

**METROPOLITAN AREA NEIGHBORHOOD  
NUTRITION ALLIANCE**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023 and 2022**  
**(with supplementary information)**

# METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Metropolitan Area Neighborhood Nutrition Alliance

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Metropolitan Area Neighborhood Nutrition Alliance ("MANNA"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MANNA as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for each of 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"), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *City of Philadelphia Subrecipient Audit Guide*. 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 MANNA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 MANNA's ability to continue as a going concern for 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, *Government Auditing Standards*, and the City of Philadelphia *Subrecipient Audit Guide* 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.

- 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 MANNA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MANNA's ability to continue as a going concern for a reasonable period of time.

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

### ***Other Matters***

#### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules are required by the City of Philadelphia and the *City of Philadelphia Subrecipient Audit Guide* for the year ended June 30, 2023, are presented for the 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 above-described supplementary 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. Such information has been subjected to the auditing procedures applied in the audits 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 auditing standards generally accepted in the United States of America. 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 December 13, 2023 on our consideration of MANNA's internal control over financial reporting and on our tests of its compliance with certain provision 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 MANNA's 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 MANNA's internal control over financial reporting and compliance.

*EisnerAmper LLP*

EISNERAMPER LLP  
Philadelphia, Pennsylvania  
December 13, 2023

EISNERAMPER  
LLP



# METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

## Statements of Financial Position

	June 30,	
	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,637,410	\$ 4,511,130
Cash and cash equivalents held for endowment	507,443	-
Accounts receivable, net	750,347	1,095,049
Current portion of pledges receivable, net	455,000	522,500
Investments	11,793,144	9,638,848
Prepaid expenses and other current assets	141,501	139,126
	<b>18,284,845</b>	15,906,653
Certificates of deposit	<b>2,389,857</b>	4,215,000
Property and equipment, net	<b>3,399,811</b>	3,619,250
Other assets:		
Operating lease right-of-use assets	3,347,574	-
Pledges receivable, net, less current portion	752,052	1,071,009
Deposits	107,296	103,507
	<b>4,206,922</b>	1,174,516
	<b>\$ 28,281,435</b>	<b>\$ 24,915,419</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 890,739	\$ 700,705
Current portion of operating lease liabilities	506,690	-
Deferred revenue	1,008,209	2,810,355
Deferred lease liability, current portion	-	20,312
Deferred lease incentive, current portion	-	37,875
	<b>2,405,638</b>	3,569,247
Long-term liabilities:		
Long-term operating lease liabilities	3,563,445	-
Deferred lease liability, less current portion	-	412,124
Deferred lease incentive, less current portion	-	315,625
	<b>3,563,445</b>	727,749
<b>NET ASSETS</b>		
Without donor restrictions	18,887,999	16,739,339
With donor restrictions	3,424,353	3,879,084
	<b>22,312,352</b>	20,618,423
	<b>\$ 28,281,435</b>	<b>\$ 24,915,419</b>

See notes to financial statements.

# METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

## Statements of Activities and Changes in Net Assets

	Year Ended June 30,					
	2023			2022		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Support and revenues:</b>						
Public support:						
Contributions - individuals	\$ 1,989,598	\$ 502,059	\$ 2,491,657	\$ 1,135,257	\$ -	\$ 1,135,257
Contributions - corporations	440,926	-	440,926	668,992	-	668,992
Foundations	1,099,793	110,000	1,209,793	1,004,271	167,500	1,171,771
Government contracts:						
AIDS Activities Coordinating Office	722,425	-	722,425	752,069	-	752,069
Fundraising events, net of direct benefit to donors of \$243,937 in 2023 and \$-0- in 2022	581,119	-	581,119	811,918	-	811,918
Other	5,219	-	5,219	7,152	-	7,152
Net assets released from restrictions	1,072,324	(1,072,324)	-	1,475,362	(1,475,362)	-
Total public support	5,911,404	(460,265)	5,451,139	5,855,021	(1,307,862)	4,547,159
Contracts:						
Contracts - health insurance plans	5,345,725	-	5,345,725	3,468,505	-	3,468,505
Contracts - other	261,525	-	261,525	509,368	-	509,368
Total contracts	5,607,250	-	5,607,250	3,977,873	-	3,977,873
Total public support and contracts	11,518,654	(460,265)	11,058,389	9,832,894	(1,307,862)	8,525,032
Other revenues (loss):						
Investment income (loss), net	992,272	5,534	997,806	(1,282,999)	-	(1,282,999)
Other income	65,414	-	65,414	4,472	-	4,472
Total other revenues (loss)	1,057,686	5,534	1,063,220	(1,278,527)	-	(1,278,527)
Total support and revenues	12,576,340	(454,731)	12,121,609	8,554,367	(1,307,862)	7,246,505
<b>Expenses:</b>						
Meals and services	8,442,218	-	8,442,218	7,712,452	-	7,712,452
Supporting services:						
Management and general	753,913	-	753,913	805,700	-	805,700
Fundraising	1,231,549	-	1,231,549	1,211,728	-	1,211,728
Total expenses	10,427,680	-	10,427,680	9,729,880	-	9,729,880
<b>Changes in net assets</b>	2,148,660	(454,731)	1,693,929	(1,175,513)	(1,307,862)	(2,483,375)
Net assets at beginning of year	16,739,339	3,879,084	20,618,423	17,914,852	5,186,946	23,101,798
<b>Net assets at end of year</b>	<b>\$ 18,887,999</b>	<b>\$ 3,424,353</b>	<b>\$ 22,312,352</b>	<b>\$ 16,739,339</b>	<b>\$ 3,879,084</b>	<b>\$ 20,618,423</b>

See notes to financial statements.

# METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

## Statements of Functional Expenses

	Year Ended June 30,							
	2023			2022				
	Program Services	Supporting Services		Total	Program Services	Supporting Services		Total
Meals and Services	Management and General	Fundraising	Meals and Services		Management and General	Fundraising		
<b>Personnel costs:</b>								
Payroll	\$ 2,480,303	\$ 454,543	\$ 421,925	\$ 3,356,771	\$ 2,117,236	\$ 398,663	\$ 354,038	\$ 2,869,937
Employee benefits	465,379	64,473	34,106	563,958	403,448	51,938	53,329	508,715
Payroll taxes	204,853	34,702	34,739	274,294	165,749	26,115	28,598	220,462
Total personnel costs	<u>3,150,535</u>	<u>553,718</u>	<u>490,770</u>	<u>4,195,023</u>	<u>2,686,433</u>	<u>476,716</u>	<u>435,965</u>	<u>3,599,114</u>
<b>Nonpersonnel costs:</b>								
Advertising and public relations	45,645	-	296,531	342,176	-	-	296,675	296,675
Advocacy	189	-	-	189	-	-	-	-
Bad debt expense	97,537	-	-	97,537	88,803	-	-	88,803
Credit card processing fees	-	-	17,672	17,672	-	-	37,151	37,151
Dues, fees and subscriptions	86,335	10,009	89,429	185,773	70,130	5,640	29,424	105,194
Equipment rentals	12,367	845	1,379	14,591	9,058	500	817	10,375
Event expense	-	-	24,548	24,548	1,340	-	161,104	162,444
Food and packaging	2,938,090	-	-	2,938,090	2,774,841	-	-	2,774,841
Fuel	38,651	-	-	38,651	34,791	-	-	34,791
Individual giving	-	-	56,915	56,915	-	-	38,822	38,822
In-kind goods and services	2,915	-	-	2,915	330	-	83	413
Insurance	95,864	9,018	4,650	109,532	92,109	8,274	3,827	104,210
Insurance contract direct costs	219,844	-	-	219,844	374,501	-	-	374,501
Janitorial supplies	23,289	-	-	23,289	24,957	-	-	24,957
Kitchen materials	14,405	-	-	14,405	34,343	-	-	34,343
Licenses/permits	6,523	1,010	808	8,341	5,709	416	679	6,804
Maintenance contract	22,821	356	582	23,759	23,416	509	831	24,756
Miscellaneous	35,581	5,772	7,109	48,462	4,106	3,986	701	8,793
Office expense	63,645	14,505	3,518	81,668	46,115	10,583	6,665	63,363
Postage	2,530	514	12,120	15,164	3,371	496	11,929	15,796
Printing	9,280	-	-	9,280	16,064	-	-	16,064
Professional fees	481,567	55,389	61,143	598,099	445,849	205,858	16,536	668,243
Real estate taxes	17,612	1,920	3,135	22,667	15,805	1,714	2,799	20,318
Rent	334,854	36,502	59,601	430,957	361,081	39,361	64,270	464,712
Repairs and maintenance	120,798	10,412	9,544	140,754	92,368	1,596	2,605	96,569
Research project	72,612	-	-	72,612	1,675	-	-	1,675
Social enterprise	-	-	-	-	-	-	293	293
Staff development	25,745	2,736	7,506	35,987	15,888	1,312	2,888	20,088
Stipends	-	-	-	-	-	-	2,815	2,815
Storage	4,758	-	-	4,758	2,317	-	-	2,317
Telecommunications and website	21,720	2,750	6,496	30,966	25,028	2,692	18,096	45,816
Travel and related expense	20,395	1,895	1,632	23,922	13,859	1,274	3,646	18,779
Uniforms	9,752	-	-	9,752	9,175	-	-	9,175
Utilities	80,774	7,310	12,370	100,454	59,324	4,976	8,126	72,426
Volunteer and community relations	25,506	-	-	25,506	14,588	-	-	14,588
Total nonpersonnel costs	<u>4,931,604</u>	<u>160,943</u>	<u>676,688</u>	<u>5,769,235</u>	<u>4,660,941</u>	<u>289,187</u>	<u>710,782</u>	<u>5,660,910</u>
Total expenses before depreciation and amortization	<u>8,082,139</u>	<u>714,661</u>	<u>1,167,458</u>	<u>9,964,258</u>	<u>7,347,374</u>	<u>765,903</u>	<u>1,146,747</u>	<u>9,260,024</u>
Depreciation and amortization	<u>360,079</u>	<u>39,252</u>	<u>64,091</u>	<u>463,422</u>	<u>365,078</u>	<u>39,797</u>	<u>64,981</u>	<u>469,856</u>
Total expense included in the expense section on the statement of activities and changes in net assets	<u>8,442,218</u>	<u>753,913</u>	<u>1,231,549</u>	<u>10,427,680</u>	<u>7,712,452</u>	<u>805,700</u>	<u>1,211,728</u>	<u>9,729,880</u>
Plus expenses included with revenue on the statement of activities and changes in net assets								
Special events-cost of direct benefits to donors:								
Advertising and public relations	-	-	16,179	16,179	-	-	-	-
Credit card processing fees	-	-	16,390	16,390	-	-	-	-
Event expense	-	-	149,155	149,155	-	-	-	-
In-kind goods and services	-	-	56,100	56,100	-	-	-	-
Postage	-	-	166	166	-	-	-	-
Storage	-	-	16	16	-	-	-	-
Telecommunications and website	-	-	4,720	4,720	-	-	-	-
Travel and related expense	-	-	1,211	1,211	-	-	-	-
Total special events - cost of direct benefits to donors	<u>-</u>	<u>-</u>	<u>243,937</u>	<u>243,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total functional expenses	<u>\$ 8,442,218</u>	<u>\$ 753,913</u>	<u>\$ 1,475,486</u>	<u>\$ 10,671,617</u>	<u>\$ 7,712,452</u>	<u>\$ 805,700</u>	<u>\$ 1,211,728</u>	<u>\$ 9,729,880</u>

See notes to financial statements.



# METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

## Statements of Cash Flows

	Year Ended June 30,	
	2023	2022
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 1,693,929	\$ (2,483,375)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	463,422	469,856
Amortization of operating lease right-of-use assets	304,326	-
Bad debt expense	97,537	88,803
Net realized and unrealized (gain) loss on investments	(685,595)	1,436,021
Gain on sale of property and equipment	(6,749)	(3,500)
(Increase) decrease in assets:		
Accounts receivable	247,165	310,788
Pledges receivable	386,457	414,798
Prepaid expenses and other current assets	(2,375)	(57,189)
Deposits	(3,789)	87,187
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	190,034	264,901
Operating lease liabilities	(367,701)	-
Deferred revenue	(1,802,146)	2,810,355
Deferred lease incentive	-	20,312
Deferred lease liability	-	(37,875)
Net cash provided by operating activities	<u>514,515</u>	<u>3,321,082</u>
<b>Cash flows from investing activities:</b>		
Purchase of certificates of deposit	(2,957,857)	(4,463,931)
Redemption of certificates of deposit	4,783,000	4,957,000
Purchase of investments	(2,969,037)	(1,648,677)
Proceeds from sale of investments	1,500,336	592,465
Purchases of property and equipment	(243,983)	(295,895)
Proceeds from sale of property and equipment	6,749	3,500
Net cash provided by (used in) investing activities	<u>119,208</u>	<u>(855,538)</u>
<b>Net change in cash and cash equivalents and restricted cash</b>	<b>633,723</b>	<b>2,465,544</b>
Cash and cash equivalents and restricted cash at beginning of year	<u>4,511,130</u>	<u>2,045,586</u>
<b>Cash and cash equivalents and restricted cash at end of year</b>	<u><b>\$ 5,144,853</b></u>	<u><b>\$ 4,511,130</b></u>
<b>Supplemental disclosure of cash flow information:</b>		
Write-off of fully depreciated assets	<u><b>\$ 49,297</b></u>	<u><b>\$ 34,326</b></u>

See notes to financial statements.

# METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

## Notes to Financial Statements June 30, 2023 and 2022

### NOTE A - NATURE OF BUSINESS

Metropolitan Area Neighborhood Nutrition Alliance (“MANNA”) is a nonprofit, nonsectarian organization that uses nutrition to improve health for people with serious illnesses who need nourishment to heal. By providing medically tailored meals and nutrition education, they empower people to improve their health and quality of life. MANNA serves the greater Philadelphia area, including part of New Jersey and northern Delaware. MANNA is supported through contracts with various managed care organizations, as well as contributions, grants, and special event fundraising. During the years ended June 30, 2023 and 2022, MANNA served over 1,569,000 and 1,429,000 meals, respectively.

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### [1] Basis of presentation:

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

#### [2] Classification of net assets:

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed 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-imposed (or certain grantor-imposed) restrictions.

*Net Assets With Donor Restrictions* - Net assets subject to donor-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. 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 or through appropriation of endowment income or corpus pursuant to an endowment spending rate policy and are reported in the statements of activities and changes in net assets as net assets released from restrictions. Donor-imposed restrictions which are satisfied in the year of donation are reported as net assets without donor restrictions.

#### [3] Income taxes:

The Internal Revenue Service has classified MANNA as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“Code”); as an organization, contributions to which are deductible under Section 170(c) of the Code; and as an organization that is not a private foundation as defined in Section 509(a) of the Code.

U.S. GAAP requires management to evaluate tax positions taken and recognize a tax liability if MANNA has taken an uncertain tax position that more likely than not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by MANNA and has concluded that as of June 30, 2023 and 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

MANNA recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for either of the years ended June 30, 2023 or 2022.

**METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE**

**Notes to Financial Statements  
June 30, 2023 and 2022**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[4] Use of estimates:**

The preparation of financial statements in conformity with 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 reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**[5] Cash and cash equivalents and cash and cash equivalents held for endowment:**

MANNA considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

The following table provides a reconciliation of cash, cash equivalents, and such amounts considered to be restricted as to use which include cash and cash equivalents held for endowment that are reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	<b>\$ 4,637,410</b>	\$ 4,511,130
Cash and cash equivalents held for endowment	<b>507,443</b>	-
Total cash and cash equivalents and restricted cash shown in the statements of cash flows	<b><u>\$ 5,144,853</u></b>	<b><u>\$ 4,511,130</u></b>

**[6] Accounts receivable and pledges receivable:**

Accounts receivable consist of monies due for billings for work completed under contracts with various health insurance plans. Pledges receivable consist of unconditional promises to give for awards due in future periods. Accounts receivable and pledges receivable are periodically reviewed by management for collectability. Contributions to be received in one year or less are reported at net realizable value. Contributions to be received after one year, net of an allowance for uncollectible amounts, are initially reported at fair value, estimated by discounting them to their present value at a risk-adjusted rate. Thereafter, amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible contributions receivable is provided based upon management’s judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and other relevant factors.

MANNA uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis. As of June 30, 2023 and 2022, the allowance was \$0- and \$12,500 for the pledges receivable, respectively.

MANNA also provides for an allowance for losses equal to the estimated losses that will be incurred in the collection of its accounts receivable. The estimated losses are based on a review of the current status of the existing accounts receivable. As of June 30, 2023 and 2022, the allowance was \$20,000 and \$50,000, respectively.

Accounts are written off when they are deemed uncollectible.

# METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

## Notes to Financial Statements June 30, 2023 and 2022

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [7] Investments:

Investments are reported at fair value in the statements of financial position. Investment income or loss is reported in the statements of activities and changes in net assets and consists of interest and dividend income and realized and unrealized gains and losses, less external and direct internal investment expenses.

#### [8] Certificates of deposit:

Certificates of deposit are carried at cost. The certificates of deposit, with a face value of \$2,389,857 and \$4,215,000 as of June 30, 2023 and 2022, respectively, range from one-month to one-year maturities and bear interest at rates ranging from 0.05% to 5.30%.

#### [9] Property and equipment and depreciation and amortization:

Property and equipment are stated at cost, less accumulated depreciation and amortization. Expenditures for property costing in excess of \$1,000, or that materially increase the estimated useful life of the assets, are capitalized. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, MANNA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. MANNA reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated and amortized using the straight-line method over the estimated useful life, generally as follows:

Transportation equipment	5 years
Kitchen equipment	5 years
Leasehold improvements	10 years
Office equipment	5 years

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2023 and 2022, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

#### [10] Public support revenue:

Funding for MANNA's activities is achieved partially through government funding, foundation, corporate, and other support, contributions, and in-kind contributions, including unconditional promises to give. These donations provide funding to be used to support the mission of MANNA. As the donors are not receiving a benefit as a result of these transactions, the donations are considered to be contributions to MANNA. Some contributions require that funds be expended for a specific purpose, and are considered to be net assets with donor restrictions.

MANNA recognizes unconditional contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

# METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

## Notes to Financial Statements June 30, 2023 and 2022

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [10] Public support revenue: (continued)

MANNA recognizes revenue from special events at the time of admission. The recognition of revenue is conditional on the event taking place. As of June 30, 2023 and 2022, there were conditional contributions associated with special events of \$195,650 and \$81,000, respectively.

Contracts through the AIDS Activities Coordinating Office are cost reimbursement government grants. These grants provide funding to be used for purposes indicated in the grant agreements. As the government is not receiving a benefit as a result of these transactions, the grants are considered to be contributions to MANNA. The grant agreements contain specific service requirements. As these stipulations create a barrier that must be achieved, and any amounts not expended must be returned, government grants are considered to be conditional contributions until such time as the barriers are overcome. Contributions from these grant agreements are therefore recognized as revenue when costs are incurred and specific service requirements are met, as required by the agreements. Until the financial information required by the funding sources is accepted, costs billed for program services under cost reimbursement contracts are subject to review and possible disallowance. In management's opinion, the potential for material disallowances is remote and, therefore, is not a barrier that would prevent the recognition of revenue. MANNA received no funds in advance of service requirements being met as of either June 30, 2023 or 2022. Conditional amounts of \$948 and \$4,758 were not yet recognized on government grants in progress as of June 30, 2023 and 2022, respectively.

#### [11] Contributed services:

Volunteers make significant contributions of time to MANNA and are essential in delivering MANNA's operations and mission. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would be purchased by MANNA. The value of this time is conservatively estimated by management at approximately \$640,000 and \$621,000 for the years ended June 30, 2023 and 2022, respectively. The value of this contributed time is not reflected in the financial statements since it does not meet the requirements for recognition.

#### [12] Contract revenue:

A portion of MANNA's revenue is derived through various provider services agreements with health insurance plans. Services performed include providing meals services and nutritional counseling to referred members of the various health insurance plans. Transaction prices are negotiated between MANNA and the health insurance plans at a per week per member rate. The transaction prices are known at the contract inception and are allocated to the performance obligations. Contract revenue is recognized at a point in time when meals are delivered or services are performed, as that is the point when the performance obligation transfers to the health insurance plans. The amount recognized is the amount that reflects the consideration expected to be received in exchange for providing services on behalf of the insurance plans.

Deferred revenue represents advance payments from health insurance plans where the performance obligation has not yet been met. Deferred revenue associated with these contracts was \$812,599 and \$2,729,355 as of June 30, 2023 and 2022, respectively. Deferred revenue is considered a contract liability which is expected to be realized within the subsequent year.

# METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

## Notes to Financial Statements June 30, 2023 and 2022

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [13] Allocation of functional expenses:

The costs of providing MANNA's program and its supporting services have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and its supporting services. Expenses are charged to the program based on direct expenditures incurred. Any expenditure not directly chargeable has been allocated among program and supporting services classifications on the basis of time records and on estimates made by MANNA's management. Rent and related expenses, as well as certain telecommunications, equipment rentals and insurance have been allocated to functional classifications based on a combination of square footage of the facility and staffing of the organization.

#### [14] Advertising costs:

MANNA expenses the costs of advertising (including marketing and public relations), mainly related to special events, as incurred. Total expense was approximately \$358,355 and \$296,680 for the years ended June 30, 2023 and 2022, respectively.

#### [15] Leases:

MANNA determines if an arrangement is a lease at inception.

Operating leases are recorded as operating lease right-of-use ("ROU") assets and operating lease liabilities (current portion and long-term portion) on the accompanying statement of financial position. Operating lease ROU assets and the related lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The operating lease ROU assets also include lease incentives and initial direct costs incurred. For operating leases, interest on the lease liability and the amortization of ROU assets result in straight-line rent expense over the lease term.

Leases may include options to extend or terminate the lease which are included in the ROU operating lease assets and operating lease liability when they are reasonably certain of exercise. Operating lease expense associated with minimum lease payments is recognized on a straight-line basis over the lease term. When additional payments are based on usage or vary based on other factors, they are considered variable lease payments and are excluded from the measurement of the ROU asset and lease liability. These payments are recognized as an expense in the period in which the related obligation was incurred.

For the year ended June 30, 2022, MANNA accounted for leases under ASC 840. Operating leases were recorded on a straight-line basis over the term of the lease.

#### [16] Recently adopted accounting pronouncement:

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842), to increase transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the balance sheet. 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.

# METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

## Notes to Financial Statements June 30, 2023 and 2022

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [16] Recently adopted accounting pronouncement: (continued)

MANNA adopted the standard effective July 1, 2022 and recognized and measured leases existing January 1, 2022, with certain practical expedients available. Lease disclosures for the year ended June 30, 2023 are made under prior lease guidance in FASB ASC 840. Accordingly, MANNA applied the guidance to each lease that had commenced as of the adoption date and also elected a package of practical expedients which included the following: no requirement to reassess (a) whether any expired or existing contracts are, or contain, leases, (b) the lease classification for any expired or existing leases, and (c) the recognition requirements for initial direct costs for any existing leases. MANNA also elected a practical expedient to account for lease and non-lease components as a single lease component. MANNA excluded short-term leases having initial terms of twelve months or less from the new guidance as an accounting policy election and recognizes rent expense for such leases on a straight-line basis over the lease term. In calculating the related lease liabilities at the time of adoption, MANNA utilized historical experience when determining the noncancelable portion of the lease term and elected to use the risk-free rate as the discount rate.

As a result of the adoption of the new lease accounting, MANNA recognized on July 1, 2022 an operating lease liability of \$4,437,836, which represents the present value of the remaining operating lease payments, discounted using the risk-free rate of 3.25%, and a ROU asset of \$3,651,900.

The standard had a material impact on the MANNA's statement of financial position but did not have an impact on its statements of activities or statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases, while the accounting for finance leases remained substantially unchanged.

#### [17] Upcoming accounting pronouncement:

In March 2020, FASB issued ASU 2020-04, *Reference Rate Reform* (Topic 848). ASU 2020-04 provides optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by ASU 2020-04 do not apply to contract modifications made and hedging relationships entered into or evaluated after June 30, 2023, except for hedging relationships existing as of June 30, 2023, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship.

On March 5, 2021, the applicable regulators announced that LIBOR will cease to be provided and will no longer be representative (i) immediately after December 31, 2021 for all sterling, euro, Swiss franc and Japanese yen settings, and the one-week and two-month U.S. dollar settings, and (ii) immediately after June 30, 2023 for the remaining U.S. dollar settings.

MANNA debt bore interest based on the one-month LIBOR rate which would have ceased to be provided after June 30, 2023. Prior to June 30, 2023, an alternative benchmark was selected using one-month Bloomberg Short-Term Bank Yield.

## METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

### Notes to Financial Statements June 30, 2023 and 2022

#### NOTE C - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Current financial assets:		
Cash and cash equivalents	\$ 5,144,853	\$ 4,511,130
Investments	11,793,144	9,638,848
Accounts receivable, net	750,347	1,095,049
Current portion - pledges receivable, net	<u>455,000</u>	<u>522,500</u>
Total financial assets	<b>18,143,344</b>	15,767,527
Less amounts not available to be used within one year:		
Net assets with donor restrictions subject to MANNA's spending policy and appropriation	<b>(507,592)</b>	-
Net assets with donor restrictions subject to expenditures for specified purposes	<u>(451,960)</u>	<u>(916,672)</u>
Total financial assets available to meet general expenditures	<b><u>\$ 17,183,792</u></b>	<b><u>\$ 14,850,855</u></b>

As part of MANNA's liquidity management plan, management's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To assist in managing unanticipated liquidity needs, MANNA has a line-of-credit in the amount of \$8,000,000 available and unused as of June 30, 2023 and 2022.

#### NOTE D - PLEDGES RECEIVABLE

Pledges receivable consist of the meals program, capital campaign, and MANNA Institute pledges. For the years ended June 30, 2023 and 2022, there are pledges due in more than one year that are reflected at the present value of future cash flows using a discount rate of 2.50%, which will be amortized over the life of the associated pledges.

Pledges receivable as of June 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Receivable in one year or less	\$ 455,000	\$ 535,000
Receivable in two to five years	<u>780,000</u>	<u>1,125,000</u>
Total pledges receivable before discount	<b>1,235,000</b>	1,660,000
Less discounts to net present value	<b>(27,948)</b>	(53,991)
Less provision for uncollectible pledges	<u>-</u>	<u>(12,500)</u>
	<b><u>\$ 1,207,052</u></b>	<b><u>\$ 1,593,509</u></b>



## **METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE**

### **Notes to Financial Statements June 30, 2023 and 2022**

#### **NOTE E - INVESTMENTS**

Investments consists of mutual funds totaling \$11,793,144 and \$9,638,848 as of June 30, 2023 and 2022, respectively.

#### **NOTE F - FAIR VALUE MEASUREMENTS**

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in inactive markets; or inputs that are derived principally from or corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The financial instruments within the fair value hierarchy are based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

The following is a description of the valuation methodology used for instruments measured at fair value. This valuation methodology was applied to all of MANNA's assets and liabilities that are carried at fair value as of June 30, 2023 and 2022.

*Mutual funds* - the fair value of securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers (Level 1).

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although MANNA believes its valuation method is appropriate, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

### Notes to Financial Statements June 30, 2023 and 2022

#### NOTE F - FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth, by level, MANNA's investments at fair value, within the aforementioned fair value hierarchy, as of June 30, 2023 and 2022:

	Investment Assets at Fair Value as of June 30, 2023			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	<u>\$ 11,793,144</u>	<u>\$ 11,793,144</u>	<u>\$ -</u>	<u>\$ -</u>
Total investment assets at fair value	<u><u>\$ 11,793,144</u></u>	<u><u>\$ 11,793,144</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

	Investment Assets at Fair Value as of June 30, 2022			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	<u>\$ 9,638,848</u>	<u>\$ 9,638,848</u>	<u>\$ -</u>	<u>\$ -</u>
Total investment assets at fair value	<u><u>\$ 9,638,848</u></u>	<u><u>\$ 9,638,848</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

#### Changes in fair value levels:

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

#### NOTE G - CONCENTRATION OF CREDIT RISK INVOLVING CASH

MANNA maintains its cash in multiple accounts with one bank located in Philadelphia, Pennsylvania, and in one investment portfolio. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. During the year, MANNA may have cash balances in these financial institutions in excess of this limit. Management believes that the risk related with these funds is minimal.

## METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

### Notes to Financial Statements June 30, 2023 and 2022

#### NOTE H - PROPERTY AND EQUIPMENT

A summary of property and equipment, at cost, less accumulated depreciation and amortization as of June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Transportation equipment	\$ 519,436	\$ 437,016
Kitchen equipment	1,414,393	1,405,794
Leasehold improvements	3,862,135	3,856,384
Office equipment	<u>1,091,215</u>	<u>993,299</u>
	6,887,179	6,692,493
Less accumulated depreciation and amortization	<u>3,487,368</u>	<u>3,073,243</u>
	<u>\$ 3,399,811</u>	<u>\$ 3,619,250</u>

Depreciation and amortization were \$463,422 and \$469,856 for the years ended June 30, 2023 and 2022, respectively.

#### NOTE I - LINE-OF-CREDIT

On January 5, 2022, MANNA entered into an uncommitted, revolving line-of-credit agreement with a bank for maximum borrowings of \$8,000,000. The line-of-credit bears interest equal to the one-month Bloomberg Short-Term Bank Yield plus 0.75% totaling 5.97%. The line-of-credit is collateralized by all of MANNA's investments. There was no outstanding balance on the line-of-credit as of June 30, 2023 or 2022.

#### NOTE J - COMMITMENTS AND CONTINGENCIES

##### *Building lease*

In November 2015, MANNA entered into a new 184-month lease agreement, commencing on June 30, 2016, for its current facility that has been recorded in accordance with ASC 842 as an operating lease. The lease expires October 2031. Monthly base rent under the lease is approximately \$41,000, with increases over the life of the lease.

The liabilities under operating leases are recorded at the present value of the minimum lease payments. Lease expense of \$430,957 for the year ended June 30, 2023, relating to operating leases, consisting of ROU asset amortization and lease liability interest, is included in facilities on the statement of functional expenses.

## METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

### Notes to Financial Statements June 30, 2023 and 2022

#### NOTE J - COMMITMENTS AND CONTINGENCIES (CONTINUED)

##### *Building lease (continued)*

The following maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of June 30, 2023 is as follows:

<u>Year Ending June 30,</u>	<u>Debt</u>
2024	\$ 506,690
2025	519,358
2026	532,342
2027	545,650
2028	559,291
Thereafter	<u>2,016,189</u>
	4,679,520
Less: amount representing interest	<u>(609,385)</u>
Total	<u><u>\$ 4,070,135</u></u>
<u>Reported as of June 30, 2023</u>	<u>Operating Leases</u>
Current portion of lease liabilities	\$ 506,690
Lease liabilities, net of current portion	<u>3,563,445</u>
Total	<u><u>\$ 4,070,135</u></u>

As of June 30, 2023, the operating lease ROU assets and operating lease liabilities related to these agreements were \$3,347,574 and \$4,070,135, respectively. The weighted average remaining lease term of these agreements is 8.3 years and weighted average discount rate is 3.25%. The total rent expense under these agreements was \$430,957 for fiscal year 2023. The cash paid for amounts included in the measurement of lease liabilities was \$494,332.

##### *Contractual adjustments*

The contracts and grants under which MANNA conducts its programs contain provisions defining costs which are allowable and reimbursable within the program. Program billings are subject to audit by various governmental funding sources. Audits of these billings may result in adjustments for disallowances.

# METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

## Notes to Financial Statements June 30, 2023 and 2022

### NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or period as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<b>Subject to expenditures for specified purposes:</b>		
Capital Campaign - rent reserve	\$ 916,672	\$ 1,381,384
MANNA Institute	597,589	670,200
Fundraising event	40,000	40,000
Meals study	127,500	127,500
	<u>1,681,761</u>	<u>2,219,084</u>
 Promises to give, the proceeds of which have been restricted by donor for:		
Meals program	<u>1,125,000</u>	<u>1,500,000</u>
 <b>Subject to the passage of time:</b>		
Promises to give that are not restricted by donors but which are unavailable for expenditures until due	<u>110,000</u>	<u>160,000</u>
 <b>Endowments:</b>		
Subject to appropriation and expenditure when a specified event occurs:		
General use	<u>5,533</u>	<u>-</u>
 Perpetual in nature the earnings from which are subject endowment spending policy and appropriation:		
General use	<u>502,059</u>	<u>-</u>
	<u>\$ 3,424,353</u>	<u>\$ 3,879,084</u>

**METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE**

**Notes to Financial Statements  
June 30, 2023 and 2022**

**NOTE K - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended June 30, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
<b>Satisfaction of purpose restrictions:</b>		
Capital Campaign - rent reserve	\$ 464,713	\$ 464,712
MANNA Institute	72,611	-
Equipment upgrade	-	175,000
Meals program	375,000	500,000
	<b>912,324</b>	1,139,712
<b>Satisfaction of time restrictions:</b>		
General purposes	160,000	335,650
	<b>\$ 1,072,324</b>	<b>\$ 1,475,362</b>

**NOTE L - DONOR-RESTRICTED ENDOWMENTS**

MANNA has donor-restricted endowment funds that are included in nets assets with donor restrictions.

MANNA’s donor-restricted endowment consist of one fund: Sue Burns Kremer Fund. This endowment was established to support the MANNA’s general operation. As required by U.S. GAAP, net assets associated with endowment funds, are classified based on the existence or absence of donor-imposed restrictions.

**[1] Interpretation of relevant law:**

The Commonwealth of Pennsylvania has not adopted Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). State law allows nonprofit organizations to make an election to adopt a total return investment policy as provided by Act 141 (1988) of Pennsylvania legislature, 15 Pa. C.S.A. Section 5548 *Total Return Election*. MANNA did not make a total return election; therefore, MANNA is permitted to spend interest and dividends.

**[2] Return objectives and risk parameters:**

Endowment assets include those assets of donor-restricted funds that MANNA must hold in perpetuity. Accordingly, the investment objective is the preservation of capital as well as providing a predictable stream of funding to the program supported by its endowments without bearing risk of market fluctuation.

**[3] Strategies employed for achieving objectives:**

MANNA is working on implementing a strategy to satisfy its long-term rate-of-return objectives.

**[4] Spending policy:**

In accordance with donor instructions, earnings on the donor-restricted endowments are considered restricted; as such, earnings may only be used for the program purpose specified by the donors. Interest and dividend income on the funds' investments is appropriated as determined by the Board of Directors. MANNA is in the process of adopting a formal spending policy.

**METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE**

**Notes to Financial Statements  
June 30, 2023 and 2022**

**NOTE L - DONOR-RESTRICTED ENDOWMENTS (CONTINUED)**

**[5] Funds with deficiencies:**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gift (underwater endowments). Such deficiencies are recorded as net assets with donor restrictions. In the event that an endowment fund is underwater, all income and distributions will be reinvested into the endowment fund until the market value of the endowment fund has recovered. As of June 30, 2023, there were no deficiencies of this nature.

Endowment funds as of June 30, 2023 comprise the following:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Original donor-restricted gift amount	\$ -	\$ 502,059	\$ 502,059
Accumulated investment gains	-	5,533	5,533
	<u>\$ -</u>	<u>\$ 507,592</u>	<u>\$ 507,592</u>

**2023**

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>			<u>Total</u>
	<u>Board- Designated</u>	<u>Subject to Appropriation</u>	<u>Perpetual in Nature</u>	<u>Subtotal</u>	
Endowment net assets at beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -
Investment return, net	-	5,533	-	5,533	5,533
Contributions	-	-	502,059	502,059	502,059
Appropriation of endowment assets pursuant to spending-rate policy	-	-	-	-	-
Change in net assets	-	5,533	502,059	507,592	507,592
Endowment net assets at end of year	<u>\$ -</u>	<u>\$ 5,533</u>	<u>\$ 502,059</u>	<u>\$ 507,592</u>	<u>\$ 507,592</u>

# **METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE**

## **Notes to Financial Statements June 30, 2023 and 2022**

### **NOTE M - RETIREMENT PLANS**

In September 2017, MANNA began providing to its employees a defined contribution benefit plan under Section 401(k) of the Internal Revenue Code. Employees are eligible upon date of hire. MANNA will match \$1.50 for every \$1.00 deferred by the employee up to 3% of the employee's salary. The match amount can be changed by management upon a 30-day notice. Management also has the discretion to contribute a profit-sharing portion that is applied to all employee's accounts whether or not they are participating in the 401(k) plan. For the years ended June 30, 2023 and 2022, the total match and profit-sharing contributions were \$148,698 and \$98,162, respectively.

### **NOTE N - SUBSEQUENT EVENTS**

MANNA has evaluated subsequent events through December 13, 2023, which is the date the financial statements were available to be issued.



# **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**

To the Board of Directors of  
Metropolitan Area Neighborhood Nutrition Alliance

We have audited Metropolitan Area Neighborhood Nutrition Alliance, in accordance with 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 and the City of Philadelphia *Subrecipient Audit Guide*, the financial statements of Metropolitan Area Neighborhood Nutrition Alliance, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, 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 December 13, 2023.

## **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Metropolitan Area Neighborhood Nutrition Alliance's 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 Metropolitan Area Neighborhood Nutrition Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of Metropolitan Area Neighborhood Nutrition Alliance's 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 Metropolitan Area Neighborhood Nutrition Alliance'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 have not been identified.



## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Metropolitan Area Neighborhood Nutrition Alliance's 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 Metropolitan Area Neighborhood Nutrition Alliance's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metropolitan Area Neighborhood Nutrition Alliance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*EisnerAmper LLP*

EISNERAMPER LLP  
Philadelphia, Pennsylvania  
December 13, 2023

EISNERAMPER  
LLP



# METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE

## Schedules of Functional Expenditures by Contract/Program and Revenue by Funding Sources

**Provider Name:** Metropolitan Area Neighborhood Nutrition Alliance  
**Funding Source:** Part A Supplemental Ryan White HIV/AIDS Treatment Modernization Act  
**Award Number:** RS3581  
**Award Amount:** \$83,671  
**Activity Descriptions:** Food Bank/Home Delivered Meals  
**Effective Dates:** March 1, 2023 to February 28, 2023

<b>Personnel services:</b>		
Salary		\$ -
Fringe benefits		-
		<hr/>
<b>Total personnel services</b>		<hr/> <b>-</b>
<b>Operating expenses:</b>		
Travel		-
Equipment		-
Supplies		<b>82,723</b>
Subcontract expenditures		-
Rent		-
Utilities		-
Communication		-
Leased equipment		-
Insurance		-
Printing		-
Repairs/maintenance		-
Other		-
		<hr/>
<b>Total operating expenses</b>		<hr/> <b>82,723</b>
<b>Total direct (personnel + operating) expenditures</b>		<b>82,723</b>
<b>Indirect expenditures</b>		<hr/> <b>-</b>
<b>Total budgeted expenditures</b>		<hr/> <b>\$ 82,723</b>
<b>Program revenues</b>		<hr/> <b>\$ 82,723</b>
<b>Net AACO funded expenditures</b>		<hr/> <b>\$ 82,723</b>

**METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE**

**Schedules of Functional Expenditures by Contract/Program and Revenue by Funding Sources  
(continued)**

**Provider Name:** Metropolitan Area Neighborhood Nutrition Alliance  
**Funding Source:** State Rebate  
**Award Number:** SR3031  
**Award Amount:** \$149,381  
**Activity Descriptions:** Food Bank/Home Delivered Meals  
**Effective Dates:** July 1, 2022 to June 30, 2023

<b>Personnel services:</b>		
Salary		\$ -
Fringe benefits		-
		<hr/>
<b>Total personnel services</b>		<b>-</b>
		<hr/>
<b>Operating expenses:</b>		
Travel		-
Equipment		-
Supplies		<b>149,381</b>
Subcontract expenditures		-
Rent		-
Utilities		-
Communication		-
Leased equipment		-
Insurance		-
Printing		-
Repairs/maintenance		-
Other		-
		<hr/>
<b>Total operating expenses</b>		<b>149,381</b>
		<hr/>
<b>Total direct (personnel + operating) expenditures</b>		<b>149,381</b>
		<hr/>
<b>Indirect expenditures</b>		<b>-</b>
		<hr/>
<b>Total budgeted expenditures</b>		<b>\$ 149,381</b>
		<hr/>
<b>Program revenues</b>		<b>\$ 149,381</b>
		<hr/>
<b>Net AACO funded expenditures</b>		<b>\$ 149,381</b>
		<hr/>

**METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE**

**Schedules of Functional Expenditures by Contract/Program and Revenue by Funding Sources  
(continued)**

**Provider Name:** Metropolitan Area Neighborhood Nutrition Alliance  
**Funding Source:** Part A Supplemental RW HIV/AIDS Treatment Modernization Act  
**Award Number:** RS2581  
**Award Amount:** \$426,255  
**Activity Descriptions:** Food Bank/Home Delivered Meals  
**Effective Dates:** March 1, 2022 to February 28, 2023

<b>Personnel services:</b>		
Salary		\$ -
Fringe benefits		-
		<hr/>
<b>Total personnel services</b>		<b>-</b>
		<hr/>
<b>Operating expenses:</b>		
Travel		-
Equipment		-
Supplies		<b>347,640</b>
Subcontract expenditures		-
Rent		-
Utilities		-
Communication		-
Leased equipment		-
Insurance		-
Printing		-
Repairs/maintenance		-
Other		-
		<hr/>
<b>Total operating expenses</b>		<b>347,640</b>
		<hr/>
<b>Total direct (personnel + operating) expenditures</b>		<b>347,640</b>
		<hr/>
<b>Indirect expenditures</b>		<b>-</b>
		<hr/>
<b>Total budgeted expenditures</b>		<b>\$ 347,640</b>
		<hr/>
<b>Program revenues</b>		<b>\$ 347,640</b>
		<hr/>
<b>Net AACO funded expenditures</b>		<b>\$ 347,640</b>
		<hr/>

**METROPOLITAN AREA NEIGHBORHOOD NUTRITION ALLIANCE**

**Schedules of Functional Expenditures by Contract/Program and Revenue by Funding Sources  
(continued)**

**Provider Name:** Metropolitan Area Neighborhood Nutrition Alliance  
**Funding Source:** City of Philadelphia General Fund  
**Award Number:** GF3420  
**Award Amount:** \$175,679  
**Activity Descriptions:** Food Bank/Home Delivered Meals  
**Effective Dates:** July 1, 2022 to June 30, 2023

<b>Personnel services:</b>		
Salary		\$ -
Fringe benefits		-
		<hr/>
<b>Total personnel services</b>		<hr/> <b>-</b>
<b>Operating expenses:</b>		
Travel		-
Equipment		-
Supplies		<b>142,682</b>
Subcontract expenditures		-
Rent		-
Utilities		-
Communication		-
Leased equipment		-
Insurance		-
Printing		-
Repairs/maintenance		-
Other		-
		<hr/>
<b>Total operating expenses</b>		<hr/> <b>142,682</b>
<b>Total direct (personnel + operating) expenditures</b>		<b>142,682</b>
<b>Indirect expenditures</b>		<hr/> <b>-</b>
<b>Total budgeted expenditures</b>		<hr/> <b>\$ 142,682</b>
<b>Program revenues</b>		<hr/> <b>\$ 142,682</b>
<b>Net AACO funded expenditures</b>		<hr/> <b>\$ 142,682</b>