

THE GLOBAL FOODBANKING NETWORK
Chicago, Illinois

FINANCIAL STATEMENTS
June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Global FoodBanking Network
Chicago, Illinois

Opinion

We have audited the financial statements of The Global FoodBanking Network, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Global FoodBanking Network as of June 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Global FoodBanking Network and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Global FoodBanking Network's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 The Global FoodBanking Network's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Global FoodBanking Network's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Crowe LLP
Crowe LLP

Chicago, Illinois
October 8, 2025

THE GLOBAL FOODBANKING NETWORK
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 5,008,414	\$ 4,670,934
Investments	1,028,937	2,033,606
Pledge receivables, current (Note 2)	3,715,923	5,935,598
Other assets	186,074	332,530
Total current assets	<u>9,939,348</u>	<u>12,972,668</u>
 Pledge receivables, net of current portion (Note 2)	 362,463	 776,810
Other assets	84,944	79,191
Furniture and equipment, net of accumulated depreciation of \$233,555 and \$184,076 for 2025 and 2024, respectively	 84,057	 133,180
Right-of-use asset	<u>209,537</u>	<u>331,202</u>
 Total assets	 <u><u>\$ 10,680,349</u></u>	 <u><u>\$ 14,293,051</u></u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 281,362	\$ 556,728
Project grants payable (Note 3)	459,375	112,000
Operating lease liability, current (Note 4)	145,185	133,812
Other accrued liabilities	409,131	386,005
Total current liabilities	<u>1,295,053</u>	<u>1,188,545</u>
 Operating lease liability, net of current (Note 4)	 <u>89,828</u>	 <u>235,014</u>
Total liabilities	<u>1,384,881</u>	<u>1,423,559</u>
 Net assets		
Without donor restrictions	3,236,267	3,688,045
With donor restrictions (Note 6)	<u>6,059,201</u>	<u>9,181,447</u>
Total net assets	<u>9,295,468</u>	<u>12,869,492</u>
 Total liabilities and net assets	 <u><u>\$ 10,680,349</u></u>	 <u><u>\$ 14,293,051</u></u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENT OF ACTIVITIES
Year ended June 30, 2025

	2025		
	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Public support and revenue			
Public support			
Individual contributions	\$ 1,225,677	\$ 10,100	\$ 1,235,777
Foundation contributions	573,806	525,000	1,098,806
Corporate contributions	4,020,857	3,103,090	7,123,947
Contributions for grants to food banks	-	3,414,188	3,414,188
Net assets released from restriction (Note 6)	10,174,624	(10,174,624)	-
Revenue and gains			
Gain on currency exchange	193,751	-	193,751
Realized and unrealized gain on investments	41,907	-	41,907
Other revenue	126,108	-	126,108
Total public support, revenue, and gains	<u>16,356,730</u>	<u>(3,122,246)</u>	<u>13,234,484</u>
Expenses			
Program services	13,653,946	-	13,653,946
Supporting services			
General and administrative	1,565,842	-	1,565,842
Fund development	1,588,720	-	1,588,720
Total supporting services	<u>3,154,562</u>	<u>-</u>	<u>3,154,562</u>
Total expenses	<u>16,808,508</u>	<u>-</u>	<u>16,808,508</u>
Change in net assets before in-kind	(451,778)	(3,122,246)	(3,574,024)
In-kind transactions			
Public support and revenue			
Donated goods and services (Note 8)	166,993	-	166,993
Total in-kind public support and revenue	<u>166,993</u>	<u>-</u>	<u>166,993</u>
Expenses			
Program services	22,164	-	22,164
Supporting services			
General and administrative	144,829	-	144,829
Total in-kind expenses	<u>166,993</u>	<u>-</u>	<u>166,993</u>
Change in net assets, in-kind	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(451,778)	(3,122,246)	(3,574,024)
Net assets, beginning of period	<u>3,688,045</u>	<u>9,181,447</u>	<u>12,869,492</u>
Net assets, end of period	<u>\$ 3,236,267</u>	<u>\$ 6,059,201</u>	<u>\$ 9,295,468</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENT OF ACTIVITIES
Year ended June 30, 2024

	2024		
	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Public support and revenue			
Public support			
Individual contributions	\$ 1,894,691	\$ 598,441	\$ 2,493,132
Foundation contributions	1,029,775	571,650	1,601,425
Corporate contributions	1,707,420	3,889,746	5,597,166
Contributions for grants to food banks	-	4,440,388	4,440,388
Net assets released from restriction (Note 6)	11,638,126	(11,638,126)	-
Revenue and gains			
Gain on currency exchange	89,860	-	89,860
Realized and unrealized gain on investments	130,500	-	130,500
Other revenue	148,972	47,427	196,399
Total public support, revenue, and gains	<u>16,639,344</u>	<u>(2,090,474)</u>	<u>14,548,870</u>
Expenses			
Program services	13,701,763	-	13,701,763
Supporting services			
General and administrative	1,792,344	-	1,792,344
Fund development	2,033,369	-	2,033,369
Total supporting services	<u>3,825,713</u>	<u>-</u>	<u>3,825,713</u>
Total expenses	<u>17,527,476</u>	<u>-</u>	<u>17,527,476</u>
Change in net assets before in-kind	(888,132)	(2,090,474)	(2,978,606)
In-kind transactions			
Public support and revenue			
Donated goods and services (Note 8)	156,705	-	156,705
Total in-kind public support and revenue	<u>156,705</u>	<u>-</u>	<u>156,705</u>
Expenses			
Program services	76,058	-	76,058
Supporting services			
General and administrative	80,647	-	80,647
Total in-kind expenses	<u>156,705</u>	<u>-</u>	<u>156,705</u>
Change in net assets, in-kind	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(888,132)	(2,090,474)	(2,978,606)
Net assets, beginning of period	<u>4,576,177</u>	<u>11,271,921</u>	<u>15,848,098</u>
Net assets, end of period	<u>\$ 3,688,045</u>	<u>\$ 9,181,447</u>	<u>\$ 12,869,492</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2025

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fund Development	Total	
Salaries	\$ 3,665,012	\$ 760,861	\$ 1,052,549	\$ 1,813,410	\$ 5,478,422
Payroll taxes	208,387	58,013	78,447	136,460	344,847
Employee benefits	<u>707,827</u>	<u>95,255</u>	<u>101,756</u>	<u>197,011</u>	<u>904,838</u>
Total salaries and related expenses	4,581,226	914,129	1,232,752	2,146,881	6,728,107
Professional services	994,954	264,491	205,821	470,312	1,465,266
Occupancy	114,638	23,743	38,836	62,579	177,217
Travel and meetings	927,215	269,795	20,753	290,548	1,217,763
Office expense	147,401	37,966	36,552	74,518	221,919
Publications and marketing	177,680	-	-	-	177,680
Grants to food banks	6,489,035	-	-	-	6,489,035
Other operating	<u>178,204</u>	<u>51,425</u>	<u>46,980</u>	<u>98,405</u>	<u>276,609</u>
Total expenses before depreciation and in-kind	13,610,353	1,561,549	1,581,694	3,143,243	16,753,596
Depreciation	<u>43,593</u>	<u>4,293</u>	<u>7,026</u>	<u>11,319</u>	<u>54,912</u>
Total expenses before in-kind	13,653,946	1,565,842	1,588,720	3,154,562	16,808,508
In-kind expenses					
Legal services	<u>22,164</u>	<u>117,571</u>	<u>27,258</u>	<u>144,829</u>	<u>166,993</u>
	<u>22,164</u>	<u>117,571</u>	<u>27,258</u>	<u>144,829</u>	<u>166,993</u>
Total	<u>\$ 13,676,110</u>	<u>\$ 1,683,413</u>	<u>\$ 1,615,978</u>	<u>\$ 3,299,391</u>	<u>\$ 16,975,501</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2024

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fund Development	Total	
Salaries	\$ 3,699,321	\$ 808,013	\$ 1,339,114	\$ 2,147,127	\$ 5,846,448
Payroll taxes	214,460	57,225	95,025	152,250	366,710
Employee benefits	689,643	127,257	137,621	264,878	954,521
Total salaries and related expenses	4,603,424	992,495	1,571,760	2,564,255	7,167,679
Professional services	1,563,410	522,734	250,984	773,718	2,337,128
Occupancy	106,861	24,106	33,131	57,237	164,098
Travel and meetings	582,559	147,418	69,415	216,833	799,392
Office expense	120,078	43,247	45,207	88,454	208,532
Publications and marketing	154,351	-	18,619	18,619	172,970
Grants to food banks	6,488,711	-	-	-	6,488,711
Other operating	32,795	49,114	37,261	86,375	119,170
Total expenses before depreciation and in-kind	13,652,189	1,779,114	2,026,377	3,805,491	17,457,680
Depreciation	49,574	13,230	6,992	20,222	69,796
Total expenses before in-kind	13,701,763	1,792,344	2,033,369	3,825,713	17,527,476
In-kind expenses					
Other professional fees	4,853	-	-	-	4,853
Legal services	71,205	80,647	-	80,647	151,852
	76,058	80,647	-	80,647	156,705
Total	\$ 13,777,821	\$ 1,872,991	\$ 2,033,369	\$ 3,906,360	\$ 17,684,181

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENTS OF CASH FLOWS
Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating activities		
Change in net assets	\$ (3,574,024)	\$ (2,978,606)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	54,912	69,796
Noncash operating lease expense	121,664	114,174
Loss on disposal of fixed asset	-	652
Realized and unrealized gain on investment	(41,907)	(130,500)
Changes in assets and liabilities		
Change in pledges receivable	2,634,022	(260,960)
Change in other assets	140,702	(151,318)
Change in accounts payable	(275,366)	312,047
Change in project grants payable	347,375	(474,387)
Change in operating lease liability	(133,812)	(123,108)
Change in other accrued liabilities	23,126	15,162
Net cash from operating activities	<u>(703,308)</u>	<u>(3,607,048)</u>
Investing activities		
Purchase of investments	(1,269,423)	(6,422,927)
Sale of investments	2,316,000	5,266,000
Purchase of furniture and equipment	(5,789)	(16,148)
Net cash from investing activities	<u>1,040,788</u>	<u>(1,173,075)</u>
Net change in cash and cash equivalents	337,480	(4,780,123)
Cash and cash equivalents at beginning of period	<u>4,670,934</u>	<u>9,451,057</u>
Cash and cash equivalents at end of period	<u><u>\$ 5,008,414</u></u>	<u><u>\$ 4,670,934</u></u>
Supplemental disclosures of cash flow information		
In-kind donated goods and services	\$ 166,993	\$ 156,705

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 supports community-driven solutions to alleviate hunger in more than 50 countries. In 2024, 673 million people around the world faced chronic hunger, yet one-third of all food produced is lost or wasted. GFN is changing that. GFN believes food banks directed by local leaders are key to achieving Zero Hunger and building resilient food systems.

Food banks capture food that would otherwise go to waste and redistribute it to those in need. They are non-profit wholesale distributors, sourcing safe, wholesome food destined for the landfill and delivering it to agencies serving populations facing hunger at a fraction of the cost it would be to purchase the food at retail stores. The results are that more hungry people are fed, less food is wasted, and more charitable dollars go to addressing the root causes of hunger instead of purchasing food at retail costs.

Through expertise, resources, and connections, GFN makes it easier for food banks to expand service and provide more nutritious food. GFN works across the globe with a primary focus on advancing and supporting the food banking model in developing and emerging markets, where hunger and food loss rates are highest.

In 2024, GFN connected and empowered 62 food banking organizations in 51 countries that together provided meals to more than 38 million people with the support of 436 thousand volunteers.

GFN was founded and incorporated in Illinois, USA in 2006 by Bancos de Alimentos de México, Feeding America, Food Banks Canada, and Red Argentina de Bancos de Alimentos, and partners closely with the European Federation of Food Banks (FEBA) and Feeding America.

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 two classes of net assets: without donor restrictions and with donor restrictions based upon the existence or absence of donor-imposed restrictions as follows:

- *Without Donor Restrictions:* net assets that are available to support GFN's operations and are not subject to donor-imposed restrictions.
- *With Donor Restrictions:* 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 donor restrictions by incurring expenses satisfying the purpose specified by the donor and/or passage of time. This also includes net assets that represent contributions that are subject to donor-imposed restrictions that are to be maintained permanently by GFN. There were no net assets with permanent donor restrictions as of June 30, 2025 and 2024.

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, 2025 and 2024

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

Recognition of Revenue and Public Support: Contributions are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions or restricted due to time. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of donor 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, with a barrier and right of return, 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 net asset with donor restrictions class until all restrictions 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.

Investments: GFN's investments are reported at fair value. Investment return, including net realized and unrealized gains and losses, is reflected in the statement of activities as an increase or decrease in net assets. Interest income is recorded on the accrual basis. Gains and losses on sales are recorded on the trade date and determined using the specific identification method. GFN's investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and could materially affect the amounts reported in the statements of financial position.

Foreign Currency Exchange: GFN provides assistance to food banks throughout the globe and recognizes revenue and incurs expenses in foreign currency and converts it to U.S. dollar using exchange rates as of the date of the transaction. Foreign currency-denominated cash deposits are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. GFN records its foreign currency net gain or net loss as an increase or decrease in net assets without donor restrictions.

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 based on either full-time equivalents of personnel or square footage of assigned space.

(Continued)

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

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 matters, 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, 2025 and 2024. GFN has not been examined by any tax jurisdiction. GFN has not yet been subject to examination by taxing authorities for the last three years. 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, 2025 and 2024. GFN does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

Leases: Leases are classified as operating or finance leases at the lease commencement date. Operating leases are included in operating lease Right of Use (ROU) assets, current operating lease liabilities and noncurrent operating lease liabilities in the statement of financial position. Leases are classified between current and long-term liabilities based on their payment terms. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Leases with a term of 12 months or less (short-term leases) are not recorded on the statement of financial position. GFN does not have any financing leases.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. ROU assets also include prepaid rent and are adjusted by the unamortized balance of lease incentives.

As the implicit rate is generally not readily determinable for all of GFN's leases, GFN uses an estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments. GFN gives consideration to outstanding debt as well as publicly available data for instruments with similar characteristics when calculating the incremental borrowing rates.

(Continued)

THE GLOBAL FOODBANKING NETWORK
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 2 - PLEDGES RECEIVABLE

For measurement purposes, discount rates between 3.68% - 3.96% are used for the year ended June 30, 2025 and 4.52% - 5.09% are used for the year ended June 30, 2024. These are based on current treasury bill rates. Unconditional promises to give are expected to be received in the following periods:

	<u>2025</u>	<u>2024</u>
Less than one year	\$ 3,715,923	\$ 5,935,598
Between one and five years	430,000	830,000
	<u>4,145,923</u>	<u>6,765,598</u>
Discount to net present value	<u>(67,537)</u>	<u>(53,190)</u>
	<u><u>\$ 4,078,386</u></u>	<u><u>\$ 6,712,408</u></u>

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, 2025 and 2024, there were \$459,375 and \$112,000 in grants payable, respectively.

NOTE 4 - LEASES

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, with a 5 year option to extend. Management does not believe that it is reasonably certain that the lease extension will be exercised. On December 5, 2019, the Global FoodBanking Network entered into a lease modification to expand the office space. The lease modification commenced on February 1, 2020 and expires on January 31, 2027.

The following is a schedule of the lease payments under the operating lease for years ending June 30:

2026	154,339
2027	<u>91,141</u>
	245,480
Less imputed interest	<u>(10,467)</u>
Total	<u><u>\$ 235,013</u></u>

The lease is classified as an operating lease. Operating lease costs totaled \$138,950 for the years ended June 30, 2025 and 2024. The weighted average discount rate is 6.00% at June 30, 2025 and 2024. The weighted average remaining lease term is 1.6 years and 2.6 years at June 30, 2025 and 2024, respectively.

(Continued)

THE GLOBAL FOODBANKING NETWORK
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 5 – INVESTMENTS

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in GFN's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Financial Accounting Standards Board (FASB) establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following is a description of the valuation methods and assumptions used by GFN to estimate the fair value of investments:

U.S. Treasury Bills: U.S. Government obligations are determined by quoted market prices of similar securities with similar due dates or matrix pricing, which is a mathematical technique widely used in the industry to value fixed income securities without relying exclusively on quoted prices for the specific securities, but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

Assets measured on a recurring basis at fair value at June 30, 2025 and 2024, are summarized below:

Fair Value Measurements at June 30, 2025 Using			
	Level 1	Level 2	Level 3
Assets:			
Stock	\$ 20,547	\$ -	\$ -
U.S. treasury bills	-	1,008,390	-
Total assets at fair value	<u>\$ 20,547</u>	<u>\$ 1,008,390</u>	<u>\$ -</u>
Fair Value Measurements at June 30, 2024 Using			
	Level 1	Level 2	Level 3
Assets:			
U.S. treasury bills	\$ -	\$ 2,033,606	\$ -
Total assets at fair value	<u>\$ -</u>	<u>\$ 2,033,606</u>	<u>\$ -</u>

(Continued)

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NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions 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.

Net assets with donor restrictions consisted of the following at June 30:

<u>Program</u>	<u>2025</u>	<u>2024</u>
Grants to food banks	\$ 2,120,490	\$ 4,767,811
Program restricted	3,340,105	3,580,906
General operations, time restricted	<u>598,606</u>	<u>832,730</u>
	<u>\$ 6,059,201</u>	<u>\$ 9,181,447</u>

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, 2025 and 2024, as follows:

	<u>2025</u>	<u>2024</u>
Program restrictions accomplished:		
Capacity building and technical assistance	1,926,379	1,845,430
Accelerating Foodbanks	487,083	845,230
Knowledge Sharing and Education	262,957	567,136
Food Systems Partnerships	103,651	406,745
Research and evaluation	97,866	242,500
Grants to Food Banks	6,595,402	6,128,513
Humanitarian Emergency Response	-	786,715
Environmental & Social Impact	471,286	583,357
Time restrictions	<u>230,000</u>	<u>232,500</u>
	<u>\$ 10,174,624</u>	<u>\$ 11,638,126</u>

NOTE 7 - RELATED PARTY TRANSACTIONS

For the years ended June 30, 2025 and 2024, GFN recorded \$3,974,361 and \$1,954,238, respectively, in cash and pledge contributions from GFN's Board of Directors or related parties to the Board. For the years ended June 30, 2025 and 2024, GFN recorded project grants of \$250,357 and \$629,449, respectively, to organizations that have affiliates who were members of GFN's Board of Directors during the fiscal year.

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NOTE 8 - IN-KIND CONTRIBUTIONS

For the years ended June 30, 2025 and 2024, the following in-kind contributions were received by GFN:

	<u>2025</u>	<u>2024</u>
Legal services	\$ 166,993	\$ 151,852
Other professional services	<u>-</u>	<u>4,853</u>
Total in-kind contributions	<u>\$ 166,993</u>	<u>\$ 156,705</u>

Contributed services recognized primarily comprise professional services from attorneys advising GFN on various administrative legal matters. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services.

NOTE 9 - LIQUIDITY AND AVAILABILITY

GFN's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2025</u>	<u>2024</u>
Cash and equivalents	\$ 5,008,414	\$ 4,670,934
Investments	1,028,937	2,033,606
Pledges receivable, current	<u>3,715,923</u>	<u>5,935,598</u>
Financial assets to meet cash needs for general expenditure within one year	<u>\$ 9,753,274</u>	<u>\$ 12,640,138</u>

As part of GFN's liquidity management, GFN invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due. GFN primarily meets its budgeted operating expenditures through its annual fundraising efforts.

NOTE 10 - LINE OF CREDIT

In April 2025, GFN established a demand line of credit secured by investment assets. Borrowings are based on the value of pledged collateral and bear interest at a variable rate equal to Secured Overnight Financing Rate (SOFR) plus a spread adjustment and 2.875%. As of June 30, 2025, no amounts were outstanding.

NOTE 11 - SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to June 30, 2025, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2025. Management has performed their analysis through October 8, 2025, the date the financial statements were available to be issued.