

THE MANNA FOOD PROJECT
(A Michigan Nonprofit Corporation)

FINANCIAL STATEMENTS
for the years ended December 31, 2023 and 2022



RASMUSSEN + TELLER + CARON

CERTIFIED PUBLIC ACCOUNTANTS & TRUSTED ADVISORS

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RASMUSSEN + TELLER + CARON

CERTIFIED PUBLIC ACCOUNTANTS & TRUSTED ADVISORS

June 19, 2024

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Manna Food Project:

Opinion

We have audited the accompanying financial statements of The Manna Food Project (a Michigan nonprofit corporation), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities 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 The Manna Food Project as of December 31, 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 The Manna Food Project and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Manna Food Project'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 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 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 The Manna Food Project'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 The Manna Food Project'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 Matters – Prior Period

We draw attention to Note D to the financial statements, which explains the financial statements for the year ended December 31, 2022 have been restated to adjust several matters.

The financial statements of the prior period were audited by a predecessor auditor. Their report dated June 20, 2023 expressed an unmodified opinion on the financial statements before restatement. Our opinion is not modified in respect of this matter.

Rasmussen, Teller & Caron, P.C.

THE MANNA FOOD PROJECT
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

ASSETS		2023	2022, as restated
		<u>2023</u>	<u>2022, as restated</u>
CURRENT ASSETS:			
Cash and cash equivalents (including restricted cash of \$31,135 and \$106,341 for the year ending December 31, 2023 & 2022, respectively)	\$	1,049,479	\$ 880,325
Certificates of deposit		823,219	750,972
Manna Fund		295,317	255,034
Accounts receivable		13,355	12,071
Interest receivable		19,059	-
Pledge receivable		25,000	-
Prepaid expenses		3,871	-
Inventory		110,031	84,817
Total current assets		<u>2,339,331</u>	<u>1,983,219</u>
OTHER ASSETS:			
Beneficial interest in perpetual endowment fund		104,575	90,682
Property and equipment, net of accumulated depreciation of \$506,371 and \$497,081		356,995	273,052
Total other assets		<u>461,570</u>	<u>363,734</u>
Total assets	\$	<u><u>2,800,901</u></u>	\$ <u><u>2,346,953</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	\$	40,674	\$ 33,483
Payroll and payroll taxes payable		1,242	2,900
Customer deposits		53,402	71,402
Total current liabilities		<u>95,318</u>	<u>107,785</u>
NET ASSETS:			
Without donor restrictions		2,603,717	2,087,096
With donor restrictions		101,866	152,072
Total net assets		<u>2,705,583</u>	<u>2,239,168</u>
Total liabilities and net assets	\$	<u><u>2,800,901</u></u>	\$ <u><u>2,346,953</u></u>

The accompanying notes are a part of the financial statements.

THE MANNA FOOD PROJECT
STATEMENTS OF ACTIVITIES
for the years ended December 31, 2023 and 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:			
Support and contributions:			
Donations and grants	\$ 1,354,958	\$ 25,294	\$ 1,380,252
Fundraisers, net of expenses of \$19,823	109,772	-	109,772
Total support and contributions	1,464,730	25,294	1,490,024
Interest and dividend income	42,952	-	42,952
Net realized and unrealized gains on Manna Fund	40,282	-	40,282
Gain on sale of assets	6,000	-	6,000
Gain on beneficial interest in perpetual endowment	13,893	-	13,893
Shared maintenance	481,492	-	481,492
Net assets released from restrictions	75,500	(75,500)	-
Total support and revenues	2,124,849	(50,206)	2,074,643
EXPENSES:			
Program services:			
Purchases of food	952,089	-	952,089
Direct assistance	372	-	372
Partner pantry grants	6,268	-	6,268
Supplies	20,796	-	20,796
Automobile expense	33,416	-	33,416
Salaries, payroll taxes and benefits	258,225	-	258,225
Utilities	19,311	-	19,311
Insurance	7,017	-	7,017
Depreciation	33,500	-	33,500
Miscellaneous	6,280	-	6,280
Total program services	1,337,274	-	1,337,274
Management and general:			
General administrative expense	5,372	-	5,372
Salaries, payroll taxes and benefits	150,104	-	150,104
Repairs and maintenance	15,964	-	15,964
Computer expenses	10,594	-	10,594
Legal and professional	18,534	-	18,534
Insurance	1,915	-	1,915
Office supplies and postage	6,423	-	6,423
Bank charges	3,458	-	3,458
Miscellaneous	7,364	-	7,364
Total management and general	219,728	-	219,728
Fundraising:			
Supplies, newsletter, and miscellaneous	18,428	-	18,428
Salaries, payroll taxes and benefits	38,546	-	38,546
Total fundraising	56,974	-	56,974
Total expenses	1,613,976	-	1,613,976
Change in net assets prior to products donated, culled, and distributed	510,873	(50,206)	460,667
Products donated, culled, and distributed:			
In-kind product donations	590,526	-	590,526
Value of products culled and distributed	(584,778)	-	(584,778)
Net products donated over products distributed	5,748	-	5,748
Change in net assets	516,621	(50,206)	466,415
Net assets, beginning of year, as restated	2,087,096	152,072	2,239,168
Net assets, end of year	\$ 2,603,717	\$ 101,866	\$ 2,705,583

The accompanying notes are a part of the financial statements.

THE MANNA FOOD PROJECT
STATEMENTS OF ACTIVITIES
for the years ended December 31, 2023 and 2022

	2022, as restated		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:			
Support and contributions:			
Donations and grants	\$ 761,175	\$ 28,616	\$ 789,791
Fundraisers, net of expenses of \$16,693	59,538	-	59,538
Total support and contributions	820,713	28,616	849,329
Interest and dividend income	6,311	-	6,311
Net realized and unrealized losses on Manna Fund	(59,598)	-	(59,598)
Loss on beneficial interest in perpetual endowment	(22,102)	-	(22,102)
Shared maintenance	307,272	-	307,272
Net assets released from restrictions	116,122	(116,122)	-
Total support and revenues	1,168,718	(87,506)	1,081,212
EXPENSES:			
Program services:			
Purchases of food	592,637	-	592,637
Direct assistance	1,640	-	1,640
Supplies	21,503	-	21,503
Automobile expense	22,290	-	22,290
Salaries, payroll taxes and benefits	217,980	-	217,980
Utilities	15,811	-	15,811
Insurance	5,609	-	5,609
Depreciation	33,871	-	33,871
Miscellaneous	7,485	-	7,485
Total program services	918,826	-	918,826
Management and general:			
General administrative expense	1,952	-	1,952
Salaries, payroll taxes and benefits	138,812	-	138,812
Contract labor	18,384	-	18,384
Repairs and maintenance	19,358	-	19,358
Computer expenses	17,909	-	17,909
Legal and professional	17,850	-	17,850
Insurance	3,438	-	3,438
Office supplies and postage	6,371	-	6,371
Bank charges	2,008	-	2,008
Miscellaneous	12,783	-	12,783
Total management and general	238,865	-	238,865
Fundraising:			
Supplies, newsletter, and miscellaneous	21,885	-	21,885
Salaries, payroll taxes and benefits	22,972	-	22,972
Total fundraising	44,857	-	44,857
Total expenses	1,202,548	-	1,202,548
Change in net assets prior to products donated, culled, and distributed	(33,830)	(87,506)	(121,336)
Products donated, culled, and distributed:			
In-kind product donations	560,476	-	560,476
Value of products culled and distributed	(562,110)	-	(562,110)
Net products donated over products distributed	(1,634)	-	(1,634)
Change in net assets	(35,464)	(87,506)	(122,970)
Net assets, beginning of year, as restated	2,122,560	239,578	2,362,138
Net assets, end of year	\$ 2,087,096	\$ 152,072	\$ 2,239,168

The accompanying notes are a part of the financial statements.

THE MANNA FOOD PROJECT
STATEMENTS OF CASH FLOWS
for the years ended December 31, 2023 and 2022

	2023	2022, as restated
OPERATING ACTIVITIES:		
Change in net assets	\$ 466,415	\$ (122,970)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	33,500	33,871
Change in beneficial interest in perpetual endowment fund	(13,893)	22,102
Unrealized and realized gains/losses	(40,282)	56,931
Gain on sale of equipment	(6,000)	-
In-kind contributions of food and non-food	(590,526)	(560,476)
Distribution of food and non-food received in-kind	584,778	562,110
Changes in assets and liabilities:		
Accounts receivable	(1,284)	(3,624)
Interest receivable	(19,059)	-
Pledge receivable	(25,000)	-
Prepaid expenses	(3,871)	-
Inventory	(19,466)	7,858
Accounts payable	7,191	7,703
Payroll and payroll taxes payable	(1,658)	(1,644)
Customer deposits	(18,000)	(26,896)
Net cash provided by (used in) operating activities	352,845	(25,035)
INVESTING ACTIVITIES:		
Investments (net of cash re-invested)	-	(2,345)
Proceeds from sale of equipment	6,000	-
Purchase of property and equipment	(117,444)	(83,720)
Net cash used in investing activities	(111,444)	(86,065)
CHANGE IN CASH AND CASH EQUIVALENTS	241,401	(111,100)
BEGINNING CASH AND CASH EQUIVALENTS, as restated	1,631,297	1,742,397
ENDING CASH AND CASH EQUIVALENTS	\$ 1,872,698	\$ 1,631,297
CASH AT END OF YEAR CONSISTS OF THE FOLLOWING:		
Cash and cash equivalents	\$ 1,018,344	\$ 773,984
Certificates of deposit	\$ 823,219	\$ 750,972
Restricted Cash (purpose restricted)	31,135	106,341
Total cash and cash equivalents	\$ 1,872,698	\$ 1,631,297

The accompanying notes are a part of the financial statements.

THE MANNA FOOD PROJECT
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2023 and 2022

NOTE A - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations

Established in 1987, The Manna Food Project, or Manna (the "Organization"), is a Michigan nonprofit corporation committed to feeding the hungry in Northern Michigan. The Organization's mission is to gather, organize, and distribute the most nutritious food possible to those in need throughout Antrim, Charlevoix, and Emmet Counties. Manna serves as an affiliate of the Feeding America West Michigan ("FAWM") and is part of the national Feeding America Food Bank Network.

Manna's Food Bank distributes low cost and free food to partner food pantries, community meal sites, and other agencies in three counties it serves. Manna also operates its own food pantry on-site, serving many households every week and offers families the opportunity to receive supplemental food based on household size. Pantry clients select from a variety of dry and non-perishable goods, fresh produce, meat, dairy, and bakery items to meet their needs. Emergency food boxes are available 24 hours, 7 days a week. Manna also offers mobile pantries in Northern Emmet County.

Manna operates a Food Rescue Program that collects surplus and perishable food from local grocery stores, restaurants, farms, and farm markets that would have otherwise gone into area landfills or been plowed under in farm fields.

Manna's "Food 4 Kids" Backpack Program has provided supplemental, shelf-stable food for at-risk elementary and pre-school students since 2011. Since students are not able to receive school meals on Saturdays and Sundays, these backpacks provide children with supplemental food items to last them through the weekend.

Financial support for the Organization comes from donations from individuals, businesses, churches, service organizations, investment income, grants from private and public foundations, and fundraising events.

Manna purchases approximately 30% of the food it distributes from FAWM in Grand Rapids, Michigan, at an average cost of \$0.08 per pound. Manna also acquires "Special Product" food items from FAWM at higher prices, but far less than market prices. FAWM also supplies Manna with USDA food at no charge.

Partner Agencies, in turn, pay for the cost of food purchased plus "Shared Maintenance" – a fee ranging between \$.08 and \$.19 per pound of food for services provided by Manna (e.g., cost of operations, warehousing, and distribution). Manna also provides locally sourced fresh produce and donated food from local food drives free of charge to Partner Agencies, based on the number of households served.

The Organization also has a program for direct assistance which consists of funds received from the Petoskey-Harbor Springs Area Community Foundaton that are used to provide direct assistance to qualified area individuals and families to meet needs such as payments of utility bills and/or other expenses.

THE MANNA FOOD PROJECT
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2023 and 2022

NOTE A - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued):

Basis of Presentation

The Organization presents its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. The Organization uses the accrual basis of accounting whereby revenues and expenses are recognized when earned or when costs are incurred.

To ensure compliance with donor limitations and restrictions placed on the use of certain resources, the Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors. The classes are net assets without donor restrictions and net assets with donor restrictions.

Gifts received with donor stipulations that limit their use or designate them for a specific purpose or future period are recorded as "with" donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, donor restricted gifts are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Any gifts with donor restrictions used within the year given are reported as unrestricted support.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

Cash and Cash Equivalents

Cash consists of amounts in checking, savings accounts, and certificates of deposit, along with a substantial amount of Meijer "Simply Give" gift cards. The Meijer program helps Manna and other food banks and pantries fulfill their mission of feeding hungry families. During each Simply Give campaign, customers and Manna supporters are encouraged to purchase \$10 Simply Give donation cards upon checkout at a Meijer store or make restricted donations directly to Manna. These donations are converted into Meijer Food-Only Gift Cards for Manna's use. All gift cards held are considered as cash because of their high liquidity and ready availability.

Accounts Receivable

Accounts receivable, substantially all of which are from area pantries, are stated at the amount management expects to collect from outstanding balances. All receivables are considered as currently due and fully collectible. No allowance for credit losses is deemed necessary.

THE MANNA FOOD PROJECT
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2023 and 2022

NOTE A - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued):

Pledge Receivable

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefit received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional. The pledge receivable at December 31, 2023 includes an unconditional promise to give from an individual that is due during 2024 in the amount of \$25,000. This pledge is recorded as a contribution with donor restrictions due to its time limitation.

Inventory

Inventory generally consists of undistributed food and related items that have been purchased and/or donated. Purchased inventory is stated at cost using the first in, first out method. Donated inventory is stated at a standard per pound value provided by FAWM, based upon the results of a survey performed by a national accounting firm. The Organization records its inventory when items arrive at the warehouse.

Revenue Recognition

Contract Revenue – Social and religious agencies place an order for food products with Manna and are assessed an administrative fee up to 19 cents per pound depending on the type of products purchased. The agency's order is charged to their account. There is revenue generated by the performance of these services and providing of goods to pantries. The Organization views these events as though a customer relationship does exist and that Accounting Standards Codification (ASC) 606 applies to these transactions. Revenue for these events is recognized during the applicable period when the services are performed, and materials are provided. Included in receivables for these services are \$13,355 and \$12,071 as of December 31, 2023 and 2022, respectively. Any funds received in advance for which conditions of the agreement have not been met are recognized as liabilities. Included in customer deposits for advance payments received from pantries are \$53,402 and \$71,402 as of December 31, 2023 and 2022, respectively.

Contribution Revenue – Revenue from donations is recorded in the period in which they are given or, if applicable, when pledged if deemed as fully collectible. The Organization has determined ASC 606 does not apply to their donation revenue, as no customer relationship exists as defined by the Code.

Grants Revenue – Each grant arrangement is evaluated and recognized as revenue when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other significant conditions of the grant are met. The Organization has determined ASC 606 does not apply to their grants revenue.

Contributed Services – The Organization receives a significant amount of donated services from unpaid volunteers who assist in specific programs and fundraising events. The value of such services has not been reflected in the accompanying financial statements as they do not meet the criteria for revenue recognition.

THE MANNA FOOD PROJECT
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2023 and 2022

NOTE A - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued):

Revenue Recognition (Continued)

Donated Food – The value for donated food recorded in inventory as well as food received and distributed each year is determined using an average price per pound provided by FAWM. The donated food typically consists of food that is not available for purchase through FAWM and subsequently would not be available for distribution unless it was purchased elsewhere or donated. The Organization uses the expected retail value of \$2.30 for this food which represents the approximate cost that would have been expected to be incurred if the food were to be purchased by the Organization. Substantially all food received is distributed soon after receipt.

Advertising Costs

Advertising costs are expensed when incurred. The Organization incurred costs for advertising of \$1,414 and \$10,308 for the years ended December 31, 2023 and 2022, respectively.

Fair Value of Financial Instruments

The Organization utilizes the provisions of FASB ASC 820, Fair Value Measurements and Disclosures, in the preparation of its financial statements and related disclosures. This guidance establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs used in valuation techniques into the following three levels:

Level 1- Valuation is based on quoted prices for identical investments traded in an active market.

Level 2 - Valuation is based on quoted prices of similar investments in an active market, quoted prices for identical or similar investments in an inactive market, or model-based valuation techniques for which all-significant assumptions are observable in the market.

Level 3 - Valuation is based on a price that embodies significant assumptions that are not observable in the market.

The Organization's Manna Fund at the community foundation is considered Level 1 of the framework for measuring fair value inputs.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expenses

Directly identifiable expenses are charged to program services. Certain expenses related to more than one function have been allocated among program services, management and general and fundraising classifications on the basis of internal records and estimates made by the Organization's management. Expenses that require allocation are allocated on a reasonable basis and are consistently applied. The expenses that are allocated generally include salaries and wages, payroll taxes, and employee benefits, which are allocated based on time devoted to a task. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

THE MANNA FOOD PROJECT
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2023 and 2022

NOTE A - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued):

Concentration of Credit Risk

The Organization maintains cash and certificates of deposit at various financial institutions. Deposits of \$1,794,014 at December 31, 2023 exceeded the insured limits of the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA) by \$166,303. Deposits of \$1,598,239 at December 31, 2022 exceeded the insured limits of the FDIC and the NCUA by \$598,239.

Compensated Absences

The Organization has not accrued an amount for compensated absences since the amount is determined to be immaterial.

Reclassification

Certain reclassification have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

NOTE B - INCOME TAXES:

The Manna Food Project is a non-profit corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under the Internal Revenue Code. Accordingly, contributions to the Organization are deductible for federal income tax purposes. The Organization's federal income tax return (Form 990, Return of Organization Exempt from Income Tax) is subject to examination by the IRS, generally for three years after being filed. Management does not believe that the results from any examination of these open years would have a material adverse impact on the Organization. The Organization does not have amounts accrued for interest and penalties related to unrecognized tax matters, and it is not aware of any claims by federal or state tax authorities.

NOTE C - MANNA FUND:

The Manna Food Project has established a fund, known as the "Manna Fund", with the Petoskey-Harbor Springs Area Community Foundation (the "Foundation"). The Manna Fund is considered as completely spendable except for the minimum balance required by the Foundation, which is \$5,000. All investment returns, including interest, dividends, capital gain distributions, and net gains or losses, are considered available for operations.

All investments held at the Foundation are subject to market fluctuations. Investments in the Foundation are considered Level 1 of the established framework for measuring fair value inputs. Level 1 is defined as readily observable prices.

NOTE D - PRIOR PERIOD ADJUSTMENTS:

During 2023, the Organization made adjustments to the placement and categorization of various accounts within the financial statements as well as the reporting of several balances. The changes were made as of January 1, 2022 and are presented within these statements as "restated" balances. The overall impact of the adjustments does not materially change the financial position of the Organization as of December 31, 2022 or December 31, 2023 and does not materially impact the Organization's change in net assets for either year.

THE MANNA FOOD PROJECT
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2023 and 2022

NOTE D – PRIOR PERIOD ADJUSTMENTS (Continued):

The adjustments resulted in the following major changes:

The Organization reexamined the nature of the Kircher Fund for Manna established by a donor at the Foundation, a fund of which Manna is a beneficiary agency of and determined that it should not be recognized as an asset in its accounting records as the Foundation includes this fund in their own assets. This fund was previously reported as an asset of the Organization on the statement of financial position for the year ended December 31, 2022. The Kircher Fund for Manna was accordingly removed from the statement of financial position of the Organization. As a result, net assets without donor restrictions were reduced by \$8,494 at January 1, 2022 and net realized and unrealized losses on investments was reduced by \$1,365 for the year ended December 31, 2022.

The Organization reexamined the classification of the Manna Fund as a component of cash and cash equivalents and determined that it was proper to exclude the balance of this account from cash and cash equivalents and report it as an investment and as its own account on the Statements of Financial Position.

As a result of the two changes described above, the amount reported in the Statements of Cash Flows as of January 1, 2022 was decreased by \$318,114 due to the exclusion of the Manna Fund from cash and cash equivalents and the removal of the Kircher Fund from the statement of financial position.

The Organization reexamined the classification of accumulated earnings on the endowment fund and reclassified them to net assets without donor restrictions. As a result, the Organization adjusted the balance of net assets with donor restrictions downward by \$67,053 and net assets without donor restrictions upward by \$67,053 at January 1, 2022 and loss on beneficial interest in perpetual endowment fund was reclassified as activities without donor restrictions.

NOTE E - BENEFICIAL INTEREST IN PERPETUAL ENDOWMENT FUND:

The Manna Food Project transferred assets in 2004 to the Foundation which is holding them as an endowment component fund ("Fund") for the benefit of the Organization. The Organization has granted the Foundation variance power, which gives the Foundation's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Foundation's investment and spending policies. Under this agreement, Manna is entitled to the earnings from the assets in perpetuity but has no rights to the principal. In accordance with generally accepted accounting principles, an asset has been established on the Organization's statement of financial position for the fair market value of the underlying investment as a beneficial interest in perpetual endowment fund. Changes in the value of this fund are reported as gains or losses in the statements of activities. On an annual basis, the asset is revalued based on the changes in market value.

THE MANNA FOOD PROJECT
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2023 and 2022

NOTE E - BENEFICIAL INTEREST IN PERPETUAL ENDOWMENT FUND (Continued):

In addition to the Organization's transfer to the Foundation's Manna Project Endowment Fund, individual donations have been made directly to the Fund at the Foundation. Total market value of the donor portion of the fund was \$169,764 and \$139,639 as of December 31, 2023 and 2022, respectively. The Foundation was given variance power by donors on these gifts; therefore, the market value of the gifts is not reported as an asset in these statements.

The Board of the Organization is assisted by the Foundation in interpreting the Uniform Prudent Management of Institutional Funds Act, commonly known as "UPMIFA". Included in UPMIFA is the stipulation that an organization consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various fund, (2) the purpose of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the organization, and (7) the organization's investment policies.

NOTE F - PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following at December 31, 2023 and 2022:

	2023	2022
Land and improvements	\$ 15,935	\$ 15,935
Building and improvements	426,924	426,924
Equipment and vehicles	420,507	327,276
Total property and equipmnet	863,366	770,135
Less accumulated depreciation	(506,371)	(497,081)
Total property and equipment, net of accumulated depreciation	\$ 356,995	\$ 273,054

Property and equipment are stated at cost for purchased items and at fair market value at the date of donation for donated items. These assets are being depreciated using the straight-line method over their estimated useful lives. Expenditures for additions, improvements, replacements, and betterments, if material, are generally capitalized. Normal repairs and maintenance are expensed.

Depreciation expense for the years ended December 31, 2023 and 2022 totaled \$33,500 and \$33,871, respectively.

NOTE G - SIMPLE RETIREMENT PLAN:

The Organization has a Savings Incentive Match Plan for employees (a "Simple" plan) under Code Section 408(p) of the Internal Revenue Code. Eligible employees may contribute a percentage of their wages to the plan. The Organization's contribution is a matching contribution up to 3% of participating employees wages. The Organization's total contributions included in the statements of activities were \$10,633 and \$8,315 for 2023 and 2022, respectively.

THE MANNA FOOD PROJECT
NOTES TO FINANCIAL STATEMENTS
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NOTE H - NET ASSETS:

The Organization's net assets with donor restrictions are restricted by donors for the following specific purposes or periods:

	2023	2022, restated
Subject to expenditure for specific purpose:		
Direct Assistance	\$ 4,236	\$ 4,225
Vehicles	-	75,500
Simply Give-Other	26,899	26,616
Total subject to expenditure for specific purpose	31,135	106,341
Endowment Fund at Community Foundation, corpus	45,731	45,731
Subject to time restriction	25,000	-
Total Net Assets with Donor Restrictions	\$ 101,866	\$ 152,072

Net assets for the year ended December 31, 2022 were restated due to changes made for the perpetual endowment fund as explained in Note D.

NOTE I - LIQUIDITY AND AVAILABILITY:

The Organization maintains liquidity by managing its working capital. The Organization's financial assets available within one year from the statement of financial position date for general operating expenses are as follows:

Total current assets	\$ 2,339,331
Less excludable items: inventory & prepaid	(113,902)
Less restricted by donors for specific purposes	(31,135)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,194,294

NOTE J - SUBSEQUENT EVENTS:

In preparing these financial statements, the Organization has evaluated events and transactions occurring during the period December 31, 2023 through June 19, 2024, the date the financial statements were available to be issued.