

GLEANERS FOOD BANK OF INDIANA, INC.
**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**
YEARS ENDED SEPTEMBER 30, 2024 AND 2023



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Gleaners Food Bank of Indiana, Inc.
Indianapolis, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Gleaners Food Bank of Indiana, Inc. (Gleaners) (a nonprofit organization), which comprise the statements of financial position as of September 30, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of Gleaners, as of September 30, 2024 and 2023, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Gleaners and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Gleaners' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Gleaners' 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 Gleaners' ability to continue as a going concern for a reasonable period of time.

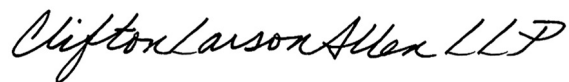
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements as a whole. The accompanying combining schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2025, on our consideration of Gleaners' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Gleaners' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gleaners' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Indianapolis, Indiana
March 12, 2025

GLEANERS FOOD BANK OF INDIANA, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 3,557,754	\$ 3,068,552
Accounts Receivable	2,180,330	4,647,502
Grants Receivable	1,898,775	1,279,019
In-Kind Receivable	-	8,500,000
Contributions Receivable, Net	6,037,973	2,924,337
Inventories	11,726,462	13,980,011
Prepaid Expenses	307,479	255,299
Investments	22,705,536	19,842,117
Beneficial Interest in Assets Held by Community Foundation	1,251,438	1,061,172
Right-of-Use Asset - Operating	17,694	56,783
Right-of-Use Asset - Financing	178,750	192,679
Property and Equipment, Net	27,320,216	16,061,315
Total Assets	\$ 77,182,407	\$ 71,868,786
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 4,757,380	\$ 7,950,614
Accrued Expenses and Other Liabilities	1,588,533	1,234,752
Deferred Revenue	3,389,619	5,134,706
Lease Liability - Operating	17,692	55,420
Total Liabilities	9,753,224	14,375,492
NET ASSETS		
Without Donor Restrictions:		
Undesignated	37,475,705	28,058,354
Board-Designated	1,251,438	1,061,172
Total Without Donor Restrictions	38,727,143	29,119,526
With Donor Restrictions	28,702,040	28,373,768
Total Net Assets	67,429,183	57,493,294
Total Liabilities and Net Assets	\$ 77,182,407	\$ 71,868,786

See accompanying Notes to Financial Statements.

GLEANERS FOOD BANK OF INDIANA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Government Grants and Contracts	\$ 3,954,888	\$ -	\$ 3,954,888
Shared Contributions	1,808,032	-	1,808,032
Gifts and Donations	19,439,816	7,379,943	26,819,759
Donated Goods and Services	1,201,670	-	1,201,670
Interest and Dividends	461,739	338,084	799,823
Purchased Food Sales	33,290,870	-	33,290,870
Miscellaneous Income	833,536	-	833,536
Donated Food Contributions	128,919,368	-	128,919,368
Net Assets Released from Restriction	9,813,784	(9,813,784)	-
Total Revenue, Support, and Gains	199,723,703	(2,095,757)	197,627,946
EXPENSES AND LOSSES			
Program Services	59,301,685	-	59,301,685
Supporting Services:			
Management and General	2,151,810	-	2,151,810
Fundraising	2,668,558	-	2,668,558
Total Supporting Services	4,820,368	-	4,820,368
Donated Food Distributions	126,178,781	-	126,178,781
Total Expenses and Losses	190,300,834	-	190,300,834
CHANGE IN NET ASSETS BEFORE OTHER GAINS AND LOSSES	9,422,869	(2,095,757)	7,327,112
Net Realized and Unrealized Gain on Investments	(5,518)	2,424,029	2,418,511
Change in Fair Value of Beneficial Interest in Assets Held by Community Foundation	190,266	-	190,266
CHANGE IN NET ASSETS	9,607,617	328,272	9,935,889
Net Assets - Beginning of Year	29,119,526	28,373,768	57,493,294
NET ASSETS - END OF YEAR	\$ 38,727,143	\$ 28,702,040	\$ 67,429,183

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	1,805,583	-	1,805,583
Fundraising	3,074,493	-	3,074,493
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 FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2023)

	Program Services	Support Services		2024 Total	2023 Total
		Management and General	Fundraising		
Investment in Employees	\$ 10,780,391	\$ 1,732,221	\$ 1,869,429	\$ 14,382,041	\$ 11,748,823
General Operating	619,297	348,453	61,118	1,028,868	951,802
Technology	564,374	25,004	362,427	951,805	903,024
Marketing & Events	291,422	11,027	312,320	614,769	843,644
Program Distribution Expense	6,226,570	32,861	54,679	6,314,110	7,638,479
Depreciation	1,815,341	2,244	8,585	1,826,170	1,533,474
Food Acquisition Expense (GFB)	8,232,522	-	-	8,232,522	7,217,777
Cost of Goods Sold (less Donated)	30,771,768	-	-	30,771,768	21,890,068
Total Functional Expenses Before Donated Food Distributions	59,301,685	2,151,810	2,668,558	64,122,053	52,727,091
Donated Food Distributions	126,178,781	-	-	126,178,781	139,442,289
Total Functional Expenses	<u>\$ 185,480,466</u>	<u>\$ 2,151,810</u>	<u>\$ 2,668,558</u>	<u>\$ 190,300,834</u>	<u>\$ 192,169,380</u>
Percentage of Total Expenses	<u>97.5%</u>	<u>1.1%</u>	<u>1.4%</u>	<u>100.0%</u>	

See accompanying Notes to Financial Statements.

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

	Program Services	Support Services		2023 Total
		Management and General	Fundraising	
Investment in Employees	\$ 8,672,059	\$ 1,345,744	\$ 1,731,020	\$ 11,748,823
General Operating	534,707	311,596	105,499	951,802
Technology	415,570	72,563	414,891	903,024
Marketing & Events	87,000	10,324	746,320	843,644
Program Distribution Expense	7,524,176	59,590	54,713	7,638,479
Depreciation	1,505,658	5,766	22,050	1,533,474
Food Acquisition Expense (GFB)	7,217,777	-	-	7,217,777
Cost of Goods Sold (less Donated)	21,890,068	-	-	21,890,068
Total Functional Expenses Before Donated Food Distributions	47,847,015	1,805,583	3,074,493	52,727,091
Donated Food Distributions	139,442,289	-	-	139,442,289
Total Functional Expenses	<u>\$ 187,289,304</u>	<u>\$ 1,805,583</u>	<u>\$ 3,074,493</u>	<u>\$ 192,169,380</u>
Percentage of Total Expenses	<u>97.5%</u>	<u>0.9%</u>	<u>1.6%</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, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Operating and Support Activities	\$ 73,221,022	\$ 44,350,265
Cash Paid to Suppliers and Employees	(68,956,067)	(48,640,365)
Miscellaneous Receipts	833,536	3,960,594
Investment Income	799,823	157,794
Net Cash Provided (Used) by Operating Activities	5,898,314	(171,712)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(4,964,204)	(2,225,954)
Purchase of Investments	(12,885,574)	(20,429,577)
Proceeds from Sale of Investments	12,440,666	20,646,803
Net Cash Used by Investing Activities	(5,409,112)	(2,008,728)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Financing Lease Obligations	-	(195,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	489,202	(2,375,440)
Cash and Cash Equivalents - Beginning of Year	3,068,552	5,443,992
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,557,754	\$ 3,068,552
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
Property and Equipment Additions In-kind	\$ 8,500,000	\$ -

See accompanying Notes to Financial Statements.

**GLEANERS FOOD BANK OF INDIANA, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 9,935,889	\$ 10,875,853
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,826,170	1,533,474
Provision for Bad Debts	-	(8,786)
(Gain) Loss on Disposal of Property and Equipment	(109,318)	41,290
Realized and Unrealized (Gain) Loss on Investments	(2,418,511)	(1,574,608)
Change in Fair Value of Beneficial Interest in Assets Held by Community Foundation	(190,266)	(81,050)
In-Kind Donations	-	(8,806,915)
Noncash Lease Expense	15,290	958
Extinguishment of Debt	-	158,896
Changes in Operating Assets and Liabilities:		
Accounts Receivable	2,467,172	(1,734,576)
Contributions and Grants Receivable	(3,733,392)	(666,069)
Inventory	2,253,549	(3,019,046)
Prepayments	(52,180)	(69,556)
Accounts Payable	(2,704,783)	3,029,547
Accrued Liabilities and Other Payables	353,781	161,739
Deferred Revenue	(1,745,087)	(12,863)
Net Cash Provided (Used) by Operating Activities	\$ 5,898,314	\$ (171,712)

See accompanying Notes to Financial Statements.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Our Purpose: United with others, Gleaners optimizes equitable access to nutritious food for those of us facing hunger and strives to overcome the conditions causing food insecurity.

Our Vision: Food for every table. Empower every future.

Our Mission: To be a leader in the fight against hunger.

One in seven Hoosiers face food insecurity. In Gleaners 21-county service area, that means 299,260 people, with one-third of those being children. People facing hunger have to make decisions about what bills to pay: rent, utilities, food, healthcare, medications, car payments. These decisions are unimaginable to many of us.

Since the COVID pandemic in 2020, food insecurity has risen dramatically not just in Indiana, but across the country and around the world. Gleaners works to maximize our superpower – sourcing and distributing large quantities of nutritious foods – while also working to reduce the line through outreach programs focused on addressing root causes of poverty through collaboration and case management.

Hunger-relief programs focus on nutrition and variety, as we seek to distribute meal-making foods that are both nutritious and culturally familiar. Our drive-thru pantry is the largest food pantry in the state. In addition, we support a network of more than 300 food pantries, soup kitchens, schools, and other community partners, supplemented by mobile pantries reaching parts of our service area in need of additional resources. Gleaners2Go/Home Delivery offer options for working families and those who are homebound.

Gleaners is a leading member of the Feeding America network of food banks and recognized for innovation and stewardship of our financial resources. We have received a 4-star rating from Charity Navigator for 5 consecutive years and are recognized with a Platinum rating from Candid. In addition, we are certified by the Better Business Bureau and are a Good Wages Initiative employer.

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.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

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, 2024 and 2023, 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.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities and nonmarketable investments 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 partners, food banks, and other customers for share fees and food sales charged to those organizations. Accounts receivable are stated at the amounts billed to those organizations. Gleaners provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, current economic conditions and certain forward-looking information. 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, 2023, 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, 2023. RSM's report is available upon request. According to this report, at December 31, 2023 and 2022, the average wholesale value of one pound of donated product at the national level was \$1.97 and \$1.93, respectively.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

Inventory (Continued)

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, 2024 and 2023 was \$1.97 and \$1.93, 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 realizable value. At September 30, 2024 and 2023, purchased food inventory was \$3,651,100 and \$4,541,260, respectively.

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 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.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

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, 2024 and 2023.

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:

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.

Revenue Recognition

Revenue from contracts with customers is derived primarily from shared contributions and purchased food sales. This revenue is reported at the amount that reflects the consideration to which Gleaners expects to be entitled in exchange for providing services. Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by Gleaners. Shared contributions and purchased food sales revenue for performance obligations are satisfied at a point in time, which is when the related food is delivered to social service agencies. Shared contribution revenue and purchased product revenue is cost plus a fee charged to the social services agencies for storage, handling, and repacking of the product by Gleaners. Total accounts receivable was \$2,273,489, \$4,647,502, and \$2,912,926 as of September 30, 2024, 2023, and 2022, respectively.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

Revenue Recognition (Continued)

Gleaners recognized \$93,159, \$0, and \$0 of credit losses on any receivables or contract assets arising from contracts with customers as of September 30, 2024, 2023, and 2022, respectively. There are also no incremental costs of obtaining contracts and no significant financing components. Finally, there are no significant changes in the judgements affecting the determination of the amount and timing of revenue from contracts with customers.

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, 2024 and 2023 and 2022, Gleaners deferred \$3,149,537, \$5,113,206, and \$5,147,569, respectively, of such conditional funding. There are no such conditional gifts as of September 30, 2024 and 2023 that had not been received.

**GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 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 supporting its food distribution programming and mission. 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 when received. 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. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment. 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:

	<u>2024</u>	<u>2023</u>
Donated Food Contributions	\$ 128,919,368	\$ 141,554,266
Stock Gifts	-	306,915
Property and Equipment	1,201,670	8,500,200
Total	<u>\$ 130,121,038</u>	<u>\$ 150,361,381</u>

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, 2024, 2023 and 2022, Gleaners deferred \$240,082, \$21,150, 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, 2024 and 2023, \$-0- was accrued for unrelated business income tax in accompanying financial statements related to estimated taxes on unrelated business income.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

Taxes on Income (Continued)

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 Internal Revenue Service and state taxing authorities, generally for three years after they were filed.

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, information technology, and transportation which are allocated by square footage, headcount, and routes, respectively.

Adoption of New Accounting Pronouncements

On October 1, 2023, Gleaners adopted 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*, which replaces the incurred loss methodology with expected loss methodology referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under CECL is applicable to financial assets measured at amortized cost, including trade account receivables. There was no material impact on Gleaners' financial position and change in net assets as a result of the adoption of this accounting standard.

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 12, 2025, the date the financial statements were available to be issued.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 3,557,754	\$ 3,068,552
Accounts and Grants Receivable, Net	4,079,105	5,926,521
Contributions Receivable	1,131,459	1,315,484
Investments	-	2,892,686
Beneficial Interest in Assets Held by Community Foundation	1,251,438	1,061,172
Accumulated Endowment Earnings Available for Appropriation, Included in Investments	5,736,822	2,873,403
Total	<u>\$ 15,756,578</u>	<u>\$ 17,137,818</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 \$1,251,438 and \$1,061,172 as of September 30, 2024 and 2023, respectively, is subject to an annual spending rate of 5% as described in Note 8.

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

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable, net of present value discount of \$186,741 and \$174,047 for September 30, 2024 and 2023, respectively, consisted of the following:

	<u>2024</u>	<u>2023</u>
Amounts Due in:		
Less than One Year	\$ 2,963,130	\$ 1,427,237
One to Five Years	3,074,843	1,497,100
Total	<u>\$ 6,037,973</u>	<u>\$ 2,924,337</u>

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 4 INVESTMENTS

Gleaners' investments consisted of the following:

	<u>2024</u>	<u>2023</u>
Money Market Mutual Funds	\$ 742,223	\$ 230,372
United States Treasuries	7,986,022	7,917,519
Fixed Income:		
Corporate Bonds	1,371,783	1,286,004
Municipal Bonds	63,858	61,350
Equity Securities	-	2,249,577
Exchange Traded products (ETPs):		
Equity ETPs	3,041,220	1,853,100
Fixed Income ETPs	354,371	358,141
Other ETPs	-	35,093
Mutual Funds and Exchange-Traded Funds:		
Fixed Income Funds	1,916,705	1,150,383
Equity Funds	6,835,094	4,700,578
Alternative Investments	394,260	-
Total Investments	<u>\$ 22,705,536</u>	<u>\$ 19,842,117</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, 2024</u>			
Dividends and Interest	\$ 461,739	\$ 338,084	\$ 799,823
Net Realized and Unrealized Gain	(5,518)	2,424,029	2,418,511
Total Return on Investments	<u>\$ 456,221</u>	<u>\$ 2,762,113</u>	<u>\$ 3,218,334</u>
<u>September 30, 2023</u>			
Dividends and Interest	\$ 89,111	\$ 68,683	\$ 157,794
Net Realized and Unrealized Loss	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>

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment at September 30 consist of:

	<u>2024</u>	<u>2023</u>
Land and Improvements	\$ 9,417,498	\$ 9,417,498
Building Improvements	19,136,018	9,342,868
Building Improvements in Process	-	293,189
Furniture and Equipment	437,705	417,276
Warehouse Equipment	7,540,811	5,599,896
Computer Equipment, Hardware, and Software	2,397,335	1,596,933
Subtotal	<u>38,929,367</u>	<u>26,667,660</u>
Less: Accumulated Depreciation and Amortization	<u>(11,609,151)</u>	<u>(10,606,345)</u>
Property and Equipment, Net	<u>\$ 27,320,216</u>	<u>\$ 16,061,315</u>

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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, noncancelable financing lease agreement that expires in 2028.

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

	2024	2023
Lease Cost:		
Amortization of Financing Right-of-Use Asset	\$ 13,929	\$ 2,321
Operating Lease Cost	\$ 40,917	\$ 45,172
Variable Lease Cost	\$ 86,218	\$ -
Other Information:		
Operating Cash Flows from Operating Leases	\$ 39,554	\$ 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	1.7 Years	1.8 Years
Weighted-Average Discount Rate	5.09%	5.09%

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

Year Ending December 31,	Amount
2025	\$ 12,813
2026	3,175
2027	2,055
2028	514
Undiscounted Cash Flows	18,557
(Less) Imputed Interest	(865)
Total Present Value	\$ 17,692
Short-Term Lease Liabilities	\$ 17,692
Long-Term Lease Liabilities	-
Total	\$ 17,692

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 bore interest at a variable rate of 2.90% points over the one-month ICE Benchmark Administration (ICE) LIBOR rate and was secured by all personal properties and fixtures of Gleaners. The line had an outstanding balance of \$-0- as of September 30, 2024 and 2023.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 7 LINE OF CREDIT (CONTINUED)

In January 2020, Gleaners entered into a \$1,250,000 line of credit agreement that remained in effect until April 2023. The line bore interest at a variable rate of 0.75% points under the Lender's Index rate and was secured by Gleaners' operational building. The line had an outstanding balance of \$-0- as of September 30, 2024 and 2023.

In May 2023, Gleaners entered into a \$5,000,000 line of credit agreement 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, 2024 and 2023. The credit agreement is subject to certain covenants for which management believes Gleaners was in compliance at September 30, 2024 and 2023.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Subject to Expenditure for Specified Purpose:		
Children's Programs	\$ 23,000	\$ 169,367
Property and Equipment Acquisition	8,159,792	3,942,926
Food Purchase	246,545	153,277
SNAP	10,000	21,150
Freezer Expansion	-	8,500,000
Other Purposes	1,598,223	289,308
Total	<u>10,037,560</u>	<u>13,076,028</u>
Subject to the Passage of Time:		
For Periods after September 30	<u>3,427,658</u>	<u>2,924,337</u>
Total	3,427,658	2,924,337
Endowment:		
Subject to Endowment Spending Policy, Appropriation and Expenditure:		
General Operations	5,736,822	2,873,403
Investment in Perpetuity, the Income of Which is Expendable to Support:		
General Operations	<u>9,500,000</u>	<u>9,500,000</u>
Total Net Assets With Donor Restrictions	<u>\$ 28,702,040</u>	<u>\$ 28,373,768</u>

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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:

	2024	2023
Satisfaction of Purpose Restrictions:		
Children's Programs	\$ 772,809	\$ 476,045
Property and Equipment Acquisition	3,284,886	1,535,074
Mobile Pantry	407,594	273,830
Food Purchase	3,889,903	2,316,119
Produce Cooperative Operations	815,687	979,868
Senior (Non-Mobile)	5,758	42,195
Marketing Awareness Activities	250,000	255,000
Strategic Planning	103,971	523,112
Gleaners2Go and Home Delivery	65,208	300,500
Other Purposes	217,968	276,284
Total	\$ 9,813,784	\$ 6,978,027

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.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 9 ENDOWMENT (CONTINUED)

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

The composition of net assets by type of endowment fund at September 30 was:

	Without Donor Restriction	With Donor Restrictions	Total
<u>September 30, 2024</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 15,236,822	\$ 15,236,822
Board-Designated Endowment Funds	1,251,438	-	1,251,438
Total	<u>\$ 1,251,438</u>	<u>\$ 15,236,822</u>	<u>\$ 16,488,260</u>
<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>

Changes in endowment net assets for the years ended September 30 were:

	Without Donor Restriction	With Donor Restrictions	Total
<u>September 30, 2024</u>			
Endowment Net Assets - Beginning of Year	\$ 1,061,172	\$ 12,373,403	\$ 13,434,575
Investment Return, Net	190,266	2,863,419	3,053,685
Contributions Received	-	-	-
Appropriation of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets - End of Year	<u>\$ 1,251,438</u>	<u>\$ 15,236,822</u>	<u>\$ 16,488,260</u>
<u>September 30, 2023</u>			
Endowment Net Assets - Beginning of Year	\$ 980,122	\$ 11,010,364	\$ 11,990,486
Investment Loss, 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>

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, 2024 and 2023.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 9 ENDOWMENT (CONTINUED)

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.

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.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

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, 2024 and 2023:

	2024				NAV Practical Expedient	Redemption or Liquidation	Days Notice
	Total	Level 1	Level 2	Level 3			
Investments:							
Money Market Mutual Funds	\$ 742,223	\$ 742,223	\$ -	\$ -	\$ -	Daily	1
United States Treasuries	7,986,022	7,986,022	-	-	-	Daily	1
Fixed Income:							
Corporate Bonds	1,371,783	-	1,371,783	-	-	Daily	1
Municipal Bonds	63,858	-	63,858	-	-	Daily	1
Exchange Traded Products (ETPs):							
Equity ETPs	3,041,220	3,041,220	-	-	-	Daily	1
Fixed Income ETPs	354,371	354,371	-	-	-	Daily	1
Mutual Funds and Exchange-Traded Funds:							
Fixed Income Funds	1,916,705	1,916,705	-	-	-	Daily	1
Equity Funds	6,835,094	6,835,094	-	-	-	Daily	1
Alternative Investments	394,260	-	-	-	394,260	Illiquid	N/A
Total Investments	<u>22,705,536</u>	<u>20,875,635</u>	<u>1,435,641</u>	<u>-</u>	<u>394,260</u>		
Beneficial Interest in Assets Held by Others	1,251,438	-	-	1,251,438	-	Illiquid	N/A
Total	<u>\$ 23,956,974</u>	<u>\$ 20,875,635</u>	<u>\$ 1,435,641</u>	<u>\$ 1,251,438</u>	<u>\$ 394,260</u>		

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

Recurring Measurements (Continued)

	Total	2023		
		Level 1	Level 2	Level 3
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	19,842,117	10,577,244	9,264,873	-
Beneficial Interest in Assets Held by Others	1,061,172	-	-	1,061,172
Total	<u>\$ 20,903,289</u>	<u>\$ 10,577,244</u>	<u>\$ 9,264,873</u>	<u>\$ 1,061,172</u>

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, 2024. 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 U.S. GAAP.

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' interest in alternative investments funds is generally reported at the NAV reported by the fund managers. NAV is used as a practical expedient to estimate fair value of the Gleaners' interest therein, unless it is possible that all or a portion of the investment will be sold for an amount different from NAV. As of September 30, 2024, Gleaners had no specific plans or intentions to sell investments at amounts different than NAV.

**GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

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

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:

	2024	2023
Balance - Beginning of Year	\$ 1,061,172	\$ 980,122
New Contributions	-	-
Approved Withdrawals	(11,453)	(10,033)
Interest and Dividends	9,350	7,532
Net Change in Fair Value	192,369	83,551
Balance - End of Year	<u>\$ 1,251,438</u>	<u>\$ 1,061,172</u>

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 4% of employee contributions. Gleaners' employer matching contribution was \$241,591 and \$147,409 for the years ended September 30, 2024 and 2023, 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, dairy, and grocery 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.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 12 FRESH CONNECT CENTRAL (CONTINUED)

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 2024 and 2023 can be found in the supplementary information combining schedules .

NOTE 13 CONCENTRATIONS

During the year ended September 30, 2024, approximately 31% of total gifts and donations were received from two donors. During the year ended September 30, 2023, approximately 35% of total gifts and donations were received from two donors.

**GLEANERS FOOD BANK OF INDIANA, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2024**

	Gleaners Food Bank	Fresh Connect Central	Eliminations	Combined
ASSETS				
Cash and Cash Equivalents	\$ 3,042,445	\$ 515,309	\$ -	\$ 3,557,754
Accounts Receivable	384,279	1,796,051	-	2,180,330
Grants Receivable	684,291	1,214,484	-	1,898,775
In-Kind Receivable	-	-	-	-
Contributions Receivable, Net	6,037,973	-	-	6,037,973
Inventories	6,646,869	5,079,593	-	11,726,462
Prepaid Expenses	144,897	162,582	-	307,479
Investments	22,705,536	-	-	22,705,536
Inter-Program Activity	(2,800,839)	2,800,839	-	-
Beneficial Interest in Assets Held by Community Foundation	1,251,438	-	-	1,251,438
Right-of-Use Asset - Operating	17,694	-	-	17,694
Right-of-Use Asset - Financing	178,750	-	-	178,750
Property and Equipment, Net	27,320,216	-	-	27,320,216
Total Assets	\$ 65,613,549	\$ 11,568,858	\$ -	\$ 77,182,407
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	\$ 871,217	\$ 3,886,163	\$ -	\$ 4,757,380
Accrued Expenses and Other Liabilities	1,588,432	101	-	1,588,533
Deferred Revenue	3,307,890	81,729	-	3,389,619
Lease Liability - Operating	17,692	-	-	17,692
Total Liabilities	5,785,231	3,967,993	-	9,753,224
NET ASSETS				
Without Donor Restrictions:				
Undesignated	29,874,840	7,600,865	-	37,475,705
Board-Designated	1,251,438	-	-	1,251,438
Total Without Donor Restrictions	31,126,278	7,600,865	-	38,727,143
With Donor Restrictions	28,702,040	-	-	28,702,040
Total Net Assets	59,828,318	7,600,865	-	67,429,183
Total Liabilities and Net Assets	\$ 65,613,549	\$ 11,568,858	\$ -	\$ 77,182,407

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				
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	55,420	-	-	55,420
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 ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024**

	Gleaners Food Bank			Fresh Connect Central			Eliminations	Combined		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS										
Government Grants and Contracts	\$ 1,761,629	\$ -	\$ 1,761,629	\$ 2,193,259	\$ -	\$ 2,193,259	\$ -	\$ 3,954,888	\$ -	\$ 3,954,888
Shared Contributions	615,262	-	615,262	1,661,555	-	1,661,555	(468,785)	1,808,032	-	1,808,032
Gifts and Donations	19,121,791	7,379,943	26,501,734	318,025	-	318,025	-	19,439,816	7,379,943	26,819,759
Stock Gifts	-	-	-	-	-	-	-	-	-	-
Donated Goods and Services	1,201,670	-	1,201,670	-	-	-	-	1,201,670	-	1,201,670
Interest and Dividends	461,739	338,084	799,823	-	-	-	-	461,739	338,084	799,823
Purchased Food Sales	4,735,856	-	4,735,856	34,467,863	-	34,467,863	(5,912,849)	33,290,870	-	33,290,870
Forgiveness of Debt	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	796,241	-	796,241	37,295	-	37,295	-	833,536	-	833,536
Donated Food Contributions	75,908,400	-	75,908,400	53,336,242	-	53,336,242	(325,274)	128,919,368	-	128,919,368
Net Assets Released from Restriction	9,813,784	(9,813,784)	-	-	-	-	-	9,813,784	(9,813,784)	-
Total Revenue, Support, and Gains	114,416,372	(2,095,757)	112,320,615	92,014,239	-	92,014,239	(6,706,908)	199,723,703	(2,095,757)	197,627,946
EXPENSES AND LOSSES										
Program Services	25,049,813	-	25,049,813	40,958,780	-	40,958,780	(6,706,908)	59,301,685	-	59,301,685
Supporting Services:										
Management and General	2,151,810	-	2,151,810	-	-	-	-	2,151,810	-	2,151,810
Fundraising	2,668,558	-	2,668,558	-	-	-	-	2,668,558	-	2,668,558
Total Supporting Services	4,820,368	-	4,820,368	-	-	-	-	4,820,368	-	4,820,368
Donated Food Distributions	77,466,380	-	77,466,380	48,712,401	-	48,712,401	-	126,178,781	-	126,178,781
Total Expenses and Losses	107,336,561	-	107,336,561	89,671,181	-	89,671,181	(6,706,908)	190,300,834	-	190,300,834
CHANGE IN NET ASSETS BEFORE OTHER GAINS AND LOSSES	7,079,811	(2,095,757)	4,984,054	2,343,058	-	2,343,058	-	9,422,869	(2,095,757)	7,327,112
Net Realized and Unrealized Gain on Investments	(5,518)	2,424,029	2,418,511	-	-	-	-	(5,518)	2,424,029	2,418,511
Change in Fair Value of Beneficial Interest in Assets Held by Community Foundation	190,266	-	190,266	-	-	-	-	190,266	-	190,266
CHANGE IN NET ASSETS	7,264,559	328,272	7,592,831	2,343,058	-	2,343,058	-	9,607,617	328,272	9,935,889
Net Assets - Beginning of Year	23,861,719	28,373,768	52,235,487	5,257,807	-	5,257,807	-	29,119,526	28,373,768	57,493,294
NET ASSETS - END OF YEAR	<u>\$ 31,126,278</u>	<u>\$ 28,702,040</u>	<u>\$ 59,828,318</u>	<u>\$ 7,600,865</u>	<u>\$ -</u>	<u>\$ 7,600,865</u>	<u>\$ -</u>	<u>\$ 38,727,143</u>	<u>\$ 28,702,040</u>	<u>\$ 67,429,183</u>

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

	Gleaners Food Bank			Fresh Connect Central			Eliminations	Combined		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS										
Government Grants and Contracts	\$ 1,400,293	\$ -	\$ 1,400,293	\$ 1,374,822	\$ -	\$ 1,374,822	\$ -	\$ 2,775,115	\$ -	\$ 2,775,115
Shared Contributions	683,410	-	683,410	2,458,675	-	2,458,675	(802,466)	2,339,619	-	2,339,619
Gifts and Donations	9,900,584	6,428,493	16,329,077	1,187,259	-	1,187,259	-	11,087,843	6,428,493	17,516,336
Stock Gifts	306,915	-	306,915	-	-	-	-	306,915	-	306,915
Donated Goods and Services	200	8,500,000	8,500,200	-	-	-	-	200	8,500,000	8,500,200
Interest and Dividends	89,111	68,683	157,794	-	-	-	-	89,111	68,683	157,794
Purchased Food Sales	5,767,411	-	5,767,411	22,389,525	-	22,389,525	(4,037,096)	24,119,840	-	24,119,840
Forgiveness of Debt	158,896	-	158,896	-	-	-	-	158,896	-	158,896
Miscellaneous Income	523,118	-	523,118	3,782,079	-	3,782,079	(344,603)	3,960,594	-	3,960,594
Donated Food Contributions	82,923,093	-	82,923,093	58,631,173	-	58,631,173	-	141,554,266	-	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	116,750,207	89,823,533	-	89,823,533	(5,184,165)	193,370,426	8,019,149	201,389,575
EXPENSES AND LOSSES										
Program Services	23,085,856	-	23,085,856	29,945,324	-	29,945,324	(5,184,165)	47,847,015	-	47,847,015
Supporting Services:										
Management and General	1,805,583	-	1,805,583	-	-	-	-	1,805,583	-	1,805,583
Fundraising	3,074,493	-	3,074,493	-	-	-	-	3,074,493	-	3,074,493
Total Supporting Services	4,880,076	-	4,880,076	-	-	-	-	4,880,076	-	4,880,076
Donated Food Distributions	80,766,048	-	80,766,048	58,676,241	-	58,676,241	-	139,442,289	-	139,442,289
Total Expenses and Losses	108,731,980	-	108,731,980	88,621,565	-	88,621,565	(5,184,165)	192,169,380	-	192,169,380
CHANGE IN NET ASSETS BEFORE OTHER GAINS AND LOSSES	(922)	8,019,149	8,018,227	1,201,968	-	1,201,968	-	1,201,046	8,019,149	9,220,195
Net Realized and Unrealized Gain on Investments	280,250	1,294,358	1,574,608	-	-	-	-	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	-	-	-	-	81,050	-	81,050
CHANGE IN NET ASSETS	360,378	9,313,507	9,673,885	1,201,968	-	1,201,968	-	1,562,346	9,313,507	10,875,853
Net Assets - Beginning of Year	23,501,341	19,060,261	42,561,602	4,055,839	-	4,055,839	-	27,557,180	19,060,261	46,617,441
NET ASSETS - END OF YEAR	<u>\$ 23,861,719</u>	<u>\$ 28,373,768</u>	<u>\$ 52,235,487</u>	<u>\$ 5,257,807</u>	<u>\$ -</u>	<u>\$ 5,257,807</u>	<u>\$ -</u>	<u>\$ 29,119,526</u>	<u>\$ 28,373,768</u>	<u>\$ 57,493,294</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Gleaners Food Bank of Indiana, Inc.
Indianapolis, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Gleaners Food Bank of Indiana, Inc. (Gleaners) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 12, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gleaners' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gleaners' internal control. Accordingly, we do not express an opinion on the effectiveness of Gleaners' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gleaners' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Indianapolis, Indiana
March 12, 2025



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Gleaners Food Bank of Indiana, Inc.
Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gleaners Food Bank of Indiana, Inc.'s (Gleaners) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Gleaners' major federal programs for the year ended September 30, 2024. Gleaners' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Gleaners complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditors' Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of Gleaners and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Gleaners' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Gleaners' federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Gleaners' compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Gleaners' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Gleaners compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Gleaners' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Gleaners' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined below. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Board of Directors
Gleaners Food Bank of Indiana, Inc.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Indianapolis, Indiana
March 12, 2025

GLEANERS FOOD BANK OF INDIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed- Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Pass-Through Indiana Department of Health:				
Local Food Purchase Assistance Program	10.182	69468	\$ -	\$ 2,195,788
Emergency Food Assistance Program	10.187	75841	-	373,360
Pass-Through Indiana Department of Health:				
Food Distribution Cluster:				
Emergency Food Assistance Program - Cash	10.568	76664	8,640	431,993
Emergency Food Assistance Program - Cash	10.568	65337	-	105,000
Emergency Food Assistance Program - Noncash	10.569	N/A	<u>9,408,293</u>	<u>17,257,608</u>
Total Food Distribution Cluster *			<u>9,416,933</u>	<u>17,794,601</u>
Pass-Through Indiana Department of Health:				
SNAP Cluster:				
Supplemental Nutrition Assistance Program	10.551	81160	-	176,497
Total SNAP Cluster			<u>-</u>	<u>176,497</u>
Total U.S. Department of Agriculture			9,416,933	20,540,246
U.S. Department of Treasury				
Pass-Through Consolidated City of Indianapolis and Marion County, Indiana, by and through its Office of Public Health and Safety (COVID-19) Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>-</u>	<u>10,579</u>
Total U.S. Department of Treasury			<u>-</u>	<u>10,579</u>
Total Expenditures of Federal Awards			<u>\$ 9,416,933</u>	<u>\$ 20,550,825</u>

* Denotes Major Program

See accompanying Notes to Schedule of Expenditures of Federal Awards.

GLEANERS FOOD BANK OF INDIANA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Gleaners under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Gleaners, it is not intended to and does not present the financial position, changes in net assets or cash flows of Gleaners.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

Gleaners has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**GLEANERS FOOD BANK OF INDIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024**

Section 1 – Summary of Auditors’ Results

Financial Statements

1. Type auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of Major Federal Programs

Federal Assistance Listing Number(s)

10.568, 10.569

Name of Federal Program or Cluster

Food Distribution Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

 \$ 750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

**GLEANERS FOOD BANK OF INDIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2024**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.51(a).



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