Manna on Main Street

Financial Statements

September 30, 2025

Kreischer Miller

Manna on Main Street
September 30, 2025

Contents

Independent Auditors' Report

Board of Directors
Manna on Main Street
Lansdale, Pennsylvania

Opinion

We have audited the financial statements of Manna on Main Street, which comprise the statement of financial position as of September 30, 2025, 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 accompanying financial statements present fairly, in all material respects, the financial position of Manna on Main Street as of September 30, 2025, 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 (GAAS). 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 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 opinion.

Emphasis of Matter—Prior Period Adjustment

As discussed in Note 3 to the financial statements, net assets as of October 1, 2024 have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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 one year after the date that the financial statements are issued.

100 Witmer Road, Suite 350, Horsham, PA 19044-2369
215-441-4600 | fax: 215-672-8224 | www.kmco.com

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 on Main Street'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 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.

Kreischer Miller

Horsham, Pennsylvania
July 29, 2026

Manna on Main Street

Statement of Financial Position
September 30, 2025

ASSETS	
Current assets:	
Cash and cash equivalents	$ 2,641,735
Contributions and grants receivable	232,323
Accounts receivable	14,545
Inventory	110,600
Gift cards on hand	68,480
Investments	158,701
Prepaid expenses	22,425
Total current assets	3,248,809
Property and equipment, net	1,781,613
Total assets	$ 5,030,422
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	$ 51,684
Accrued salaries	61,292
Long-term debt, current portion	10,906
Total current liabilities	123,882
Long-term debt, net of current portion	791,307
Total liabilities	915,189
Net assets:	
Without donor restrictions	3,868,242
With donor restrictions	246,991
Total net assets	4,115,233
Total liabilities and net assets	$ 5,030,422

See accompanying notes to financial statements.

Manna on Main Street

Statement of Activities
Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
In-kind donations	$ 2,211,857	$ -	$ 2,211,857
Contributions and grants	1,786,872	451,560	2,238,432
Program services (social enterprises), net direct costs	266,367	-	266,367
Special events, net	177,138	-	177,138
Government grants	117,901	-	117,901
Net investment return	92,262	-	92,262
Other income	376	-	376
Net assets released from restrictions	469,796	(469,796)	-
Total revenues and other support	5,122,569	(18,236)	5,104,333
Expenses:			
Program services	4,522,370	-	4,522,370
General and administrative	269,332	-	269,332
Fundraising	237,655	-	237,655
	5,029,357	-	5,029,357
Change in net assets	93,212	(18,236)	74,976
Net assets:			
Beginning of year, as previously reported	3,775,030	30,227	3,805,257
Prior period adjustment (Note 3)	-	235,000	235,000
Beginning of year, restated	3,775,030	265,227	4,040,257
Net assets, end of year	$ 3,868,242	$ 246,991	$ 4,115,233

See accompanying notes to financial statements.

Manna on Main Street

Statement of Functional Expenses
Year Ended September 30, 2025

	Program Services	General and Administrative	Fundraising	Total
Payroll	$ 1,220,164	$ 165,768	$ 126,873	$ 1,512,805
Payroll taxes	105,273	14,296	10,397	129,966
Employee benefits	192,228	22,615	11,307	226,150
Client assistance (including Manna's Market and Manna's Kitchen)	2,346,754	-	-	2,346,754
Depreciation	108,470	10,330	10,330	129,130
Dues and fees	25,998	19,460	12,451	57,909
Events	-	-	15,787	15,787
Insurance	63,792	6,076	6,076	75,944
Grants	642	-	-	642
Miscellaneous	36,082	252	252	36,586
Newsletter	-	-	12,875	12,875
Occupancy	148,513	9,475	9,475	167,463
Office	15,672	1,492	1,492	18,656
Promotion and marketing	7,494	-	-	7,494
Postage	110	110	882	1,102
Professional services	111,859	10,653	10,653	133,165
Software and technical support	29,998	2,857	2,857	35,712
Repairs and maintenance	56,304	5,362	5,362	67,028
Interest	19,510	-	-	19,510
Telephone	5,323	507	507	6,337
Client training program	24,976	79	79	25,134
Strategic partnerships	3,208	-	-	3,208
	4,522,370	269,332	237,655	5,029,357
Direct costs included with program services revenue on the statement of activities	473,123	-	-	473,123
Cost of direct benefits to donors included with special events revenue on the statement of activities	-	-	12,436	12,436
	$ 4,995,493	$ 269,332	$ 250,091	$ 5,514,916

See accompanying notes to financial statements.

Manna on Main Street

Statement of Cash Flows
Year Ended September 30, 2025

Cash flows from operating activities:		
Change in net assets	$	74,976
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation		129,130
Noncash contribution of stock		(7,039)
Unrealized loss on investments		560
(Increase) decrease in assets:		
Contributions and grants receivable		120,788
Accounts receivable		182,419
Inventory		25,173
Prepaid expenses		(22,395)
Gift cards on hand		26,530
Increase (decrease) in liabilities:		
Accounts payable		(81,304)
Accrued liabilities		(2,369)
Accrued salaries		30,114
Deferred revenue		(100)
Net cash and cash equivalents provided by operating activities		476,483
Cash flows from investing activities:		
Purchase of property and equipment		(138,769)
Proceeds from sales of investments		369,000
Purchase of investments		(117,588)
Net cash and cash equivalents provided by investing activities		112,643
Cash flows from financing activities:		
Repayments on long-term debt		(10,550)
Net cash and cash equivalents used in financing activities		(10,550)
Net change in cash and cash equivalents		578,576
Cash and cash equivalents, beginning of year		2,063,159
Cash and cash equivalents, end of year	$	2,641,735
Supplemental disclosure of cash flow information:		
Cash paid for interest	$	19,510

See accompanying notes to financial statements.

(1) Organization

Manna on Main Street (the Organization) 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 provides to-go meals seven days a week and hot meals four days a week and is open to anyone who needs a meal. Manna's Market serves food insecure seniors, individuals, and families living in the North Penn region, and is open each weekday and Saturday. 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.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net Assets

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

Net Assets Without Donor Restrictions **–** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. These assets may be used at the discretion of the Organization's management and the Board of Directors.

Net Assets With Donor Restrictions **–** Net assets subject to donor-(or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. At September 30, 2025, the Organization did not have any net assets with donor restrictions required to be held in perpetuity.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures of assets and liabilities and disclosure 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.

Continued…

(2) Summary of Significant Accounting Policies, Continued

Revenue Recognition

The Organization applies the five-step revenue model under Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 606, *Revenue from Contracts with Customers*, to determine when revenue is earned and recognized. Program services consist of café point-of-sale revenue earned from the sale of breakfast and lunch items and catering services delivered through Common Grounds Cafe, and fees charged to third parties for the delivery of meals to qualifying seniors. Revenue from these services include all amounts that are billed or are billable under contracts for services performed and are recorded at expected realizable amounts. Revenue is measured at the amount of consideration the Organization expects to be entitled to receive in exchange for those goods and services and is recognized over the term of the contract as services are delivered. Direct costs related to meal preparation and delivery are recorded as a reduction of program service revenue at the time the revenue is recognized. Direct costs for the year ended September 30, 2025 were $473,123. The Organization does not have any variable consideration associated with its revenue arrangements nor any significant financing components as payment is received at or shortly after services are billed.

Contributions

Unconditional contributions received are recorded as with or without donor restriction, depending on the existence and/or nature of any donor restrictions.

Contributions, including unconditional promises to give (pledges), are recognized as support at their fair values in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. All donor-restricted support is reported as an increase in net assets with donor restrictions depending upon the nature of the restrictions. When the 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 statement of activities as net assets released from restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected over periods in excess of one year are recorded at the net present value of the estimated cash flows beyond one year using a risk-adjusted rate of return appropriate for the expected term of the promise to give.

Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor, are recorded when the conditions on which they depend are substantially met.

Continued…

(2) Summary of Significant Accounting Policies, Continued

Special Events

Revenue earned from sponsorship or attendance at special events is recognized at the time of the event. Revenue from sponsorships is considered contribution revenue as they are generally nonreciprocal transactions. Revenue from registration fees is considered an exchange transaction for the value received. Expenses incurred in connection with an event that provide direct benefit to the donors are charged against the revenue earned from the event.

In-Kind Donations

In-kind donations consist of donated assets, donated goods, and/or donated services that create or enhance nonfinancial assets. Services that require specialized skills are recorded when provided by individuals possessing those skills that would otherwise need to be purchased. Contributed goods and services are recorded at their fair market value at the time of receipt and are included in the financial statements as revenue and expense.

In-kind donations consisted primarily of donated food valued at the estimated average fair value of one pound of donated food product at the national level of $1.90 (as of September 30, 2025) based on studies performed by Feeding America using national wholesaler's pricing catalogs. The donated food is utilized in the delivery of the Organization's program services and supporting services. There were no donor-imposed restrictions associated with the donations.

Many individuals volunteer their time to the Organization for program services. These contributed services do not meet the criteria for recognition under FASB ASC 958-605, *Revenue Recognition*.

Government Grants

Revenue from grants with governmental funding agencies is recognized when the services have been provided or as costs are incurred based on the terms of the grant agreement. The grant revenue is derived from cost-reimbursement contracts and grants and conditioned upon the incurrence of allowable qualifying expenses.

Cash and Cash Equivalents

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

Continued…

(2) Summary of Significant Accounting Policies, Continued

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are stated at the amount the Organization expects to collect. The Organization maintains allowances for credit losses for estimated losses equal to estimated losses that will be incurred in the collection of all receivables. Management evaluates its historical loss experience and applies this historical loss ratio to financial assets with similar characteristics. The Organization's historical loss ratio or its determination of risk pools may be adjusted for changes in economic, market, or other circumstances. Significant past due balances over 90 days and other higher risk amounts are reviewed individually for collectability based on the following specific factors: past transaction history with the customer, current economic industry trends, and changes in payment terms. If the financial condition of the Organization's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Organization provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of September 30, 2025, an allowance for credit losses was not warranted. Accounts receivable relating to contracts with customers at October 1, 2024 was $196,964.

Inventory

Inventory consists of donated food, purchased food, and purchased supplies. Donated food is valued at the estimated average fair value of one pound of donated food product at the national level of $1.90 (as of September 30, 2025) based on studies performed by Feeding America using national wholesaler's pricing catalogs. Purchased food and supplies are valued at the lower of cost, on a first-in, first-out basis or net realizable value.

Investments

Investments purchased are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at fair value in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, and realized and unrealized gains and losses, net of investment fees. Interest and dividend income are recognized when earned. Specifically identified cost is used to determine the gain or loss for investments sold.

Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the 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 quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Continued…

(2) Summary of Significant Accounting Policies, Continued

Fair Value Measurements, Continued

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

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The asset's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Certificates of deposit are valued based on yields currently available on comparable investments with similar terms and interest rates and are considered Level 2. There have been no changes in the methodologies used at September 30, 2025.

Property and Equipment, Net

Property and equipment are capitalized and recorded at cost at date of acquisition, or fair value at date of donation. The Organization will capitalize any assets purchased with a cost greater than $2,500 and a useful life of greater than one year. Maintenance and minor repairs are charged to expenses when incurred. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is included in the statement of activities.

Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets:

Buildings	40 Years
Leasehold improvements	20 Years
Kitchen and other equipment	7 - 10 Years
Office equipment	5 - 10 Years
Automobiles	5 Years

The Organization evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use of an asset are less than the carrying value, a write-down would be recorded to reduce the related asset to its estimated fair value.

Continued…

(2) Summary of Significant Accounting Policies, Continued

Functional Expense Allocation

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses directly attributable to a specific functional area are reported as direct expenses of those functional areas. Expenses that are attributable to more than one program or supporting function are allocated, by management, among the program and supporting services benefited on a reasonable basis that is consistently applied.

Income Taxes

The Organization has been recognized by the Internal Revenue Service as a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal and state income taxes pursuant to Section 501(c)(1) of the IRC and applicable state regulations. No provision for income taxes has been reflected in the accompanying financial statements.

For the year ended September 30, 2025, the Organization did not identify any uncertain tax positions taken or expected to be taken, which would require adjustment to or disclosure in the financial statements. The Organization is potentially subject to federal, state, and local examinations for years subsequent to September 30, 2021.

Concentrations of Credit Risk

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. Management believes that it is not exposed to any significant credit risk on its accounts.

Subsequent Events

The Organization has performed an evaluation of subsequent events through July 29, 2026, which is the date the financial statements were available to be issued.

(3) Prior Period Adjustment

Management of the Organization has adjusted its October 1, 2024 net assets to properly record contribution and grant revenue received in prior reporting periods. The effect of this restatement includes the recognition of contributions and grant revenue of $235,000 and the related increase in net assets with donor restrictions at October 1, 2024.

(4) Liquidity and Availability

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

Cash and cash equivalents	$ 2,641,735
Contributions and grants receivable	232,323
Accounts receivable	14,545
Inventory	110,600
Gift cards on hand	68,480
Investments	158,701
	3,226,384
Financial assets subject to donor-imposed restrictions	(246,991)
	$ 2,979,393

The Organization manages its liquidity by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that obligations will be discharged.

(5) Property and Equipment, Net

Property and equipment, net consists of the following:

Buildings	$ 639,592
Leasehold improvements	806,788
Land	19,429
Kitchen and other equipment	463,171
Office equipment	70,517
Automobiles	203,389
	2,202,886
Accumulated depreciation	(421,273)
	$ 1,781,613

Depreciation expense was $129,130 for the year ended September 30, 2025.

(6) Long-Term Debt

The Organization has a $420,000 mortgage note with Harleysville Bank. The mortgage note is to be repaid in monthly payments of $2,172, including interest at 3.75%. The note matures on August 15, 2028, with a final balloon payment and is secured by real property. Interest expense on this mortgage note was $15,510 for the year ended September 30, 2025.

The schedule of maturities for the mortgage note is as follows:

Year Ended September 30,	Amount
2026	$ 10,906
2027	10,492
2028	380,815
	$ 402,213

The Organization entered into a loan agreement with HealthSpark Foundation to fund certain acquisition, construction, renovation, and improvement costs to real property owned by the Organization. The loan bears interest at 1% per annum and calls for quarterly payments of $1,000 each of interest only until September 14, 2028, at which time the loan matures and the remaining principal and interest are due. Interest expense on this loan was $4,000 for the year ended September 30, 2025.

The schedule of maturities for the loan with HealthSpark is as follows:

Year Ended September 30,	Amount
2026	$ -
2027	-
2028	400,000
	$ 400,000

(7) Line of Credit

The Organization has a line of credit with Harleysville Bank in the amount of $50,000, which is renewed annually for a one-year period each year on February 27th. 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. At September 30, 2025, there was no outstanding balance on the line of credit.

(8) Net Assets with Donor Restrictions

Net assets with donor restrictions were restricted as follows at September 30, 2025:

Subject to the passage of time:	
General operations	$ 95,000
Subject to expenditure for specified purpose:	
HEAT Program	25,000
Common Grounds	50,000
Manna's Market	68,597
New building development	5,000
Manna 10 Year Campaign	1,560
North Penn Commons Helping Hands Program	1,834
	151,991
	$ 246,991

(9) Retirement Plan

The Organization maintains a 403(b) plan for those employees who fulfill certain age and length of service requirements. All eligible employees may elect to contribute a percentage of their salary and invest it for retirement.

(10) Commitments and Contingencies

The Organization remains a party to a joint venture agreement to operate a co-located, collaborative, community facility called North Penn Commons (NPC). The parties to the agreement are Advanced Living Management & Development, North Penn YMCA, The PEAK Center, and the Organization (collectively, “NPC Partners”).

Campus wide activities and operations are 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. During the year ended September 30, 2025, the Organization was charged CAM fees of $17,941, which is recorded in occupancy costs in the statement of functional expenses.

The Organization has a short-term lease with Advanced Living Management & Development for office space at NPC, which is renewable on an annual basis. During the year ended September 30, 2025, rent expense was $25,299 and is recorded in occupancy costs in the statement of functional expenses.

(11) Food Service Agreement

The Organization had a food service agreement with The Senior Adult Activities Center of Montgomery County (Montco SAAC) with a term of July 1, 2024 to June 30, 2025 to provide an agreed upon number of congregate and home delivered meals. The food service agreement was not renewed. For the year ended September 30, 2025, total gross program service revenue related to the Montco SAAC agreement was $495,000.