

2010 ANNUAL REPORT

# Kids Against Hunger®

Feeding families around the world... and around the corner.



**GROWTH** OF A PASSION

**GROWTH**



# GROWTH OF VISIONARY LEADERSHIP

## OUR MISSION

The mission of Kids Against Hunger, a humanitarian food-aid organization, is to significantly reduce the number of hungry children in the U.S. and to feed starving children throughout the world. Our approach to achieving the eradication of world hunger is the packaging of a highly nutritious, vitamin-fortified rice-soy casserole by volunteers and the distribution of those meals to starving children and their families worldwide.



Richard Proudft  
Chairman & Founder

The passion driving Kids Against Hunger comes from the founder of the organization, Richard Proudft. In 1974, Richard's life was forever changed when he witnessed, first hand, children starving in Central America. This experience led Richard to make it his mission to feed the starving children of the world. Since that time he has worked tirelessly to build an organization that transcends his personal reach and that will continue his life's work as long as there are children in need.



Mike Lloyd  
Executive Director

Mike is a Minnesota native. He graduated from Minnesota State University in 1976 with a Bachelors Degree in Political Science with a concentration in Public Administration. Mike was employed by Taylor Corporation for 35 years and served in various leadership positions, including V.P. of Operations for Carlson Craft for ten years, President of Carlson Craft Business Solutions for five years, and President of Current Inc. in Colorado Springs for five years. He served on several non-profit organization boards and chaired several of them in the Mankato, Minnesota area.

## BOARD OF DIRECTORS



Steve Anderson



Rob Moschet



Chuck Enderson



Terry Niles



Marshall Horn

# Kids Against Hunger®

Feeding families around the world... and around the corner.

Dear Friends,

In my years with Kids Against Hunger, I have seen tens of thousands of dedicated volunteers package our food. I have also had the privilege of witnessing the efforts of our feeding partners in various countries, working faithfully towards saving and changing lives. It is a pleasure to work with heroes each day and it has forever changed my life!

In the past three years, Kids Against Hunger has been blessed with great challenges as well as tremendous growth. Over this time period, Kids Against Hunger has grown 300% in total revenue, number of satellite packing locations, and the number of meals packed. While these are great accomplishments, the needs of the starving are so much greater. **A child dies of starvation every six seconds in the world today.** In the time you have been reading my comments **three children have died.** That is heartbreaking and unacceptable!

The Haiti earthquake occurred on January 12th, 2010 and caused unimaginable devastation and death. As many as 300,000 people died that day and in the weeks that followed. Within two days, the US Navy delivered the first shipment of Kids Against Hunger's food. Our satellite packaging locations also responded immediately by scheduling packaging events for the many people who wanted to help. The demand for ingredients to meet our satellites' needs increased by nearly 400% within days in response to the need. Believe me when I say that it was a significant challenge to meet the supply needs of our satellites, but we did.

Within two months following the earthquake, **we shipped over 10 million meals into many different regions of Haiti.** We could not have done this without our partnership with the U.S. Navy because the Port au Prince airport and shipping ports were closed. I visited Haiti in late 2010 and the devastation continues to cripple this already impoverished nation. However, we shipped enough meals to feed over 63,000 children for one year.

In 2011, we stand ready with our partners to meet the ongoing need for food in Haiti as well as wherever victims of wars, famine, or natural disasters need our life saving meals. To accomplish our mission of eliminating child hunger, we are directing our attention to:

- Increasing the number of packaging locations by 30% or more.
- Increasing our revenue by 50% in the coming year through greater emphasis on corporate events, corporate donors, major gift campaigns, grants, and more packaging events.
- Focusing on helping our current satellites double their own growth through better operational training, greater focus on local fund development, and emphasis on the use of social media as a way to build brand awareness and generate revenue streams.
- Increasing the work we are doing with our feeding partners to make a greater impact, as well as to find additional partners to reach more impoverished children.

To our generous donors who have helped us provide meals for those less fortunate, I thank you for all that you have done. As I have said to many people at many packing events over the years, **In two hours you can package enough meals to save another person's life for a year, and for only \$84.00.** What else in your life can you do that will have a more lasting impact?

For those who are current supporters of Kids Against Hunger, thank you for your continued support. For those who are not currently involved, we need your help.

**The children are waiting!**

God bless you,



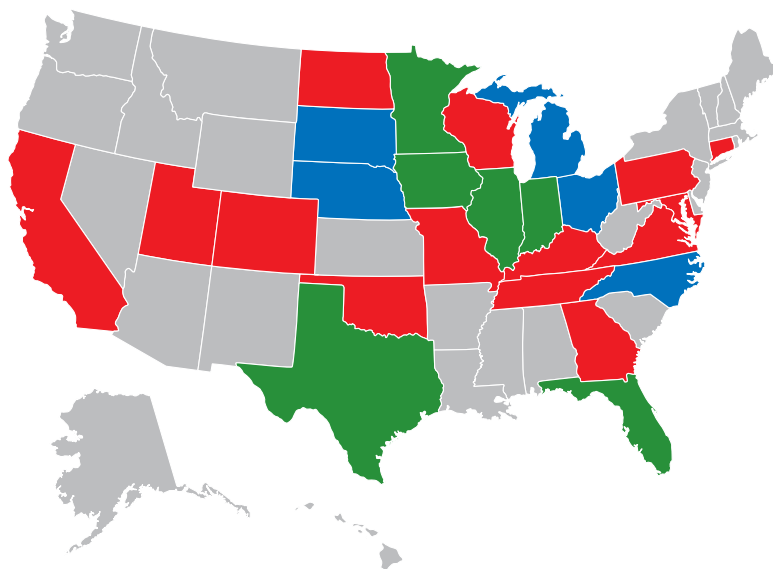
Mike Lloyd  
Executive Director

# GROWTH OF SATELLITE LOCATIONS

## What are Satellites...

Kids Against Hunger believes that the best way to engage the largest number of people is through a decentralized, locally-based network of food packaging satellites that are active in their community. Kids Against Hunger's satellite development program prospects for and opens food packaging satellite operations and supports a network of existing food packaging satellites that extends across the U.S. and Canada. This controlled growth strategy allows Kids Against Hunger to continuously expand its food packaging capacity and volunteer involvement.

**2010** was another year of Satellite growth for Kids Against Hunger. Though we did not see the same explosive growth this last year that we witnessed in 2008 and 2009, we added **24 new Satellites in 17 states.**



85 Locations in 26 States

■ 1-2 Locations   
 ■ 3-4 Locations   
 ■ 5+ Locations

Two areas of particular interest are the East Coast and California. Up until last year, the only Satellite we had on the East Coast was Washington DC. During 2010, we **opened six new Satellites** in this area; two in Connecticut, two in Maryland, one in Pennsylvania, and one in Virginia. Additionally, we opened a regional warehouse for these satellites to ship their finished food to, where it will be held until there is enough to fill a container.

In California, we launched a Satellite in Pleasanton (outside San Francisco) and shortly thereafter in Northridge (outside Los Angeles). We are soon going to open a third California Satellite in San Diego and hope to add several more in the coming year.

Another area of Satellite growth that we do not want to overlook is the **growth of packaging volume** with existing Satellites. In 2010, **Satellites increased** their packaging volume by an average of **255%**.

- Gary Korpi, Director of Satellite Operations



# GROWTH OF MEAL PACKAGING

## What is Packaging...

Kids Against Hunger's food packaging program engages community volunteers as they assemble Kids Against Hunger's high-nutrition, vitamin-fortified, rice-soy casserole through a simple, manual packaging process. The program consists of permanent facilities in New Hope (MN), Mankato (MN), and Orlando (FL), a mobile packaging operation based in New Hope, and nearly 90 independent satellite locations across the U.S. and Canada.

Kids Against Hunger's mobile packaging department offers options to organizations to host their own local food packaging events anywhere in the U.S. allowing Kids Against Hunger to increase organizational visibility on a national level and to raise awareness of hunger issues while also bringing satisfaction and deep engagement to the volunteers who package the food. When becoming a part of the packaging process, volunteers learn and reaffirm the importance of looking beyond themselves, towards serving the needs of others.

## Rachel's Challenge:

On May 6, 2010, Kids Against Hunger put on a major meal packaging event in partnership with Rachel's Challenge. Rachel's Challenge is an organization started by the parents of Rachel Scott, the first person killed at Columbine High School in 1999. Rachel's Challenge aims to **create a positive culture change** in schools by creating a chain reaction of kindness and compassion.

The event took place in a suburb of Dallas Texas. Over 4,000 middle and high school students from the Rockwall school district packaged **1,000,000 meals in less than six hours!** During this event, a group of 50 Haitians, who had taken a bus from their home in Miami, participated in making meals that would be sent to their families back in Haiti. That evening, they were honored at a large rally to celebrate the meals packaged and the positive change the students had created in their schools that year.

By combining the transformational experience of packaging meals for someone in need with the impact of creating **enough meals to feed 2,740 kids one meal a day for a year**, one can only imagine the chain reaction of kindness that was created. Since this event took place, school districts around the country have expressed a desire to package more meals than the students in Rockwall. In the words of Rachel Scott,

---

*"People will never know how far a little kindness can go... you just might start a chain reaction."*

---

## New Hope for Haiti:

In response to the devastating earthquake in Haiti, Kids Against Hunger organized "New Hope for Haiti". From February 27 through March 7, 2010, over 3,000 volunteers from the Twin Cities area gathered in New Hope, Minnesota to package **1,000,000 meals for the survivors** of the earthquake.

Many of the volunteers had been watching the disaster response on the news and felt that this was a great opportunity to do something hands-on to help out. They were glad that their time and money would make a tangible difference for hungry children and their families in Haiti.

The principal of the Robbinsdale Middle School saw this as a great educational opportunity for his students, and arranged to have all 1,200 of his students bused in to help out. Many of these students chose to come back for two, three, or four more shifts with their families and friends.

We are so thankful to the Twin Cities community for coming together to help feed the children who survived Haiti's earthquake.



# GROWTH OF DISTRIBUTION OF MEALS

## What is Distribution of Meals...

Kids Against Hunger's food distribution program works closely with its non-governmental feeding partners (NGOs) operating in foreign countries to manage the distribution of Kids Against Hunger's meals. The feeding partners selected by Kids Against Hunger must be able to successfully transport the food to the children and distribute it properly.

OVER **39**  
MILLION MEALS  
SHIPPED IN 2010  
TO OVER 30  
COUNTRIES

### TOP 5 COUNTRIES

1. HAITI
2. UNITED STATES
3. NICARAGUA
4. SWAZILAND
5. HONDURAS

"On my most recent visit to Haiti, it struck me now more than ever that we are saving lives. I met dozens of little ones on this trip that would not be alive if they had not been enrolled in a feeding program. One girl I met would have died less than a week ago if she had not received our food. After meeting some of the children you are saving, I can't tell you how much I appreciate all of our volunteers and supporters who are giving these children a future."

- Tim Stromer, Division Director, Mankato, Minnesota

At a school in Haiti which provides **Kids Against Hunger lunches** to its students, the school enrollment has more than doubled since the feeding program began. For the majority of the students, the meal they receive at school is their **only source of nourishment**.

"We have seen **amazing results** since first starting to use this food in our feeding programs. On average, we have seen a weight increase of at least 10% in the first two to four weeks of placing the children on the Kids Against Hunger food. This statistic is thrilling to us because many times it takes them from the severe malnourished stage of starvation to a point where their **bodies can begin to heal from within**. These children not only recovered physically from the effects of starvation but their minds began to develop normally and they were able to learn. The students at this school consistently **score in the top percentiles** on the Haitian standardized tests."

- Don Curtis, President and CEO - Children's International Lifeline



# GROWTH OF GOOD STEWARDSHIP

Despite the current economic downturn, Kids Against Hunger has remained financially strong in 2010. Thanks to the support of a strong donor base and growing relationships with corporations, civic groups, faith-based groups, and individuals; Kids Against Hunger has been able to continue expanding its program services and to reach the growing number of people in need.

The financial information included on this page reflects the activity of the Kids Against Hunger Headquarters and its food packaging Divisions in Mankato (MN) and Orlando (FL). All other Kids Against Hunger locations perform their own, separate financial reporting.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

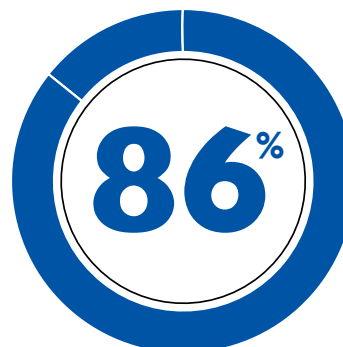
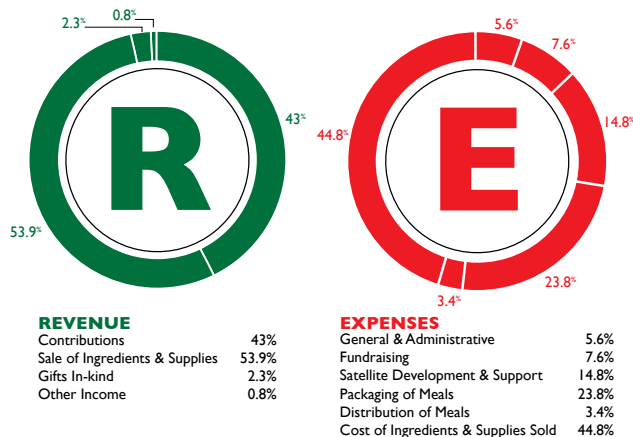
AS OF DECEMBER 31 2010

### REVENUE SOURCES

Contributions	\$ 1,379,547
Sale of Ingredients & Supplies	1,692,359
Gifts In-kind	73,979
Other Income	24,770
<b>Total Revenue</b>	<b><u>\$ 3,170,655</u></b>

### EXPENSES

Program Services	
Satellite Development & Support	\$ 451,765
Packaging of Meals	725,902
Distribution of Meals	102,064
Cost of Ingredients & Supplies Sold	1,365,579
Subtotal of Program Service Expenses	<u>2,645,309</u>
General & Administrative	171,423
Fundraising	231,454
<b>Total Expense</b>	<b><u>3,048,186</u></b>
<b>Increase in Net Assets</b>	<b><u>\$122,469</u></b>



Percentage of dollars going directly into our programs

# Kids Against Hunger®

Feeding families around the world...and around the corner.™

## Nutrition Facts

Serving Size 1/2 cup dry (65g)  
Servings per bag (6 cups cooked)

Amount per Serving	
Calories 220	
Calories from Fat 5	
	% Daily Value*
Total Fat 0.5g	1%
Saturated Fat 0g	0%
Trans Fat 0g	
Cholesterol 0mg	0%
Sodium 840mg	35%
Potassium 420mg	12%
Total Carbohydrate 43g	14%
Dietary Fiber 1g	4%
Sugars 3g	
Protein 11g	

Vitamin A 60%	• Vitamin C 60%
Calcium 15%	• Iron 60%
Vitamin D 50%	• Vitamin E 50%
Thiamin 70%	• Riboflavin 60%
Niacin 7%	• Vitamin B6 60%
Folate 5%	• Vitamin B12 90%
Biotin 5%	• Pantothenic Acid 50%
Phosphorus 20%	• Iodine 50%
Magnesium 30%	• Zinc 45%
Copper 35%	• Manganese 50%

\* Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs:

	Calories: 2,000	2,500
Total Fat	Less than 65g	80g
Sat Fat	Less than 20g	25g
Cholesterol	Less than 300mg	300mg
Sodium	Less than 2,400mg	2,400mg
Potassium	3,500mg	3,500mg
Total Carbohydrate	300g	375g
Dietary Fiber	25g	30g

## Fortified Rice-Soy Casserole

(6 supplemental servings)

**Directions:** Add contents of package to 6-10 cups of boiling water. Stir and cover. Boil for 20 minutes, stirring occasionally. Add more water if needed. Simmer for 5 minutes or until rice is tender. To enhance flavor and calories add oil or any of your favorite seasonings.

**INGREDIENTS:** Enriched Long Grain Rice, Textured Vegetable Protein (Fortified Soy), Dehydrated Vegetables (Carrot, Onion, Tomato, Celery, Field Run Bell Pepper, Cabbage), Vegetarian Flavoring (Salt, Dextrose, Hydrolyzed Corn Protein, Modified Corn Starch, Soybean Oil, Turmeric, Onion Powder, Disodium Inosinate, Disodium Guanylate, Natural Flavoring). **VITAMINS AND MINERALS:** Magnesium Sulfate, Calcium Phosphate, Ascorbic Acid, Vitamin E Acetate, Ferric Ortho Phosphate, Biotin, Vitamin A Palmitate, Niacin, Calcium Pantothenate, Zinc Oxide, Manganese Sulfate, Copper Gluconate, Vitamin D3, Vitamin B6 Pyridoxine Hydrochloride, Vitamin B2 Riboflavin, Thiamin Mononitrate, Folic Acid, Vitamin B12 Cyanocobalamin, Potassium Iodide.

Net Wt 13.8 oz (390 g)

KIDS AGAINST HUNGER, INC.

5401 Boone Avenue North, Minneapolis, MN 55428, USA • (763) 257-0202 • info@kidsagainsthunger.org

visit us at [www.KidsAgainstHunger.org](http://www.KidsAgainstHunger.org)



Scan this QR Code  
to feed a child

# Kids Against Hunger®

Feeding families around the world... and around the corner.

5401 Boone Avenue North | New Hope, MN 55428

763.257.0202 T | 763.504.2943 F

info@kidsagainsthunger.org | [www.kidsagainsthunger.org](http://www.kidsagainsthunger.org)