

**MANNA FOOD CENTER, INC.**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**For the Years Ended June 30, 2025 and 2024**

**MANNA FOOD CENTER, INC.**

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## **INDEPENDENT AUDITORS' REPORT**

**Board of Directors**  
***Manna Food Center, Inc.***  
**Silver Spring, Maryland**

### **Opinion**

We have audited the accompanying financial statements of Manna Food Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Manna Food Center, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Food Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Manna Food Center Inc.'s 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 generally accepted 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 generally accepted 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 Manna Food Center Inc.'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 Food Center Inc.'s ability to continue as a going concern for a reasonable period of time.

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

*DeLeon & Stang*

**DeLeon & Stang, CPAs and Advisors**  
**Frederick, Maryland**  
**January 29, 2026**

**MANNA FOOD CENTER, INC.**  
**Statements of Financial Position**  
**June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b><u>ASSETS</u></b>		
<b><u>Assets:</u></b>		
Cash and cash equivalents	\$ 1,789,404	\$ 681,212
Grants receivable	695,768	1,184,237
Interest receivable	-	1,988
Investments	5,727,022	6,607,188
Prepaid expenses and other assets	75,258	67,445
Inventory	156,463	126,279
Property and equipment, net	280,701	412,024
Security deposits	14,557	14,557
Certificate of deposit	22,061	22,044
Operating lease - right of use asset	951,415	1,279,931
Finance lease - right of use asset	19,097	62,185
	<b>\$ 9,731,746</b>	<b>\$ 10,459,090</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>Liabilities:</u></b>		
Accounts payable and accrued expenses	\$ 241,154	\$ 354,563
Accrued payroll liabilities	280,456	232,793
Operating lease liability	1,044,851	1,383,984
Finance lease liabilities	17,097	60,186
	<b>1,583,558</b>	<b>2,031,526</b>
<b><u>Net Assets:</u></b>		
Without donor restrictions	7,971,924	8,387,438
With donor restrictions	176,264	40,126
	<b>8,148,188</b>	<b>8,427,564</b>
	<b>\$ 9,731,746</b>	<b>\$ 10,459,090</b>

**MANNA FOOD CENTER, INC.**  
**Statements of Activities**  
**For the Years Ended June 30, 2025 and 2024**

	<b>2025</b>			<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b><u>Revenue and support:</u></b>						
Contributions	\$ 5,326,156	\$ 26,138	\$ 5,352,294	\$ 4,705,144	\$ 25,000	\$ 4,730,144
Grants	4,694,582	110,000	4,804,582	4,395,624	-	4,395,624
In-kind contributions:						
Donated food and supplies	2,702,859	-	2,702,859	2,826,372	-	2,826,372
Donated stock	207,995	-	207,995	74,514	-	74,514
Contributed services	42,162	-	42,162	15,250	-	15,250
Special events, net of direct expenses	(7,414)	-	(7,414)	44,848	-	44,848
Investment income	585,845	-	585,845	228,903	-	228,903
<b>Total revenue and support</b>	<b>13,552,185</b>	<b>136,138</b>	<b>13,688,323</b>	<b>12,290,655</b>	<b>25,000</b>	<b>12,315,655</b>
<b><u>Expenses:</u></b>						
Program expenses	11,853,216	-	11,853,216	12,321,910	-	12,321,910
Management and general	1,378,271	-	1,378,271	868,487	-	868,487
Fundraising	736,212	-	736,212	654,518	-	654,518
<b>Total expenses</b>	<b>13,967,699</b>	<b>-</b>	<b>13,967,699</b>	<b>13,844,915</b>	<b>-</b>	<b>13,844,915</b>
<b>Change in net assets</b>	<b>(415,514)</b>	<b>136,138</b>	<b>(279,376)</b>	<b>(1,554,260)</b>	<b>25,000</b>	<b>(1,529,260)</b>
<b>Net assets at beginning of year</b>	<b>8,387,438</b>	<b>40,126</b>	<b>8,427,564</b>	<b>9,941,698</b>	<b>15,126</b>	<b>9,956,824</b>
<b>Net assets at end of year</b>	<b>\$ 7,971,924</b>	<b>\$ 176,264</b>	<b>\$ 8,148,188</b>	<b>\$ 8,387,438</b>	<b>\$ 40,126</b>	<b>\$ 8,427,564</b>

See Accompanying Notes to Financial Statements

**MANNA FOOD CENTER, INC.**  
**Statements of Functional Expenses**  
**For the Years Ended June 30, 2025 and 2024**

	2025						2025			
	Program Services						Supporting Services			
	Food for Families	Smart Sacks	Community Food Rescue	Nutrition Education	Other Program Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Purchased food	\$ 1,224,757	\$ 729,327	\$ 1,035	\$ -	\$ 1,907,226	\$ 3,862,345	\$ -	\$ -	\$ -	\$ 3,862,345
Salaries	1,197,497	295,161	326,443	85,685	553,424	2,458,210	577,316	420,523	997,839	3,456,049
In-kind distributed food	1,908,217	330,268	207,947	-	-	2,446,432	-	-	-	2,446,432
Food vouchers	373,772	185,138	-	-	156,356	715,266	-	-	-	715,266
Professional services	30,203	5,981	116,297	2,901	23,745	179,127	347,174	10,085	357,259	536,386
Occupancy	167,894	37,791	46,721	13,860	72,084	338,350	60,965	54,166	115,131	453,481
Grants	62,400	-	-	-	258,445	320,845	-	-	-	320,845
Health insurance	104,323	27,043	26,060	5,586	43,020	206,032	53,152	36,072	89,224	295,256
Payroll taxes	92,027	22,737	25,074	6,558	42,603	188,999	42,573	31,815	74,388	263,387
Inventory shrinkage	226,242	-	-	-	-	226,242	-	-	-	226,242
Depreciation and amortization	66,379	8,399	20,065	8,779	20,065	123,687	9,177	16,828	26,005	149,692
Warehouse supplies	126,491	2,708	1,755	-	1,399	132,353	288	-	288	132,641
Technology	27,599	1,544	1,642	418	6,277	37,480	55,272	26,988	82,260	119,740
Office expenses	10,221	15	2,451	1,412	620	14,719	91,437	4,070	95,507	110,226
Equipment rental	78,908	4,170	4,145	260	13,847	101,330	6,623	498	7,121	108,451
Retirement plan	36,854	8,788	10,119	2,787	18,195	76,743	16,492	10,579	27,071	103,814
Vehicle and refrigeration repairs	61,018	804	37,960	-	597	100,379	-	-	-	100,379
Repairs and maintenance	46,861	2,241	2,082	361	2,579	54,124	21,282	1,390	22,672	76,796
Travel	48,462	-	63	508	1,213	50,246	9,936	668	10,604	60,850
Contribution processing fee	-	-	-	-	-	-	490	55,877	56,367	56,367
Workers compensation insurance	18,813	4,877	4,700	1,007	7,758	37,155	9,585	6,505	16,090	53,245
Printing and reproduction	7,529	197	261	13,409	2,037	23,433	2,737	22,375	25,112	48,545
Gas, oil, and tolls	47,369	-	211	-	-	47,580	116	-	116	47,696
Contributed services	-	-	-	-	-	-	42,162	-	42,162	42,162
Vehicle insurance	14,477	12,409	12,409	-	2,068	41,363	-	-	-	41,363
Telephone and internet	12,331	3,197	3,080	660	5,085	24,353	6,283	4,264	10,547	34,900
Business insurance	10,138	2,628	2,533	543	4,181	20,023	5,165	3,506	8,671	28,694
Marketing and communication	8,464	-	6,451	-	-	14,915	4,362	8,773	13,135	28,050
Dues and subscriptions	64	-	23	102	155	344	13,557	9,002	22,559	22,903
Postage and delivery	-	-	38	-	-	38	1,390	7,503	8,893	8,931
Outreach	7,735	550	-	-	30	8,315	112	-	112	8,427
Temporary labor	-	-	-	-	-	-	484	4,725	5,209	5,209
Permits and licensing	2,788	-	-	-	-	2,788	141	-	141	2,929
<b>Total expenses</b>	<b>\$ 6,019,833</b>	<b>\$ 1,685,973</b>	<b>\$ 859,565</b>	<b>\$ 144,836</b>	<b>\$ 3,143,009</b>	<b>\$ 11,853,216</b>	<b>\$ 1,378,271</b>	<b>\$ 736,212</b>	<b>\$ 2,114,483</b>	<b>\$ 13,967,699</b>

(Continued)

**MANNA FOOD CENTER, INC.**  
**Statements of Functional Expenses (Continued)**  
**For the Years Ended June 30, 2025 and 2024**

	<b>2024</b>									
	<b>Program Services</b>					<b>Supporting Services</b>				
	<b>Food for Families</b>	<b>Smart Sacks</b>	<b>Community Food Rescue</b>	<b>Nutrition Education</b>	<b>Other Program Services</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	<b>Total Expenses</b>
Purchased food	\$ 2,960,058	\$ 654,692	\$ -	\$ -	\$ 443,308	\$ 4,058,058	\$ -	\$ -	\$ -	\$ 4,058,058
Salaries	1,524,625	191,064	349,685	191,431	323,904	2,580,709	199,750	355,175	554,925	3,135,634
In-kind distributed food	1,947,103	336,999	212,184	-	-	2,496,286	-	-	-	2,496,286
Grants	62,367	-	100,000	-	345,168	507,535	-	-	-	507,535
Occupancy	243,267	30,993	48,481	27,813	44,112	394,666	21,088	50,873	71,961	466,627
Food vouchers	-	89,697	-	-	355,386	445,083	-	-	-	445,083
Professional services	4,018	545	14,272	493	8,893	28,221	388,781	26,552	415,333	443,554
Inventory shrinkage	332,959	-	-	-	-	332,959	-	-	-	332,959
Health insurance	121,217	14,700	35,098	15,351	29,999	216,365	14,388	29,427	43,815	260,180
Payroll taxes	119,937	15,019	27,677	15,062	25,578	203,273	12,441	28,513	40,954	244,227
Technology	79,644	6,704	15,375	6,180	10,705	118,608	55,375	34,746	90,121	208,729
Depreciation and amortization	109,087	14,788	8,636	13,391	32,448	178,350	5,686	10,034	15,720	194,070
Warehouse supplies	143,307	10,425	7,986	-	-	161,718	-	-	-	161,718
Outreach	42,496	830	-	-	84,790	128,116	1,087	27	1,114	129,230
Retirement plan	58,465	6,083	11,430	6,118	9,374	91,470	6,562	1,811	8,373	99,843
Office expenses	2,429	139	3,134	5,294	1,228	12,224	82,730	4,739	87,469	99,693
Equipment rental	85,926	4,131	2,086	-	-	92,143	6,379	-	6,379	98,522
Contribution processing fee	-	-	-	-	8	8	90	61,647	61,737	61,745
Vehicle and refrigeration repairs	46,559	2,787	10,683	-	-	60,029	-	-	-	60,029
Gas, oil, and tolls	48,868	2,433	1,495	-	-	52,796	265	-	265	53,061
Printing and reproduction	7,885	380	508	5,982	9,191	23,946	882	17,918	18,800	42,746
Workers compensation insurance	18,394	2,231	5,326	2,329	4,552	32,832	2,183	4,466	6,649	39,481
Repairs and maintenance	20,214	1,209	749	-	-	22,172	15,658	360	16,018	38,190
Temporary labor	16,042	-	-	-	-	16,042	18,441	-	18,441	34,483
Vehicle insurance	12,279	1,553	3,713	1,624	3,172	22,341	-	-	-	22,341
Business insurance	9,204	1,116	2,665	1,165	2,278	16,428	1,092	2,234	3,326	19,754
Telephone and internet	8,956	1,086	2,593	1,134	2,216	15,985	1,063	2,175	3,238	19,223
Marketing and communication	7,893	-	623	-	-	8,516	2,307	7,894	10,201	18,717
Postage and delivery	-	-	391	-	-	391	2,554	13,870	16,424	16,815
Contributed services	-	-	-	-	-	-	14,050	-	14,050	14,050
Dues and subscriptions	192	6	27	1,228	-	1,453	11,242	1,061	12,303	13,756
Travel	783	32	73	554	110	1,552	4,290	696	4,986	6,538
Permits and licensing	1,431	108	66	30	-	1,635	103	300	403	2,038
<b>Total expenses</b>	<b>\$ 8,035,605</b>	<b>\$ 1,389,750</b>	<b>\$ 864,956</b>	<b>\$ 295,179</b>	<b>\$ 1,736,420</b>	<b>\$ 12,321,910</b>	<b>\$ 868,487</b>	<b>\$ 654,518</b>	<b>\$ 1,523,005</b>	<b>\$ 13,844,915</b>

**MANNA FOOD CENTER, INC.**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ (279,376)	\$ (1,529,260)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Donated food received	(2,702,859)	(2,826,372)
Donated food disbursed	2,446,432	2,496,286
Inventory shrinkage	214,869	335,362
Depreciation and amortization expense	149,692	194,070
Loss on disposal of property and equipment	4,401	-
Amortization of right of use asset	371,604	391,563
Donated investments	(207,995)	(74,514)
Realized and unrealized (gain) on investments	(455,897)	(127,113)
(Increase) decrease in operating assets:		
Grants receivable	488,469	86,897
Interest receivable	1,988	(1,988)
Prepaid expenses and other assets	(7,813)	(10,119)
Inventory	11,374	(2,405)
Certificate of deposit	(17)	(520)
Accounts payable and accrued expenses	(113,409)	(72,721)
Accrued payroll liabilities	47,663	44,206
Operating lease liability	(339,133)	(319,683)
Total adjustments	(90,631)	112,949
Net cash used in operating activities	(370,007)	(1,416,311)
<b><u>Cash Flows From Investing Activities:</u></b>		
Reinvested earnings on investments	(123,230)	(89,933)
Proceeds from sales of investments	2,502,639	-
Purchases of investments	(835,351)	(4,938,428)
Purchases of property and equipment	(22,770)	(44,163)
Net cash provided by (used in) investing activities	1,521,288	(5,072,524)
<b><u>Cash Flows From Financing Activities:</u></b>		
Principal payments on finance lease liability	(43,089)	(72,536)
Net cash used in investing activities	(43,089)	(72,536)
<b>Net increase (decrease) in cash and cash equivalents</b>	1,108,192	(6,561,371)
<b>Cash and cash equivalents, beginning of year</b>	681,212	7,242,583
<b>Cash and cash equivalents, end of year</b>	\$ 1,789,404	\$ 681,212

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements**  
**June 30, 2025 and 2024**

**NOTE 1 - ORGANIZATION AND SIGNIFICANT PROGRAMS**

Manna Food Center, Inc. (the Organization) is a non-profit organization that is Montgomery County, Maryland's largest and most far-reaching provider of food assistance. The Organization strives to meet its neighbors' requests for services by serving as both a food bank and a food pantry. For nearly four decades, the Organization has been a reliable "thread" in the social safety net for the vulnerable: the elderly, the disabled, individuals and families in crisis that require a supplement of nutritious food.

The Organization's work is built on three pillars that create a unique and comprehensive approach to hunger relief.

- Pillar 1: Reduce hunger and improve access to nutritious food for Montgomery County residents who experience food insecurity.
- Pillar 2: Strengthen community food skills and knowledge to encourage and enable healthy eating.
- Pillar 3: Connect Montgomery County neighbors to service providers and to each other.

The Organization is the main food bank in Montgomery County, and nearly every local county and nonprofit organization relies on the Organization to provide essential food to their clients through their referral system. The vision for the Organization is to be at the center of ending hunger in its community. The Organization's signature programs include:

Food for Families

Distributions are made to an average of 4,700 families approximately 40 pounds of fresh vegetables, pantry staples, breads, and frozen meats each month. This program serves more than 12,000 families with more than 3.8 million pounds of food. Qualifying families must report income below Maryland's self-sufficiency standard; however, this requirement has been waived since the start of the pandemic.

Smart Sacks

Food is distributed through a network of almost 90 Montgomery County public elementary schools. The program fills a critical gap by providing food to children and their families on Fridays during the school year to ensure they have nutritious food to eat during the weekend. The program distributed 930,000 pounds of food to more than 40,000 children this past school year. One of the Organization's newer initiatives, School-Based Pantries, continued to expand by adding schools for a total of 13 schools now served by monthly pantries.

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**NOTE 1 - ORGANIZATION AND SIGNIFICANT PROGRAMS** (Continued)

Community Food Rescue (CFR)

Community food rescue is a first-of-its kind, coordinated food recovery network led by the Organization and building on the former Food for Agencies program. By partnering with a range of hunger relief organizations, volunteers and businesses, the initiative is making sure that edible food reaches hungry neighbors. CFR builds upon the work of establishments already recovering good food before it is thrown away and identifies new donors. State-of-the-art technology makes real-time matches based on geography and transportation options. Trainings and mini-grants are offered to build capacity and increase food-rescuing capabilities.

Community Food Education

The Organization offers free Community Food Education that makes crucial health information more accessible to the communities that we serve. This includes Manny Kitchen Cooking Class, Wellness Classes, Wellness Presentations, and chats with a Nutrition Expert. Manna provides the lessons, instructor, and cooking demonstration food (when applicable). The Organization invested in significant upgrades to the Organization's website, where the Organization now shares valuable information in English and Spanish and offers on-line scheduling.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Description of Net Assets

Net assets are classified based on existence or absence of donor imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets that are currently available for operating purposes under the direction of management and the board of directors or designated by the board for specific use.
- *Net Assets With Donor Restrictions* – Net assets that are stipulated by donors for specific operating purposes or are time restricted. These also include donor restrictions requiring the net assets to be held in perpetuity or for a specific term with investment return specified for a specific purpose. Net assets with donor restrictions at June 30, 2025 and 2024 was \$176,264 and \$40,126, respectively.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires or is satisfied in the reporting period in which the support is recognized. All other support that is either designated for future periods or that is restricted by the donor for specific purposes, if any, is reported as an increase in net assets with donor restrictions. When a restriction expires – that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished – net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid investments with initial maturities of three months or less to be cash equivalents. The Organization considers all highly liquid investments with the investment custodian to facilitate investment transactions as investments in the statements of financial position, and not cash equivalents.

Certificate of Deposit

The Organization invests in a certificate of deposit (CD) that is not a debt instrument. CDs with original maturities of less than one year are classified as short-term. CDs with original maturities greater than one year are classified as long-term. The CD is pledged as the security deposit on its leased warehouse space.

Grants, Pledges, and Other Receivables

Receivables represent amounts committed by donors and grantors that have not been received as of the date of the statements of financial position. Receivables are stated at their original amount, less an estimate for doubtful receivables based on an annual review of outstanding amounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as revenue when received. At June 30, 2025 and 2024, management expected the amounts in receivables to be fully collected, and no provision for doubtful receivables was needed. Approximately 84% and 52% of the Organization's outstanding accounts receivable balance was due from two grants as of June 30, 2025 and 2024, respectively.

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Investments

Investments are reflected at their fair value as of the date of the statements of financial position, which may differ from the amount ultimately realized at the time of sale. Realized and unrealized gains and losses are reflected in the statements of activities.

Fair Value Measurements

FASB ASC 820, Fair Value Measurements and Disclosures, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date (e. g., equity securities traded on the New York Stock Exchange).
- Level 2: Level 2 inputs are from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (e. g., quoted market prices of similar assets or liabilities in active markets, or quoted market prices for identical or similar assets or liabilities in markets that are not active).
- Level 3: Level 3 inputs are unobservable (e. g., a company's own data) and are used to measure fair value to the extent that observable inputs are not available.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques are used to maximize the use of observable inputs and minimize the use of unobservable inputs.

Inventory

The Organization's inventory consists of purchased foods and donated foods. Purchased inventory is stated at cost. For the fiscal years ended June 30, 2025 and 2024, purchased inventory average value was \$1.30 and \$1.29 per pound, respectively. For purpose of valuing food donated to and distributed by the Organization during the year, the Organization uses the average wholesale value determined annually by Feeding America, the nation's largest domestic hunger-relief organization, in effect at the beginning of the year. For both the fiscal years ended June 30, 2025 and 2024, donated inventory received and distributed was valued at \$1.93.

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Property and Equipment

During fiscal year 2025, the Organization increased their capitalization policy from \$1,000 to \$5,000. Property and equipment are capitalized at cost and depreciated using the straight-line method over estimated useful lives ranging from five to ten years. Costs of repairs and maintenance are expensed as incurred.

Leasehold improvements are amortized over the estimated economic life of the improvements or the estimated remaining term of the lease, whichever is shorter.

Endowment Funds

The Organization follows the Financial Accounting Standard Board (FASB) ASC 958 relating to endowments. Management has determined that the Organization's funds with donor-imposed perpetual restriction, which are included in net assets with donor restrictions, meet the definition of endowment funds under the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and FASB ASC 958.

Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Revenue from contracts and grants that provide for cost reimbursement is recognized when the related direct and allocated indirect expenses are incurred, deliverables are met, or per-diem services are provided.

Revenue from special events, net of direct expenses, is recognized at the time of the event.

Leases

The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Operating and finance leases are included in right-of-use (ROU) assets and lease liabilities, respectively, in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payment over the lease term, using the risk free rate, and ROU assets also include prepaid or accrued rent. Operating and finance lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for short-term leases (leases with a term of 12 months or less).

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In-Kind Contributions

Contributed nonfinancial assets, including donated equipment, materials, food, and services are recognized, when received, within revenue. Donated equipment, materials, and services, if any, are reflected in the accompanying financial statements at their estimated fair values at the date of donation. For a contributed service to be recognized, the service must either create or enhance a non-financial asset or require specialized skills. Donated food is valued based on the average wholesale value determined annually by Feeding America, the nation's largest domestic hunger-relief organization. In addition, approximately 37,773 and 44,991 volunteer hours were provided to the Organization during each of the years ended June 30, 2025 and 2024, for which no value has been assigned as these services did not require specialized skills.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Costs that can be identified with a particular program or supporting function are charged directly to that program function. Expenses that are not specifically identified are allocated among programs and supporting services based on management's best estimate of allocation of hours.

Income Taxes

The Organization is exempt from federal and state income taxes (except taxes on unrelated business income) under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Services as "other than a private foundation". No provision for income taxes is required for the year ended June 30, 2025, since the Organization had no taxable income from unrelated business activities.

The Organization's tax filings are subject to audit by various taxing authorities, generally for three years after filing. The Organization's tax returns for tax years ending 2022 onward are, therefore, open to examination. None of the Organization's federal or state income tax returns are currently under examination.

The Organization believes there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date.

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENT**

The following are the major categories of assets measured at fair value on a recurring basis as of June 30, 2025 and 2024:

	<b>2025</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Cash and cash equivalents	\$ 123,431	\$ -	\$ -	\$ 123,431
Money market funds	111,138	-	-	111,138
Certificates of deposit	8,116	-	-	8,116
Stocks	2,801,677	-	-	2,801,677
Real estate investment trust	73,685	-	-	73,685
Mutual funds - open-end funds	-	-	-	-
Mutual funds - exchange traded funds	2,557,837	-	-	2,557,837
Greater Washington Community Foundation	-	51,138	-	51,138
<b>Total investments</b>	<b>\$ 5,675,884</b>	<b>\$ 51,138</b>	<b>\$ -</b>	<b>\$ 5,727,022</b>

	<b>2024</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Cash and cash equivalents	\$ 136,835	\$ -	\$ -	\$ 136,835
Money market funds	531,445	-	-	531,445
Certificates of deposit	504,019	-	-	504,019
Stocks	2,487,769	-	-	2,487,769
Real estate investment trust	54,550	-	-	54,550
Mutual funds - open-end funds	272,100	-	-	272,100
Mutual funds - exchange traded funds	2,566,539	-	-	2,566,539
Greater Washington Community Foundation	-	53,931	-	53,931
<b>Total investments</b>	<b>\$ 6,553,257</b>	<b>\$ 53,931</b>	<b>\$ -</b>	<b>\$ 6,607,188</b>

All assets have been valued using a market approach. There were no changes in the valuation techniques during the current year. For the years ended June 30, 2025 and 2024, there were no transfers between Level 1 and Level 2 and no transfers in or out of Level 3.

Investment income for the years ended June 30, 2025 and 2024 consisted of the following:

	<b>2025</b>	<b>2024</b>
Interest and dividends	\$ 129,948	\$ 101,790
Unrealized gains (losses)	44,174	(46,790)
Realized gains	411,723	173,903
	<b>\$ 585,845</b>	<b>\$ 228,903</b>

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Vehicles	\$ 595,993	\$ 612,499
Furniture and fixtures and equipment	597,922	670,365
Leasehold improvements	<u>827,940</u>	<u>844,002</u>
Subtotal	2,021,855	2,126,866
Less: accumulated depreciation and amortization	<u>(1,741,154)</u>	<u>(1,714,842)</u>
Property and equipment, net	<u>\$ 280,701</u>	<u>\$ 412,024</u>

Depreciation and amortization expense was \$149,692 and \$194,070 for the years ended June 30, 2025 and 2024, respectively.

**NOTE 5 - LINE OF CREDIT**

The Organization maintains a \$150,000 revolving line of credit with a variable interest rate of 8.25% as of June 30, 2025. There was no outstanding balance due as of June 30, 2025 or 2024.

**NOTE 6 - RESTRICTIONS AND DESIGNATION OF NET ASSETS**

Endowment

The Organization’s endowment consisted of The Samuel and Harriet Miller Feed the Hungry Fund. During the year ended June 30, 2015, the charter of the Samuel and Harriet Miller Feed the Hungry Fund was restated in that the initial principal sum of \$5,000 was to be restricted and preserved in perpetuity as long as the Organization exists. Annual income generated by the fund does not have any donor restrictions.

On November 16, 2023, \$25,000 was contributed to be transferred to the Greater Washington Community Foundation (GWCF). In September 2024, \$25,000 was contributed and transferred to the Greater Washington Community Foundation (GWCF).

In September 2024, \$1,138 was contributed to the Help Sustain Jackie’s Legacy Fund.

GWCF manages the above funds’ investments and controls the funds’ disbursements. The funds are to be held in perpetuity, with distributions subject to GWCF’s spending policy, after administrative and investment fees.

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**NOTE 6 - RESTRICTIONS AND DESIGNATION OF NET ASSETS (Continued)**

Endowment (Continued)

The management of the Organization has interpreted UPMIFA as requiring the preservation of the fair value of original donor-restricted endowment gifts as of the date of the gift absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets the original value of cash gifts donated to permanent endowments. The remaining portion of donor-restricted endowment funds not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and donor-restricted endowment funds
3. The general economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and appreciation of investments
6. The investment policies of the Organization

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the program supported by its endowment while seeking to maintain purchasing power of the endowment assets. Earnings of the endowments are reflected as net assets with donor restrictions until appropriated for expenditure to support the endowment's stated purpose or are reflected as net assets without restrictions when permitted by the donor.

Total net assets with donor restrictions consisted of the following at June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Endowment fund	\$ 56,138	\$ 30,000
Net assets with purpose restrictions	120,126	10,126
Total net assets with donor restrictions	<u>\$ 176,264</u>	<u>\$ 40,126</u>

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**NOTE 7 - IN-KIND CONTRIBUTIONS**

During the year ended June 30, 2025, the organization was the beneficiary of donated goods and services, which allowed the Organization to provide greater resources toward various programs. These in-kind contributions consist primarily of food, to be distributed to various individuals, families, and organizations, and professional fees. All donated in-kind contributions have been recorded at their fair market value as of the date of the gift.

Donated services are recognized as in-kind contributions and expensed in accordance with U.S. GAAP. In order to meet the criteria for recognition in the financial statements, contributions of donated services must: (a) create or enhance non-financial assets or (b) require specialized skills, be performed by people with those skills and would otherwise have to be purchased by the organization. In addition, volunteers have donated significant amounts of their time to the Organization; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as in-kind contributed services.

In-kind contributions, which were all donated without restrictions, consisted of the following for the year ended June 30, 2025 and 2024:

		<b>2025</b>	
		<u>Revenue Recognized</u>	<u>Programs/Activities</u>
Food and supplies		<u>\$ 2,702,859</u>	Food for Families, Smart Snacks, Community Food Rescue
Monetized in-kind		2,702,859	
Legal services		<u>42,162</u>	Management and General
Utilized in-kind		<u>42,162</u>	
		<u><u>\$ 2,745,021</u></u>	
		<b>2024</b>	
		<u>Revenue Recognized</u>	<u>Programs/Activities</u>
Food and supplies		<u>\$ 2,826,372</u>	Food for Families, Smart Snacks, Community Food Rescue
Monetized in-kind		2,826,372	
Legal services		14,050	Management and General Community Food Rescue, Other Programs,
Advisory services		<u>1,200</u>	Management and General, Fundraising
Utilized in-kind		<u>15,250</u>	
		<u><u>\$ 2,841,622</u></u>	

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**NOTE 8 - COMMITMENTS**

The Organization has a leasing arrangement for its primary warehouse and food storage facility with an occupancy date of October 1, 2009, for an initial term of ten years that expired on September 2019. The lease was renewed through November 30, 2029. The lease calls for annual rental increases of 3% of the base rent. The lease contains two months of rent abatement. In addition, the Organization is liable for its proportionate share of the operating expenses.

During fiscal year 2019, the Organization entered into a lease agreement for new office and market space with a rent commencement date of July 1, 2019. The initial term of the lease is seven years expiring on September 30, 2026 with one renewal option of additional five years. The lease is subject to a 2.5% annual escalation of the base rent.

The Organization has leasing arrangements for four vehicles and two copiers. The lease for the first vehicle was entered in August 2017 and is for seven years. The lease for the second vehicle was entered in December 2020 and is for four years. The lease for the third vehicle was entered in February 2023 and is for 35 months. The lease for the fourth vehicle was entered July 2023 and is for 30 months.

The statement of financial position as of June 30, 2025, presents an operating lease - ROU asset of \$951,415 and operating lease liability of \$1,044,851. Operating lease cost is recognized on a straight-line basis over the term of the lease. As of June 30, 2025, the remaining lease term was 4 years and 5 months, and the weighted-average discount rate applied was remaining lease term was 2.92%.

Future minimum lease payments under the operating leases at June 30, 2025, are as follows:

<u>Years Ending June 30:</u>	
2026	\$ 384,150
2027	238,927
2028	193,926
2029	199,749
2030	<u>84,846</u>
	1,101,598
Less: imputed interest	<u>(56,747)</u>
	<u>\$ 1,044,851</u>

For the years ended June 30, 2025 and 2024, rent expense for all leases totaled \$420,832 and \$413,612, respectively, and is included in occupancy costs in the statements of functional expenses.

The statements of financial position as of June 30, 2025, also presents a financing ROU assets of \$19,097 and financing lease liabilities of \$17,097. Amortization included in equipment rental expense for the years ended June 30, 2025 and 2024 was \$43,3088 and \$62,833, respectively. The weighted average remaining lease term at June 30, 2025 is 8 months. The weighted-average discount rate applied is 5.39%.

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**NOTE 8 - COMMITMENTS** (Continued)

Future minimum lease payments under the finance leases at June 30, 2025, are as follows:

<u>Years Ending June 30:</u>	
2026	\$ 17,097
	<u>\$ 17,097</u>

**NOTE 9 - RETIREMENT PLAN**

Effective January 1, 2022, the Organization adopted a 403(b) defined contribution plan covering all employees of the Organization. Employees are eligible to make elective deferrals following the date of hire. The plan provides for an employer matching contribution equal to 2% of annual compensation for all eligible employees.

Employer contributions to the retirement plan for the years ended June 30, 2025 and 2024, totaled \$103,814 and \$99,843, respectively.

**NOTE 10 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects the Organization's financial assets as of June 30, 2025, reduced by amounts not available for general expenditure within one year, if any. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, endowments and accumulated earnings net of appropriations within one year and board designated endowments. Board designations could be drawn upon if the board approves that action.

Financial assets available to meet cash needs for general expenditures within one year as of June 30, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 1,789,404	\$ 681,212
Grants receivable	695,768	1,184,237
Interest receivable	-	1,988
Investments	5,727,022	6,607,188
Subtotal	<u>8,212,194</u>	<u>8,474,625</u>
Less expenditure within one year, due to:		
Donor restricted by purpose or time	(120,126)	(10,126)
Donor restricted endowments in perpetuity	<u>(56,138)</u>	<u>(30,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,035,930</u>	<u>\$ 8,434,499</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization maintains a line of credit in the amount of \$150,000.

**MANNA FOOD CENTER, INC.**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2025 and 2024**

**NOTE 11 - CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has never experienced any losses related to these balances. The Organization's cash management policies limit its exposure to concentrations of credit risk by allocating their cash balance across multiple financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). There was no cash in excess of FDIC insured limits at June 30, 2025. At June 30, 2024, \$419,241 was in excess of FDIC insured limits.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the accompanying financial statements.

**NOTE 12 - SUBSEQUENT EVENTS**

Management of the Organization has evaluated events and transactions that occurred after June 30, 2025, and through January 29, 2026, the date the financial statements were available to be issued. Management of the Organization has determined that there were no subsequent events or transactions that should be disclosed in the financial statements.