

THE GLOBAL FOODBANKING NETWORK
Chicago, Illinois

FINANCIAL STATEMENTS
June 30, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Global FoodBanking Network
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of The Global FoodBanking Network ("GFN"), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to GFN's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GFN's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Global FoodBanking Network as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Crowe LLP

Crowe LLP

Chicago, Illinois
September 17, 2018

THE GLOBAL FOODBANKING NETWORK
STATEMENTS OF FINANCIAL POSITION
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 2,584,491	\$ 1,210,700
Pledges receivable (Note 2)	1,057,585	1,458,668
Other assets	<u>47,348</u>	<u>20,896</u>
Total current assets	3,689,424	2,690,264
Pledges receivable, net of current portion (Note 2)	2,852,360	3,829,747
Other assets	8,000	8,185
Furniture and equipment, net of accumulated depreciation of \$63,610 and \$27,910, respectively, for 2018 and 2017	<u>132,973</u>	<u>160,472</u>
Total assets	<u>\$ 6,682,757</u>	<u>\$ 6,688,668</u>
 LIABILITIES		
Accounts payable	\$ 91,600	\$ 60,912
Project grants payable (Note 3)	5,000	-
Other accrued liabilities	<u>161,868</u>	<u>126,198</u>
Total current liabilities	258,468	187,110
Deferred lease obligation	<u>41,297</u>	<u>27,616</u>
Total liabilities	299,765	214,726
 NET ASSETS		
Unrestricted	1,059,700	920,345
Temporarily restricted (Note 5)	<u>5,323,292</u>	<u>5,553,597</u>
Total net assets	<u>6,382,992</u>	<u>6,473,942</u>
Total liabilities and net assets	<u>\$ 6,682,757</u>	<u>\$ 6,688,668</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENT OF ACTIVITIES
For the year ended June 30, 2018

	2018		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenue			
Public support			
Individual contributions	\$ 877,824	\$ -	\$ 877,824
Foundation contributions	100,000	-	100,000
Corporate contributions	790,245	2,045,584	2,835,829
Corporate contributions for grants to food banks	-	510,315	510,315
Net assets released from restriction (Note 5)	2,786,204	(2,786,204)	-
Revenue			
Gain on currency exchange	73,437	-	73,437
Other revenue	86,769	-	86,769
Total public support and revenue	<u>4,714,479</u>	<u>(230,305)</u>	<u>4,484,174</u>
Expenses			
Program services	3,488,665	-	3,488,665
Supporting services			
General and administrative	515,587	-	515,587
Fund development	569,361	-	569,361
Total supporting services	<u>1,084,948</u>	<u>-</u>	<u>1,084,948</u>
Total expenses	<u>4,573,613</u>	<u>-</u>	<u>4,573,613</u>
Increase (decrease) in net assets before in-kind	140,866	(230,305)	(89,439)
In-kind transactions			
Public support and revenue			
Donated goods and services (Note 7)	278,770	-	278,770
Total in-kind public support and revenue	<u>278,770</u>	<u>-</u>	<u>278,770</u>
Expenses			
Program services	158,598	-	158,598
Supporting services			
General and administrative	117,964	-	117,964
Fund development	3,719	-	3,719
Total supporting services	<u>121,683</u>	<u>-</u>	<u>121,683</u>
Total in-kind expenses	<u>280,281</u>	<u>-</u>	<u>280,281</u>
Decrease in net assets, in-kind	(1,511)	-	(1,511)
Increase (decrease) in net assets	139,355	(230,305)	(90,950)
Net assets, beginning of period	920,345	5,553,597	6,473,942
Net assets, end of period	<u>\$ 1,059,700</u>	<u>\$ 5,323,292</u>	<u>\$ 6,382,992</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENT OF ACTIVITIES
For the year ended June 30, 2017

	2017		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenue			
Public support			
Individual contributions	\$ 500,403	\$ 20,000	\$ 520,403
Foundation contributions	110,000	160,000	270,000
Corporate contributions	871,571	1,081,591	1,953,162
Corporate contributions for grants to food banks	-	6,100,735	6,100,735
Net assets released from restriction (Note 5)	2,097,875	(2,097,875)	-
Revenue			
Gain on currency exchange	11,151	-	11,151
Other revenue	46,425	-	46,425
Total public support and revenue	<u>3,637,425</u>	<u>5,264,451</u>	<u>8,901,876</u>
Expenses			
Program services	2,744,168	-	2,744,168
Supporting services			
General and administrative	432,088	-	432,088
Fund development	329,458	-	329,458
Total supporting services	<u>761,546</u>	<u>-</u>	<u>761,546</u>
Total expenses	<u>3,505,714</u>	<u>-</u>	<u>3,505,714</u>
Increase in net assets before in-kind	131,711	5,264,451	5,396,162
In-kind transactions			
Public support and revenue			
Donated goods and services (Note 7)	336,857	-	336,857
Total in-kind public support and revenue	<u>336,857</u>	<u>-</u>	<u>336,857</u>
Expenses			
Program services	154,131	-	154,131
Supporting services			
General and administrative	169,236	-	169,236
Fund development	17,564	-	17,564
Total supporting services	<u>186,800</u>	<u>-</u>	<u>186,800</u>
Total in-kind expenses	<u>340,931</u>	<u>-</u>	<u>340,931</u>
Decrease in net assets, in-kind	<u>(4,074)</u>	<u>-</u>	<u>(4,074)</u>
Increase in net assets	127,637	5,264,451	5,392,088
Net assets, beginning of period	792,708	289,146	1,081,854
Net assets, end of period	<u>\$ 920,345</u>	<u>\$ 5,553,597</u>	<u>\$ 6,473,942</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2018

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fund Development	Total	
Salaries	\$ 818,799	\$ 290,640	\$ 322,878	\$ 613,518	\$ 1,432,317
Payroll taxes	60,898	22,341	23,665	46,006	106,904
Employee benefits	81,987	37,742	23,872	61,614	143,601
Total salaries and related expenses	<u>961,684</u>	<u>350,723</u>	<u>370,415</u>	<u>721,138</u>	<u>1,682,822</u>
Travel	244,350	71,377	21,164	92,541	336,891
Professional services	164,750	34,243	104,002	138,245	302,995
Communications and marketing	19,082	-	7,006	7,006	26,088
Supplies and Software	19,623	6,450	11,948	18,398	38,021
Telecommunications	10,855	3,703	3,044	6,747	17,602
Fees	12,749	7,645	10,212	17,857	30,606
Insurance	6,383	3,511	1,166	4,677	11,060
Project grants	1,955,437	-	-	-	1,955,437
Occupancy	61,652	24,105	25,343	49,448	111,100
Other operating	12,168	6,125	6,997	13,122	25,290
Total expenses before depreciation and in-kind	<u>3,468,733</u>	<u>507,882</u>	<u>561,297</u>	<u>1,069,179</u>	<u>4,537,912</u>
Depreciation	<u>19,932</u>	<u>7,705</u>	<u>8,064</u>	<u>15,769</u>	<u>35,701</u>
Total expenses before in-kind	<u>3,488,665</u>	<u>515,587</u>	<u>569,361</u>	<u>1,084,948</u>	<u>4,573,613</u>
In-kind expenses					
Legal services	124,897	117,964	3,719	121,683	246,580
Occupancy	-	-	-	-	-
Hotel awards points	1,511	-	-	-	1,511
Other professional services	22,040	-	-	-	22,040
Catering in-kind	10,150	-	-	-	10,150
	<u>158,598</u>	<u>117,964</u>	<u>3,719</u>	<u>121,683</u>	<u>280,281</u>
Total	<u>\$ 3,647,263</u>	<u>\$ 633,551</u>	<u>\$ 573,080</u>	<u>\$ 1,206,631</u>	<u>\$ 4,853,894</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2017

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fund Development	Total	
Salaries	\$ 607,327	\$ 273,287	\$ 198,482	\$ 471,769	\$ 1,079,096
Payroll taxes	46,606	22,657	16,175	38,832	85,438
Employee benefits	46,397	29,394	13,728	43,122	89,519
Total salaries and related expenses	<u>700,330</u>	<u>325,338</u>	<u>228,385</u>	<u>553,723</u>	<u>1,254,053</u>
Travel	191,742	28,875	16,585	45,460	237,202
Professional services	266,764	39,185	37,829	77,014	343,778
Communications and marketing	2,901	157	9,036	9,193	12,094
Supplies and Software	12,842	7,686	11,792	19,478	32,320
Telecommunications	7,889	6,659	2,417	9,076	16,965
Fees	11,627	7,709	9,779	17,488	29,115
Insurance	5,751	4,036	1,089	5,125	10,876
Project grants	1,490,637	-	-	-	1,490,637
Occupancy	34,103	6,898	4,655	11,553	45,656
Other operating	5,267	3,593	4,348	7,941	13,208
Total expenses before depreciation and in-kind	<u>2,729,853</u>	<u>430,136</u>	<u>325,915</u>	<u>756,051</u>	<u>3,485,904</u>
Depreciation	<u>14,315</u>	<u>1,952</u>	<u>3,543</u>	<u>5,495</u>	<u>19,810</u>
Total expenses before in-kind	<u>2,744,168</u>	<u>432,088</u>	<u>329,458</u>	<u>761,546</u>	<u>3,505,714</u>
In-kind expenses					
Legal services	78,137	138,962	-	138,962	217,099
Occupancy	40,785	29,645	17,564	47,209	87,994
Hotel awards points	3,445	629	-	629	4,074
Other professional services	22,818	-	-	-	22,818
Catering in-kind	8,946	-	-	-	8,946
Total in-kind expenses	<u>154,131</u>	<u>169,236</u>	<u>17,564</u>	<u>186,800</u>	<u>340,931</u>
Total	<u>\$ 2,898,299</u>	<u>\$ 601,324</u>	<u>\$ 347,022</u>	<u>\$ 948,346</u>	<u>\$ 3,846,645</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating activities		
Change in net assets	\$ (90,950)	\$ 5,392,088
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	35,701	19,810
Decrease (increase) in pledges receivable	1,378,470	(5,252,380)
Increase in other assets	(26,267)	(8,871)
Increase in accounts payable	30,688	4,032
Increase (decrease) in project grants payable	5,000	(26,700)
Increase in other accrued liabilities	35,670	64,007
Increase in deferred lease obligation	13,681	27,616
Net cash from operating activities	<u>1,381,993</u>	<u>219,602</u>
Investing activities		
Sale of certificates of deposit	-	254,036
Purchase of furniture and equipment	<u>(8,202)</u>	<u>(167,378)</u>
Net cash from investing activities	<u>(8,202)</u>	<u>86,658</u>
Net increase in cash and cash equivalent	1,373,791	306,260
Cash and cash equivalents at beginning of period	<u>1,210,700</u>	<u>904,440</u>
Cash and cash equivalents at end of period	<u><u>\$ 2,584,491</u></u>	<u><u>\$ 1,210,700</u></u>
Supplemental disclosures of cash flow information		
In-kind donated goods and services	\$ 278,770	\$ 336,857

See accompanying notes to financial statements.

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: The Global FoodBanking Network (GFN) is an international not-for-profit organization that was incorporated in Illinois, USA on January 4, 2006. GFN was established to advance one of the most promising, community-based solutions to hunger – food banking. Food banks capture food poised to be wasted and redistribute it to those in need. They are non-profit wholesale distributors, sourcing food destined for the landfill and delivering it to agencies serving the hungry at a fraction of the cost. The results are more hungry people are fed, less food is wasted, and more charitable dollars are spent on addressing the root causes of hunger instead of purchasing food at retail costs. One food bank can alleviate hunger in a community. The Global FoodBanking Network envisions a thriving network of food banks that nourish the world. The Global FoodBanking Network works towards this vision by launching food banks where they are needed and accelerating the development of food banks where they already exist. Through expertise, resources, and connections, GFN makes it easier for food banks to reach more hungry people, with more nutritious food. GFN's connections are global, but it specializes in advancing and supporting the food banking model in emerging markets, where hunger and food loss rates are high.

Founded in 2006 by Bancos de Alimentos de México, Feeding America, Food Banks Canada, and Red Argentina de Bancos de Alimentos, GFN now connects and empowers organizations in more than 30 countries that together rescue over 1 billion pounds (unaudited) of food annually to nourish 7.78 million people (unaudited). In addition, GFN closely partners with the European Federation of Food Banks (FEBA).

GFN's program activities are primarily funded through corporate, foundation, and individual contributions. GFN's ongoing operations are dependent on the continued support of these funders.

Basis of Presentation: The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. GFN reports information regarding its financial position and activities in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted based upon the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted:* net assets that are available to support GFN's operations and are not subject to donor-imposed restrictions.
- *Temporarily Restricted:* net assets that represent contributions received that are intended to be used for a purpose as specified by the donor and/or passage of time. Assets are released from temporary restrictions by incurring expenses satisfying the purpose specified by the donor and/or passage of time.
- *Permanently Restricted:* net assets that represent contributions that are subject to donor-imposed restrictions that are to be maintained permanently by GFN. There were no permanently restricted net assets nor activity as of June 30, 2018 and 2017.

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 certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services: A number of organizations have made in-kind donations or volunteered their services to GFN. Donated goods and services requiring specific expertise have been reflected in the financial statements at their approximate fair value.

(Continued)

THE GLOBAL FOODBANKING NETWORK
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recognition of Revenue and Public Support: Contributions are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor-imposed restrictions or restricted due to time. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions recognized on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restriction.

Private gifts, including pledges, are recognized in the period the gift is made. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Accretion of discount is recorded as additional contributions in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible pledges receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution and nature of fundraising activity.

Contributions received with donor-imposed restrictions that are met in the same year as the gifts are received are reported as contributions of the temporarily restricted net asset class until all conditions of the donation have been met. Contributions from contract agreements is recognized as it is earned through expenditure in accordance with the agreements.

Cash and Cash Equivalents: Cash and cash equivalents consist of immediately available funds (checking and money market accounts). GFN maintains its cash in bank deposit accounts which, at times, may exceed federal insured limits.

Furniture and Equipment: Furniture and equipment over \$1,000 is capitalized and stated on the basis of cost at date of purchase or fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Functional Expenses: Operating expenses directly identified with a functional area are charged to that area and, where these expenses affect more than one area, costs have been allocated among the programs and supporting services benefited.

Income Taxes: GFN has received a determination letter from the Internal Revenue Service indicating that it is a not-for-profit entity as described in Section 501(c)(3) of the Internal Revenue Code ("IRC") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC, except for taxes pertaining to unrelated business income.

GFN follows guidance with respect to accounting for uncertain tax positions. No provision has been made for income taxes in the accompanying financial statements, as GFN has had no unrelated business income. Management believes GFN has no material unrecognized income tax benefits, including any potential loss of its tax exempt status. Accordingly, no provision for income taxes has been made in the financial statements. There were no income tax related interest or penalties recognized by GFN for the years ended June 30, 2018 and 2017. GFN has not been examined by any tax jurisdiction. GFN recognizes interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. GFN recognized and accrued no amounts for interest and penalties as of and for the years ended June 30, 2018 and 2017. GFN does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

(Continued)

THE GLOBAL FOODBANKING NETWORK
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018 and 2017

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications: Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications had no effect on net assets or the change in net assets.

Recent Accounting Guidance: In May 2014, the FASB issued (ASU) 2014-09, *Revenue from Contracts with Customers: Topic 606*. This ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). This ASU will supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018.

In February 2016, the FASB issued (ASU) 2016-02, *Leases*. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The amendments in this ASU are effective for fiscal years beginning after December 15, 2019 (i.e., January 1, 2020, for a calendar year entity).

In August 2016, the FASB issued (ASU) 2016-14, *Not-for-Profit Entities: Topic 958*. The amendments in this Update affect not-for-profit entities (NFPs) and the users of their general purpose financial statements. The amendments in this Update make certain improvements to the current net asset classification requirements and the information presented in financial statements and notes about an NFP's liquidity, financial performance, and cash flows. The amendments in this ASU are effective for annual financial statements issued for fiscal years beginning after December 15, 2017.

GFN has not yet implemented these ASUs and is in the process of assessing their effect on GFN's financial statements.

NOTE 2 - PLEDGES RECEIVABLE

Unconditional promises to give are expected to be received in the following periods:

	<u>2018</u>	<u>2017</u>
Less than one year	\$ 1,057,585	\$ 1,458,668
Between one and five years	<u>3,007,755</u>	<u>3,934,673</u>
	4,065,340	5,393,341
Discount to net present value	<u>(155,395)</u>	<u>(104,926)</u>
	<u>\$ 3,909,945</u>	<u>\$ 5,288,415</u>

(Continued)

THE GLOBAL FOODBANKING NETWORK
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

NOTE 3 - PROJECT GRANTS

GFN regularly seeks financial support for its Members and for non-member food bank development projects for specific projects/initiatives. Some funds are granted to GFN specifically for these proposed projects/initiatives; these funds are then granted to the Member(s) (or sponsors of the projects) and use of the funds is monitored by GFN to ensure compliance with the programmatic intent. GFN also provides grants to a Member (or sponsor of a project) from its general operating funds for a particular project/initiative. In such cases, similar oversight is provided by GFN to ensure appropriate use of the grant. As of June 30, 2018 there were \$5,000 in grants payable. There were no grants payable as of June 30, 2017.

NOTE 4 - LEASE OBLIGATION

On November 15, 2016, the Global FoodBanking Network entered into a 10-year lease for office space in Chicago. The lease commenced on February 1, 2017 and expires on January 31, 2027. GFN has a one-time right to terminate the lease after seven years. The last three years of the lease contract are optional, which would total \$354,230 in minimum lease payments.

The lease is classified as an operating lease. Rent expense totaled \$108,980 and \$44,617 for the years ended June 30, 2018 and 2017, respectively.

The following is a schedule of the minimum future rental payments under the office space lease:

<u>Fiscal Year</u>	
2019	\$ 96,209
2020	107,086
2021	109,337
2022	111,587
2023	113,463
Thereafter	<u>67,327</u>
Total	<u>\$ 605,009</u>

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for either time or for specific food bank programs within specific countries and/or for designated projects to create food banks and networks where they are needed and supply and strengthen food banks where they already exist. Temporarily restricted net assets consisted of the following at June 30:

<u>Program</u>	<u>2018</u>	<u>2017</u>
Grants to food banks	\$ 4,246,578	\$ 5,016,680
Program restricted	824,463	47,250
General operations, time restricted	<u>252,251</u>	<u>489,667</u>
	<u>\$ 5,323,292</u>	<u>\$ 5,553,597</u>

(Continued)

THE GLOBAL FOODBANKING NETWORK
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the years ended June 30, 2018 and 2017, as follows:

	<u>2018</u>	<u>2017</u>
Program restrictions accomplished:		
Donor restricted capacity building grants to food banks	\$ 1,922,917	\$ 1,484,055
Food Bank Leadership Institute	196,000	150,000
Develop new website and digital annual report	-	130,000
Education and training	181,724	120,476
Inventory management system for food banks	-	75,624
Capacity building and technical assistance	239,224	37,720
Developing food banks in China	11,339	-
Time restrictions	<u>235,000</u>	<u>100,000</u>
	<u>\$ 2,786,204</u>	<u>\$ 2,097,875</u>

NOTE 6 - RELATED PARTY TRANSACTIONS

For the years ended June 30, 2018 and 2017, GFN recorded approximately \$28,500 and \$129,000, respectively, in cash and pledge contributions from companies or organizations that have affiliates who are members of GFN's Board of Directors. GFN recorded in-kind contributions for professional services of \$0 and \$200,364, respectively, and office rent and furnishings of \$0 and \$75,423, respectively, from companies or organizations that have employees or partners who are members of GFN's Board of Directors. For the years ended June 30, 2018 and 2017, GFN recorded project grants of \$110,000 and \$5,000, respectively, to organizations that have affiliates who were members of GFN's Board of Directors during the fiscal year.

NOTE 7 - IN-KIND CONTRIBUTIONS

For the years ended June 30, 2018 and 2017, the following in-kind contributions were received by GFN:

	<u>2018</u>	<u>2017</u>
Legal services	\$ 246,580	\$ 217,099
Office rent and furnishing	-	87,994
Other professional services	22,040	22,818
Catering	<u>10,150</u>	<u>8,946</u>
Total in-kind contributions	<u>\$ 278,770</u>	<u>\$ 336,857</u>

NOTE 8 - SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to June 30, 2018, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2017. Management has performed their analysis through September 17, 2018, the date the financial statements were available to be issued.