

GLEANERS FOOD BANK OF INDIANA, INC.
**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**
YEARS ENDED SEPTEMBER 30, 2023 AND 2022



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GLEANERS FOOD BANK OF INDIANA, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 3,068,552	\$ 5,443,992
Accounts Receivable	4,647,502	2,912,926
Grants Receivable	1,279,019	1,432,828
In-Kind Receivable	8,500,000	-
Contributions Receivable, Net	2,924,337	2,095,673
Inventories	13,980,011	10,960,965
Prepaid Expenses	255,299	185,743
Investments	19,842,117	18,177,820
Beneficial Interest in Assets Held by Community Foundation	1,061,172	980,122
Right-of-Use Asset - Operating	56,783	-
Right-of-Use Asset - Financing	192,679	-
Property and Equipment, Net	16,061,315	15,410,076
Total Assets	\$ 71,868,786	\$ 57,600,145
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 7,950,614	\$ 4,762,122
Accrued Expenses and Other Liabilities	1,234,752	1,073,013
Deferred Revenue	5,134,706	5,147,569
Current Portion of Lease Liability - Operating	37,727	-
Total Current Liabilities	14,357,799	10,982,704
LONG-TERM LIABILITIES		
Lease Liability - Operating	17,693	-
Total Long-Term Liabilities	17,693	-
Total Liabilities	14,375,492	10,982,704
NET ASSETS		
Without Donor Restrictions:		
Undesignated	28,058,354	26,577,058
Board-Designated	1,061,172	980,122
Total Without Donor Restrictions	29,119,526	27,557,180
With Donor Restrictions	28,373,768	19,060,261
Total Net Assets	57,493,294	46,617,441
Total Liabilities and Net Assets	\$ 71,868,786	\$ 57,600,145

See accompanying Notes to Financial Statements.

GLEANERS FOOD BANK OF INDIANA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Government Grants and Contracts	\$ 2,775,115	\$ -	\$ 2,775,115
Shared Contributions	2,339,619	-	2,339,619
Gifts and Donations	11,087,843	6,428,493	17,516,336
Stock Gifts	306,915	-	306,915
Donated Goods and Services	200	8,500,000	8,500,200
Interest and Dividends	89,111	68,683	157,794
Purchased Food Sales	24,119,840	-	24,119,840
Forgiveness of Debt	158,896	-	158,896
Miscellaneous Income	3,960,594	-	3,960,594
Donated Food Contributions	141,554,266	-	141,554,266
Net Assets Released from Restriction	6,978,027	(6,978,027)	-
Total Revenue, Support, and Gains	193,370,426	8,019,149	201,389,575
EXPENSES AND LOSSES			
Program Services	47,847,015	-	47,847,015
Supporting Services:			
Management and General	3,074,493	-	3,074,493
Fundraising	1,805,583	-	1,805,583
Total Supporting Services	4,880,076	-	4,880,076
Donated Food Distributions	139,442,289	-	139,442,289
Total Expenses and Losses	192,169,380	-	192,169,380
CHANGE IN NET ASSETS BEFORE OTHER GAINS AND LOSSES	1,201,046	8,019,149	9,220,195
Net Realized and Unrealized Gain on Investments	280,250	1,294,358	1,574,608
Change in Fair Value of Beneficial Interest in Assets Held by Community Foundation	81,050	-	81,050
CHANGE IN NET ASSETS	1,562,346	9,313,507	10,875,853
Net Assets - Beginning of Year	27,557,180	19,060,261	46,617,441
NET ASSETS - END OF YEAR	\$ 29,119,526	\$ 28,373,768	\$ 57,493,294

See accompanying Notes to Financial Statements.

GLEANERS FOOD BANK OF INDIANA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Government Grants and Contracts	\$ 1,890,979	\$ -	\$ 1,890,979
Shared Contributions	2,086,570	-	2,086,570
Gifts and Donations	7,258,735	13,382,857	20,641,592
Stock Gifts	350,191	-	350,191
Donated Goods and Services	1,250	-	1,250
Interest and Dividends	85,069	51,682	136,751
Purchased Food Sales	28,964,663	-	28,964,663
Miscellaneous Income	3,223,784	-	3,223,784
Donated Food Contributions	125,512,384	-	125,512,384
Net Assets Released from Restrictions	9,890,199	(9,890,199)	-
Total Revenue, Support, and Gains	179,263,824	3,544,340	182,808,164
EXPENSES AND LOSSES			
Program Services	50,339,423	-	50,339,423
Supporting Services:			
Management and General	916,135	-	916,135
Fundraising	3,577,779	-	3,577,779
Total Supporting Services	4,493,914	-	4,493,914
Donated Food Distributions	126,928,188	-	126,928,188
Total Expenses and Losses	181,761,525	-	181,761,525
CHANGE IN NET ASSETS BEFORE OTHER GAINS AND LOSSES	(2,497,701)	3,544,340	1,046,639
Net Realized and Unrealized Loss on Investments	(502,397)	(2,025,002)	(2,527,399)
Change in Fair Value of Beneficial Interest in Assets Held by Community Foundation	(133,455)	-	(133,455)
CHANGE IN NET ASSETS	(3,133,553)	1,519,338	(1,614,215)
Net Assets - Beginning of Year	30,690,733	17,540,923	48,231,656
NET ASSETS - END OF YEAR	\$ 27,557,180	\$ 19,060,261	\$ 46,617,441

See accompanying Notes to Financial Statements.

GLEANERS FOOD BANK OF INDIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2022)

	Support Services			2023 Total	2022 Total
	Program Services	Management and General	Fundraising		
Food Acquisition and Cost of Goods Sold	\$ 29,107,845	\$ -	\$ -	\$ 29,107,845	\$ 29,322,180
Salaries and Wages	7,217,199	1,226,963	1,131,047	9,575,209	8,168,109
Transportation	3,269,983	-	24	3,270,007	2,364,286
Payroll Taxes and Benefits	1,454,860	504,056	214,699	2,173,615	1,482,414
Program Distribution Expense	2,121,819	-	-	2,121,819	6,764,100
Depreciation	1,505,658	22,051	5,765	1,533,474	1,293,918
Occupancy	1,067,548	54,714	52,251	1,174,513	1,058,087
Warehouse Supplies	921,990	-	7,314	929,304	1,222,454
Promotional and Professional Services	131,383	562,076	175,868	869,327	663,737
Computer	368,590	403,943	32,673	805,206	584,321
Supplies	338,284	6,195	53,018	397,497	292,116
Special Events and Projects	54,696	259,036	4,175	317,907	1,206,291
Miscellaneous	144,324	35,459	128,749	308,532	288,190
Equipment Rental and Maintenance	142,836	-	-	142,836	123,134
Total Functional Expenses Before Donated Food Distributions	47,847,015	3,074,493	1,805,583	52,727,091	54,833,337
Donated Food Distributions	139,442,289	-	-	139,442,289	126,928,188
Total Functional Expenses	\$ 187,289,304	\$ 3,074,493	\$ 1,805,583	\$ 192,169,380	\$ 181,761,525
Percentage of Total Expenses	97.5%	1.6%	0.9%	100.0%	

See accompanying Notes to Financial Statements.

**GLEANERS FOOD BANK OF INDIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2022**

	Support Services			2022 Total
	Program Services	Management and General	Fundraising	
Food Acquisition and Cost of Goods Sold	\$ 29,322,180	-	-	\$ 29,322,180
Salaries and Wages	6,491,818	481,881	1,194,410	8,168,109
Program Distribution Expense	6,764,100	-	-	6,764,100
Transportation	2,363,256	-	1,030	2,364,286
Payroll Taxes and Benefits	1,122,627	36,032	323,755	1,482,414
Depreciation	1,270,447	4,864	18,607	1,293,918
Warehouse Supplies	1,220,379	2,075	-	1,222,454
Special Events and Projects	19,580	22,404	1,164,307	1,206,291
Occupancy	1,000,437	20,493	37,157	1,058,087
Promotional and Professional Services	71,121	193,218	399,398	663,737
Computer	190,888	-	393,433	584,321
Supplies	240,322	50,221	1,573	292,116
Miscellaneous	139,134	104,947	44,109	288,190
Equipment Rental and Maintenance	123,134	-	-	123,134
Total Functional Expenses Before Donated Food Distributions	50,339,423	916,135	3,577,779	54,833,337
Donated Food Distributions	126,928,188	-	-	126,928,188
Total Functional Expenses	<u>\$ 177,267,611</u>	<u>\$ 916,135</u>	<u>\$ 3,577,779</u>	<u>\$ 181,761,525</u>
Percentage of Total Expenses	<u>97.5%</u>	<u>0.5%</u>	<u>2.0%</u>	<u>100.0%</u>

See accompanying Notes to Financial Statements.

GLEANERS FOOD BANK OF INDIANA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Operating and Support Activities	\$ 44,350,265	\$ 52,357,759
Cash Paid to Suppliers and Employees	(48,640,365)	(55,059,213)
Miscellaneous Receipts	3,960,594	3,223,784
Investment Income	157,794	136,751
Net Cash Provided (Used) by Operating Activities	(171,712)	659,081
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(2,225,954)	(2,454,965)
Proceeds from Sale of Property and Equipment	-	16,000
Purchase of Investments	(20,429,577)	(9,933,497)
Proceeds from Sale of Investments	20,646,803	12,683,825
Addition to Beneficial Interest in Assets Held by Community Foundation	-	(73,290)
Net Cash Provided (Used) by Investing Activities	(2,008,728)	238,073
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Financing Lease Obligations	(195,000)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,375,440)	897,154
Cash and Cash Equivalents - Beginning of Year	5,443,992	4,546,838
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,068,552	\$ 5,443,992
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Right-of-Use Asset Recognized in Exchange for Operating Lease Liability: Related to the Implementation of ASC 842 Leases	\$ 98,044	\$ -
Property and Equipment Additions in Accounts Payable	\$ 488,451	\$ 488,402

See accompanying Notes to Financial Statements.

GLEANERS FOOD BANK OF INDIANA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 10,875,853	\$ (1,614,215)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,533,474	1,293,918
Provision for Bad Debts	(8,786)	-
Loss on Disposal of Property and Equipment	41,290	24,528
Realized and Unrealized (Gain) Loss on Investments	(1,574,608)	2,527,399
Change in Fair Value of Beneficial Interest in Assets Held by Community Foundation	(81,050)	133,455
In-kind Donations	(8,806,915)	(350,191)
Noncash Lease Expense	958	-
Extinguishment of Debt	158,896	-
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(1,734,576)	(1,710,210)
Contributions and Grants Receivable	(666,069)	132,724
Inventory	(3,019,046)	(4,201,348)
Prepayments	(69,556)	(66,268)
Accounts Payable	3,029,547	836,986
Accrued Liabilities and Other Payables	161,739	400,594
Deferred Revenue	(12,863)	3,251,709
Net Cash Provided (Used) by Operating Activities	\$ (171,712)	\$ 659,081

See accompanying Notes to Financial Statements.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Gleaners Food Bank of Indiana, Inc. (Gleaners) vision: Food for every table. Hope for every future. Gleaners' mission: To lead the fight against hunger. One in five people in Indiana face food insecurity. For 23% of Hoosiers, that means worry about their next meal and often making heartbreaking decisions about what bills to pay: food, medicine, rent, health care costs, utilities, clothing and school supplies for children, etc. Since the COVID-19 pandemic began in March 2020, food insecurity has risen dramatically around the globe. Programs and services have had to adjust to accommodate this increased need.

Our programs focus on feeding families healthy, nutritious food, including fresh fruits and vegetables, lean meat and protein, dairy, and shelf-stable options that can be used to create meals. Mobile pantries, school-based pantries, and a growing network of agency partners and community centers join together to meet the growing need. Most recently home delivery and curbside pickup options have been developed to serve those with challenges of accessing food distribution.

Programs focused on nutrition, including Summer Nutrition Club for Kids, Cooking Matters and NutritionHub.org are geared toward improving the overall health of those we serve. SNAP Outreach, including a SNAP Hotline, assist clients with application and qualifications for financial assistance for food purchases. Our ultimate goal is to provide food for today and hope for tomorrow, offering those who are ready a hand up to a path of self-sufficiency.

As Indiana's leading hunger-relief organization, Gleaners sources and distributes food, both purchased and rescued, to hungry Hoosiers. In addition, Fresh Connect Central, a regional fresh food distributor operated by Gleaners for Feeding America, expands our reach as we secure perishable food for foodbanks throughout the Midwest United States.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Gleaners considers certain liquid investments with original maturities of three months or less to be cash equivalents. Cash equivalents managed within the investment portfolio are considered investments. At September 30, 2023 and 2022, cash equivalents consisted primarily of money market accounts.

Gleaners primarily maintains its cash and cash equivalents in various accounts at various financial institutions. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. At times, amounts on deposit may exceed insured limits or include unsecured accounts. To date, Gleaners has not experienced losses in any of these accounts.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is recorded as with donor restriction and then released from restriction. Other investment return is reflected in the statements of activities as without or with donor restriction based upon the existence and nature of any donor or legally imposed restrictions.

Accounts Receivable

Accounts receivable are amounts due to Gleaners by agencies for share fees, grocery sales, and produce sales charged to those agencies. Accounts receivable are stated at the amounts billed to agencies. Gleaners provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice.

Inventory

Inventory consists primarily of donated food and nonfood product valued at the approximate average wholesale value of one pound of donated product at the national level. This value is outlined in the Product Valuation Survey Methodology (December 31, 2022, prepared by Feeding America, a national food bank network nonprofit Corporation). RSM, a major international CPA firm, performed agreed-upon procedures in accordance with standards established by the American Institute of Certified Public Accountants, to assist in determining the approximate average wholesale value of one pound of donated product at the national level as of December 31, 2022. RSM's report is available upon request. According to this report, at December 31, 2022 and 2021, the average wholesale value of one pound of donated product at the national level was \$1.93 and \$1.92, respectively. For reporting purposes, Gleaners uses the rate in effect at the beginning of the fiscal year to price inventory for the fiscal year. Accordingly, the rate utilized for the inventory values as of September 30, 2023 and 2022 was \$1.93 and \$1.92, respectively.

The valuation of inventory is performed for purposes of measuring program activity and does not reflect a net realizable value. Under Internal Revenue Code Section 170(e)[3], donated inventory cannot be available for sale; also, Feeding America restricts the amount charged for share contribution to affiliate agencies to nineteen cents per pound.

Purchased food inventory is stated at the lower of the average purchase cost or net realization value. At September 30, 2023 and 2022, purchased food inventory was \$4,541,260 and \$2,326,477, respectively.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset ranging from 5 to 39 years.

Leases

Gleaners determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statement of financial position.

ROU assets represent Gleaners' right to use an underlying asset for the lease term and lease liabilities represent the Gleaners' obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that Gleaners will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Gleaners has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, Gleaners has elected to use their incremental borrowing rate (IBR) determined using a period comparable with that of the lease term for computing the present value of the lease liability.

Gleaners has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Long-Lived Asset Impairment

Gleaners evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended September 30, 2023 and 2022.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Net Assets (Continued)

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as without donor restriction revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as with donor restriction revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statements of activities as Net Assets Released from Restrictions. Gifts that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as with donor restriction and then released from restriction.

Gifts of land, buildings, equipment, and other long-lived assets are reported as without donor restriction revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as with donor restriction revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restriction are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at fair value determined using the discounted present value of estimated future cash flows technique. Conditional gifts, which are conditioned upon certain performance requirements and/or incurrence of qualifying expenses, are not recognized until the conditions on which they depend are substantially met. As of September 30, 2023 and 2022 and 2021, Gleaners deferred \$5,134,706, \$5,147,569, and \$1,895,860, respectively, of such conditional funding. There are no such conditional gifts as of September 30, 2023 and 2022 that had not been received.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

In-Kind Contributions

In addition to receiving cash contributions, Gleaners receives in-kind contributions. Gleaners records the value of donated goods or services when there is an objective basis available to measure their value. The valued donated stocks, materials, and equipment are reflected as contributions at their estimated values at date of receipt, based upon market values provided by the donors. Gleaners receives food from wholesale and retail donors as well as through federal USDA programs, which are valued based upon rates as described previously in the inventory section of Note 1, and do not include donor restrictions. All in-kind contributions are treated as noncash transactions for the purpose of the statements of cash flows. Gleaners received the following contributions of nonfinancial assets for the years ended September 30:

	2023	2022
Donated Food Contributions	\$ 141,554,266	\$ 125,512,384
Stock Gifts	306,915	350,191
Goods and Services	8,500,200	1,250
Total	\$ 150,361,381	\$ 125,863,825

Government Grants

Support funded by grants is recognized as Gleaners performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required. Amounts received prior to incurring qualifying expenditures are reported as Deferred Revenue in the statements of financial position. As of September 30, 2023 and 2022 and 2021, Gleaners deferred \$21,150, \$-0, and \$-0-, respectively, of such conditional funding.

Taxes on Income

Gleaners has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, Gleaners would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended September 30, 2023 and 2022, \$-0- was accrued for unrelated business income tax in accompanying financial statements related to estimated taxes on lease income.

Professional accounting standards require Gleaners to recognize a tax liability only if it is more likely than not the tax position would not be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more likely than not test, no tax liability is recorded. Gleaners has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. The U.S. federal and state income tax returns of Gleaners are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Functional Allocation of Expenses

Expenses have been classified as program services, management and general and fundraising based on the actual direct expenditures and cost allocation based on estimates of time and usage by Gleaners personnel and programs. The expenses that are allocated include maintenance, informational technology, and transportation which are allocated by square footage, headcount, and routes, respectively.

New Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) approved Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. In November 2018, the FASB approved ASU 2018-19, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*. The main objective of the ASUs is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by the reporting entity at each reporting date. To achieve this objective, the amendments in the ASUs replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. In November 2019, the FASB approved ASU 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842)*. The main objective of this ASU was to delay the effective date for the referenced standards. Based upon the new effective dates instituted by ASU 2019-10, ASU 2016-13 is effective for Gleaners for the fiscal year beginning after December 15, 2022. Gleaners is currently evaluating the impact of ASU 2016-13 and ASU 2018-19 on the financial statements.

Adoption of New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Gleaners adopted the requirements of the guidance effective October 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, while continuing to present the comparative period in accordance with the guidance under the lease standard in effect during that period.

Gleaners has elected to adopt the package of practical expedients available in the year of adoption. Gleaners has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the ROU assets.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Adoption of New Accounting Standards (Continued)

As a result of the adoption of the new lease accounting guidance, Gleaners recognized on October 1, 2022 a lease liability of \$89,019, which represents the present value of the remaining lease payments, discounted using the Gleaners' incremental borrowing rate of 5.09%, and a right-of-use asset of \$89,019.

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

We have evaluated subsequent events through March 13, 2024, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 3,068,552	\$ 5,443,992
Accounts and Grants Receivable, Net	5,926,521	4,345,754
Contributions Receivable	1,315,484	482,370
Investments	2,892,686	1,213,232
Beneficial Interest in Assets Held by Community Foundation	1,061,172	980,122
Accumulated Endowment Earnings Available for Appropriation, Included in Investments	2,873,403	1,510,364
Total	<u>\$ 17,137,818</u>	<u>\$ 13,975,834</u>

Gleaners' endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is subject to time restriction, with the exception of the amounts available for general use based upon the spending policy as described in Note 9. Donor-restricted endowment funds are not available for general expenditure.

Gleaners' board-designated endowment of \$1,061,172 and \$980,122 as of September 30, 2023 and 2022, respectively, is subject to an annual spending rate of 5% as described in Note 8.

Gleaners entered into various line of credit agreement with banks, as further described in Note 7, that Gleaners can utilize for future operational needs.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable, net of present value discount, consisted of the following:

	<u>2023</u>	<u>2022</u>
Amounts Due in:		
Less than One Year	\$ 1,427,237	\$ 645,369
One to Five Years	1,497,100	1,450,304
Total	<u>\$ 2,924,337</u>	<u>\$ 2,095,673</u>

NOTE 4 INVESTMENTS

Gleaners' investments consisted of the following:

	<u>2023</u>	<u>2022</u>
Money Market Mutual Funds	\$ 230,372	\$ 5,972,836
United States Treasuries	7,917,519	857,294
Fixed Income:		
Corporate Bonds	1,286,004	1,580,822
Municipal Bonds	61,350	828,041
Equity Securities	2,249,577	2,225,871
Exchange Traded products (ETPs):		
Equity ETPs	1,853,100	1,483,534
Fixed Income ETPs	358,141	311,286
Other ETPs	35,093	171,973
Mutual Funds and Exchange-Traded Funds:		
Fixed Income Funds	1,150,383	929,183
Equity Funds	4,700,578	3,816,980
Total Investments	<u>\$ 19,842,117</u>	<u>\$ 18,177,820</u>

Total investment return is comprised of the following:

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>September 30, 2023</u>			
Dividends and Interest	\$ 89,111	\$ 68,683	\$ 157,794
Net Realized and Unrealized Gain	280,250	1,294,358	1,574,608
Total Return on Investments	<u>\$ 369,361</u>	<u>\$ 1,363,041</u>	<u>\$ 1,732,402</u>
<u>September 30, 2022</u>			
Dividends and Interest	\$ 85,069	\$ 51,682	\$ 136,751
Net Realized and Unrealized Loss	(502,397)	(2,025,002)	(2,527,399)
Total Return on Investments	<u>\$ (417,328)</u>	<u>\$ (1,973,320)</u>	<u>\$ (2,390,648)</u>

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment at September 30 consists of:

	2023	2022
Land and Improvements	\$ 9,417,498	\$ 9,417,498
Building Improvements	9,342,868	8,645,478
Building Improvements in Process	293,189	200,000
Furniture and Equipment	417,276	361,539
Warehouse Equipment	5,599,896	4,331,117
Computer Equipment, Hardware, and Software	1,596,933	1,534,922
Subtotal	<u>26,667,660</u>	<u>24,490,554</u>
Less: Accumulated Depreciation and Amortization	<u>(10,606,345)</u>	<u>(9,080,478)</u>
Property and Equipment, Net	<u>\$ 16,061,315</u>	<u>\$ 15,410,076</u>

NOTE 6 LEASES

Gleaners leases office equipment, software and trailers for various terms under long-term, noncancelable operating lease agreements. The operating leases expire at various dates through 2027. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Additionally, these agreements generally require Gleaners to pay variable payments related to operation of equipment.

Gleaners leases trucks under a long-term, non-cancelable financing lease agreement that expires in 2028.

The following table provides quantitative information concerning the Gleaners' leases:

Lease Cost:	
Amortization of right-of-use Asset	\$ 2,321
Operating Lease Cost	\$ 45,172
Other Information:	
Operating Cash Flows from Operating Leases	\$ 46,534
Financing Cash Flows from Finance Leases	\$ 195,000
Right-of-Use Assets Obtained in Exchange for New	
Operating Lease Liabilities (Including Adoption)	\$ 98,044
Weighted-Average Remaining Lease Term -	
Operating Leases	1.8 Years
Weighted-Average Discount Rate	5.09%

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 LEASES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$ 39,554
2025	12,813
2026	3,175
2027	2,056
2028	<u>514</u>
Undiscounted Cash Flows	58,112
(Less) Imputed Interest	<u>(2,692)</u>
Total Present Value	<u>\$ 55,420</u>
Short-Term Lease Liabilities	\$ 37,727
Long-Term Lease Liabilities	<u>17,693</u>
Total	<u>\$ 55,420</u>

NOTE 7 LINE OF CREDIT

In May 2014, Gleaners entered into a \$500,000 line of credit agreement with a bank that was terminated as of May 2023. The line bears interest at a variable rate of 2.90% points over the one-month ICE Benchmark Administration (ICE) LIBOR rate and is secured by all personal properties and fixtures of Gleaners. The line had an outstanding balance of \$-0- as of September 30, 2023 and 2022.

In January 2020, Gleaners entered into a \$1,250,000 line of credit agreement with a bank that remained in effect until April 2023. The line bears interest at a variable rate of 0.75% points under the Lender's Index rate and is secured by Gleaners' operational building. The line had an outstanding balance of \$-0- as of September 30, 2023 and 2022.

In May 2023, Gleaners entered into a \$5,000,000 line of credit agreement with a bank that matures April 2025. The line bears interest at a variable rate of 1.8% points over the one-month Secured Overnight Financing Rate (SOFR) and is secured by Gleaners' operational building. The line had an outstanding balance of \$-0- as of September 30, 2023. The credit agreement is subject to certain covenants for which management believes Gleaners was in compliance at September 30, 2023.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Children's Programs	\$ 169,367	\$ 100,983
Property and Equipment Acquisition	3,942,926	4,462,000
Mobile Pantry	-	135,000
Food Purchase	153,277	681,811
SNAP	21,150	-
Freezer Expansion	8,500,000	-
Other Purposes	289,308	574,430
Total	<u>13,076,028</u>	<u>5,954,224</u>
Subject to the Passage of Time:		
For Periods after September 30	<u>2,924,337</u>	<u>2,095,673</u>
Total	<u>2,924,337</u>	<u>2,095,673</u>
Endowment:		
Subject to Endowment Spending Policy, Appropriation and Expenditure:		
General Operations	<u>2,873,403</u>	<u>1,510,364</u>
Total	<u>2,873,403</u>	<u>1,510,364</u>
Investment in Perpetuity, the Income of Which is Expendable to Support:		
General Operations	<u>9,500,000</u>	<u>9,500,000</u>
Total	<u>9,500,000</u>	<u>9,500,000</u>
 Total Net Assets With Donor Restrictions	 <u>\$ 28,373,768</u>	 <u>\$ 19,060,261</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended September 30:

	<u>2023</u>	<u>2022</u>
Satisfaction of Purpose Restrictions:		
Children's Programs	\$ 476,045	\$ 1,330,313
Property and Equipment Acquisition	1,535,074	2,339,952
Mobile Pantry	273,830	441,882
Food Purchase	2,316,119	1,557,293
Produce Cooperative Operations	979,868	3,090,435
Senior (Non-Mobile)	42,195	17,411
Board Designated Endowment New Contribution	-	73,290
Marketing Awareness Activities	255,000	500,000
Strategic Planning	523,112	487,123
Gleaners2Go and Home Delivery	300,500	-
Other Purposes	276,284	52,500
Total	<u>\$ 6,978,027</u>	<u>\$ 9,890,199</u>

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 ENDOWMENT

Gleaners' endowment consists of two funds, one is a donor-restricted endowment fund, and the other is a fund designated by the governing body to function as endowments (board-designated endowment fund). As required by U.S. GAAP, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board-designated endowment fund has been established as a fund with the Central Indiana Community Foundation (CICF) and is reported as a beneficial interest in assets held by community foundation in the statements of financial position. By establishing the fund, Gleaners had granted certain variance powers to CICF, including the right to reject gifts to the fund that are not in compliance with the CICF gift acceptance policy and the ability to redirect the fund in the event that Gleaners or its successors cease to exist.

Gleaners' governing body has interpreted the State of Indiana Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Gleaners classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Gleaners in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, Gleaners considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 ENDOWMENT (CONTINUED)

The composition of net assets by type of endowment fund at September 30, 2023 and 2022 was:

	Without Donor Restriction	With Donor Restrictions	Total
<u>September 30, 2023</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 12,373,403	\$ 12,373,403
Board-Designated Endowment Funds	1,061,172	-	1,061,172
Total	<u>\$ 1,061,172</u>	<u>\$ 12,373,403</u>	<u>\$ 13,434,575</u>
<u>September 30, 2022</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 11,010,364	\$ 11,010,364
Board-Designated Endowment Funds	980,122	-	980,122
Total	<u>\$ 980,122</u>	<u>\$ 11,010,364</u>	<u>\$ 11,990,486</u>

Changes in endowment net assets for the years ended September 30, 2023 and 2022 were:

	Without Donor Restriction	With Donor Restrictions	Total
<u>September 30, 2023</u>			
Endowment Net Assets - Beginning of Year	\$ 980,122	\$ 11,010,364	\$ 11,990,486
Investment Return, Net	81,050	1,363,039	1,444,089
Contributions Received	-	-	-
Appropriation of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets - End of Year	<u>\$ 1,061,172</u>	<u>\$ 12,373,403</u>	<u>\$ 13,434,575</u>
<u>September 30, 2022</u>			
Endowment Net Assets - Beginning of Year	\$ 1,040,287	\$ 12,983,685	\$ 14,023,972
Investment Loss, Net	(104,618)	(1,973,321)	(2,077,939)
Contributions Received	73,289	-	73,289
Appropriation of Endowment Assets for Expenditure	(28,836)	-	(28,836)
Endowment Net Assets - End of Year	<u>\$ 980,122</u>	<u>\$ 11,010,364</u>	<u>\$ 11,990,486</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level Gleaners is required to retain as a fund of perpetual duration pursuant to donor stipulation or SPMIFA. Gleaners did not have any such funds at September 30, 2023 and 2022.

For the donor-restricted endowment, Gleaners has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds Gleaners must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under Gleaners' policies, endowment assets are invested in a manner that is intended to produce results that provide long-term growth while assuming a moderate level of investment risk. Gleaners expects its endowment funds to provide an average rate of return of approximately 5% to 7% annually over time. Actual returns in any given year may vary from this amount.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 ENDOWMENT (CONTINUED)

To satisfy its long-term rate of return objectives, Gleaners relies on a total return strategy for the donor-restricted endowment in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). Gleaners targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

For the donor-restricted endowment, Gleaners has a policy (the spending policy) of appropriating for expenditure each year up to 5% of its endowment fund's average fair value as of December 31 of the prior year-end, provided the fair value of the endowment is greater than the historical dollar value. If the fair value of the endowment is less than the historical dollar value, Gleaners has a policy to limit spending to 2%. Additionally, if the appropriation for current year expenditure would reduce the fair value of the endowment to less than the historical dollar value, Gleaners has a policy to limit spending to the greater of the excess of the fair value over the historical dollar value or 2%. For the board-designated endowment, Gleaners can distribute up to 5% of the endowment's previous year fund balance for expenditure. In establishing this policy, Gleaners considered the long-term expected return on its endowment. Accordingly, over the long term, Gleaners expects the current spending policy to allow its endowment to grow at an average of 1% to 3% annually. This is consistent with Gleaners' objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

NOTE 10 DISCLOSURE ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities

Level 2 – 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 for substantially the full term of the assets or liabilities

Level 3 – Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 10 DISCLOSURE ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2023 and 2022:

	2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Money Market Mutual Funds	\$ 230,372	\$ -	\$ -	\$ 230,372
United States Treasuries	-	7,917,519	-	7,917,519
Fixed Income:				
Corporate Bonds	-	1,286,004	-	1,286,004
Municipal Bonds	-	61,350	-	61,350
Equity Securities	2,249,577	-	-	2,249,577
Exchange Traded Products (ETPs):				
Equity ETPs	1,853,100	-	-	1,853,100
Fixed Income ETPs	358,141	-	-	358,141
Other ETPs	35,093	-	-	35,093
Mutual Funds and Exchange-Traded Funds:				
Fixed Income Funds	1,150,383	-	-	1,150,383
Equity Funds	4,700,578	-	-	4,700,578
Total Investments	10,577,244	9,264,873	-	19,842,117
Beneficial Interest in Assets Held by Others	-	-	1,061,172	1,061,172
Total	<u>\$ 10,577,244</u>	<u>\$ 9,264,873</u>	<u>\$ 1,061,172</u>	<u>\$ 20,903,289</u>

	2022			
	Level 1	Level 2	Level 3	Total
Investments:				
Money Market Mutual Funds	\$ 5,972,836	\$ -	\$ -	\$ 5,972,836
United States Treasuries	-	857,294	-	857,294
Fixed Income:				
Corporate Bonds	-	1,580,822	-	1,580,822
Municipal Bonds	-	828,041	-	828,041
Equity Securities	2,225,871	-	-	2,225,871
Exchange Traded Products (ETPs):				
Equity ETPs	1,483,534	-	-	1,483,534
Fixed Income ETPs	311,286	-	-	311,286
Other ETPs	171,973	-	-	171,973
Mutual Funds and Exchange-Traded Funds:				
Fixed Income Funds	929,183	-	-	929,183
Equity Funds	3,816,980	-	-	3,816,980
Total Investments	14,911,663	3,266,157	-	18,177,820
Beneficial Interest in Assets Held by Others	-	-	980,122	980,122
Total	<u>\$ 14,911,663</u>	<u>\$ 3,266,157</u>	<u>\$ 980,122</u>	<u>\$ 19,157,942</u>

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 10 DISCLOSURE ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Recurring Measurements (Continued)

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended September 30, 2023. Fair value determinations for Level 3 measurements of securities are the responsibility of the chief financial officer. The chief financial officer determines the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States of America.

Cash Equivalents

Fair value is estimated based upon quoted market prices in an active market.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. Gleaners currently does not have any Level 3 investments.

Beneficial Interest in Assets Held by Others

Fair value is estimated based upon the fair value of the underlying assets included in the CICF long-term and short-term pooled funds.

Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of financial position using significant unobservable (Level 3) inputs:

	2023	2022
Balance - Beginning of Year	\$ 980,122	\$ 1,040,287
New Contributions	-	73,290
Approved Withdrawals	(10,033)	(28,836)
Interest and Dividends	7,532	8,507
Net Change in Fair Value	83,551	(113,126)
Balance - End of Year	<u>\$ 1,061,172</u>	<u>\$ 980,122</u>

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 11 RETIREMENT PLAN

Gleaners provides a retirement plan described in Section 403(b) of the Internal Revenue Code of 1986, as amended. The plan permits each participant to voluntarily elect to have Gleaners make a contribution to the plan on their behalf by reducing the amount of compensation otherwise payable to the participant. Gleaners' employer matching contribution is equal to 100% of the first 3% of employee contributions. Gleaners' employer matching contribution was \$147,409 and \$134,502 for the years ended September 30, 2023 and 2022, respectively.

NOTE 12 FRESH CONNECT CENTRAL

In November of 2017, with funding support from Feeding America, Gleaners launched Fresh Connect Central (FCC). FCC is a social enterprise operated by Gleaners Food Bank in Indianapolis, Indiana. FCC exists to serve other Feeding America member food banks throughout the United States. These food banks source full truckloads of produce, protein, and dairy items from FCC who sources directly from farmers, growers, and producers throughout the United States. The products are items that a farmer or producer donates or sells at low cost, rather than leaving it unharvested or wasted.

FCC is committed to reducing the cost of food acquisition by food bank customers, thereby increasing the volume of food being distributed by food banks.

Gleaners is the sponsoring member and host of FCC, leveraging its logistics expertise, physical space, and resources. FCC operations are conducted entirely within the physical footprint of Gleaners Food Bank and in parallel with the food banks standard operation.

FCC staff is comprised of employees who are employed by Gleaners. While some positions are funded through grant support, FCC employees work on behalf of both organizations.

Because Gleaners relies on its facilities and staff to support FCC operations, Gleaners charges other food banks a Shared Maintenance Fee (generally .01-.05 per pound) or a small mark-up on each load distributed.

The financial activity for FCC, which is included in Gleaners financial statements for 2023 and 2022 can be found in the supplementary information combining schedules .

NOTE 13 CONCENTRATIONS

During the year ended September 30, 2023, approximately 35% of total gifts and donations were received from three donors. During the year ended September 30, 2022, approximately 39% of total gifts and donations were received from two donors.

GLEANERS FOOD BANK OF INDIANA, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023

	Gleaners Food Bank	Fresh Connect Central	Eliminations	Combined
ASSETS				
Cash and Cash Equivalents	\$ 2,169,466	\$ 899,086	\$ -	\$ 3,068,552
Accounts Receivable	714,110	3,933,392	-	4,647,502
Grants Receivable	389,963	889,056	-	1,279,019
In-Kind Receivable	8,500,000	-	-	8,500,000
Contributions Receivable, Net	2,924,337	-	-	2,924,337
Inventories	8,527,563	5,452,448	-	13,980,011
Prepaid Expenses	187,078	68,221	-	255,299
Investments	19,842,117	-	-	19,842,117
Inter-Program Activity	(965,473)	965,473	-	-
Beneficial Interest in Assets Held by Community Foundation	1,061,172	-	-	1,061,172
Right-of-Use Asset - Operating	56,783	-	-	56,783
Right-of-Use Asset - Financing	192,679	-	-	192,679
Property and Equipment, Net	16,061,315	-	-	16,061,315
Total Assets	\$ 59,661,110	\$ 12,207,676	\$ -	\$ 71,868,786
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	\$ 1,255,638	\$ 6,694,976	\$ -	\$ 7,950,614
Accrued Expenses and Other Liabilities	1,234,752	-	-	1,234,752
Deferred Revenue	4,879,813	254,893	-	5,134,706
Current Portion of Lease Liability - Operating	37,727	-	-	37,727
Total Current Liabilities	7,407,930	6,949,869	-	14,357,799
LONG-TERM LIABILITIES				
Lease Liability - Operating	17,693	-	-	17,693
Total Long-Term Liabilities	17,693	-	-	17,693
Total Liabilities	7,425,623	6,949,869	-	14,375,492
NET ASSETS				
Without Donor Restrictions:				
Undesignated	22,800,547	5,257,807	-	28,058,354
Board-Designated	1,061,172	-	-	1,061,172
Total Without Donor Restrictions	23,861,719	5,257,807	-	29,119,526
With Donor Restrictions	28,373,768	-	-	28,373,768
Total Net Assets	52,235,487	5,257,807	-	57,493,294
Total Liabilities and Net Assets	\$ 59,661,110	\$ 12,207,676	\$ -	\$ 71,868,786

GLEANERS FOOD BANK OF INDIANA, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2022

	Gleaners Food Bank	Fresh Connect Central	Eliminations	Combined
ASSETS				
Cash and Cash Equivalents	\$ 4,522,734	\$ 921,258	\$ -	\$ 5,443,992
Accounts Receivable	475,094	2,437,832	-	2,912,926
Grants Receivable	1,322,097	110,731	-	1,432,828
Contributions Receivable, Net	2,095,673	-	-	2,095,673
Inventories	7,594,164	3,366,801	-	10,960,965
Prepaid Expenses	185,743	-	-	185,743
Investments	18,177,820	-	-	18,177,820
Beneficial Interest in Assets Held by Community Foundation	980,122	-	-	980,122
Inter-Program Activity	(50,605)	50,605	-	-
Property and Equipment, Net	15,409,948	128	-	15,410,076
Total Assets	\$ 50,712,790	\$ 6,887,355	\$ -	\$ 57,600,145
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	\$ 2,094,841	\$ 2,667,281	\$ -	\$ 4,762,122
Accrued Expenses and Other Liabilities	1,073,013	-	-	1,073,013
Deferred Revenue	4,983,334	164,235	-	5,147,569
Total Liabilities	8,151,188	2,831,516	-	10,982,704
NET ASSETS				
Without Donor Restrictions:				
Undesignated	22,521,219	4,055,839	-	26,577,058
Board-Designated	980,122	-	-	980,122
Total Without Donor Restrictions	23,501,341	4,055,839	-	27,557,180
With Donor Restrictions	19,060,261	-	-	19,060,261
Total Net Assets	42,561,602	4,055,839	-	46,617,441
Total Liabilities and Net Assets	\$ 50,712,790	\$ 6,887,355	\$ -	\$ 57,600,145

**GLEANERS FOOD BANK OF INDIANA, INC.
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

	Gleaners Food Bank		Fresh Connect Central		Combined	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
REVENUE, SUPPORT, AND GAINS						
Government Grants and Contracts	\$ 1,400,293	\$ -	\$ 1,374,822	\$ -	\$ 2,775,115	\$ -
Shared Contributions	683,410	-	2,458,675	-	2,339,619	-
Gifts and Donations	9,900,584	6,428,493	1,187,259	-	11,087,843	6,428,493
Stock Gifts	306,915	-	-	-	306,915	-
Donated Goods and Services	200	8,500,000	-	-	200	8,500,000
Interest and Dividends	89,111	68,683	-	-	89,111	68,683
Purchased Food Sales	5,767,411	-	22,389,525	-	24,119,840	-
Forgiveness of Debt	158,896	-	-	-	158,896	-
Miscellaneous Income	523,118	-	3,782,079	-	3,960,594	-
Donated Food Contributions	82,923,093	-	58,631,173	-	141,554,266	-
Net Assets Released from Restriction	6,978,027	(6,978,027)	-	-	6,978,027	(6,978,027)
Total Revenue, Support, and Gains	108,731,058	8,019,149	89,823,533	-	193,370,426	8,019,149
EXPENSES AND LOSSES						
Program Services	23,085,856	-	29,945,324	-	47,847,015	-
Supporting Services:						
Management and General	3,074,493	-	-	-	3,074,493	-
Fundraising	1,805,583	-	-	-	1,805,583	-
Total Supporting Services	4,880,076	-	-	-	4,880,076	-
Donated Food Distributions	80,766,048	-	58,676,241	-	139,442,289	-
Total Expenses and Losses	108,731,980	-	88,621,565	-	192,169,380	-
CHANGE IN NET ASSETS BEFORE OTHER GAINS AND LOSSES	(922)	8,019,149	1,201,968	-	1,201,046	8,019,149
Net Realized and Unrealized Gain on Investments	280,250	1,294,358	-	-	280,250	1,294,358
Change in Fair Value of Beneficial Interest in Assets Held by Community Foundation	81,050	-	-	-	81,050	-
CHANGE IN NET ASSETS	360,378	9,313,507	1,201,968	-	1,562,346	9,313,507
Net Assets - Beginning of Year	23,501,341	19,060,261	4,055,839	-	27,557,180	19,060,261
NET ASSETS - END OF YEAR	\$ 23,861,719	\$ 28,373,768	\$ 5,257,807	\$ -	\$ 29,119,526	\$ 28,373,768



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