THE GLOBAL FOODBANKING NETWORK
Chicago, Illinois

FINANCIAL STATEMENTS
June 30, 2011 and 2010
REPORT OF INDEPENDENT AUDITORS ........................................................................................................ 1

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION .................................................................................................. 2
STATEMENT OF ACTIVITIES (FOR THE YEAR ENDED JUNE 30, 2011) ............................................. 3
STATEMENT OF ACTIVITIES (FOR THE YEAR ENDED JUNE 30, 2010) ............................................. 4
STATEMENT OF FUNCTIONAL EXPENSES (FOR THE YEAR ENDED JUNE 30, 2011) ..................... 5
STATEMENT OF FUNCTIONAL EXPENSES (FOR THE YEAR ENDED JUNE 30, 2010) ..................... 6
STATEMENTS OF CASH FLOWS .............................................................................................................. 7
NOTES TO FINANCIAL STATEMENTS .................................................................................................. 8
REPORT OF INDEPENDENT AUDITORS

The Board of Directors
The Global FoodBanking Network
Chicago, Illinois

We have audited the accompanying statements of financial position of The Global FoodBanking Network (GFN) as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of GFN'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 The Global FoodBanking Network as of June 30, 2011 and 2010, 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.

Crowe Horwath LLP
Chicago, Illinois
October 26, 2011
THE GLOBAL FOODBANKING NETWORK
STATEMENTS OF FINANCIAL POSITION
June 30, 2011 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$345,824</td>
<td>$533,651</td>
</tr>
<tr>
<td>Other receivables</td>
<td>-</td>
<td>1,280</td>
</tr>
<tr>
<td>Other assets</td>
<td>17,145</td>
<td>2,273</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>362,969</td>
<td>537,204</td>
</tr>
<tr>
<td>Equipment, net of accumulated depreciation of $12,435 and $7,440, respectively for 2011 and 2010</td>
<td>7,552</td>
<td>10,546</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$370,521</td>
<td>$547,750</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$64,743</td>
<td>$71,281</td>
</tr>
<tr>
<td>Project grants payable (Note 4)</td>
<td>54,693</td>
<td>185,000</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>16,840</td>
<td>11,522</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>136,276</td>
<td>267,803</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net assets (Note 2)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(44,087)</td>
<td>63,163</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>278,332</td>
<td>216,784</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>234,245</td>
<td>279,947</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$370,521</td>
<td>$547,750</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
THE GLOBAL FOODBANKING NETWORK
STATEMENT OF ACTIVITIES
For the year ended June 30, 2011

<table>
<thead>
<tr>
<th>Public support and revenue</th>
<th>2011</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unrestricted</td>
<td>Temporarily Restricted</td>
</tr>
<tr>
<td>Public support</td>
<td></td>
<td>$231,171</td>
<td>$1,765</td>
</tr>
<tr>
<td>Individual contributions</td>
<td></td>
<td>637,400</td>
<td>545,011</td>
</tr>
<tr>
<td>Corporate and foundation contributions</td>
<td>114,882</td>
<td>20,000</td>
<td>134,882</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>505,228</td>
<td>(505,228)</td>
<td>-</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td>5,053</td>
<td>-</td>
</tr>
<tr>
<td>Total public support and revenue</td>
<td>1,493,734</td>
<td>61,548</td>
<td>1,555,282</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>927,174</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>385,044</td>
</tr>
<tr>
<td>Fund development</td>
<td>288,766</td>
</tr>
<tr>
<td>Total supporting services</td>
<td>673,810</td>
</tr>
<tr>
<td>Total expenses</td>
<td>1,600,984</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase (decrease) in net assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(107,250)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In-kind transactions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public support and revenue</td>
<td></td>
</tr>
<tr>
<td>Donated goods and services</td>
<td>580,740</td>
</tr>
<tr>
<td>Total in-kind public support and revenue</td>
<td>580,740</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>262,237</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>306,975</td>
</tr>
<tr>
<td>Fund development</td>
<td>11,528</td>
</tr>
<tr>
<td>Total supporting services</td>
<td>318,503</td>
</tr>
<tr>
<td>Total in-kind expenses</td>
<td>580,740</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase (decrease) in net assets, in-kind</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase (decrease) in net assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(107,250)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets, beginning of period</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>63,163</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets, end of period</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ (44,087)</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
# THE GLOBAL FOODBANKING NETWORK
## STATEMENT OF ACTIVITIES
For the year ended June 30, 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
</tr>
<tr>
<td><strong>Public support and revenue</strong></td>
<td></td>
</tr>
<tr>
<td>Public support</td>
<td></td>
</tr>
<tr>
<td>Individual contributions</td>
<td>$ 110,916</td>
</tr>
<tr>
<td>Corporate and foundation contributions</td>
<td>1,185,612</td>
</tr>
<tr>
<td>Nonprofit organizations</td>
<td>64,787</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>319,717</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
</tr>
<tr>
<td>Other revenue</td>
<td>9,050</td>
</tr>
<tr>
<td>Total public support and revenue</td>
<td>1,690,082</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>1,330,257</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>381,917</td>
</tr>
<tr>
<td>Fund development</td>
<td>387,737</td>
</tr>
<tr>
<td>Total supporting services</td>
<td>769,654</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>2,099,911</td>
</tr>
<tr>
<td><strong>Decrease in net assets</strong></td>
<td>(409,829)</td>
</tr>
<tr>
<td><strong>In-kind transactions</strong></td>
<td></td>
</tr>
<tr>
<td>Public support and revenue</td>
<td></td>
</tr>
<tr>
<td>Donated goods and services</td>
<td>819,230</td>
</tr>
<tr>
<td>Total in-kind public support and revenue</td>
<td>819,230</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>551,994</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>253,633</td>
</tr>
<tr>
<td>Fund development</td>
<td>13,603</td>
</tr>
<tr>
<td>Total supporting services</td>
<td>267,236</td>
</tr>
<tr>
<td><strong>Total in-kind expenses</strong></td>
<td>819,230</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets, in-kind</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>Decrease in net assets</strong></td>
<td>(409,829)</td>
</tr>
<tr>
<td>Net assets, beginning of period</td>
<td>472,992</td>
</tr>
<tr>
<td><strong>Net assets, end of period</strong></td>
<td>$ 63,163</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
### THE GLOBAL FOOD BANKING NETWORK
### STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2011

<table>
<thead>
<tr>
<th>Supporting Services</th>
<th>Program Services</th>
<th>General &amp; Administrative</th>
<th>Fund Development</th>
<th>Total</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$ 391,756</td>
<td>$ 202,902</td>
<td>$ 157,835</td>
<td>$ 360,737</td>
<td>$ 752,493</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>30,854</td>
<td>16,893</td>
<td>13,027</td>
<td>29,920</td>
<td>60,774</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>87,422</td>
<td>44,741</td>
<td>29,835</td>
<td>74,576</td>
<td>161,998</td>
</tr>
<tr>
<td>Total salaries and related expenses</td>
<td>510,032</td>
<td>264,536</td>
<td>200,697</td>
<td>465,233</td>
<td>975,265</td>
</tr>
<tr>
<td>Professional services</td>
<td>95,023</td>
<td>47,546</td>
<td>41,330</td>
<td>88,876</td>
<td>183,899</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>20,891</td>
<td>7,494</td>
<td>3,370</td>
<td>10,864</td>
<td>31,755</td>
</tr>
<tr>
<td>Travel</td>
<td>184,887</td>
<td>47,685</td>
<td>18,185</td>
<td>65,870</td>
<td>250,757</td>
</tr>
<tr>
<td>Project grants</td>
<td>54,693</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>54,693</td>
</tr>
<tr>
<td>Supplies</td>
<td>6,543</td>
<td>4,026</td>
<td>6,664</td>
<td>10,690</td>
<td>17,233</td>
</tr>
<tr>
<td>Postage</td>
<td>1,172</td>
<td>417</td>
<td>1,322</td>
<td>1,739</td>
<td>2,911</td>
</tr>
<tr>
<td>Equipment</td>
<td>1,527</td>
<td>2,580</td>
<td>588</td>
<td>3,168</td>
<td>4,695</td>
</tr>
<tr>
<td>Printing and marketing</td>
<td>32,574</td>
<td>858</td>
<td>3,808</td>
<td>4,666</td>
<td>37,240</td>
</tr>
<tr>
<td>Staff development</td>
<td>2,728</td>
<td>209</td>
<td>-</td>
<td>209</td>
<td>2,937</td>
</tr>
<tr>
<td>Books, dues, and subscriptions</td>
<td>5,991</td>
<td>165</td>
<td>1,566</td>
<td>1,731</td>
<td>7,722</td>
</tr>
<tr>
<td>Insurance</td>
<td>6,379</td>
<td>4,507</td>
<td>3,465</td>
<td>7,972</td>
<td>14,351</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>477</td>
<td>1,432</td>
<td>-</td>
<td>1,432</td>
<td>1,909</td>
</tr>
<tr>
<td>Fees</td>
<td>1,592</td>
<td>2,283</td>
<td>6,389</td>
<td>8,672</td>
<td>10,264</td>
</tr>
<tr>
<td>Total expenses before depreciation</td>
<td>924,509</td>
<td>383,738</td>
<td>287,384</td>
<td>671,122</td>
<td>1,595,631</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,665</td>
<td>1,306</td>
<td>1,382</td>
<td>2,688</td>
<td>5,353</td>
</tr>
<tr>
<td>Total expenses before in-kind</td>
<td>927,174</td>
<td>385,044</td>
<td>288,766</td>
<td>673,810</td>
<td>1,600,984</td>
</tr>
<tr>
<td>Professional services in-kind</td>
<td>218,770</td>
<td>276,722</td>
<td>-</td>
<td>276,722</td>
<td>495,492</td>
</tr>
<tr>
<td>Occupancy in-kind</td>
<td>43,467</td>
<td>30,253</td>
<td>11,528</td>
<td>41,781</td>
<td>85,248</td>
</tr>
<tr>
<td></td>
<td>262,237</td>
<td>306,975</td>
<td>11,528</td>
<td>318,503</td>
<td>580,740</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,189,411</td>
<td>$ 692,019</td>
<td>$ 300,294</td>
<td>$ 992,313</td>
<td>$2,181,724</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## Statement of Functional Expenses

For the year ended June 30, 2010

<table>
<thead>
<tr>
<th>Supporting Services</th>
<th>Program Services</th>
<th>General &amp; Administrative</th>
<th>Fund Development</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$419,380</td>
<td>$218,729</td>
<td>$171,984</td>
<td>$390,713</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>29,091</td>
<td>15,581</td>
<td>12,423</td>
<td>28,004</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>73,277</td>
<td>46,221</td>
<td>32,815</td>
<td>79,036</td>
</tr>
<tr>
<td><strong>Total salaries and related expenses</strong></td>
<td><strong>521,748</strong></td>
<td><strong>280,531</strong></td>
<td><strong>217,222</strong></td>
<td><strong>497,753</strong></td>
</tr>
<tr>
<td>Professional services</td>
<td>55,282</td>
<td>30,909</td>
<td>63,348</td>
<td>94,257</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>23,003</td>
<td>8,577</td>
<td>2,349</td>
<td>10,926</td>
</tr>
<tr>
<td>Travel</td>
<td>204,905</td>
<td>37,249</td>
<td>45,101</td>
<td>82,350</td>
</tr>
<tr>
<td>Project grants</td>
<td>479,720</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Supplies</td>
<td>4,326</td>
<td>3,960</td>
<td>1,293</td>
<td>5,253</td>
</tr>
<tr>
<td>Postage</td>
<td>1,455</td>
<td>340</td>
<td>11,432</td>
<td>11,772</td>
</tr>
<tr>
<td>Equipment</td>
<td>268</td>
<td>16</td>
<td>248</td>
<td>264</td>
</tr>
<tr>
<td>Printing and marketing</td>
<td>25,636</td>
<td>527</td>
<td>28,963</td>
<td>29,490</td>
</tr>
<tr>
<td>Staff development</td>
<td>2,251</td>
<td>409</td>
<td>95</td>
<td>504</td>
</tr>
<tr>
<td>Books, dues, and subscriptions</td>
<td>163</td>
<td>5,568</td>
<td>2,017</td>
<td>7,585</td>
</tr>
<tr>
<td>Insurance</td>
<td>6,776</td>
<td>4,311</td>
<td>2,588</td>
<td>6,899</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>213</td>
<td>3,075</td>
<td>245</td>
<td>3,320</td>
</tr>
<tr>
<td>Fees</td>
<td>2,262</td>
<td>2,526</td>
<td>6,314</td>
<td>8,840</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>363</td>
<td>2,204</td>
<td>222</td>
<td>2,426</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses before depreciation</strong></td>
<td><strong>1,328,371</strong></td>
<td><strong>380,502</strong></td>
<td><strong>386,437</strong></td>
<td><strong>766,939</strong></td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,886</td>
<td>1,415</td>
<td>1,300</td>
<td>2,715</td>
</tr>
<tr>
<td><strong>Total expenses before in-kind</strong></td>
<td><strong>1,330,257</strong></td>
<td><strong>381,917</strong></td>
<td><strong>387,737</strong></td>
<td><strong>769,654</strong></td>
</tr>
<tr>
<td>Professional services in-kind</td>
<td>529,323</td>
<td>231,020</td>
<td>-</td>
<td>231,020</td>
</tr>
<tr>
<td>Occupancy in-kind</td>
<td>22,671</td>
<td>22,613</td>
<td>13,603</td>
<td>36,216</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,882,251</strong></td>
<td><strong>635,550</strong></td>
<td><strong>401,340</strong></td>
<td><strong>1,036,890</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
THE GLOBAL FOODBANKING NETWORK
STATEMENTS OF CASH FLOWS
June 30, 2011 and 2010

Operating activities

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$ (45,702)</td>
<td>$ (414,776)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,353</td>
<td>4,601</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>-</td>
<td>2,789</td>
</tr>
<tr>
<td>(Increase) decrease other current assets</td>
<td>(13,592)</td>
<td>28,882</td>
</tr>
<tr>
<td>(Decrease) increase in accounts payable</td>
<td>(6,538)</td>
<td>54,690</td>
</tr>
<tr>
<td>(Decrease) increase in project grants payable</td>
<td>(130,307)</td>
<td>160,000</td>
</tr>
<tr>
<td>Increase in other accrued liabilities</td>
<td>5,318</td>
<td>1,969</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>(185,468)</td>
<td>(161,845)</td>
</tr>
</tbody>
</table>

Investing activities

| Net cash from investing activities - purchase of fixed assets | (2,359) | (8,369) |

Net decrease in cash and cash equivalents

| (187,827) | (170,214) |

Cash and cash equivalents at beginning of period

| 533,651 | 703,865 |

Cash and cash equivalents at end of period

| $ 345,824 | $ 533,651 |
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 seeks to alleviate world hunger by supporting food banks and food bank networks where they exist and by working collaboratively to create them where they are needed. GFN is dedicated to creating sustainable solutions, building efficient private and public collaborations, empowering people to develop themselves to participate in and contribute to their communities and the economy, and providing environmentally friendly alternatives to surplus food and grocery product disposal. GFN was founded by four of the world’s leading national food bank networks: Red Argentina de Bancos de Alimentos; Food Banks Canada; Asociación Mexicana de Bancos de Alimentos; and Feeding America. Today, GFN’s membership network encompasses the national food bank networks and independent food banks in Argentina, Australia, Canada, Colombia, Guatemala, Mexico, Israel, Japan, South Africa, the United Kingdom and the United States.

GFN’s program activities are primarily funded through corporate and foundation contributions. GFN’s ongoing operations are dependent on continued support of corporate and foundation contributions.

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 net assets, temporarily restricted net assets, and permanently restricted net assets based upon the existence or absence of donor imposed restrictions as follows:

- **Unrestricted Net Assets:** Unrestricted net assets are available to support GFN’s operations and are not subject to donor-imposed restrictions. Donor-restricted contributions are reported as unrestricted support during the period in which specified conditions are met and restrictions are relieved.

- **Temporarily Restricted Net Assets:** Temporarily restricted net assets represent contributions received that are intended to be used for a purpose as specified by the donor. Assets are released from temporary restrictions by incurring expenses satisfying the purpose specified by the donors.

- **Permanently Restricted Net Assets:** Permanently restricted net assets 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, 2011 and 2010.

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.

Recognition of Revenue and Public Support: Contributions of cash or other assets with donor-imposed use restrictions are reported as revenue of the temporarily restricted net asset class. Restrictions on such cash or other assets are considered to be released in accordance with the use restrictions.

Cash and Cash Equivalents: Cash and cash equivalents consists of immediate available funds (checking and money market accounts). On October 3, 2008, FDIC deposit insurance was temporarily increased from $100,000 to $250,000. This change will remain in effect through December 31, 2013. As of June 30, 2011 and 2010, GFN had approximately $0 and $2,030, respectively, in excess of its insurable limit at its financial institution.

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

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

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.

Income Taxes: GFN is exempt from federal income tax on its related income pursuant to Sections 501(a) and 501 (c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and is a private operating foundation described in Section 4942(j)(3) of the Code. On May 31, 2007, GFN notified the IRS of the organization’s intent to terminate private foundation status by operating as a public charity during the 60-month period starting July 1, 2007. On September 27, 2007, GFN received a letter from the IRS acknowledging receipt of GFS’s Notice of Intent to terminate private foundation status and informing GFN that its donors could rely on the determination that GFN is a not a private foundation until 90 days after the end of that 60-month period. GFN will have to prove that it had met the requirements for public charity status during that period, in which case it will be treated as having been a public charity for all purposes from the first date of that period and will thereafter be treated as a public charity if it continues to meet the requirements for public charity status.

GFN adopted 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. The adoption of this guidance had no effect on GFN’s financial position. 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 year ended June 30, 2011 and 2010. GFN has not been examined by any tax jurisdiction. GFN is no longer subject to examination for the fiscal years ended June 30, 2007 and prior.

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 year ended June 30, 2011 and 2010.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2011, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2011. Management has performed their analysis through October 26, 2011, the date the financial statements were available to be issued.
NOTE 2 - TEMPORARILY RESTRICTED NET ASSETS

All of the temporarily restricted net assets are restricted for food bank projects within specific countries and/or for designated programs to create food banks and networks where they are needed and are likely to be sustainable. Temporarily restricted net assets consisted of the following at June 30:

<table>
<thead>
<tr>
<th>Program</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backpack Program in Mexico</td>
<td>$ 54,944</td>
<td>$ 166,839</td>
</tr>
<tr>
<td>Developing Food Banks in Bulgaria</td>
<td>8,258</td>
<td>34,945</td>
</tr>
<tr>
<td>Feeding School Children Programs</td>
<td>2,583</td>
<td>15,000</td>
</tr>
<tr>
<td>Developing Food Banks in India</td>
<td>212,547</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 278,332</strong></td>
<td><strong>$ 216,784</strong></td>
</tr>
</tbody>
</table>

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, 2011 and 2010 as follows:

<table>
<thead>
<tr>
<th>Program restrictions accomplished:</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 505,228</td>
<td>$ 319,717</td>
</tr>
</tbody>
</table>

GFN will, during the fiscal year ending June 30, 2012, restore to temporarily restricted funds, with the intent of fulfilling the applicable grants, the amount of approximately $13,000 cash ($44,000 accrual) that was used by GFN for general operating expenses during, and had not been restored by the end of, the fiscal year ended June 30, 2011. See note 5 for the amount of unrestricted contributions received after the year end date but prior to the report date.

NOTE 3 - RELATED PARTY TRANSACTIONS

For the years ended June 30, 2011 and 2010, GFN recorded approximately $648,000 and $353,000, respectively, in cash and pledge contributions from companies or organizations that have affiliates who are members of GFN’s Board of Directors. For the years ended June 30, 2011 and 2010, GFN recorded in-kind contributions for professional services of $495,307 and $760,343, respectively, and office rent of $85,248 and $58,887, respectively, from companies or organizations that have employees who are members of GFN’s Board of Directors. For the years ended June 30, 2011 and 2010, GFN recorded project grants of $22,917 and $144,720 respectively to organizations that have affiliates who are members of GFN’s Board of Directors.

NOTE 4 - 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. Also, under certain circumstances, GFN may provide a grant 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, 2011 and 2010, GFN had $54,693 and $185,000, respectively, of project grants payable.

(Continued)
NOTE 5 - SUBSEQUENT EVENTS

Prior to the date of this report, but subsequent to June 30, 2011, GFN received unrestricted contributions of approximately $850,000.