

**MANNA ON MAIN STREET  
LANSDALE, PA  
BASIC FINANCIAL STATEMENTS AND  
SINGLE AUDIT REPORT  
SEPTEMBER 30, 2022**

**MANNA ON MAIN STREET**

**Basic Financial Statements and Single Audit Report**

**For the Years Ended September 30, 2022 and 2021**

---

---

**TABLE OF CONTENTS**

---

---

	<u>Page (s)</u>
<b>Transmittal Letter</b> .....	1
<b>Report Distribution List</b> .....	2
<b>Independent Auditor's Report</b> .....	3 - 5
<b>Basic Financial Statements</b>	
Statement of Financial Position .....	6
Statement of Activities .....	7
Statement of Functional Expenses .....	8
Statement of Cash Flows .....	9
<b>Notes to Basic Financial Statements</b> .....	10 - 18
<b>Single Audit Section</b>	
Schedule of Expenditures of Federal Awards .....	19
Note to the Schedule of Expenditures of Federal Awards .....	20
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards .....	21 - 22
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	23 - 24
Summary of Auditor's Results .....	25
Schedule of Findings and Questioned Costs .....	26
Corrective Action Plan .....	27



HUTCHINSON, GILLAHAN & FREEH, P.C.  
ACCOUNTANTS, AUDITORS & CONSULTANTS

Board of Directors  
Manna on Main Street  
606 East Main Street, Suite 1001  
Lansdale, PA 19446

We have performed the Single Audit of the Manna on Main Street, for the fiscal year ended September 30, 2022, and have enclosed the Single Audit reporting package.

The Single Audit was done to fulfill the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements for Federal Awards*, which entailed:

1. An audit of the basic financial statements, and our opinion thereon;
2. A review of compliance and internal control over financial reporting based on an audit of the financial statements performed in accordance with Governmental Auditing Standards, and our report thereon;
3. An examination of the Schedule of Expenditures of Federal Awards, and our report thereon; and,
4. An opinion on compliance with requirements applicable to each major program and a review of internal control over compliance in accordance with the Uniform Guidance, and our report thereon.

Respectfully submitted,

*Hutchinson, Gillahan & Freeh, P.C.*

March 20, 2023

---

---

***REPORT DISTRIBUTION LIST***

Manna on Main Street has distributed copies of the Single Audit Act Package to the following:

**Electronic Submission  
via pdf file**

COMMONWEALTH OF PENNSYLVANIA  
BUREAU OF AUDITS  
RA-BOASINGLEAUDIT@PA.GOV

**By Mail:**

Montgomery County  
Department of Health and Human Services  
Office of Housing & Community Development  
PO Box 311  
Norristown, PA 19404-0311

United Way  
Emergency Food and Shelter Program  
701 North Fairfax Street  
Alexandria, VA 22314-2064

PA Department of Human Services  
Bureau of Program Support  
OIM – Division of Office Services  
2<sup>nd</sup> Fl West, Health and Welfare Bldg.  
625 Forster Street  
Harrisburg, PA 17120



March 20, 2023

Board of Directors  
Manna on Main Street  
606 East Main Street, Suite 1001  
Lansdale, PA 19446

### INDEPENDENT AUDITOR'S REPORT

#### ***Opinion***

We have audited the accompanying financial statements of Manna on Main Street (a nonprofit organization) which comprise the Statement of Financial Position as of September 30, 2022, and the related Statements of Activities, Functional Expenses and Cash Flows for the year 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 on Main Street as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Manna on Main Street, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***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 on Main Street's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's 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 auditor's 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 and Governmental 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 and Governmental Auditing Standard, we:

- a) Exercise professional judgment and maintain professional skepticism throughout the audit.
- b) 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.
- c) 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 on Main Street's internal control. Accordingly, no such opinion is expressed.
- d) 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.
- e) Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Manna on Main Street'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.

### ***Other Information***

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

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 March 20, 2023 on our consideration of Manna on Main Street's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 on Main Street's internal control over financial reporting and compliance.

***Report on Summarized Comparative Information***

We have previously audited Manna on Main Street's 2021 financial statements, and our report dated June 16, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Respectfully submitted,

***Hutchinson, Gillahan & Freeh, P.C.***

March 20, 2023

---

---

## **BASIC FINANCIAL STATEMENTS**

---

---



**MANNA ON MAIN STREET**  
**Statement of Financial Position**  
**September 30, 2022**  
**(With Comparative Totals as of September 30, 2021)**

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,275,701	\$ 2,890,970
Accounts Receivable	649,009	102,965
Inventory	<u>142,804</u>	<u>137,458</u>
<b>TOTAL CURRENT ASSETS</b>	<b>3,067,514</b>	<b>3,131,393</b>
<b>FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION</b>	<b>349,817</b>	<b>252,273</b>
<b>OTHER ASSETS</b>		
Gift Cards on Hand	\$ 79,441	\$ 58,276
Prepaid Expenses	<u>-</u>	<u>2,139</u>
<b>TOTAL OTHER ASSETS</b>	<b>79,441</b>	<b>60,415</b>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,496,772</u></b>	<b><u>\$ 3,444,081</u></b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 66,788	\$ 77,735
Payroll Liabilities	22,437	12,535
Accrued Salaries	41,074	27,035
Deferred Revenue	<u>629,741</u>	<u>960,753</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>760,040</b>	<b>1,078,058</b>
<b>LONG-TERM LIABILITIES</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>		
Without Donor Restrictions		
Undesignated	<u>2,468,016</u>	<u>2,310,405</u>
Total Without Donor Restrictions	2,468,016	2,310,405
With Donor Restrictions	<u>268,716</u>	<u>55,618</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$ 2,736,732</u></b>	<b><u>\$ 2,366,023</u></b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>\$ 3,496,772</u></b>	<b><u>\$ 3,444,081</u></b>

The accompanying notes form an integral part of these financial statements.

**MANNA ON MAIN STREET**  
**Statement of Activities**  
**For the Year Ended September 30, 2022**  
**(With Comparative Totals as of September 30, 2021)**

	Without Donor Restrictions		With Donor Restrictions	2022 Total	Without Donor Restrictions		With Donor Restrictions	2021 Total
	Undesignated	Designated			Undesignated	Designated		
<b>REVENUES</b>								
Contributions	\$ 2,034,961	\$ -	\$ 290,683	\$ 2,325,644	\$ 2,309,521	\$ -	\$ -	\$ 2,309,521
Government Funding	-	-	5,470,233	5,470,233	-	-	4,490,204	4,490,204
Program Services, net of expenses	153,377	-	-	153,377	179,200	-	-	179,200
Special events, net of expenses	127,983	-	-	127,983	98,195	-	-	98,195
Contributed Non-Financial Assets	1,651,668	-	-	1,651,668	2,094,528	-	-	2,094,528
Interest Income	6,169	-	-	6,169	5,955	-	-	5,955
Miscellaneous	15,486	-	-	15,486	1,824	-	-	1,824
Net Assets Released from Restriction	5,547,818	-	(5,547,818)	-	4,566,214	-	(4,566,214)	-
<b>TOTAL REVENUES</b>	<b>9,537,462</b>	<b>-</b>	<b>213,098</b>	<b>9,750,560</b>	<b>9,255,437</b>	<b>-</b>	<b>(76,010)</b>	<b>9,179,427</b>
<b>EXPENSES</b>								
Program Services -								
Food, Financial & Education Services	8,904,589	-	-	8,904,589	7,800,012	-	-	7,800,012
Administrative	191,867	-	-	191,867	190,652	-	-	190,652
Fundraising	283,395	-	-	283,395	237,997	-	-	237,997
<b>TOTAL EXPENSES</b>	<b>9,379,851</b>	<b>-</b>	<b>-</b>	<b>9,379,851</b>	<b>8,228,661</b>	<b>-</b>	<b>-</b>	<b>8,228,661</b>
<b>OTHER REVENUES (EXPENSES)</b>								
Gain/(Loss) on Sale of Fixed Assets	-	-	-	-	-	-	-	-
<b>TOTAL OTHER REVENUES (EXPENSES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>\$ 157,611</b>	<b>\$ -</b>	<b>\$ 213,098</b>	<b>\$ 370,709</b>	<b>\$ 1,026,776</b>	<b>\$ -</b>	<b>\$ (76,010)</b>	<b>\$ 950,766</b>
<b>NET ASSETS, BEGINNING</b>	<b>2,310,405</b>	<b>-</b>	<b>55,618</b>	<b>2,366,023</b>	<b>1,283,629</b>	<b>-</b>	<b>131,628</b>	<b>1,415,257</b>
<b>NET ASSETS, ENDING</b>	<b>\$ 2,468,016</b>	<b>\$ -</b>	<b>\$ 268,716</b>	<b>\$ 2,736,732</b>	<b>\$ 2,310,405</b>	<b>\$ -</b>	<b>\$ 55,618</b>	<b>\$ 2,366,023</b>

The accompanying notes form an integral part of these financial statements.

**MANNA ON MAIN STREET**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2022**  
**(With Comparative Totals for the Year Ended September 30, 2021)**

	Program Service (Food, Financial & Education Services)				2022 Total	Program Service (Food, Financial & Education Services)				2021 Total
	Administrative	Fundraising				Administrative	Fundraising			
Payroll	\$ 1,178,937	\$ 105,086	\$ 147,330	\$ 1,431,353	\$ 853,471	\$ 120,575	\$ 132,539	\$ 1,106,585		
Payroll Taxes	70,908	23,344	27,891	122,143	74,546	9,224	10,133	93,903		
Employee Benefits	149,237	27,089	13,452	189,778	114,276	28,058	21,473	163,807		
Client Assistance	7,036,589	-	-	7,036,589	6,406,618	-	-	6,406,618		
Depreciation	49,208	3,355	3,355	55,918	28,452	2,316	2,316	33,084		
Dues & Fees	23,481	1,661	12,663	37,805	42,241	802	5,318	48,361		
Fundraising	-	-	40,543	40,543	-	-	8,596	8,596		
Insurance	49,146	3,352	3,352	55,850	33,497	2,726	2,726	38,949		
Grant Expenses	31,456	-	-	31,456	-	-	22,113	22,113		
Miscellaneous Expense	22,001	-	-	22,001	13,991	234	-	14,225		
Newsletter Costs	-	-	10,010	10,010	-	-	6,595	6,595		
Occupancy Expenses	77,896	5,311	5,311	88,518	73,024	5,944	5,944	84,912		
Office Expense	32,424	2,210	2,210	36,844	23,365	1,902	1,902	27,169		
Staffing Expenses	10,010	-	639	10,649	-	-	-	-		
Promotion & Marketing	-	-	5,406	5,406	-	-	8,334	8,334		
Postage	1,871	-	1,647	3,518	1,239	-	1,412	2,651		
Professional Services	27,694	12,641	1,768	42,103	15,261	10,814	539	26,614		
Software Contracts & Technical Support	31,970	2,180	2,180	36,330	29,353	2,389	2,389	34,131		
Rent	42,956	2,929	2,929	48,814	31,907	2,597	2,597	37,101		
Repairs & Maintenance	34,931	2,382	2,382	39,695	32,175	2,619	2,619	37,413		
Telephone	4,790	327	327	5,444	5,560	452	452	6,464		
Client Training Program	26,299	-	-	26,299	17,996	-	-	17,996		
Strategic Partnerships	2,785	-	-	2,785	3,040	-	-	3,040		
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 8,904,589</b>	<b>\$ 191,867</b>	<b>\$ 283,395</b>	<b>\$ 9,379,851</b>	<b>\$ 7,800,012</b>	<b>\$ 190,652</b>	<b>\$ 237,997</b>	<b>\$ 8,228,661</b>		

The accompanying notes form an integral part of these financial statements.

**MANNA ON MAIN STREET**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2022**  
**(With Comparative Totals for the Year Ended September 30, 2021)**

	<u>2022</u>	<u>2021</u>
<b><u>NET CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Increase (Decrease) in Net Assets	\$ 370,709	\$ 950,766
Adjustment to reconcile change in Net Assets to Change in Net Cash from Operating Activities:		
Non Cash Expense - Depreciation	55,918	33,084
Decrease (Increase) in Accounts Receivable	(546,044)	27,648
Decrease (Increase) in Inventory	(5,346)	(35,510)
Decrease (Increase) in Gift Cards on Hand	(21,165)	(17,735)
Decrease (Increase) in Prepaid Expenses	2,139	(1,543)
Increase (Decrease) in Accounts Payable	(10,947)	5,389
Increase (Decrease) in Payroll Liabilities	9,902	(9,797)
Increase (Decrease) in Accrued Salaries	14,039	14,759
Increase (Decrease) in Deferred Revenue	(331,012)	467,404
Increase (Decrease) in Accrued Interest	-	(850)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ (461,807)</b>	<b>\$ 1,433,615</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of Equipment and Furnishings	(153,462)	(74,673)
Loss on Disposal of Fixed Assets	-	-
Funds Invested	-	-
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(153,462)</b>	<b>(74,673)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Forgiveness of Debt (PPP Loan)	-	(189,112)
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<b>-</b>	<b>(189,112)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(615,269)</b>	<b>1,169,830</b>
<b>BEGINNING CASH BALANCE</b>	<b>2,890,970</b>	<b>1,721,140</b>
<b>ENDING CASH BALANCE</b>	<b>\$ 2,275,701</b>	<b>\$ 2,890,970</b>

The accompanying notes form an integral part of these financial statements.

**MANNA ON MAIN STREET**  
**Notes to Financial Statements**  
**Fiscal Years Ended September 30, 2022 and 2021**

---

**Note 1 – Nature of Operations**

Manna on Main Street serves individuals and families experiencing food insecurity in the North Penn region of Montgomery County, Pennsylvania by providing food, fulfilling social service and education needs, and conducting community outreach.

Manna's Kitchen (soup kitchen) provides to-go meals seven days a week and hot meals four days a week and is open to anyone who is in need of a meal. Manna's Market (food pantry) serves food insecure seniors, individuals and families living in the North Penn region, and is open each weekday. Emergency financial aid is provided to qualified individuals living in the North Penn region facing an unexpected financial difficulty. Counseling, referrals for services not provided by Manna, and education opportunities are offered to help lift individuals up beyond poverty to self-sustaining opportunities.

In response to the COVID-19 pandemic, Manna adjusted food distribution to safely serve any individual or household that needed food whether living within or outside of the North Penn region. Emergency food is available seven days a week with to-go meals provided daily, hot meals provided four days a week and groceries through Manna's Market available five days a week.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Accounting***

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

***Financial Statement Presentation***

The financial statements have been prepared in accordance with Statements on Financial Accounting Standards which establish accounting standards for contributions received. Generally, the Standards prescribe that all contributions received are recognized as revenue, at their fair values, and in the period received.

On August 18, 2016, FASB issued *ASU 2016-14, Not for Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Manna on Main Street has presented these statements accordingly.

The Organization is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

***Net assets without donor restrictions*** - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time. As of September 30, 2022, no board restricted funds were in place.

***Net assets with donor restrictions*** - Net assets subject to stipulations imposed by donors, grantors and other external sources. Some restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other restrictions are perpetual in nature, whereby the donor or law or regulation has stipulated the funds be maintained in perpetuity.

**MANNA ON MAIN STREET**  
**Notes to Financial Statements**  
**Fiscal Years Ended September 30, 2022 and 2021**

---

**Cash**

Cash includes cash and cash equivalents on deposit with financial institutions as well as on hand.

**Fixed Assets**

All acquisitions of property and equipment in excess of \$2,500 are capitalized. Purchased equipment is stated at cost and depreciated on the straight line and declining balance methods over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related depreciation are removed from the books and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred and costs of significant replacements and improvements are capitalized and depreciated over the following estimated useful lives.

<u>Classification</u>	<u>Years</u>
Office Equipment	5-10
Kitchen Equipment	7-10
Leasehold Improvements	20
Automobile	5

**Income Taxes**

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509 (a) of the Internal Revenue code. There was no unrelated business taxable income for the year ended September 30, 2022 or any of the open years (FYE September 30, 2019, 2020 and 2021). The Organization has reviewed the tax positions for each of the open tax years and has concluded that there are no uncertain tax positions that would require recognition in the financial statements.

**Prior Year Information**

The financial statements include certain prior year summarized comparative information in total but not consistently by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization’s financial statements for the year ended September 30, 2021 from which the summarized information was derived.

**Use of Estimates**

The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Significant estimates used in preparing these financial statements included the following:

Depreciation expense for the year ended September 30, 2022 and 2021 was \$55,918 and \$33,084.

In-Kind Contributions – Management’s estimates of the value of the in-kind contributions for food received and disbursed is based on a detailed calculation of the pounds of food provided to clients and other local food pantries. This is assigned a value based on published per pound food values as determined for the organization’s service area.

**MANNA ON MAIN STREET**  
**Notes to Financial Statements**  
**Fiscal Years Ended September 30, 2022 and 2021**

---

***Contributions***

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

***Functional Expense Allocation***

Expenses are charged to program services, administrative and fundraising based on the direct function of the expenditures or an allocation.

***Functional Expenses***

The Statement of Functional Expenses reflects the allocation of expenses based on whether the expense was for a program service, administrative or fund-raising purpose. During the fiscal year ended September 30, 2022 the organization experienced a significant increase in grant revenue. As a result, there was a corresponding increase in program service expenses. The organization was able to manage this new program with only a limited increase in administrative costs and an immaterial change in fundraising costs.

As a result of the significant increase in overall expenses, with the majority being in the program service area, the percentage of expenses allocable to non-program service expenses is much smaller in relation to total expenses than in previous years. This demonstrates the efficiency the organization strives to achieve in operations.

***Recent Accounting Guidance***

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases, and operating leases. ASU 2016-02 will become effective for the Organization for the fiscal year beginning October 1, 2022.

In September 2020, the FASB issued ASU 2020-07 *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This standard changes the presentation and disclosure requirements of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets, use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The standard requires that contributed nonfinancial assets be represented as a separate line item in the statement of activities and additional disclosures be presented. This standard is effective for years beginning after June 15, 2021 and has been implemented by the Organization.

**MANNA ON MAIN STREET**  
**Notes to Financial Statements**  
**Fiscal Years Ended September 30, 2022 and 2021**

**Note 3 – Cash and Cash Equivalents**

Cash and Cash Equivalents are presented in the financial statements to represent the aggregate of cash funds on hand, as well as time and demand deposits held at financial institutions.

At September 30, 2022 and 2021, cash and cash equivalents consist of:

	<b>2022</b>			
	<b>Without Donor Restrictions</b>		<b>With Donor Restrictions</b>	<b>Total</b>
	<b>Undesignated</b>	<b>Board Designated</b>		
Cash in Banks	\$ 1,998,776	\$ -	\$ 268,716	\$ 2,267,492
Cash on Hand	8,209	-	-	8,209
<b>TOTAL CASH PER FINANCIAL STATEMENTS</b>	<b>\$ 2,006,985</b>	<b>\$ -</b>	<b>\$ 268,716</b>	<b>\$ 2,275,701</b>

	<b>2021</b>			
	<b>Without Donor Restrictions</b>		<b>With Donor Restrictions</b>	<b>Total</b>
	<b>Undesignated</b>	<b>Board Designated</b>		
Cash in Banks	\$ 2,833,009	\$ -	\$ 55,618	\$ 2,888,627
Cash on Hand	2,343	-	-	2,343
<b>TOTAL CASH PER FINANCIAL STATEMENTS</b>	<b>\$ 2,835,352</b>	<b>\$ -</b>	<b>\$ 55,618</b>	<b>\$ 2,890,970</b>

All funds listed above are on deposit with federally insured institutions. At times throughout the year the Harleysville Bank checking account exceeded the \$250,000 insured limit. As of September 30, 2022, and 2021 the bank account balances exceeded the insured limit by \$2,216,716 and \$2,821,684, respectively.

All highly liquid investments with a maturity of less than three months, when purchased, are considered cash equivalents.

**Note 4 – Availability and Liquidity of Financial Assets**

The following reflects Manna on Main Street's financial assets as of the date of these financial statements, reduced by amounts not available for general use because of contractual or donor-imposed restriction as well as board designation within one year of the financial statement date.

	<b>2022</b>	<b>2021</b>
Cash and Cash Equivalents	\$ 2,275,701	\$ 2,890,970
Financial assets at year end	2,275,701	2,890,970
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions	(268,716)	(55,618)
Board designation	-	-
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 2,006,985</b>	<b>\$ 2,835,352</b>



**MANNA ON MAIN STREET**  
**Notes to Financial Statements**  
**Fiscal Years Ended September 30, 2022 and 2021**

**Note 5 - Inventory**

A physical inventory was taken at year end and the value was determined based on weight and an average published price for September 30, 2022 and 2021 of \$1.92 and \$1.74 per pound, respectively.

**Note 6 - Fixed Assets**

A summary of fixed assets as of September 30, 2022 and 2021, consists of the following:

	<u>2022</u>	<u>2021</u>
Office Equipment	\$ 28,862	\$ 6,934
Kitchen Equipment	224,660	311,966
Leasehold Improvements	78,220	78,220
Automobile	<u>172,125</u>	<u>74,498</u>
	503,867	471,618
Less: Accumulated Depreciation	<u>(154,050)</u>	<u>(219,345)</u>
<b>TOTAL</b>	<b><u>\$ 349,817</u></b>	<b><u>\$ 252,273</u></b>

**Note 7 – Net Assets with Donor Restrictions**

The following donor restricted net assets existed at September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Unexpended Donor Restricted Funds:		
Grandom Foundation	\$ -	\$ 3,299
The Philadelphia Foundation	-	8,000
VNA Grants	15,000	7,500
Pierce Foundation	-	15,831
HealthSpark	2,458	20,988
10 Year Campaign Funds	<u>251,258</u>	<u>-</u>
<b>TOTAL</b>	<b><u>\$ 268,716</u></b>	<b><u>\$ 55,618</u></b>

**Note 8 – Contributed Non-Financial Assets – Donated Food**

Donations of food and other items valued at approximately \$1,651,668 and \$2,094,528 have been recorded in the statement of activities under contributions for the year ended September 30, 2022 and 2021, respectively.

The value of food donations is determined through the use of calculated estimates. Beginning October 2019, the average weight of groceries distributed from the food pantry per household was from the Smart Choice database system used to track household shopping in the Market.

Records are maintained every day of the number of households fed. Each household distribution is valued using the average per household weight multiplied by a publicly published per pound price of \$1.92 and \$1.74 for the 2021-22 and 2020-21 fiscal years, respectively.

**Note 9 – Employee Benefit Plan**

Manna maintains a 403(b) plan for its employees. Employees may contribute a percentage of their salary subject to Internal Revenue Service limits.

**MANNA ON MAIN STREET**  
**Notes to Financial Statements**  
**Fiscal Years Ended September 30, 2022 and 2021**

---

**Note 10 – Operating Leases**

Manna entered into a 180-month lease with Advanced Living Management and Development, Inc. on June 26, 2013, as part of a joint venture (see Note 17). The lease term commenced 30 days after the issuance of the occupancy permit for the building which was issued on 10/4/16. During the initial lease term, minimum rent payments of \$100 are due annually. Commencing on January 31, 2018, Manna is responsible for one-third share of the monthly debt service payment to community lenders CDC. This monthly payment may vary based on project fundraising. As of September 30, 2022, the monthly debt service payment was \$692 totaling \$8,570 for the fiscal year.

Future minimum payments on the non-cancellable operating lease at September 30, 2022 are as follows:

FISCAL YEAR ENDED	
2023	\$ 100
2024	100
2025	100
2026	100
2027	100
Thereafter	500
<b>TOTAL</b>	<b>\$ 1,000</b>

In August of 2020, Manna entered into an agreement with Abington Memorial Hospital to sublease Suite #1007 in the North Penn Commons Building. The terms of the lease are identical to the terms and conditions of the Prime Lease which includes monthly payments of \$494 until December of 2022.

Future minimum payments on the non-cancellable operating lease at September 30, 2022 are as follows:

FISCAL YEAR ENDED	2022
2023	\$ 1,482
<b>TOTAL</b>	<b>\$ 1,482</b>

Manna on Main Street is a party to three leases with Lansdale Business Center to lease shop space for Food Product inventory Management and Office Operations. Each lease is currently on a month-to-month basis and there are no required future minimum lease payments on any of these leases as of September 30, 2022.

Total rent expense for the year ended September 30, 2022 and 2021 was \$48,814 and \$37,101, respectively.

**Note 11 – Service Contract**

Manna entered into a 3-year waste removal contract with Waste Management on July 19, 2021. The contract commenced on August 1, 2021 and the term is 3 years. The payments are \$803.72 per month for the first year with a 3% increase for each following year until the contract expires on July 31, 2024.

**MANNA ON MAIN STREET**  
**Notes to Financial Statements**  
**Fiscal Years Ended September 30, 2022 and 2021**

---

Future service contract payments on waste removal at September 30, 2022 are as follows:

FISCAL YEAR ENDED		AMOUNT
	2023	\$ 9,984
	2024	8,527
<b>TOTAL</b>		<b>\$ 18,511</b>

**Note 12 – Software Licensing Agreement**

On November 1, 2019, Manna agreed to extend its Software licensing agreement with Analytical Solutions, Inc. The terms of the agreement extend the term of the original agreement for 36 months from the date of the amendment at a monthly payment of \$995.

Future software licensing agreement payments at September 30, 2022, are as follows:

FISCAL YEAR ENDED		
	2023	\$ 995
<b>TOTAL</b>		<b>\$ 995</b>

**Note 13 – Line of Credit**

On February 27, 2020, Manna opened a Line-of-Credit with Harleysville Bank in the amount of \$50,000, which is renewed annually for a one-year period beginning each February 27<sup>th</sup>. The Line-of-Credit has a variable interest rate based on the highest prime rate published in the Wall Street Journal plus 1%. Accrued interest on the principal balance is due monthly and the outstanding principal plus any accrued interest is due at the end of each one-year renewal period. As of September 30, 2022, there was no outstanding balance on the line-of-credit.

**Note 14 – Food Service Agreement**

On August 1, 2022, Manna on Main Street (Vendor) and The Senior Adult Activities Center of Montgomery County (Montco SAAC) entered into a food service agreement. This agreement provides that the Vendor will serve an agreed upon number of congregate and Home Delivered meals for Montco SAAC at the unit cost of \$4.59 per meal. The Vendor will also prepare and deliver Blizzard Boxes as needed at an agreed upon cost. The term of the agreement will be from August 1, 2022 until June 30, 2023. Continuation of the contract and updated rates for subsequent time periods will be discussed in early 2023. If no update occurs the agreement will continue on a month-by-month basis until the Vendor and Montco SAAC update the agreement. The termination of the contract for cause will have a 60-day written notice and a mandatory conflict resolution process prior to invoking termination.

**Note 15 - Concentration of Credit Risk**

The organization maintains several bank accounts at commercial banks. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances in Harleysville Bank exceeded the FDIC coverage as detailed in Note 3 to these financial statements.

**MANNA ON MAIN STREET**  
**Notes to Financial Statements**  
**Fiscal Years Ended September 30, 2022 and 2021**

---

**Note 16 – Joint Venture**

Manna remains a party to a joint venture agreement to operate a co-located, collaborative community facility called the North Penn Commons (NPC). The parties to the agreement (collectively called the NPC Partners) are Advanced Living Management & Development, a Pennsylvania nonprofit corporation located at 1292 Allentown Road, Lansdale, PA 19445; Manna On Main Street, a Pennsylvania nonprofit corporation located at 606 East Main Street, Suite 1001, Lansdale, PA 19446, the North Penn YMCA, a Pennsylvania nonprofit corporation with corporate offices located at 2506 N. Broad Street, Suite 208, Colmar, PA 18915 and the PEAK Center, a Pennsylvania nonprofit corporation located at 606 East Main Street, Suite 1003, Lansdale, PA 19446.

As part of the joint venture, the NPC Partners entered into a fundraising agreement in which the partners worked with an independent consulting firm to develop and conduct a joint fundraising strategy for a \$6 million capital campaign. The campaign was officially brought to a close on Monday, May 14, 2018.

Co-location of the NPC Partners occurred on October 6, 2016. In the six years since then, the Partners have put into practice collaborative programs and an operational structure designed before they moved into the shared campus. Campus wide activities and operations are coordinated by the CEO Council and governed by the Condominium Association. Common areas including the lobby, parking lot and plaza are covered by common area maintenance (CAM) fees assessed on each NPC Partner and collected and managed by the Condominium Association.

**Note 17 – Special Events**

During the current fiscal year, the Organization held several special events. In fiscal years ended 2022 and 2021, the support received, and expenses paid for these events were as follows:

	2022	2021
Support	\$ 137,288	\$ 112,544
Expenses	(9,305)	(14,349)
<b>NET SUPPORT</b>	<b>\$ 127,983</b>	<b>\$ 98,195</b>

**Note 18 – Major Grant**

Beginning in September 2020 and continuing through September 2022, Manna on Main Street signed Subrecipient Grant Agreements with Montgomery County, PA to receive funds under the Your Way Home Emergency Rent & Utility Coalition (ERUC-CV) program. The grant funds must be used to pay or reimburse necessary expenditures for rent and utility expenditures incurred due to the COVID-19 emergency. As a result of this grant, the Organization experienced an increase in Government Funding and corresponding program service expenses.

**Note 19 – Subsequent Events**

In 2022, Manna on Main Street began looking for a suitable location to develop an online ordering and delivery center as part of its three-year strategic plan (2022-2025) and its 10-year Campaign: A North Penn Where No One Is Hungry. In January, 2023, a building was identified, and Manna began a due diligence process to determine the suitability of the building and the financial assets necessary for acquisition and renovation. Support for the project will come from two large individual donations given to support the 10-year Campaign and a \$250,000 state grant secured in February, 2023. The new Online

**MANNA ON MAIN STREET**  
**Notes to Financial Statements**  
**Fiscal Years Ended September 30, 2022 and 2021**

---

Market Hub, will be an innovative \$1 million project that will dramatically expand Manna's ability to increase fulfillment of online orders of groceries, scale our delivery of groceries directly to homes in the greater North Penn region, and increase in-person grocery shopping hours at Manna's Market in North Penn Commons. This will allow Manna to be immediately responsive to people's food needs and make the North Penn region the only place in Montgomery County with this kind of a sophisticated, inclusive, dignified emergency food system.

Management has evaluated events through the date the financial statements were available to be issued which was March 20, 2023.

---

---

**SINGLE AUDIT SECTION**

---

---

**MANNA ON MAIN STREET**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2022**

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Grant Period</u>	<u>Program or Award Amount</u>	<u>Total Received for the Year</u>	<u>(Accrued) or Deferred Revenue 6/30/21</u>	<u>Accrued or (Deferred) Revenue 6/30/22</u>	<u>Revenue Recognized</u>	<u>Federal Expenditures(\$)</u>	<u>Amounts Passed Through to Sub- Recipients</u>
<b><u>U.S. Department of the Treasury</u></b>										
<b>Passed through Montgomery County, PA</b>										
Emergency Rental Assistance Program	21.023	ERAP 1	2021-2022	\$ 5,932,464	\$ 3,295,777	\$ 944,949	\$ (622,401)	\$ 3,618,325	\$ 3,618,325	\$ -
Emergency Rental Assistance Program	21.023	ERAP 2	2021-2022	4,518,099	<u>1,407,521</u>	-	<u>423,682</u>	<u>1,831,203</u>	<u>1,831,203</u>	-
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>					<b>\$ 4,703,298</b>	<b>\$ 944,949</b>	<b>\$ (198,719)</b>	<b>\$ 5,449,528</b>	<b>\$ 5,449,528</b>	<b>\$ -</b>
<b><u>U.S. Department of Agriculture</u></b>										
<b>Passed through PA Department of Human Services</b>										
Supplemental Nutrition and Assistance Program (SNAP)	10.561	721158	2021-2022	\$ 20,706	<u>\$ 20,705</u>	-	-	<u>\$ 20,705</u>	<u>20,705</u>	-
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>					<b><u>20,705</u></b>	<b>-</b>	<b>-</b>	<b><u>20,705</u></b>	<b><u>20,705</u></b>	<b>-</b>
<b>TOTAL FEDERAL AWARDS</b>					<b><u>\$ 4,724,003</u></b>	<b><u>\$ 944,949</u></b>	<b><u>\$ (198,719)</u></b>	<b><u>\$ 5,470,233</u></b>	<b><u>\$ 5,470,233</u></b>	<b><u>\$ -</u></b>

*The accompanying notes are an integral part of this schedule.*

**MANNA ON MAIN STREET**  
**Notes to the Schedule of Expenditures of Federal, State and City Awards**  
**For the Year Ended September 30, 2022**

---

**Note 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activities in all the federal financial assistance programs of Manna on Main Street for the year ended September 30, 2022. The information in the Schedule is presented in accordance with the requirements of the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Manna on Main Street, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Manna on Main Street.

**Note 2 – Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal awards is presented using the accrual basis of accounting for all awards. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to federal funding agencies due to those reports being submitted using a different basis of accounting.

Federal awards expenditures are reported on the Statement of Activities as part of the expenses of each program. In certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported in the Schedule of Federal Awards due to program expenditures exceeding grant or contract budget limitations which are not included as Federal Awards.

**Note 3 – Organization and Scope**

The organization recognized 56.1% of its total revenue in federal awards.

**Note 4 - Indirect Costs**

Manna on Main Street did not elect to use the 10% de minimis indirect cost rate.





March 20, 2023

Board of Directors  
Manna on Main Street  
606 East Main Street, Suite 1001  
Lansdale, PA 19446

**INDEPENDENT AUDITOR'S 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**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Manna on Main Street, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Manna on Main Street's basic financial statements and have issued our report thereon dated March 20, 2023.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered Manna on Main Street's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Manna on Main Street's internal control. Accordingly, we do not express an opinion on the effectiveness of the Manna on Main Street'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 the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified.

## **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether Manna on Main Street's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **PURPOSE OF THIS REPORT**

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

*Hutchinson, Gillahan & Freeh, P.C.*

March 20, 2023



March 20, 2023

Board of Directors of  
Manna on Main Street  
330 Howertown Road  
Catasauqua, PA 18032

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited Manna on Main Street's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Manna on Main Street's major federal programs for the year ended September 30, 2022. Manna on Main Street's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**MANAGEMENT'S RESPONSIBILITY**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on compliance for each of Manna on Main Street's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Manna on Main Street's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Manna on Main Street's compliance.

**OPINION ON EACH MAJOR FEDERAL PROGRAM**

In our opinion, Manna on Main Street complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

The management of Manna on Main Street is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Manna on Main Street's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control and over compliance. Accordingly, we do not express an opinion on the effectiveness of Manna on Main Street's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,

*Hutchinson, Gillahan & Freeh, P.C.*

March 20, 2023

**MANNA ON MAIN STREET**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2022**

**Section I – Summary of Auditor’s Results**

**FINANCIAL STATEMENTS**

Type of auditor’s report issued:	Unmodified	
Internal control over financial reporting:		
▪ Material Weakness(es) Identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
▪ Significant deficiencies identified that are not considered material weakness?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

**FEDERAL AWARDS**

Internal control over major programs:		
▪ Material Weakness(es) Identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
▪ Significant deficiencies identified that are not considered material weakness?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Type of auditor’s report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR Section 200.516 (a) of <b>the Uniform Guidance</b> ?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Identification of major program:		
<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>	
21-023	Emergency Rental Assistance Program	
Percentage of programs tested to total awards	99.6%	
Dollar threshold used to distinguish between type A and type B program:	\$ 750,000	
Auditee qualified as low-risk auditee?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

**Section II - Findings - Financial Statement Audit**

---

None

**Section III - Findings and Questioned Costs - Major Federal Awards Program**

---

None

## CORRECTIVE ACTION PLAN

---

*No Corrective Action Plan Necessary*