced-sodium items. We pledge to work with our member agencies and other partners to build comprehensive community-based responses to hunger while expanding SNAP outreach efforts by 25 percent every year through 2015. And we plan to better evaluate our impact by introducing dashboards and scorecards for all of the communities we serve.

To continue to attack poverty — the underlying cause of hunger — will require bold, innovative steps, but the Food Depository has a strong foundation in place. None of our accomplishments this year would have been possible, especially during these challenging times, without our donors, volunteers, board and staff. We are grateful for your continued support, which enables us to provide food for hungry people and gives us the confidence that we will end hunger in our community.



Kate Maehr
Executive Director and CEO



Pastor Leonardo D. Gilbert
Board Chair

2010-2015 STRATEGIC PLAN GOALS

GOAL 1

Ensure the adequate supply, delivery and access to healthy food options for all people in need.

GOAL 2

Strengthen and encourage community-based responses to ending hunger.

GOAL 3


Mobilize the public to end hunger.

GOAL 4

Establish measurements beyond pounds that reflect our impact.

GOAL 5

Invest in people, technology and infrastructure critical to achieving our mission.



FRESH PRODUCE TO OUR COMMUNITIES.

Every Thursday, just past noon, a line begins to wrap around the Hope Pantry in Chicago’s Austin neighborhood. “The way things have been, we’re getting more and more people—single people, families, older folks, people who have lost jobs and people with jobs—every week,” says Hope Pantry volunteer coordinator Yvonne Johnson. Communities like Austin, Englewood and Chicago Heights struggle with disproportionately high levels of poverty, combined with a scarcity of food assistance outreach programs. To help meet needs, the Greater Chicago Food Depository has revved up its mobile responses in these targeted areas. The Food Depository’s fleet of vehicles stops at 60 sites throughout Cook County for regular Producemobile and Mobile Pantry distributions each month.

YES, WE HAVE SOME BANANAS!

When the Producemobile stopped at St. Columbanus Food Pantry on the South Side this summer, hundreds of residents greeted the truck and filled shopping bags with ripe tomatoes, broccoli, sweet potatoes, zucchini, and, yes... bananas. The Producemobile provides an especially vital service to Chicago and suburban neighborhoods that are “food deserts.” For miles, the only groceries to be found are on the shelves of corner stores where the best bet for vegetables is salsa or potato chips.

FEEDING MINDS AND BODIES AT SCHOOL

Healthy Kids Markets, a Food Depository pilot program, bring produce and nonperishable groceries to three schools each week during after-school pickup time. “In many neighborhoods, the nearest grocery store is miles away,” says Gatanya Arnic, children and family benefits liaison at Chicago Public Schools. “One-stop shopping at school is a huge convenience for families with young children and it’s a source of pride for participating schools.”





FOOD ASSISTANCE IN A SNAP.

As of June, more than 786,000 Illinois families were receiving benefits from the Supplemental Nutrition Assistance Program or SNAP (formerly the Food Stamp Program), an 11.9 percent increase since June 2009. The influx of new recipients means each local human services caseworker assists anywhere from 700 to 1,600 clients—the SNAP application review process may take 30 days or more. When your next meal is uncertain, 30 days is an eternity. The Greater Chicago Food Depository SNAP Outreach team, made up of staff and volunteers, helps hungry people at food pantries and older adult sites complete applications and navigate the steps to receive aid. During the past year, the team assisted 2,100 households in the application process. Of the households reached through follow-up phone calls, 77 percent reported being approved for benefits with an average benefit of \$208 a month. Since July 2009, the SNAP Outreach team also has managed the innovative Express Stamps pilot program in Cook County sponsored by the USDA. The program allows households to apply for benefits in a pantry setting and, if eligible, receive benefits that same day.

STOCKING SUMMER SHELVES

Sadly, thousands of Chicago area children anticipate the last day of school with dread, not excitement. For these kids, going to school ensures a healthy breakfast and lunch. The Food Depository responded by distributing meals to nearly double the number of sites this past summer compared to last. Across Cook

County, more than 60 Kids Cafes stepped up operations to make sure children enjoyed at least one nutritious meal per day. Moreover, children in Chicago Heights, Little Village and Brighton Park were greeted by the Lunch Bus, a new mobile program that delivered 15,000 additional meals to children in these priority neighborhoods.

INDEPENDENT AUDITOR’S REPORT

Board of Directors
Greater Chicago Food Depository
Chicago, Illinois

We have audited the accompanying statements of financial position of Greater Chicago Food Depository as of June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Greater Chicago Food Depository’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 audit 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.

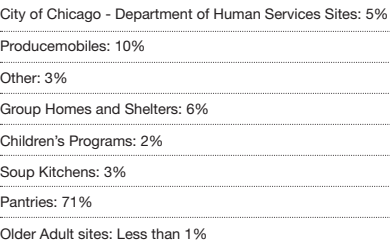
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Chicago Food Depository as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Blackman Kallick, LLP

October 11, 2010

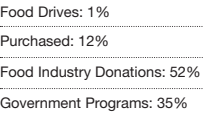
WHERE FOOD IS DISTRIBUTED

Sum of Weight in Pounds Fiscal Year 2009-2010



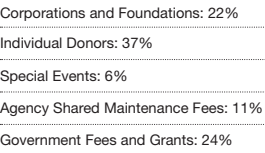
WHERE FOOD COMES FROM

Pounds Received Fiscal Year 2009-2010



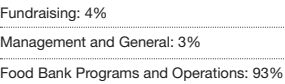
WHERE FUNDING COMES FROM

Public Support and Revenue Fiscal Year 2009-2010



HOW THE FOOD DEPOSITORY USES ITS RESOURCES

Operating Expenses Fiscal Year 2009-2010



STATEMENTS OF FINANCIAL POSITION – JUNE 30, 2010 AND 2009

ASSETS	2010	2009
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,075,227	\$ 7,816,201
Accounts receivable	1,130,739	456,919
Pledges receivable		
Capital campaign	63,525	141,858
Other pledges receivable	104,000	96,250
Inventory		
Contributed food	2,131,745	1,911,952
Purchased food programs	1,381,981	1,985,828
Other current assets	270,196	326,098
TOTAL CURRENT ASSETS	15,157,413	12,735,106
NONCURRENT ASSETS		
Investments - Certificates of deposit	838,425	3,429,699
Investments - Securities	20,169,662	16,111,391
Pledges receivable	33,531	154,337
Land, building and equipment, net of accumulated depreciation	23,558,712	24,323,423
TOTAL NONCURRENT ASSETS	44,600,330	44,018,850
TOTAL ASSETS	\$ 59,757,743	\$ 56,753,956

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 309,029	\$ 1,441,968
Accrued expenses	741,411	537,946
Deferred revenue	1,835,002	1,577,532
TOTAL LIABILITIES	2,885,442	3,557,446
NET ASSETS		
Unrestricted		
Operating	33,896,679	34,470,094
Founders' Fund Endowment	20,169,662	16,111,391
Total Food Bank	54,066,341	50,581,485
Contributed Food	2,131,745	1,911,952
Total Unrestricted	56,198,086	52,493,437
Temporarily Restricted	674,215	703,073
TOTAL NET ASSETS	56,872,301	53,196,510
TOTAL LIABILITIES AND NET ASSETS	\$ 59,757,743	\$ 56,753,956

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS – YEARS ENDED JUNE 30, 2010 AND 2009

CASH FLOWS FROM OPERATING ACTIVITIES	2010	2009
Change in net assets	\$ 3,675,791	\$ (1,778,247)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Credits to agency accounts receivable balances	172,739	158,005
Decrease in allowance for uncollectible pledges and discount to net present value	(3,361)	(754)
Depreciation	1,192,429	1,253,836
Loss on disposal of fixed assets	2,672	4,306
(Increase) decrease in inventory - Contributed food	(219,793)	356,557
Donated assets	—	(105,514)
Donated investments	(242,897)	(135,342)
Investment (gain) loss, net	(360,445)	783,304
(Increase) decrease in		
Accounts receivable	(673,820)	82,524
Capital campaign pledges	168,812	354,900
Other pledges	25,938	118,584
Inventory - Purchased	603,847	(483,172)
Other current assets	55,902	18,289
Increase (decrease) in		
Accounts payable	(1,132,941)	973,584
Accrued expenses	203,465	55,425
Deferred revenue and other	84,731	(928,817)
Net Cash Provided by Operating Activities	3,553,069	727,468

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from disposal of fixed assets	23,000	16,300
Proceeds from sales of investments	3,608,280	5,508,210
Proceeds from sales of short-term investments	2,611,062	—
Purchase of investments - Securities	(7,063,207)	(2,975,624)
Purchase of investments - Short-term investments	(19,789)	(3,429,699)
Purchase of fixed assets	(453,389)	(419,710)
Net Cash Used in Investing Activities	(1,294,043)	(1,300,523)
Net Increase (Decrease) in Cash and Cash Equivalents	2,259,026	(573,055)
Cash and Cash Equivalents, Beginning of Year	7,816,201	8,389,256
Cash and Cash Equivalents, End of Year	\$ 10,075,227	\$ 7,816,201

The accompanying notes are an integral part of the financial statements.

STATEMENT OF ACTIVITIES – YEAR ENDED JUNE 30, 2010

Unrestricted					
	Food Bank	Contributed Food	Total	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE					
PUBLIC SUPPORT					
Contributions and grants	\$ 16,608,726	\$ —	\$ 16,608,726	\$ 2,596,015	\$ 19,204,741
Contributed food received	—	51,981,937	51,981,937	—	51,981,937
Satisfaction of program restrictions	2,459,422	—	2,459,422	(2,459,422)	—
REVENUE					
Fees and grants from government agencies	6,995,983	—	6,995,983	—	6,995,983
Handling fee paid by agencies	730,719	—	730,719	—	730,719
Purchased food by agencies	2,455,540	—	2,455,540	—	2,455,540
Investment income	1,474,067	—	1,474,067	—	1,474,067
Other income	86,467	—	86,467	—	86,467
TOTAL PUBLIC SUPPORT AND REVENUE	30,810,924	51,981,937	82,792,861	136,593	82,929,454
OPERATING EXPENSES					
Food bank operations	22,213,811	—	22,213,811	—	22,213,811
Contributed food distributed	—	51,762,144	51,762,144	—	51,762,144
Management and general	2,346,488	—	2,346,488	—	2,346,488
Fundraising	2,933,269	—	2,933,269	—	2,933,269
TOTAL OPERATING EXPENSES	27,493,568	51,762,144	79,255,712	—	79,255,712
Increase in Net Assets from Operations	3,317,356	219,793	3,537,149	136,593	3,673,742
NEW FACILITY CAPITAL CAMPAIGN					
Capital campaign contributions	—	—	—	2,049	2,049
Satisfaction of new facility contribution restrictions	167,500	—	167,500	(167,500)	—
TOTAL NEW FACILITY CAPITAL CAMPAIGN	167,500	—	167,500	(165,451)	2,049
Increase (Decrease) in Net Assets	3,484,856	219,793	3,704,649	(28,858)	3,675,791
Net Assets, Beginning of Year	50,581,485	1,911,952	52,493,437	703,073	53,196,510
NET ASSETS, END OF YEAR	\$ 54,066,341	\$ 2,131,745	\$ 56,198,086	\$ 674,215	\$ 56,872,301

The accompanying notes are an integral part of the financial statements.

STATEMENT OF ACTIVITIES – YEAR ENDED JUNE 30, 2009

Unrestricted					
	Food Bank	Contributed Food	Total	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE					
PUBLIC SUPPORT					
Contributions and grants	\$ 16,987,774	\$ —	\$ 16,987,774	\$ 2,126,041	\$ 19,113,815
Contributed food received	—	47,245,602	47,245,602	—	47,245,602
Satisfaction of program restrictions	1,948,653	—	1,948,653	(1,948,653)	—
REVENUE					
Fees and grants from government agencies	4,921,105	—	4,921,105	—	4,921,105
Handling fee paid by agencies	723,240	—	723,240	—	723,240
Purchased food by agencies	2,189,768	—	2,189,768	—	2,189,768
Investment loss	(3,110,635)	—	(3,110,635)	—	(3,110,635)
Other income	119,791	—	119,791	—	119,791
TOTAL PUBLIC SUPPORT AND REVENUE	23,779,696	47,245,602	71,025,298	177,388	71,202,686
OPERATING EXPENSES					
Food bank operations	20,294,503	—	20,294,503	—	20,294,503
Contributed food distributed	—	47,602,159	47,602,159	—	47,602,159
Management and general	2,602,805	—	2,602,805	—	2,602,805
Fundraising	2,478,477	—	2,478,477	—	2,478,477
TOTAL OPERATING EXPENSES	25,375,785	47,602,159	72,977,944	—	72,977,944
(Decrease) Increase in Net Assets from Operations	(1,596,089)	(356,557)	(1,952,646)	177,388	(1,775,258)
NEW FACILITY CAPITAL CAMPAIGN					
Capital campaign contributions	—	—	—	2,011	2,011
Change in allowance for uncollectible	—	—	—	(5,000)	(5,000)
Satisfaction of new facility contribution restrictions	349,500	—	349,500	(349,500)	—
TOTAL NEW FACILITY CAPITAL CAMPAIGN	349,500	—	349,500	(352,489)	(2,989)
Decrease in Net Assets	(1,246,589)	(356,557)	(1,603,146)	(175,101)	(1,778,247)
Net Assets, Beginning of Year	51,828,074	2,268,509	54,096,583	878,174	54,974,757
NET ASSETS, END OF YEAR	\$ 50,581,485	\$ 1,911,952	\$ 52,493,437	\$ 703,073	\$ 53,196,510

The accompanying notes are an integral part of the financial statements.

STATEMENT OF FUNCTIONAL EXPENSES – YEAR ENDED JUNE 30, 2010

	Food Bank Programs	Management and General	Fundraising	Total
Salaries	\$ 5,179,986	\$ 935,891	\$ 711,763	\$ 6,827,640
Employee fringe benefits	1,318,390	236,325	186,116	1,740,831
TOTAL SALARIES AND FRINGE BENEFITS	6,498,376	1,172,216	897,879	8,568,471
Cost of food sold	10,342,261	—	—	10,342,261
Occupancy and utility costs	467,341	19,677	4,919	491,937
Trucking, freight and storage	684,237	—	—	684,237
Direct mail and special events	74,450	11,684	1,953,329	2,039,463
Purchase, maintenance and equipment rental	413,217	45,654	—	458,871
Office supplies	79,844	28,344	311	108,499
Building maintenance and renovation expense	194,389	—	—	194,389
Professional and contractual fees	227,432	612,048	582	840,062
Insurance	134,193	18,448	—	152,641
Telecommunications	34,510	41,413	2,476	78,399
Meetings, conferences, conventions and local transportation	69,291	9,636	9,416	88,343
Licenses, fees and local dues	145,232	13,950	4,023	163,205
National dues (Feeding America)	41,238	—	—	41,238
Printing	19,672	227,642	3,108	250,422
Postage	21,533	4,316	45,105	70,954
Member agencies development	1,554,911	4,239	—	1,559,150
Education and training	47,723	37,017	—	84,740
Miscellaneous	29,353	53,947	557	83,857
Total Expenses Before Contributed Food Distributed and Depreciation	21,079,203	2,300,231	2,921,705	26,301,139
Contributed food distributed	51,762,144	—	—	51,762,144
Depreciation	1,134,608	46,257	11,564	1,192,429
TOTAL EXPENSES	\$ 73,975,955	\$ 2,346,488	\$ 2,933,269	\$ 79,255,712

The accompanying notes are an integral part of the financial statements.

STATEMENT OF FUNCTIONAL EXPENSES – YEAR ENDED JUNE 30, 2009

	Food Bank Programs	Management and General	Fundraising	Total
Salaries	\$ 4,629,966	\$ 868,281	\$ 619,395	\$ 6,117,642
Employee fringe benefits	1,194,430	149,945	123,734	1,468,109
TOTAL SALARIES AND FRINGE BENEFITS	5,824,396	1,018,226	743,129	7,585,751
Cost of food sold	9,308,673	—	—	9,308,673
Occupancy and utility costs	485,587	20,446	5,111	511,144
Trucking, freight and storage	516,363	—	372	516,735
Direct mail and special events	71,631	52,272	1,634,241	1,758,144
Purchase, maintenance and equipment rental	328,063	47,542	—	375,605
Office supplies	83,191	31,609	426	115,226
Building maintenance and renovation expense	169,080	—	—	169,080
Professional and contractual fees	202,445	1,010,236	1,025	1,213,706
Insurance	131,628	40,752	—	172,380
Telecommunications	35,452	44,856	2,488	82,796
Meetings, conferences, conventions and local transportation	51,338	14,520	11,622	77,480
Licenses, fees and local dues	137,815	11,149	6,190	155,154
National dues (Feeding America)	41,216	—	—	41,216
Printing	21,077	193,929	3,728	218,734
Postage	23,119	9,774	44,725	77,618
Member agencies development	1,609,552	1,720	—	1,611,272
Education and training	39,579	9,930	—	49,509
Miscellaneous	21,452	47,052	13,222	81,726
Total Expenses Before Contributed Food Distributed and Depreciation	19,101,657	2,554,013	2,466,279	24,121,949
Contributed food distributed	47,602,159	—	—	47,602,159
Depreciation	1,192,846	48,792	12,198	1,253,836
TOTAL EXPENSES	\$ 67,896,662	\$ 2,602,805	\$ 2,478,477	\$ 72,977,944

The accompanying notes are an integral part of the financial statements.

NOTE 1 - DESCRIPTION OF OPERATIONS

The solicitation, receipt, storage and distribution of donated products constitute the principal operational requirements of food banking.

The Greater Chicago Food Depository (GCFD) is a not-for-profit, tax-exempt (Section 501(c)(3)) food distribution center committed to providing nutritionally balanced food for hungry people in the greater Chicago area. GCFD is a charter member of Feeding America, a national network of food banks and food-rescue organizations. GCFD solicits, obtains and distributes donated and purchased foods to member agencies including soup kitchens, pantries and shelters and to other feeding organizations. These agencies provide the food to hungry people. The Depository’s fiscal year ends on June 30.

A description of each group of unrestricted net assets and programs follows.

Food Bank

Operating - Represents resources used to carry out the food bank operations over which the Board of Directors has discretionary control. It also includes the net investment in property and equipment and the unexpended Board-designated resources.

Founders’ Fund Endowment - Represents resources designated by the Board of Directors as a reserve account for future operating and capital contingencies and commitments.

Contributed Food - Represents the balance of contributed food after food distributions during the year.

Government Programs

GCFD administers several government programs as described below.

The City of Chicago Emergency Food Box Program - Under the Emergency Food Box Program with the City of Chicago’s Department of Family and Support Services, the Depository is responsible for supplying food boxes for needy families in Chicago and fresh produce to homeless shelters throughout Chicago. For the food boxes, the costs for food, materials, packaging, distribution and administration are reimbursed by the Department of Family and Support Services at a flat rate per box upon

shipment from the Depository. The Department of Family and Support Services reimburses the fresh produce at cost. Food and supplies on hand are classified as inventory on the statements of financial position. Any surplus resulting from the program is recorded as deferred revenue to be used at a later date for the emergency food box program.

The Emergency Food and Shelter National Board Program of the Federal Emergency Management Agency (FEMA) - Using FEMA grant money, GCFD purchases and distributes food high in protein and staples, without service fees, to eligible agencies. These foods complement contributed products.

The Illinois Department of Human Services Distribution of United States Department of Agriculture (USDA) Food Commodities Program - Under this contract, GCFD receives USDA commodities and distributes them to certain qualified agencies without service fees.

The Illinois Department of Human Services Distribution of United States Department of Health and Human Services Temporary Assistance to Needy Families Program - Under this contract, GCFD receives funding to purchase commodities and distributes them to certain qualified agencies without service fees.

Illinois State Board of Education Child and Adult Care Food Program and Summer Food Service Program - GCFD provides Kids Cafes with meals served to children in aftercare programs.

SNAP/Food Stamp Outreach Program - GCFD is a member of the Illinois State SNAP Outreach Plan, which is administered by the Illinois Department of Human Services and the U.S. Department of Agriculture.

Food for Families Program - Under the Food for Families Program funding is provided through the Illinois Department of Human Services to Feeding Illinois (formerly the Illinois Food Bank Association) to purchase and distribute quality, nutritious food.

AmeriCorps State/National Program - GCFD hosts AmeriCorps members through the AmeriCorps State/National Program. The individuals are placed in member agencies and are utilized to assist with day-to-day pantry operations, community volunteer recruitment and retention, fundraising and nutrition and health education.

Healthy Families Program - The Healthy Families Program is a nonrecurrent, short-term benefits program to address the need for additional statewide hunger relief during the summer months. Funding for the program is provided by Feeding Illinois with private donations that are leveraged with Temporary Assistance to Needy Families (TANF) emergency funds through the Illinois Department of Human Services.

Government fees and grants are subject to audits by the respective government agencies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies followed by GCFD are presented below.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAPUSA) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of 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.

Basis of Presentation

GCFD’s financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the organization as a whole and to present balances and transactions in accordance with the existence or absence of donor-imposed restrictions. GCFD maintains its financial accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives of GCFD.

GCFD classifies its net assets and related activity as unrestricted, temporarily restricted and permanently restricted as follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted - Net assets that are subject to donor-imposed restrictions that will be met either by actions of GCFD and/or the passage of time.

Permanently Restricted - Net assets that are subject to donor-imposed restrictions that they be maintained in perpetuity. GCFD does not have any permanently restricted net assets as of June 30, 2010 or 2009.

Revenue and Public Support

Public support and revenue are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. 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 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 reclassifications between applicable classes of net assets.

Contributions, including unconditional pledges, are recognized when the donor’s commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances. Conditional promises are recorded when donor stipulations are substantially met. An allowance for doubtful pledges receivable is provided based on management’s judgment including such factors as prior collection history, type of contribution and nature of fundraising activity. The capital campaign pledges are expected to be collected within two years.

Contributions received with donor-imposed restrictions are reported as revenue of the temporarily restricted net asset class. Temporarily restricted net assets released from restriction primarily relate to expenditures incurred for capital additions and program services. Contributions of land, building and equipment without donor-imposed restrictions concerning the use of such long-lived assets are reported as revenue of the unrestricted net asset class.

Revenue from government grant and contract agreements is recognized as it is earned through expenditures in accordance with the agreements. Any government grants received in advance of expenditures are recorded as deferred revenue on the statement of financial position.

Revenue from agencies includes two sources: (i) handling fees from member agencies that receive donated food and (ii) revenue from GCFD’s purchased food program. In the purchased food program, GCFD buys certain commodities and distributes them to agencies at cost or below cost. Revenue is recognized upon the agency’s receipt of the food.

Revenue from contributed food received, as well as the related contributed food distributed expense and the contributed food inventory accounts, is estimated by valuing GCFD’s respective pounds of food at a weighted-average wholesale price per pound, by product category, as determined by Feeding America. GCFD treats contributed food as unrestricted contributions and records the revenue based on the pounds of food contributed, upon receipt, during the year.

Credits to Agencies’ Balances

Under GCFD’s program services, a member agency can pay in the form of donated services for the amount owed to GCFD for current food program charges. In the Walk Bonus program, GCFD raises corporate, foundation and individual grants that are used to match payments by agencies on their accounts during a specified period. Matching funds and donor contributions for agencies are recognized as credits to the agencies’ balances when received and are recognized as revenue when the agencies purchase food.

Donated Goods and Services

Donated legal services have been recorded in the statements of activities in the amounts of \$81,201 and \$53,110 for the years ended June 30, 2010 and 2009, respectively.

Donated advertising and printing have been recorded in the statement of activities in the amounts of \$134,537 and \$613,255 for the years ended June 30, 2010 and 2009, respectively.

Cash and Cash Equivalents

Cash and cash equivalents are composed primarily of available cash balances and certificates of deposit that mature in 90 days or less. GCFD maintains a significant portion of its cash and cash equivalents at US Bank, Bank of America and Chase Bank. As of June 30, 2010 and 2009, the recorded cost plus accrued interest approximated market value. GCFD maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. GCFD has not experienced any losses in such accounts. GCFD believes it is not exposed to any significant credit risk on cash and cash equivalents.

Inventory

Contributed food is valued on a modified first-in, first-out basis using a weighted-average wholesale price per pound. Food is distributed based on the earlier of the purchase date or expiration date. Feeding America provides a Product Valuation Survey that details price per pound by product categories. GCFD uses this survey to calculate the weighted-average price per pound for its inventory by category.

Purchased food programs inventory includes the City of Chicago Food Box Program inventories and GCFD’s purchased food products valued at the lower of cost (first-in, first-out) or market (net realizable value).

Activity in contributed inventory in pounds for the years ended June 30, 2010 and 2009 was as follows:

	2010	2009
Beginning Inventory	1,030,191	1,522,489
Receipts	34,087,622	31,511,811
Distributions	(33,827,643)	(32,004,109)
Ending Inventory	1,290,170	1,030,191

Fair Value Measurements

In fiscal year 2009, GCFD adopted the new GAAPUSA guidance on fair value measurements and disclosures for all financial assets and liabilities carried at fair value. The guidance defined fair value, established a framework for measuring fair value and expanded disclosures about fair value measurements. GCFD also adopted the guidance for nonrecurring fair value measurements of certain debt securities. The adoption of this guidance had no material effect on GCFD’s financial condition, results of operations or disclosures relating to these financial statements.

In fiscal year 2010, GCFD adopted the guidance on fair value measurements that permits the use of net asset value for certain investments that do not have a readily determinable fair value. The adoption of this guidance had no effect on GCFD’s financial statements other than a change in its disclosures.

Investments

Investments are reported at fair value. Investment income, including net realized and unrealized gains (losses), is reflected in the statement of activities as an increase (decrease) in net assets. Interest and dividend income is recorded on the accrual basis. GCFD’s investments include bank common trust fund securities, short-term investments and certificates of deposits with maturity dates greater than 90 days.

GCFD’s investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near future and will materially affect the amounts reported in the financial statements.

Land, Building and Equipment

Land, building and equipment are stated at cost or the fair market value at date of gift for donated assets, less accumulated depreciation. All

expenditures for fixed assets over \$5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Building	40
Equipment	3-10

Functional Allocation of Expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged to programs based on direct expenditures incurred. Certain indirect expenditures that benefit more than one program are allocated to the benefited programs based on allocation formulas developed in accordance with OMB Circular A-122, Cost Principles for Non-Profit Organizations.

Income Taxes

On July 1, 2009, GCFD adopted the Income Tax Topic regarding uncertain tax positions of GAAPUSA. This topic had no effect on its financial position as management believes GCFD has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit status. GCFD would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as other expense. GCFD is no longer subject to examination by federal, state, or local tax authorities for periods before 2007. Prior to adoption of the Income Tax Topic, GCFD accounted for tax positions under a contingent loss model, requiring recognition of a tax liability when it was both (1) probable that it had been incurred as of 2007 and (2) the amount could be reasonably estimated.

Endowment

GAAPUSA addresses the net asset classification of donor-restricted endowment funds for organizations subject to an enacted version of the 2006 Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA was enacted in Illinois effective June 30, 2009. A key component of UPMIFA is a requirement to clarify the portion of donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure. In addition, GAAPUSA requires new disclosures about an organization’s donor-restricted and board-designated endowment funds. The objective of the disclosures is to provide information so that financial statement users

can understand the net asset classification, net asset composition, changes in net asset compositions, spending policy and related investment policy pertaining to an organization’s endowment funds. Additional disclosures were made as a result of this guidance.

Subsequent Event

GCFD has evaluated subsequent events through October, 11 2010, the date the financial statements were available to be issued.

NOTE 3 - FAIR VALUE MEASUREMENTS

GAAPUSA defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. GAAPUSA describes three approaches to measuring the fair value of assets and liabilities: the market approach, the income approach and the cost approach. Each approach includes multiple valuation techniques. The topic does not prescribe which valuation technique should be used when measuring fair value, but does establish a fair value hierarchy that prioritizes the inputs used in applying the various techniques. Inputs broadly refer to the assumptions that market participants use to make pricing decisions, including assumptions about risk. Level 1 inputs are given the highest priority in the hierarchy while Level 3 inputs are given the lowest priority. Financial assets and liabilities carried at fair value are classified in one of the following three categories based upon the nature of the inputs to the valuation technique used:

- **Level 1** - Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- **Level 2** - Observable market-based inputs or unobservable inputs that are corroborated by market data.
- **Level 3** - Unobservable inputs that are not corroborated by market data. These inputs reflect management's best estimate of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

GCFD currently uses no Level 3 inputs.

The following table sets forth by level within the fair value hierarchy GCFD's financial assets that were accounted for at fair value on a recurring basis as of June 30, 2010 and 2009. As required by GAAPUSA, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. GCFD's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect their placement within the fair value hierarchy levels.

Recurring Fair Value Measurements as of Reporting Date Using:

Description	Fair Values as of June 30, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable bond funds	\$ 557,882	\$ 557,882	\$ —	\$ —
Bank common trust equity funds				
NT Emerging Markets Equity Index Fund (a)	621,604	621,604	—	—
NTCC International Securities Fund (b)	1,669,619	—	1,669,619	—
NTGI-QM Common Daily All Country World Index Ex-U.S. Equity Fund (c)	914,269	—	914,269	—
NTGI-QM Common Daily Russell 1000 Equity Index Fund - Lending (d)	5,407,259	—	5,407,259	—
NTCC Small Cap Fund (e)	372,022	—	372,022	—
Bank common trust bond funds				
NT Bond Index Fund (f)	4,309,904	4,309,904	—	—
NT High Yield Fixed Income Fund (g)	536,896	536,896	—	—
Bank common trust short-term investment funds (h)	5,780,207	—	5,780,207	—
TOTAL	\$20,169,662	\$ 6,026,286	\$14,143,376	\$ —

Recurring Fair Value Measurements as of Reporting Date Using:

Description	Fair Values as of June 30, 2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable bond funds	\$ 490,692	\$ 490,692	\$ —	\$ —
Bank common trust equity funds				
NTCC International Securities Fund	443,819	—	443,819	—
NTGI-QM Common Daily Russell 1000 Equity Index Fund - Lending	5,776,892	—	5,776,892	—
NTCC Small Cap Fund	681,806	—	681,806	—
Bank common trust bond funds				
NT Bond Index Fund	4,243,584	4,243,584	—	—
NT High Yield Fixed Income Fund	660,152	660,152	—	—
Bank common trust short-term investment funds	3,814,446	—	3,814,446	—
TOTAL	\$16,111,391	\$ 5,394,428	\$10,716,963	\$ —

Level 1 Inputs

Marketable bond funds - Estimated fair values for GCFD's marketable mutual funds were based on quoted market prices in an active market. *Bank common trust equity funds* - Estimated fair values for GCFD's bank common trust equity funds were based on quoted market prices in an active market.

(a) *NT Emerging Markets Equity Index Fund* - The fund seeks to provide investment results approximating the overall performance of the MSCI Emerging Markets Index.

Bank common trust bond funds - Estimated fair values for GCFD's bank common trust bond funds were based on quoted market prices in an active market.

(f) *NT Bond Index Fund* - The fund invests primarily in investment grade U.S. debt securities with maturities of one year or longer and attempts to provide results approximating that of the securities that comprise the Lehman Brothers U.S. Aggregate Bond Index.

(g) *NT High Yield Fixed Income Fund* - The fund seeks a high level of current income normally associated with investments in below investment grade debt securities. The fund will predominantly invest in below investment grade U.S. debt securities with intermediate-term maturities. The fund is actively managed and attempts to outperform the Lehman Brothers U.S. Corporate High Yield 2% Issuer Cap Bond Index.

Level 2 Inputs

Bank common trust equity funds - The fair values were based on the return characteristics of U.S. Dollar-based equity indices listed on U.S. and international exchange where the underlying values of the securities are based on quoted market prices. The investment objective of the fund varies and can be differentiated by the nature of its holdings. The GCFD may transfer in and out of the fund on a daily basis without any prohibitive restrictions.

(b) *NTCC International Securities Fund* - The policy of this fund is to invest in non-U.S. securities markets or in securities of companies that predominantly derive their revenues from non-U.S. markets. The fund uses a pool of independent investment advisors covering the capitalization and style spectrum within the international stock universe.

(c) *NTGI-QM Common Daily All Country World Index Ex-US Equity Fund* - Lending - The primary objective of this fund is to provide investment results that approximate the overall performance of the MSCI All Country World ex-US Equity Index. This fund may participate in securities lending.

(d) *NTGI-QM Common Daily Russell 1000 Equity Index Fund* - Lending - The primary objective of this fund is to provide investment results that exceed the overall performance of the Russell 1000 Index. The index is commonly used to represent the large cap segment of the U.S. equity market. This fund may participate in securities lending.

(e) *NTCC Small Cap Fund* - The policy of this fund is to invest in small market capitalization securities by using a group of professional advisors to provide advice on specific securities to the investment manager. Characteristically, the fund will have a small capitalization orientation.

(h) *Bank common trust short-term investment funds* - Estimated fair values for GCFD's money market and cash equivalents were based on the return characteristics of U.S. Dollar-based equity indices listed on U.S. and international exchanges where the underlying values of the securities are based on quoted market prices.

NOTE 4 - INVESTMENTS

Investment loss, shown below, is recorded in investment and other income as unrestricted net assets on the statements of activities:

	2010	2009
Interest and dividends	\$ 409,756	\$ 457,548
Net realized losses	(1,104,535)	(3,813,232)
Net unrealized gains	2,168,846	245,049
Subtotal	1,474,067	(3,110,635)
Investment expenses	(74,306)	(69,912)
Investment income gain (loss), net	\$ 1,399,761	\$ (3,180,547)

See Note 3 for disclosure of investment concentrations.

NOTE 5 - PLEDGES RECEIVABLE

GCFD has other pledges receivable and capital campaign pledges receivable. The capital campaign pledges receivable are from pledges to

pay for the new facility and training center disclosed in Note 6. Pledges receivable consist of the following as of June 30:

	2010	2009
Pledge receivable (Other)	\$ 129,000	\$ 156,250
Pledge receivable (Capital Campaign)	148,107	315,607
Less discounts to net present value	(469)	(3,830)
Less allowance for uncollectible pledges	(75,582)	(75,582)
Total	201,056	392,445
Less current portion (Other)	(104,000)	(96,250)
Less current portion (Capital Campaign)	(63,525)	(141,858)
Long-term portion	\$ 33,531	\$ 154,337

Scheduled annual payments on pledges are as follows:

2011	\$ 167,525
2012	33,531
TOTAL	\$ 201,056

NOTE 6 - LAND, BUILDING AND EQUIPMENT

The following table presents the components of land, building and equipment as of June 30:

	2010	2009
Land	\$ 7,813,720	\$ 7,813,720
Building	15,609,982	15,411,936
Equipment	10,053,858	10,055,235
	33,477,560	33,280,891
Less accumulated depreciation	(9,918,848)	(8,957,468)
Net Land, Building and Equipment	\$23,558,712	\$24,323,423

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes as of June 30:

	2010	2009
Capital campaign pledges receivable	\$ 72,401	\$ 237,852
Hunger Knows No Season pledge receivable	—	11,250
Annual giving pledge receivable	128,655	143,343
Children's program	301,079	52,724
Food Purchasing	59,144	150,000
Food Stamp Outreach	10,967	57,904
Older Adult program	50,000	50,000
Food Rescue program	51,969	—
Total Temporarily Restricted Net Assets	\$ 674,215	\$ 703,073

NOTE 8 - DISCLOSURES FOR ENDOWMENTS

Endowment

GCFD’s endowment consists of one board designated endowment. The objectives of the fund are 1) to provide a pool of capital that is managed for long term investment, 2) to provide an identified portion of the fund to be applied towards the annual operating budget and 3) to be a potential source of funds for targeted capital projects. As required by GAAPUSA, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on existences or absences of donor-imposed restrictions.

Interpretation of Relevant Law

On June 30, 2009, the State of Illinois enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board of Directors of GCFD has interpreted the State of Illinois’ UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As of June 30, 2010 and 2009, GCFD did not have any donor-restricted endowment funds. In accordance with UPMIFA, GCFD considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1. The duration and preservation of the fund
- 2. The purposes of the donor-restricted endowment funds
- 3. General economic conditions
- 4. The expected total return from income and the appreciation of investments
- 5. Other resources of GCFD
- 6. The investment policy of GCFD

Return Objectives and Risk Parameters

GCFD has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. As of June 30, 2010, endowment assets include only board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended over time, to provide an average rate of return of that allows the growth of the Fund’s assets to be sufficient to offset or exceed inflation plus required spending, and investment management fees. Actual returns in any given year may vary.

Spending Policy and How the Investment Objectives Relate to Spending Policy

GCFD has a policy of appropriating for distribution each year five percent of its endowment fund’s average fair value over the prior 12 quarters through the calendar year end preceding the fiscal year in which the distribution is planned. In establishing this policy, GCFD considered the long-term expected return on its endowment. Accordingly, over the long term, GCFD expects the current spending policy to allow its endowment to grow at a rate sufficient to offset or exceed inflation plus required spending, and investment management fees. This is consistent with GCFD’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, GCFD relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). GCFD targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Information regarding the endowment net assets as of June 30, 2010 and 2009 and changes in endowment net assets for the years then ended follows.

Endowment Net Assets as of June 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL
Board-designated endowment funds	\$20,169,662	\$ —	\$ —	\$20,169,662

Changes in Endowment Net Assets Year Ended June 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL
Endowment Net Assets, Beginning of Year	\$16,111,391	\$ —	\$ —	\$16,111,391
Investment Return				
Investment income	409,756	—	—	409,756
Net appreciation (realized and unrealized)	990,005	—	—	990,005
Total Investment Return	1,399,761	—	—	1,399,761
Contributions	2,658,510	—	—	2,658,510
Endowment Net Assets, End of Year	\$20,169,662	\$ —	\$ —	\$20,169,662

Endowment Net Assets as of June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL
Board-designated endowment funds	\$16,111,391	\$ —	\$ —	\$16,111,391

Changes in Endowment Net Assets Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL
Endowment Net Assets, Beginning of Year	\$19,291,938	\$ —	\$ —	\$19,291,938
Investment Return				
Investment income	457,548	—	—	457,548
Net depreciation (realized and unrealized)	(3,638,095)	—	—	(3,638,095)
Total Investment Return	(3,180,547)	—	—	(3,180,547)
Endowment Net Assets, End of Year	\$16,111,391	\$ —	\$ —	\$16,111,391

NOTE 9 - RETIREMENT PLAN

GCFD sponsors a defined-contribution retirement plan for all employees. Employees are subject to a graded vesting schedule and are 100% vested when they reach six years of service. During 2010 and 2009, GCFD contributed \$294,923 and \$249,142, respectively, to the plan.

NOTE 10 - RELATED PARTIES

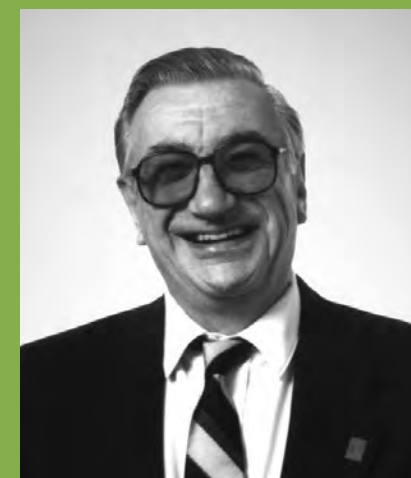
During the years ended June 30, 2010 and 2009, GCFD paid \$492,327 and \$454,571, respectively, for food provided by three firms at which time different members of the Board of Directors were senior management of those firms. In addition, GCFD has a payable balance as of June 30, 2010, in the amount of \$14,220 due to two of these firms.

During the year ended June 30, 2010 and 2009, GCFD paid \$25,300 and \$57,038 for goods and services provided by a member to agencies that members of the Board of Directors are affiliated with.

Grants were awarded to the Little Black Pearl for the year ended June 30, 2009 of \$17,500. No such grants were awarded during the year ended June 30, 2010. A member of the Board of Directors of GCFD is also director of this organization.

During the years ended June 30, 2010 and 2009, GCFD had revenue from the sale of food products in the amounts of \$8,425 and \$8,647, respectively, from member agencies with which members of the Board of Directors of GCFD are affiliated.

GCFD has a conflict-of-interest policy whereby Board members must advise the Board of Directors of any direct or indirect material interest in any transaction or relationship with GCFD and not participate in discussions and decisions regarding any action affecting their individual, professional or business interests.



IN MEMORIAM: BOB STRUBE

Bob Strube was one of the six founders of the Greater Chicago Food Depository. In 1979, Mr. Strube donated warehouse space for the fledgling Food Depository at the historic South Water Market. The Food Depository distributed 471,000 pounds of food in its first year and has distributed more than 750 million pounds in its history.

GREATER CHICAGO FOOD DEPOSITORY

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