

THE GLOBAL FOODBANKING NETWORK
Chicago, Illinois

FINANCIAL STATEMENTS
June 30, 2020 and 2019

THE GLOBAL FOODBANKING NETWORK
Chicago, Illinois

FINANCIAL STATEMENTS
June 30, 2020 and 2019

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES (FOR THE YEAR ENDED JUNE 30, 2020)	4
STATEMENT OF ACTIVITIES (FOR THE YEAR ENDED JUNE 30, 2019)	5
STATEMENT OF FUNCTIONAL EXPENSES (FOR THE YEAR ENDED JUNE 30, 2020)	6
STATEMENT OF FUNCTIONAL EXPENSES (FOR THE YEAR ENDED JUNE 30, 2019)	7
STATEMENTS OF CASH FLOWS.....	8
NOTES TO FINANCIAL STATEMENTS.....	9

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, 2020 and 2019, 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, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, GFN has adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Crowe LLP

Crowe LLP

Chicago, Illinois
October 5, 2020

THE GLOBAL FOODBANKING NETWORK
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 7,345,469	\$ 2,176,183
Pledge receivables (Note 2)	2,028,880	1,397,257
Other assets	<u>183,425</u>	<u>47,936</u>
Total current assets	9,557,774	3,621,376
Pledge receivables, net of current portion (Note 2)	1,579,603	2,083,104
Other assets	8,000	8,000
Furniture and equipment, net of accumulated depreciation of \$123,332 and \$90,441, respectively, for 2020 and 2019	<u>89,100</u>	<u>101,733</u>
Total assets	<u>\$ 11,234,477</u>	<u>\$ 5,814,213</u>
 LIABILITIES		
Accounts payable	\$ 161,218	\$ 122,479
Project grants payable (Note 3)	551,100	245,100
Other accrued liabilities	<u>230,846</u>	<u>158,242</u>
Total current liabilities	943,164	525,821
Deferred lease obligation	<u>54,333</u>	<u>52,774</u>
Total liabilities	997,497	578,595
 NET ASSETS		
Without donor restrictions	6,029,594	903,048
With donor restrictions (Note 6)	<u>4,207,386</u>	<u>4,332,570</u>
Total net assets	<u>10,236,980</u>	<u>5,235,618</u>
Total liabilities and net assets	<u>\$ 11,234,477</u>	<u>\$ 5,814,213</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENT OF ACTIVITIES
For the year ended June 30, 2020

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Public support and revenue			
Public support			
Individual contributions	\$ 1,614,602	\$ 80,000	\$ 1,694,602
Corporate contributions	6,847,459	1,467,119	8,314,578
Corporate contributions for grants to food banks	-	11,975,565	11,975,565
Net assets released from restriction (Note 6)	13,647,868	(13,647,868)	-
Revenue			
Loss on currency exchange	(27,603)	-	(27,603)
Other revenue	40,414	-	40,414
Total public support and revenue	<u>22,122,740</u>	<u>(125,184)</u>	<u>21,997,556</u>
Expenses			
Program services	15,462,430	-	15,462,430
Supporting services			
General and administrative	594,308	-	594,308
Fund development	939,456	-	939,456
Total supporting services	<u>1,533,764</u>	<u>-</u>	<u>1,533,764</u>
Total expenses	<u>16,996,194</u>	<u>-</u>	<u>16,996,194</u>
Increase (decrease) in net assets before in-kind	5,126,546	(125,184)	5,001,362
In-kind transactions			
Public support and revenue			
Donated goods and services (Note 8)	266,909	-	266,909
Total in-kind public support and revenue	<u>266,909</u>	<u>-</u>	<u>266,909</u>
Expenses			
Program services	159,879	-	159,879
Supporting services			
General and administrative	50,997	-	50,997
Fund development	56,033	-	56,033
Total supporting services	<u>107,030</u>	<u>-</u>	<u>107,030</u>
Total in-kind expenses	<u>266,909</u>	<u>-</u>	<u>266,909</u>
Change in net assets, in-kind	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	5,126,546	(125,184)	5,001,362
Net assets, beginning of period	903,048	4,332,570	5,235,618
Net assets, end of period	<u>\$ 6,029,594</u>	<u>\$ 4,207,386</u>	<u>\$ 10,236,980</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENT OF ACTIVITIES
For the year ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue			
Public support			
Individual contributions	\$ 802,771	\$ -	\$ 802,771
Corporate contributions	796,130	2,348,165	3,144,295
Corporate contributions for grants to food banks	-	891,171	891,171
Net assets released from restriction (Note 6)	4,230,058	(4,230,058)	-
Revenue			
Gain/(Loss) on currency exchange	(121,279)	-	(121,279)
Other revenue	73,911	-	73,911
Total public support and revenue	<u>5,781,591</u>	<u>(990,722)</u>	<u>4,790,869</u>
Expenses			
Program services	4,841,081	-	4,841,081
Supporting services			
General and administrative	568,438	-	568,438
Fund development	528,724	-	528,724
Total supporting services	<u>1,097,162</u>	<u>-</u>	<u>1,097,162</u>
Total expenses	<u>5,938,243</u>	<u>-</u>	<u>5,938,243</u>
Decrease in net assets before in-kind	(156,652)	(990,722)	(1,147,374)
In-kind transactions			
Public support and revenue			
Donated goods and services (Note 8)	138,614	-	138,614
Total in-kind public support and revenue	<u>138,614</u>	<u>-</u>	<u>138,614</u>
Expenses			
Program services	73,719	-	73,719
Supporting services			
General and administrative	64,895	-	64,895
Fund development	-	-	-
Total supporting services	<u>64,895</u>	<u>-</u>	<u>64,895</u>
Total in-kind expenses	<u>138,614</u>	<u>-</u>	<u>138,614</u>
Change in net assets, in-kind	<u>-</u>	<u>-</u>	<u>-</u>
Decrease in net assets	(156,652)	(990,722)	(1,147,374)
Net assets, beginning of period	<u>1,059,700</u>	<u>5,323,292</u>	<u>6,382,992</u>
Net assets, end of period	<u>\$ 903,048</u>	<u>\$ 4,332,570</u>	<u>\$ 5,235,618</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2020

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fund Development	Total	
Salaries	\$ 1,402,821	\$ 299,664	\$ 537,886	\$ 837,550	\$ 2,240,371
Payroll taxes	90,330	19,463	36,838	56,301	146,631
Employee benefits	227,182	47,935	72,341	120,276	347,458
Total salaries and related expenses	<u>1,720,333</u>	<u>367,062</u>	<u>647,065</u>	<u>1,014,127</u>	<u>2,734,460</u>
Travel and meetings	354,234	11,025	21,828	32,853	387,087
Professional services	400,255	151,284	196,183	347,467	747,722
Occupancy	105,007	27,693	29,081	56,774	161,781
Office expense	49,692	29,644	28,928	58,572	108,264
Publications and marketing	40,156	-	5,054	5,054	45,210
COVID-19 grants to food banks	11,151,050	-	-	-	11,151,050
Other grants to food banks	1,602,040	-	-	-	1,602,040
Other operating	8,191	5,055	4,770	9,825	18,016
Total expenses before depreciation and in-kind	<u>15,430,958</u>	<u>591,763</u>	<u>932,909</u>	<u>1,524,672</u>	<u>16,955,630</u>
Depreciation	<u>31,472</u>	<u>2,545</u>	<u>6,547</u>	<u>9,092</u>	<u>40,564</u>
Total expenses before in-kind	<u>15,462,430</u>	<u>594,308</u>	<u>939,456</u>	<u>1,533,764</u>	<u>16,996,194</u>
In-kind expenses					
Legal services	77,379	50,997	18,533	69,530	146,909
Other professional services	82,500	-	37,500	37,500	120,000
	<u>159,879</u>	<u>50,997</u>	<u>56,033</u>	<u>107,030</u>	<u>266,909</u>
Total	<u>\$ 15,622,309</u>	<u>\$ 645,305</u>	<u>\$ 995,489</u>	<u>\$ 1,640,794</u>	<u>\$ 17,263,103</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2019

	Program Services	Supporting Services			Total Expenses
		General and Administrative	Fund Development	Total	
Salaries	\$ 1,049,832	\$ 287,594	\$ 349,173	\$ 636,767	\$ 1,686,599
Payroll taxes	75,731	21,473	25,574	47,047	122,778
Employee benefits	156,468	51,146	35,310	86,456	242,924
Total salaries and related expenses	<u>1,282,031</u>	<u>360,213</u>	<u>410,057</u>	<u>770,270</u>	<u>2,052,301</u>
Travel and meetings	521,089	42,442	19,443	61,885	582,974
Professional services	401,805	113,405	16,800	130,205	532,010
Occupancy	88,130	28,684	30,870	59,554	147,684
Office expense	32,425	11,590	28,172	39,762	72,187
Publications and marketing	44,426	26	2,836	2,862	47,288
Grants to food banks	2,438,743	-	-	-	2,438,743
Other operating	12,723	4,931	11,999	16,930	29,653
Total expenses before depreciation and in-kind	<u>4,821,372</u>	<u>561,291</u>	<u>520,177</u>	<u>1,081,468</u>	<u>5,902,840</u>
Depreciation	<u>19,709</u>	<u>7,147</u>	<u>8,547</u>	<u>15,694</u>	<u>35,403</u>
Total expenses before in-kind	<u>4,841,081</u>	<u>568,438</u>	<u>528,724</u>	<u>1,097,162</u>	<u>5,938,243</u>
In-kind expenses					
Legal services	65,719	64,895	-	64,895	130,614
Other professional services	8,000	-	-	-	8,000
	<u>73,719</u>	<u>64,895</u>	<u>-</u>	<u>64,895</u>	<u>138,614</u>
Total	<u>\$ 4,914,800</u>	<u>\$ 633,333</u>	<u>\$ 528,724</u>	<u>\$ 1,162,057</u>	<u>\$ 6,076,857</u>

See accompanying notes to financial statements.

THE GLOBAL FOODBANKING NETWORK
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating activities		
Change in net assets	\$ 5,001,362	\$ (1,147,374)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	40,565	35,403
Loss on disposal of fixed asset	1,704	-
(Increase) decrease in pledges receivable	(128,122)	429,584
Increase in other assets	(135,489)	(588)
Increase in accounts payable	38,739	30,879
Increase in project grants payable	306,000	240,100
Increase (decrease) in other accrued liabilities	72,604	(3,626)
Increase in deferred lease obligation	1,559	11,477
Net cash from operating activities	<u>5,198,922</u>	<u>(404,145)</u>
Investing activities		
Purchase of furniture and equipment	<u>(29,636)</u>	<u>(4,163)</u>
Net cash from investing activities	<u>(29,636)</u>	<u>(4,163)</u>
Net increase (decrease) in cash and cash equivalent	5,169,286	(408,308)
Cash and cash equivalents at beginning of period	<u>2,176,183</u>	<u>2,584,491</u>
Cash and cash equivalents at end of period	<u><u>\$ 7,345,469</u></u>	<u><u>\$ 2,176,183</u></u>
Supplemental disclosures of cash flow information		
In-kind donated goods and services	\$ 266,909	\$ 138,614

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 it would be to purchase the food at retail stores. 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 world free of hunger. It nourishes the world's hungry through uniting and advancing food banks. Through expertise, resources, and connections, GFN makes it easier for food banks to expand their service area, 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 44 countries that together provide more than 1.4 billion meals (unaudited) annually to nourish 16.9 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 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, 2020 and 2019.

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)

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.

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.

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, 2020 and 2019. 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, 2020 and 2019. 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, 2020 and 2019

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

Adoption of New Accounting Standard: In June 2018, the FASB issued (ASU) 2018-08, *Not-for-Profit Entities: Topic 958 Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this Update clarify and improve current guidance about whether a transfer of assets is a contribution or an exchange transaction. The amendments clarify how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. GFN has implemented the provisions of this ASU for the years ended June 30, 2020 and 2019 using the full retrospective approach. There were no material changes to the recognition or presentation of revenue as a result of the application of ASU 2018-08. As a result, no cumulative effect adjustment was recorded upon adoption.

Recent Accounting Guidance: 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 amendment in this ASU are effective for fiscal years beginning after December 15, 2019. GFN has not yet implemented this ASU and is in the process of assessing their effect on GFN's financial statements.

COVID-19 Risk Factors: The onset of the COVID – 19 pandemic resulted in a major outpouring of support for The Global FoodBanking Network and in turn the member food banks for which GFN serves. A majority of these funds were used to provide over \$11 million in grants to support member and non-member food banks' efforts in emergency response, crisis management and critical food relief.

NOTE 2 - PLEDGES RECEIVABLE

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

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 2,028,880	\$ 1,397,257
Between one and five years	<u>1,582,624</u>	<u>2,138,415</u>
	3,611,504	3,535,672
Discount to net present value	<u>(3,021)</u>	<u>(55,311)</u>
	<u>\$ 3,608,483</u>	<u>\$ 3,480,361</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, 2020 and 2019, there were \$551,100 and \$245,100 in grants payable, respectively.

(Continued)

THE GLOBAL FOODBANKING NETWORK
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019

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. 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 lease is classified as an operating lease. Rent expense totaled \$120,773 and \$110,331 for the years ended June 30, 2020 and 2019, respectively.

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

<u>Fiscal Year</u>	
2021	\$ 138,400
2022	141,533
2023	144,693
2024	147,884
2025	151,098
Thereafter	<u>245,481</u>
Total	<u>\$ 969,089</u>

NOTE 5 – LINE OF CREDIT

On March 26, 2020 The Global FoodBanking Network secured a one-year, \$300,000 revolving line of credit with its primary bank that bears interest at the Wall Street Journal daily floating Prime Rate plus 1.00 percentage point. The Wall Street Journal Prime Rate at June 30, 2020 was 3.25 percent. The line of credit is considered unsecured for purposes of underwriting. However, a blanket lien on business assets will be filed. No balance was outstanding at June 30, 2020.

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>2020</u>	<u>2019</u>
Grants to food banks	\$ 3,104,057	\$ 2,912,181
Program restricted	801,823	1,272,975
General operations, time restricted	<u>301,506</u>	<u>147,414</u>
	<u>\$ 4,207,386</u>	<u>\$ 4,332,570</u>

(Continued)

THE GLOBAL FOODBANKING NETWORK
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS (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, 2020 and 2019, as follows:

	<u>2020</u>	<u>2019</u>
Program restrictions accomplished:		
Capacity building and technical assistance	\$ 730,751	\$ 1,146,045
New food bank development	457,782	77,218
Food sourcing	80,000	-
Child hunger programs	162,380	57,287
Food Bank Leadership Institute	170,000	280,000
Research and evaluation	176,958	259,063
Virtual food banking	25,298	74,702
COVID-19 grants to food banks	10,181,650	-
Other grants to food banks	1,602,040	2,265,478
Other programs	11,009	10,265
Time restrictions	<u>50,000</u>	<u>60,000</u>
	<u>\$13,647,868</u>	<u>\$ 4,230,058</u>

NOTE 7 - RELATED PARTY TRANSACTIONS

For the years ended June 30, 2020 and 2019, GFN recorded approximately \$1,535,000 and \$1,118,500, 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, 2020 and 2019, GFN recorded in-kind contributions for professional services of \$0 and \$118,714, 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, 2020 and 2019, GFN recorded project grants of \$1,693,242 and \$210,800, respectively, to organizations that have affiliates who were members of GFN's Board of Directors during the fiscal year.

NOTE 8 - IN-KIND CONTRIBUTIONS

For the years ended June 30, 2020 and 2019, the following in-kind contributions were received by GFN:

	<u>2020</u>	<u>2019</u>
Legal services	\$ 146,909	\$ 130,614
Other professional services	<u>120,000</u>	<u>8,000</u>
Total in-kind contributions	<u>\$ 266,909</u>	<u>\$ 138,614</u>

(Continued)

THE GLOBAL FOODBANKING NETWORK
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

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>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 7,345,468	\$ 2,176,183
Pledges receivable	<u>2,028,880</u>	<u>1,397,257</u>
Financial assets to meet cash needs for general expenditure within one year	<u>\$ 9,374,348</u>	<u>\$ 3,573,440</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. In addition, GFN has a \$300,000 line of credit available for operating purposes.

NOTE 10 - SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to June 30, 2020, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2020. Management has performed their analysis through October 5, 2020, the date the financial statements were available to be issued.