

The James Beard Foundation, Inc.

Financial Report

March 31, 2011

Contents

Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 11



Independent Auditor's Report

To the Board of Trustees
The James Beard Foundation, Inc.
New York, New York

We have audited the accompanying statement of financial position of The James Beard Foundation, Inc. (the "Foundation") as of March 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year summarized comparative information has been derived from the Foundation's March 31, 2010 financial statements and, in our report dated September 29, 2010, we expressed an unqualified opinion on those statements.

We conducted our audit 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 audit provides 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 The James Beard Foundation, Inc. as of March 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

New York, New York
September 13, 2011

The James Beard Foundation, Inc.

Statements of Financial Position
March 31, 2011 and 2010

	2011	2010
ASSETS		
Cash	\$ 611,688	\$ 263,794
Restricted Cash and Cash Equivalents	333,154	291,349
Grants and Other Receivables	272,602	586,192
Prepaid Expenses and Other Assets	419,891	510,034
Property and Equipment, net	<u>921,726</u>	<u>975,806</u>
Total assets	<u><u>\$ 2,559,061</u></u>	<u><u>\$ 2,627,175</u></u>
LIABILITIES AND NET ASSETS (DEFICIENCY)		
Liabilities:		
Accounts payable and accrued expenses	\$ 377,043	\$ 522,302
Mortgage note payable	2,000,000	2,000,000
Deferred revenue	<u>1,320,091</u>	<u>1,640,337</u>
Total liabilities	<u>3,697,134</u>	<u>4,162,639</u>
Net Assets (Deficiency):		
Unrestricted	(2,090,607)	(2,538,442)
Temporarily restricted	<u>952,534</u>	<u>1,002,978</u>
Net asset deficiency	<u>(1,138,073)</u>	<u>(1,535,464)</u>
Total liabilities and net assets (deficiency)	<u><u>\$ 2,559,061</u></u>	<u><u>\$ 2,627,175</u></u>

See Notes to Financial Statements.

The James Beard Foundation, Inc.

Statements of Activities

(with summarized comparative financial information for the year ended March 31, 2010)

Years Ended March 31, 2011 and 2010

	2011		2010	
	Unrestricted	Temporarily Restricted	Total	Total
Support and Revenue:				
Contributions	\$ 1,026,548	\$ 135,260	\$ 1,161,808	\$ 1,096,573
Membership fees	560,915	-	560,915	612,067
In-house events	1,612,980	-	1,612,980	1,449,388
Gala event sponsorships and ticket sales	1,836,920	-	1,836,920	1,435,779
Out-of-house events and auctions	1,321,610	-	1,321,610	888,856
Newsletter advertising and directories income	104,576	-	104,576	87,853
Miscellaneous	1,000	-	1,000	45
Dividend and interest income	1,582	2,971	4,553	4,409
Educational program fee	90,000	-	90,000	4,825
Unrealized and realized net losses on investments	-	-	-	(107)
Net assets released from restrictions - satisfaction of program and time restrictions	188,675	(188,675)	-	-
Total support and revenue	6,744,806	(50,444)	6,694,362	5,579,688
Expenses:				
Program services:				
Scholarship and education	446,099	-	446,099	313,393
Member services	242,500	-	242,500	253,941
In-house events	1,411,778	-	1,411,778	1,343,674
Awards	1,453,837	-	1,453,837	1,374,463
Out-of-house events	575,915	-	575,915	408,422
Publications and communications	513,277	-	513,277	503,840
Total program services	4,643,406	-	4,643,406	4,197,733
Supporting services:				
Management and general	1,165,293	-	1,165,293	1,096,644
Fund-raising	488,272	-	488,272	419,135
Total supporting services	1,653,565	-	1,653,565	1,515,779
Total expenses	6,296,971	-	6,296,971	5,713,512
Change in net assets	447,835	(50,444)	397,391	(133,824)
Net Assets (Deficiency):				
Beginning	(2,538,442)	1,002,978	(1,535,464)	(1,401,640)
Ending	\$ (2,090,607)	\$ 952,534	\$ (1,138,073)	\$ (1,535,464)

See Notes to Financial Statements.

The James Beard Foundation, Inc.

Statements of Functional Expenses

(with summarized comparative financial information for the year ended March 31, 2010)

Years Ended March 31, 2011 and 2010

	2011							2010				
	Program Services						Supporting Services					
	Scholarship and Education	Member Services	In-House Events	Awards	Out-of- House Events	Publications and Communi- cations	Total Program Services	Management and General	Fund- Raising	Total Supporting Services	Total	Total
Salaries	\$ 127,131	\$ 135,469	\$ 856,578	\$ 104,207	\$ 129,216	\$ 141,723	\$ 1,494,324	\$ 400,153	\$ 189,654	\$ 589,807	\$ 2,084,131	\$ 1,945,497
Payroll taxes and employee benefits	25,105	26,751	169,151	20,578	25,517	28,399	295,501	87,468	37,452	124,920	420,421	385,005
Scholarship grants	136,975	-	-	-	-	-	136,975	-	7,750	7,750	144,725	119,148
Grants to other organizations	1,000	-	-	-	10,251	-	11,251	-	8,478	8,478	19,729	4,000
Accounting and legal fees	-	-	-	-	1,065	-	1,065	141,781	1,970	143,751	144,816	150,269
Consultants and other professional fees	76,535	17,715	41,875	306,407	131,034	10,050	583,616	162,245	40,995	203,240	786,856	603,797
Office expense	2,022	1,764	5,631	4,772	1,798	1,855	17,842	7,731	759	8,490	26,332	25,331
Postage and shipping	1,675	1,725	5,198	17,849	8,464	24,460	59,371	6,664	5,251	11,915	71,286	67,636
Printing	873	6,987	1,672	2,178	658	75,929	88,297	3,152	1,472	4,624	92,921	102,752
Equipment rental and computer maintenance	3,167	(977)	15,527	11,541	60,099	9,848	99,205	15,183	28,559	43,742	142,947	120,524
Maintenance	650	492	11,806	1,278	2,114	2,927	19,267	28,227	-	28,227	47,494	49,930
Advertising and newsletter	220	-	-	48,013	-	54,052	102,285	250	59,152	59,402	161,687	70,043
Event and kitchen supplies	209	189	172,986	10,807	48,228	940	233,359	4,764	-	4,764	238,123	229,958
Design and layout	-	-	-	27,663	20,296	68,455	116,414	-	-	-	116,414	122,232
Event and meeting space rental	6,000	-	-	106,519	-	-	112,519	-	40,000	40,000	152,519	95,635
Event production	12,691	-	-	478,267	8,854	-	499,812	-	-	-	499,812	520,827
Invitations and programs	-	-	-	27,603	7,318	-	34,921	-	11,510	11,510	46,431	42,727
Award items and decorations	9,570	456	18,347	123,478	5,641	250	157,742	3,872	12,936	16,808	174,550	148,288
Rent	8,981	1,292	3,788	10,264	26,947	37,330	88,602	3,590	-	3,590	92,192	92,281
Telephone	1,854	1,756	5,869	3,719	6,120	9,106	28,424	9,780	-	9,780	38,204	37,044
Utilities	382	344	36,182	470	1,237	1,713	40,328	11,918	-	11,918	52,246	49,292
Insurance	-	-	-	-	-	-	-	46,340	-	46,340	46,340	47,991
Travel and entertainment	25,043	4,383	2,653	107,398	63,547	878	203,902	13,484	17,676	31,160	235,062	197,141
Real estate taxes	-	-	-	-	-	-	-	26,570	-	26,570	26,570	25,366
Photography	900	-	-	7,430	1,900	6,150	16,380	-	1,165	1,165	17,545	8,105
Library	-	-	-	-	-	1,192	1,192	-	-	-	1,192	161
Auction items	-	-	-	-	-	-	-	-	8,291	8,291	8,291	34,850
Web site and Internet fees	991	24,711	2,488	15,046	1,467	21,955	66,658	2,082	33	2,115	68,773	68,800
Interest	-	-	-	-	-	-	-	136,875	-	136,875	136,875	131,778
Amortization of deferred financing charges	-	-	-	-	-	-	-	13,372	-	13,372	13,372	15,673
Bank charge and credit card and other processing fees	914	12,218	41,957	14,336	8,424	9	77,858	12,997	9,409	22,406	100,264	97,412
Bad debt	-	-	-	-	-	-	-	6,500	-	6,500	6,500	-
Miscellaneous	-	-	-	-	100	-	100	1,830	140	1,970	2,070	24,284
	442,888	235,275	1,391,708	1,449,823	570,295	497,221	4,587,210	1,146,828	482,652	1,629,480	6,216,690	5,633,777
Depreciation	3,211	7,225	20,070	4,014	5,620	16,056	56,196	18,465	5,620	24,085	80,281	79,735
Total expenses	\$ 446,099	\$ 242,500	\$ 1,411,778	\$ 1,453,837	\$ 575,915	\$ 513,277	\$ 4,643,406	\$ 1,165,293	\$ 488,272	\$ 1,653,565	\$ 6,296,971	\$ 5,713,512

See Notes to Financial Statements.

The James Beard Foundation, Inc.

Statements of Cash Flows
Years Ended March 31, 2011 and 2010

	2011	2010
Cash Flows From Operating Activities:		
Change in net assets	\$ 397,391	\$ (133,824)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	80,281	79,735
Amortization of deferred financing costs	13,372	15,673
Bad debt	6,500	-
Unrealized and realized net losses on investments	-	107
Changes in operating assets and liabilities:		
Decrease in restricted cash and cash equivalents	(41,805)	(51,199)
Decrease (increase) in grants and other receivables	307,090	(301,694)
Decrease (increase) in prepaid expenses and other assets	90,143	(36,788)
Decrease in accounts payable and accrued expenses	(145,259)	(8,765)
(Decrease) increase in deferred revenue	(320,246)	346,986
Net cash provided by (used in) operating activities	387,467	(89,769)
Cash Flows From Investing Activities:		
Purchase of property and equipment	(26,201)	(17,227)
Proceeds from sale of restricted investments	-	1,135
Net cash used in investing activities	(26,201)	(16,092)
Cash Flows Used in Financing Activity - financing costs of mortgage notes payable		
	(13,372)	(15,443)
Net increase (decrease) in cash	347,894	(121,304)
Cash:		
Beginning	263,794	385,098
Ending	\$ 611,688	\$ 263,794
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 113,625	\$ 120,153

See Notes to Financial Statements.

The James Beard Foundation, Inc.

Notes to Financial Statements

Note 1. Description of Organization

Organization: The James Beard Foundation, Inc. (the "Foundation") was incorporated under the Not-for-Profit Corporation Law of the State of New York on September 19, 1985.

The charitable and educational purposes for which the Foundation was established are to preserve and promulgate America's culinary heritage and the legacy of James Beard, maintain the Beard house as a historical culinary center, maintain the Beard house as a showcase for educational programs relating to food, and maintain the Beard house as a performance space, gallery, research library and meeting center for those interested in the advancement of the culinary arts in America. Additionally, the Foundation was established to support other not-for-profit culinary organizations, provide scholarships to individuals pursuing a career in the culinary arts and recognize and promote excellence in all aspects of the culinary arts.

Note 2. Summary of Significant Accounting Policies

Basis of Financial Statements: The accompanying financial statements have been prepared on an accrual basis of accounting and are presented in accordance with accounting requirements for not-for-profit organizations. These requirements provide that all not-for-profit organizations provide a statement of financial position, a statement of activities and a statement of cash flows and that net assets are classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of donor stipulations regarding the use of such assets.

The net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets: The Foundation reports all gifts of cash and other assets as unrestricted support unless they are received with donor stipulations that limit the use of the donated assets or are designated for future periods. When a purpose restriction is accomplished or a stipulated time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions of assets other than cash are recorded at their estimated fair value.

Temporarily Restricted Net Assets: Net assets resulting from contributions whose use by the Foundation is limited by donor-imposed stipulations that either expire by the passage of time or the satisfaction of purpose restrictions are recorded in temporarily restricted net assets. When donor-imposed restrictions expire, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition: Contributions, including unconditional promises to give, are recognized in the statements of activities as revenue in the period in which they are received. This revenue is recorded net of any resulting direct donor benefit. Additionally, the Foundation recognizes revenue and expenses associated with donated goods and services.

In-Kind Donation: Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Foundation.

Donated legal services amounting to \$76,190 and \$77,642 were provided to the Foundation during the years ended March 31, 2011 and 2010, respectively. Donated legal services for the years ended March 31, 2011 and 2010 is included in contributions and management and general expenses in the accompanying statements of activities.

The James Beard Foundation, Inc.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

The value of sanitation services contributed by a corporate sponsor amounted to \$15,000 (unaudited) for each of the years ended March 31, 2011 and 2010 and is included in contributions and in-house program service expenses in the accompanying statements of activities.

The value of computer services contributed by an outside consultant amounted to \$18,360 and \$32,800 for each of the years ended March 31, 2011 and 2010 and is included in contributions in the accompanying statements of activities and consultants and other professional fees in the accompanying statements of functional expenses.

The Foundation received food, wine, sparkling water, coffee, tea, countertop appliances, utensils, room accommodations, and gift bags in connection with its in-house and out-of-house events. Additionally, the Foundation received goods, services and other prizes for its auctions held in conjunction with its fund-raising events. No amounts have been recognized as revenue in the accompanying statements of activities since they do not meet the criteria for recognition under Accounting Standards Codification ("ASC") Topic 958 Subtopic 605 ("ASC 958-605"), *Accounting for Contributions Received and Contributions Made*. The Foundation estimates the fair value of these contributed goods, services and facilities to be approximately \$213,500 (unaudited) and \$211,000 (unaudited) for the years ended March 31, 2011 and 2010, respectively.

A number of volunteers have made a contribution of their time to the Foundation to develop its programs and to serve on the Foundation's board of trustees. The value of this contributed time is not reflected in these financial statements.

Membership Fees: Membership fees are recorded in the applicable membership period. Members of the Foundation receive reduced rates to in-house and out-of-house events based on their membership level. Prepayment of membership fees as well as the unexpired portion of payments made by members is reflected as deferred revenue.

In-House, Out-of-House, Gala Events Revenue: Revenue received from the in-house, out-of-house and awards gala events are recognized upon completion of the activity. The payments received for the May 2011 awards gala event and fiscal 2012 in-house and out-of-house events are reflected as deferred revenue.

Cash and Cash Equivalents: The Foundation maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in these accounts. The Foundation considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment: The Foundation's policy for capitalization of building, building improvements and office equipment is limited to purchases of \$1,000 or more. Building, building improvements and office equipment are recorded at cost. Depreciation of building, building improvements and office equipment is being provided for by the straight-line method over their estimated useful lives.

Mortgage Note Payable: Deferred financing charges are amortized over the term of the related debt.

Advertising Expenses: Advertising costs are expensed as incurred. For the years ended March 31, 2011 and 2010, advertising and newsletter costs amounted to \$161,687 and \$70,043, respectively.

Functional Allocation of Expenses: Expenses are classified according to the categories for which they were incurred and are summarized on a functional basis in the accompanying statements of activities. Program services include costs directly associated with the publication of membership newsletters, regular brunch and dinner meetings, and luncheons held to promote and encourage the development of the culinary arts in America, special events to promote innovations in American cuisine and encourage the careers of aspiring chefs, and granting scholarships to culinary students to assist with funding culinary education tuition costs.

The James Beard Foundation, Inc.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

The statements of activities and functional expenses include certain prior-year summarized comparative information in total but not by net asset or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended March 31, 2010, from which this summarized information was derived.

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

Income Taxes: The Foundation is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), and from state income taxes. As a not-for-profit entity, the Foundation is subject to unrelated business income tax ("UBIT"), if applicable.

Management has evaluated the Foundation's tax positions and has concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements. Generally, the Foundation is no longer subject to income tax examinations by U.S. federal, state or local tax authorities for years before 2007.

Subsequent Events: The Foundation evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was September 13, 2011 for these financial statements.

Note 3. Restricted Cash and Cash Equivalents

The Foundation maintains funds in a money market account for the general scholarship fund to fund scholarship grants. The House Preservation Fund's cash and cash equivalents are maintained for the preservation of the Foundation and to fund renovations made to the Beard house.

The restricted cash and cash equivalents consist of the following as of March 31:

	<u>2011</u>	<u>2010</u>
Scholarship funds	\$ 83,154	\$ 90,710
House Preservation Fund	<u>250,000</u>	<u>200,639</u>
	<u>\$ 333,154</u>	<u>\$ 291,349</u>

Note 4. Grants and Other Receivables

Grants and other receivables include unconditional promises to give due in less than one year amounting to \$272,602 and \$586,192 at March 31, 2011 and 2010, respectively.

Management believes that the entire amount of grants and other receivables are fully collectible and, accordingly, has not provided an allowance on such receivables.

The James Beard Foundation, Inc.

Notes to Financial Statements

Note 5. Property and Equipment, Net

Property and equipment, net, at cost or fair market at date of donation, consists of the following:

	<u>2011</u>	<u>2010</u>	<u>Estimated Useful Life</u>
Land	\$ 418,869	\$ 418,869	
Office equipment	267,806	312,535	3 to 7 years
Building and building improvements	<u>1,097,546</u>	<u>1,087,346</u>	27 years
	1,784,221	1,818,750	
Less accumulated depreciation	<u>(862,495)</u>	<u>(842,944)</u>	
	<u><u>\$ 921,726</u></u>	<u><u>\$ 975,806</u></u>	

Note 6. Mortgage Note Payable

The Foundation entered into a mortgage note agreement with Union Center National Bank on April 29, 2009. The initial term of this loan is two years. The loan has a renewal option for four additional periods of five years each and one final option of three years. The loan bears an interest rate of 6.75% for the initial two-year period and, if extended, for the five-year period thereafter. Commencing on April 30, 2016, the interest rate, if extended, will be adjusted by 200 basis points over the five-year Federal Home Loan Bank - New York ("FHLB NY") rate, rounded up to the nearest one-eighth of one percent point (0.125%) as of the date forty-five days prior to the commencement of the applicable renewal period, for the second, third and fourth renewal periods. Commencing on April 30, 2031, the interest rate for the loan, if extended, will also be adjusted by 200 basis points over the five-year FHLB NY rate rounded up to the nearest one-eighth of one percentage point (0.125%) as of the date 45 days prior to the commencement of the applicable renewal period but shall in no event be less than 6.50% per annum for the fifth and final renewal period. During the first two-year period of the loan, the Foundation makes monthly payments of accrued interest only based on the outstanding principal commencing on June 1, 2009 and the principal is due upon maturity.

The mortgage was renegotiated on March 21, 2011 whereby the Foundation is able to retain a rate of 5% interest and the Foundation would also start paying down the principal on the debt over the next 23 years. The reduction in the interest rate is contingent upon the Foundation meeting its debt covenant requirement that its March 31, 2011 financial statement reflect a debt service coverage ratio of 1.25 to 1.0.

The mortgage note payable is secured by the Foundation's land, building and office equipment used in connection with its real estate.

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2011</u>	<u>2010</u>
Scholarship funds	\$ 666,146	\$ 706,590
House Preservation Fund	250,000	250,000
Jean-Louis Palladin Master Classes	<u>36,388</u>	<u>46,388</u>
	<u><u>\$ 952,534</u></u>	<u><u>\$ 1,002,978</u></u>

The James Beard Foundation, Inc.

Notes to Financial Statements

Note 7. Temporarily Restricted Net Assets (Continued)

The Foundation's management entered into an agreement with the Jean-Louis Palladin Foundation (the "JLP Foundation") to receive remaining cash funds up to a maximum of \$175,000 and continue to perpetuate the mission and programs of the JLP Foundation as both entities share certain common activities in supporting the culinary heritage and the JLP Foundation is winding down its operations. For the year ended March 31, 2009, the Foundation recorded \$160,000, of which \$100,000 has been restricted by the JLP Foundation to fund a Jean-Louis Palladin Chef Travel and Study Grants Program included in restricted scholarship funds, which will provide for annual grants of up to \$10,000. The JLP Foundation has also provided for the release of related restricted funds to cover Scholarship Management Services of Scholarship America administration fees not to exceed 25% of the value of the Jean-Louis Palladin Chef Travel and Study Grants awarded. Other funds from the JLP Foundation were restricted in the amount of \$50,000 to fund the operation of a series of Jean-Louis Palladin Master Classes that offers master-level instruction in advanced techniques and resources to working chefs.

During the year ended March 31, 2011, net assets were released from donor restrictions by incurring expenses satisfying the following temporarily restricted purposes or by passage of time:

House Preservation Fund	\$ 2,015
Scholarships	154,160
Jean-Louis Palladin Master Classes	10,000
Administration and public education	<u>22,500</u>
	<u>\$ 188,675</u>

Note 8. Employee Benefit Plan

The Foundation maintains a defined contribution plan under Section 403(b) of the Code covering all eligible employees. Contributions by the Foundation to the plan are at the discretion of the board of trustees. No contributions were made on behalf of the employees to the plan for the years ended March 31, 2011 and 2010.

Note 9. Commitments

The Foundation leases office space under a noncancelable operating lease expiring on November 30, 2012. The lease is subject to escalations for the Foundation's proportionate share of increases in real estate taxes and other operating expenses.

The Foundation is obligated under operating leases for office equipment expiring through May 2015.

At March 31, 2011, the aggregate minimum annual rental commitments under the above noncancelable leases are as follows:

Year ending March 31,

2012	\$ 107,880
2013	83,868
2014	21,048
2015	<u>2,686</u>
	<u>\$ 215,482</u>

Note 10. Unrestricted Net Asset Deficiency

Through the year ended March 31, 2011, the Foundation has continued to experience an unrestricted net asset deficiency. A significant portion of the initial cumulative operating deficits resulted from a prior investigation of a former president/chief executive officer's unsubstantiated expenditures, related professional fees incurred, and the hiring of new management personnel. Additionally, the Foundation had developed new programs that generated deficits over the past two years coupled with being challenged by the downturn in the economy.

Management will continue to attempt to reduce the unrestricted net asset deficiency by: 1) seeking additional corporate sponsorship opportunities and increasing levels of support by current sponsors for its events, 2) developing programs to increase its professional membership base, 3) evaluating and developing prospective new donor funding sources, and hiring a Development staff professional to support these efforts, 4) further developing and supporting new mission supportive programs like the Food Policy Conferences, and Leadership Awards events, 5) filling every seat for in-house dinner events and canceling any events that predict losses, 6) implementing publishing economies to save on production expenses, and 7) evaluating current - and considering future - vendor and consultant relationships to assure cost efficiency.