

MARTHA'S TABLE, INC. AND AFFILIATE

AUDIT REPORT

**FINANCIAL AND FEDERAL AWARD
COMPLIANCE EXAMINATION**

FOR THE YEAR ENDED JUNE 30, 2024

MARTHA'S TABLE, INC. AND AFFILIATE

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CONSOLIDATED FINANCIAL STATEMENTS

MARTHA'S TABLE, INC. AND AFFILIATE

**FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023**

MARTHA'S TABLE, INC. AND AFFILIATE

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Martha's Table, Inc. and Affiliate
Washington, D.C.

Opinion

We have audited the accompanying consolidated financial statements of Martha's Table, Inc. and Affiliate, Inc. (collectively, Martha's Table), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Martha's Table as of June 30, 2024 and 2023, and the consolidated 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 and *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 Consolidated Financial Statements section of our report. We are required to be independent of Martha's Table and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Martha's Table's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 *Government 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, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Martha's Table'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Martha's Table'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Statement of Financial Position for Non-POB Fund and POB Fund and Consolidating Schedule of Activities and Change in Net Assets for Non-POB and POB Fund on pages I-(26 - 28) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The Schedule of Expenditures of Federal Awards on page I-29, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated 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 consolidated 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 consolidated 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 6, 2025, on our consideration of Martha's Table'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Martha's Table's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Martha's Table's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

March 6, 2025

MARTHA'S TABLE, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 13,119,343	\$ 14,802,246
Pledges and contributions receivable, net	3,052,211	2,961,136
Investments	29,672,751	22,593,912
Grants receivable	1,822,522	8,488,286
Prepaid expenses	192,467	194,495
Note receivable	-	18,974,200
Property and equipment, net	24,333,136	25,103,538
Other current assets	95	20,094
Interest receivable	47,436	47,436
Right-of-use assets, net	<u>1,117,353</u>	<u>1,347,437</u>
TOTAL ASSETS	\$ <u>73,357,314</u>	\$ <u>94,532,780</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,219,546	\$ 746,868
Lease liabilities	1,143,135	1,363,142
Deferred revenue	(9,069)	153,986
Note payable	<u>-</u>	<u>27,465,000</u>
Total liabilities	<u>2,353,612</u>	<u>29,728,996</u>
NET ASSETS		
Without donor restrictions:		
Board designated - reserve fund	25,214,746	25,214,746
Operating	<u>42,079,745</u>	<u>29,975,502</u>
Total without donor restrictions	67,294,491	55,190,248
With donor restrictions	<u>3,709,211</u>	<u>9,613,536</u>
Total net assets	<u>71,003,702</u>	<u>64,803,784</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>73,357,314</u>	\$ <u>94,532,780</u>

MARTHA'S TABLE, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions and gifts:			
Individuals	\$ 4,912,542	\$ 53,700	\$ 4,966,242
Corporations	347,843	30,000	377,843
Foundations	968,343	2,478,134	3,446,477
Civic and religious groups	204,728	16,500	221,228
Combined Federal campaign	332,121	-	332,121
Federal and State funds	<u>7,620,425</u>	<u>-</u>	<u>7,620,425</u>
Total contributions and gifts	<u>14,386,002</u>	<u>2,578,334</u>	<u>16,964,336</u>
Contributed non-financial assets:			
Donated food	977,743	-	977,743
Donated clothing and other items	<u>1,540,864</u>	<u>-</u>	<u>1,540,864</u>
Total contributed non-financial assets	<u>2,518,607</u>	<u>-</u>	<u>2,518,607</u>
Other revenues:			
Childcare co-pay	1,474,444	-	1,474,444
Net investment return	2,266,289	-	2,266,289
Martha's Outfitters	17,748	-	17,748
Miscellaneous income	747,122	-	747,122
Events, net	25,478	176,666	202,144
Other revenue	8,253,096	-	8,253,096
Net assets released from donor restrictions	<u>8,659,325</u>	<u>(8,659,325)</u>	<u>-</u>
Total other revenues	<u>21,443,502</u>	<u>(8,482,659)</u>	<u>12,960,843</u>
Total support and revenues	<u>38,348,111</u>	<u>(5,904,325)</u>	<u>32,443,786</u>
EXPENSES			
Program Services:			
Health and Wellness Initiatives	7,742,150	-	7,742,150
Parent and Family Initiatives	3,279,518	-	3,279,518
Education Initiatives	7,515,781	-	7,515,781
Neighborhood Impact Initiatives	<u>2,599,479</u>	<u>-</u>	<u>2,599,479</u>
Total program services	<u>21,136,928</u>	<u>-</u>	<u>21,136,928</u>
Supporting Services:			
General Administration	3,008,754	-	3,008,754
Fundraising and Communications	<u>2,098,186</u>	<u>-</u>	<u>2,098,186</u>
Total supporting services	<u>5,106,940</u>	<u>-</u>	<u>5,106,940</u>
Total expenses	<u>26,243,868</u>	<u>-</u>	<u>26,243,868</u>
Changes in net assets	12,104,243	(5,904,325)	6,199,918
Net assets at beginning of year	<u>55,190,248</u>	<u>9,613,536</u>	<u>64,803,784</u>
NET ASSETS AT END OF YEAR	<u>\$ 67,294,491</u>	<u>\$ 3,709,211</u>	<u>\$ 71,003,702</u>

See accompanying notes to consolidated financial statements.

MARTHA'S TABLE, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions and gifts:			
Individuals	\$ 4,947,280	\$ 6,020,488	\$ 10,967,768
Corporations	632,860	1,712,500	2,345,360
Foundations	650,688	1,604,241	2,254,929
Civic and religious groups	128,837	17,500	146,337
Combined Federal campaign	433,840	-	433,840
Federal and State funds	<u>6,894,688</u>	<u>-</u>	<u>6,894,688</u>
Total contributions and gifts	<u>13,688,193</u>	<u>9,354,729</u>	<u>23,042,922</u>
In-kind contributions:			
Donated food	877,518	-	877,518
Donated clothing and other items	<u>1,342,513</u>	<u>-</u>	<u>1,342,513</u>
Total in-kind contributions	<u>2,220,031</u>	<u>-</u>	<u>2,220,031</u>
Other revenues:			
Childcare co-pay	963,018	-	963,018
Investment income, net	813,452	-	813,452
Martha's Outfitters	89,928	-	89,928
Miscellaneous income	15,212	-	15,212
Events, net	76,280	115,000	191,280
Net assets released from donor restrictions	<u>4,310,575</u>	<u>(4,310,575)</u>	<u>-</u>
Total other revenues	<u>6,268,465</u>	<u>(4,195,575)</u>	<u>2,072,890</u>
Total support and revenues	<u>22,176,689</u>	<u>5,159,154</u>	<u>27,335,843</u>
EXPENSES			
Program Services:			
Health and Wellness Initiatives	6,896,796	-	6,896,796
Parent and Family Initiatives	3,515,957	-	3,515,957
Education Initiatives	6,290,128	-	6,290,128
Neighborhood Impact Initiatives	<u>3,355,322</u>	<u>-</u>	<u>3,355,322</u>
Total program services	<u>20,058,203</u>	<u>-</u>	<u>20,058,203</u>
Supporting Services:			
General Administration	3,723,478	-	3,723,478
Fundraising and Communications	<u>1,781,392</u>	<u>-</u>	<u>1,781,392</u>
Total supporting services	<u>5,504,870</u>	<u>-</u>	<u>5,504,870</u>
Total expenses	<u>25,563,073</u>	<u>-</u>	<u>25,563,073</u>
Changes in net assets	(3,386,384)	5,159,154	1,772,770
Net assets at beginning of year	<u>58,576,632</u>	<u>4,454,382</u>	<u>63,031,014</u>
NET ASSETS AT END OF YEAR	<u>\$ 55,190,248</u>	<u>\$ 9,613,536</u>	<u>\$ 64,803,784</u>

MARTHA'S TABLE, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services				
	Health and Wellness Initiatives	Parent and Family Initiatives	Education Initiatives	Neighborhood Impact Initiatives	Total Program Services
Personnel Expenses:					
Salaries	\$ 1,870,017	\$ 849,371	\$ 3,891,643	\$ 923,537	\$ 7,534,568
Payroll taxes and benefits	648,763	255,828	1,186,175	75,464	2,166,230
	<u>2,518,780</u>	<u>1,105,199</u>	<u>5,077,818</u>	<u>999,001</u>	<u>9,700,798</u>
Operating Expenses:					
Children's food	214,482	-	-	-	214,482
Depreciation and amortization	148,628	131,583	383,100	9,000	672,311
Extermination	1,363	290	3,514	-	5,167
Food - other	2,628,635	29,943	24,966	6,496	2,690,040
Fundraising	-	2,750	-	(1,795)	955
Gasoline	7,564	-	-	-	7,564
Grants	37,500	1,177,868	55,263	-	1,270,631
Insurance	21,879	4,649	56,396	-	82,924
Interest	110,000	62,000	75,000	3,500	250,500
Meetings	20,092	7,059	34,752	614	62,517
Miscellaneous	175,009	52,100	320,614	41,862	589,585
Printing and postage	41,983	8,530	34,209	3,985	88,707
Consultants and professional fees	418,093	602,671	456,631	6,648	1,484,043
Repairs and maintenance	78,071	13,671	98,679	11,136	201,557
Lease expense	58,688	6,684	139,359	62,224	266,955
Research	16,594	-	11,189	-	27,783
Supplies	175,507	45,635	356,925	59,383	637,450
Tax, tags, and licenses	7,504	136	2,929	-	10,569
Trash removal	8,372	1,779	21,579	-	31,730
Travel	3,715	2,432	217,374	1,271	224,792
Utilities	71,948	24,539	145,484	10,462	252,433
	<u>4,245,627</u>	<u>2,174,319</u>	<u>2,437,963</u>	<u>214,786</u>	<u>9,072,695</u>
Donation Expenses:					
Donated food	977,743	-	-	-	977,743
Donated clothing and other items	-	-	-	1,385,692	1,385,692
	<u>977,743</u>	<u>-</u>	<u>-</u>	<u>1,385,692</u>	<u>2,363,435</u>
TOTAL	<u>\$ 7,742,150</u>	<u>\$ 3,279,518</u>	<u>\$ 7,515,781</u>	<u>\$ 2,599,479</u>	<u>\$ 21,136,928</u>

MARTHA'S TABLE, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>General Administration</u>	<u>Fundraising and Communications</u>	<u>Total Supporting Services</u>	
Personnel Expenses:				
Salaries	\$ 693,660	\$ 1,197,035	\$ 1,890,695	\$ 9,425,263
Payroll taxes and benefits	362,013	244,271	606,284	2,772,514
	<u>1,055,673</u>	<u>1,441,306</u>	<u>2,496,979</u>	<u>12,197,777</u>
Operating Expenses:				
Children's food	-	-	-	214,482
Depreciation and amortization	144,896	29,426	174,322	846,633
Extermination	4,244	270	4,514	9,681
Food - other	52,108	5,024	57,132	2,747,172
Fundraising	10,837	84,606	95,443	96,398
Gasoline	625	-	625	8,189
Grants	-	-	-	1,270,631
Insurance	151,320	4,332	155,652	238,576
Interest	95,359	-	95,359	345,859
Meetings	51,355	14,423	65,778	128,295
Miscellaneous	141,384	160,774	302,158	891,743
Printing and postage	24,205	145,817	170,022	258,729
Consultants and professional fees	838,706	186,905	1,025,611	2,509,654
Repairs and maintenance	99,904	-	99,904	301,461
Lease expense	50,129	-	50,129	317,084
Research	15,165	-	15,165	42,948
Supplies	155,742	13,365	169,107	806,557
Tax, tags, and licenses	13,077	127	13,204	23,773
Trash removal	40,703	1,658	42,361	74,091
Travel	5,113	1,298	6,411	231,203
Utilities	58,209	8,855	67,064	319,497
	<u>1,953,081</u>	<u>656,880</u>	<u>2,609,961</u>	<u>11,682,656</u>
Donation Expenses:				
Donated food	-	-	-	977,743
Donated clothing and other items	-	-	-	1,385,692
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,363,435</u>
TOTAL	<u>\$ 3,008,754</u>	<u>\$ 2,098,186</u>	<u>\$ 5,106,940</u>	<u>\$ 26,243,868</u>

MARTHA'S TABLE, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services				
	Health and Wellness Initiatives	Parent and Family Initiatives	Education Initiatives	Neighborhood Impact Initiatives	Total Program Services
Personnel Expenses:					
Salaries	\$ 1,533,357	\$ 840,373	\$ 3,367,712	\$ 931,159	\$ 6,672,601
Payroll taxes and benefits	522,018	202,802	1,077,822	244,474	2,047,116
	<u>2,055,375</u>	<u>1,043,175</u>	<u>4,445,534</u>	<u>1,175,633</u>	<u>8,719,717</u>
Operating Expenses:					
Children's food	207,156	-	-	-	207,156
Depreciation and amortization	137,891	34,473	344,728	86,182	603,274
Extermination	-	-	-	-	-
Food - other	2,519,666	32,719	23,979	15,202	2,591,566
Fundraising	-	24,571	860	166,390	191,821
Gasoline	6,789	-	-	757	7,546
Grants	240,416	1,537,615	142,236	271,160	2,191,427
Insurance	15,078	2,259	36,975	6,093	60,405
Interest	57,551	14,388	143,878	35,969	251,786
Meetings	2,024	1,078	4,710	14,534	22,346
Miscellaneous	39,217	154,517	237,363	33,681	464,778
Printing and postage	53,462	6,620	30,581	12,061	102,724
Consultants and professional fees	241,997	419,998	410,751	105,103	1,177,849
Repairs and maintenance	27,500	-	458	7,996	35,954
Lease expense	49,839	5,676	118,346	52,842	226,703
Research	49,272	-	10,588	-	59,860
Supplies	314,523	233,860	207,358	133,360	889,101
Tax, tags, and licenses	1,046	89	622	106	1,863
Trash removal	-	-	-	10,557	10,557
Travel	1,168	2,807	127,098	3,770	134,843
Utilities	3,933	2,112	4,063	27,064	37,172
	<u>3,968,528</u>	<u>2,472,782</u>	<u>1,844,594</u>	<u>982,827</u>	<u>9,268,731</u>
Donation Expenses:					
Donated food	872,893	-	-	4,625	877,518
Donated clothing and other items	-	-	-	1,192,237	1,192,237
	<u>872,893</u>	<u>-</u>	<u>-</u>	<u>1,196,862</u>	<u>2,069,755</u>
TOTAL	<u>\$ 6,896,796</u>	<u>\$ 3,515,957</u>	<u>\$ 6,290,128</u>	<u>\$ 3,355,322</u>	<u>\$ 20,058,203</u>

MARTHA'S TABLE, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>General Administration</u>	<u>Fundraising and Communications</u>	<u>Total Supporting Services</u>	
Personnel Expenses:				
Salaries	\$ 985,729	\$ 1,009,215	\$ 1,994,944	\$ 8,667,545
Payroll taxes and benefits	534,205	218,332	752,537	2,799,653
	<u>1,519,934</u>	<u>1,227,547</u>	<u>2,747,481</u>	<u>11,467,198</u>
Operating Expenses:				
Children's food	-	-	-	207,156
Depreciation and amortization	258,544	-	258,544	861,818
Extermination	8,958	-	8,958	8,958
Food - other	17,546	17,955	35,501	2,627,067
Fundraising	10,632	65,160	75,792	267,613
Gasoline	-	-	-	7,546
Grants	-	-	-	2,191,427
Insurance	131,548	2,181	133,729	194,134
Interest	107,908	-	107,908	359,694
Meetings	2,115	3,809	5,924	28,270
Miscellaneous	215,582	100,760	316,342	781,120
Printing and postage	14,085	130,119	144,204	246,928
Consultants and professional fees	794,391	201,675	996,066	2,173,915
Repairs and maintenance	187,784	-	187,784	223,738
Lease expense	42,571	-	42,571	269,274
Research	10,588	1,783	12,371	72,231
Supplies	23,359	27,373	50,732	939,833
Tax, tags, and licenses	29,618	888	30,506	32,369
Trash removal	64,403	-	64,403	74,960
Travel	2,794	822	3,616	138,459
Utilities	281,118	1,320	282,438	319,610
	<u>2,203,544</u>	<u>553,845</u>	<u>2,757,389</u>	<u>12,026,120</u>
Donation Expenses:				
Donated food	-	-	-	877,518
Donated clothing and other items	-	-	-	1,192,237
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,069,755</u>
TOTAL	<u>\$ 3,723,478</u>	<u>\$ 1,781,392</u>	<u>\$ 5,504,870</u>	<u>\$ 25,563,073</u>

MARTHA'S TABLE, INC. AND AFFILIATE

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 6,199,918	\$ 1,772,770
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	846,633	861,818
Realized and unrealized gain on investments	(781,374)	(144,635)
Adjustment to leasehold improvements	-	95,175
Gain on extinguishment of debt	(8,490,800)	-
Discount on long-term pledges and contributions	-	(32,311)
Amortization of right-of-use assets	230,084	227,676
(Increase) decrease in:		
Pledges and contributions receivable	(91,075)	1,045,192
Grants receivable	6,665,764	(6,755,707)
Prepaid expenses	2,028	(43,143)
Other current assets	19,999	(20,094)
Increase (decrease) in:		
Accounts payable and accrued expenses	472,678	(947,874)
Change in lease liabilities	(220,007)	(211,971)
Deferred revenue	(163,055)	(423,831)
Net cash provided (used) by operating activities	<u>4,690,793</u>	<u>(4,576,935)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(76,231)	-
Purchases of investments	(6,297,465)	(4,989,710)
Net cash used by investing activities	<u>(6,373,696)</u>	<u>(4,989,710)</u>
Net decrease in cash and cash equivalents	(1,682,903)	(9,566,645)
Cash and cash equivalents at beginning of year	<u>14,802,246</u>	<u>24,368,891</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 13,119,343	\$ 14,802,246
SUPPLEMENTAL INFORMATION:		
Interest Paid	\$ 345,859	\$ 359,694
Right-of-Use Assets	\$ -	\$ 1,575,113
Lease Liabilities	\$ -	\$ 1,573,113

MARTHA'S TABLE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Martha's Table, Inc. and Affiliate (Martha's Table) was incorporated in the District of Columbia on December 6, 1979. Martha's Table is a not-for-profit corporation operating in the District of Columbia, the purpose of which is to support strong children, strong families, and strong communities by increasing access to quality education programs, healthy food, and family supports.

Martha's Table Hillsdale, LLC ("Hillsdale") is a single member LLC, created in 2015, and is the builder and owner of The Commons at Stanton Square.

Martha's Table SO, Inc. ("MT SO") was created in 2015 to support Martha's Table, Inc. in building a new facility and providing essential programs in the communities of Wards 7 and 8 in Southeast Washington, D.C.

Program Services

Health and Wellness Initiatives

Martha's Table's Health & Wellness Initiatives increase access to healthy food and support children and their families in making healthy choices. Through these initiatives, Martha's Table offers nutritious prepared meals and healthy groceries at no cost. Meals prepared on-site for its education programs meet or exceed government nutritional standards. McKenna's Wagon, Martha's Table's mobile food truck, serves warm meals seven days a week to individuals experiencing hunger or housing instability. Martha's Table continues to engage with the Community to offer resources to address and reduce stigmas around mental health. Services include one-on-one, group sessions and larger events including Healthy Happy Hours. Martha's Table also provides healthy groceries at no cost through regular markets at more than 50 sites in Washington, D.C., including elementary schools in Wards 7 and 8, community centers, and at its own facilities.

Parent and Family Initiatives

Martha's Table's Parent & Family Initiatives help ensure caregivers are deeply supported as they serve as their children's first and most important teachers. These initiatives support parents outside of the classroom through regular family visits throughout the first two years of their child's life. Martha's Table also offers a family resource center, Parent Cafes, and training programs that help parents achieve their personal goals. Other initiatives include the cash assistance programs in partnership with several organizations and the District of Columbia government. District Dads supports community fathers and father figures through parental support workshops. Additionally, Martha's Outfitters, Martha's Table's no-cost community boutique, offers free access to baby items, including bottles and diapers, as well as children's and professional clothing for families.

Education Initiatives

Martha's Table's Education Initiatives support children and young adults with high-quality learning experiences that help them thrive from cradle to career. Martha's Table offers nationally accredited, comprehensive early childhood education programs for infants and toddlers ages six weeks to four years.

MARTHA'S TABLE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Organization (continued) -

Program Services (continued)

Education Initiatives (continued)

Its curriculum promotes whole child development - focusing on physical, cognitive, and socio-emotional development - to ensure children are on track and ready to learn in pre-kindergarten and beyond. To support older youth, Martha's Table partners with Urban Alliance on a workforce readiness training program for high school students. Students participate in weekly job training workshops starting their freshman year. By senior year, they are placed in nine-month, paid, professional internships.

Martha's Table continues with Global Passport, a program offering no-cost regional and international experiential learning opportunities for high-school age youth (ages 14 to 19).

Neighborhood Impact Initiatives

Throughout all its work, Martha's Table is guided by its belief that neighborhood matters. Martha's Table has invested in a place-based strategy, which will direct resources to overcome complex and systemic social, physical, and economic factors that have historically limited its community's success. Neighborhoods influence access to resources that are critical for life success. With this belief, Martha's Table invests deeply in the neighborhoods surrounding its headquarters in Southeast D.C., and its Community Development team works in partnership with local residents to identify and prioritize opportunities to increase access to essential resources in their community. Martha's Table initiated the Community Impact Fund, a philanthropic initiative for grassroots organizations in Ward 8.

Principles of consolidation -

The accounts of Martha's Table have been consolidated with Martha's Table Hillsdale, LLC and Martha's Table SO, Inc. (collectively, Martha's Table) in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which require that financially interrelated organizations be consolidated. All intercompany transactions and balances have been eliminated.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

MARTHA'S TABLE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Basis of presentation (continued) -

- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

New accounting pronouncement adopted -

Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by Martha's Table that are subject to the guidance in FASB ASC 326 are trade accounts receivable. Martha's Table implemented the ASU on July 1, 2023, using a modified retrospective approach. The adoption resulted in enhanced disclosure only.

Cash and cash equivalents -

Martha's Table considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, Martha's Table maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Consolidated Statements of Activities and Changes in Net Assets.

Investments acquired by gift are recorded at their fair value at the date of the gift. Martha's Table's policy is to liquidate all gifts of investments as soon as possible after the gift.

Pledges, contributions, grants and receivable -

Pledges, contributions, and grants receivable include unconditional promises to give that are expected to be collected in future years. Pledges, contributions, and grants receivable are recorded at their fair value, which is measured as the present value of the future cashflows. The discount on long-term pledges, contributions, and grants receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions.

MARTHA'S TABLE, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Property and equipment -

Property and equipment in excess of \$5,000 are capitalized and stated at cost. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining life term of the lease.

Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets.

Building and improvements	7 - 40 years
Furniture and equipment	3 - 15 years
Vans	5 years
Website	5 years

Costs related to construction in progress are not depreciated until the assets are completed and placed in service.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to the Consolidated Statements of Activities and Changes in Net Assets, to its current fair value.

Income taxes -

Martha's Table, Inc. and MT SO are exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as organizations described in IRC Section 501(c)(3). Hillsdale is treated as a disregarded entity for income tax purposes and consolidated into Martha's Table, Inc.'s tax filings. Accordingly, the accompanying consolidated financial statements do not include a provision for Federal and State income taxes. Martha's Table has been classified by the Internal Revenue Service as a publicly supported organization under Section 170(b)(1)(A)(vi).

Support from grants and contributions, including Federal awards -

Martha's Table receives grants and contributions, including Federal awards from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. Martha's Table performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

MARTHA'S TABLE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Support from grants and contributions, including Federal awards (continued) -

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, Martha's Table had no refundable advances as of June 30, 2024 and 2023.

In addition, Martha's Table has obtained funding source agreements related to conditional contributions, such as Federal awards from the U.S. Government, which will be received in future years. Martha's Table's unrecognized conditional contributions to be received in future years totaled zero and \$20,939 as of June 30, 2024 and 2023.

Revenue from contracts with customers -

Martha's Table's childcare co-pays is the most significant revenue stream that is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. Martha's Table has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost and/or sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. Martha's Table's contracts with customers generally have initial terms of one year or less.

Sales revenues are recognized as revenue when the sales are made.

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed food, clothing, and other items, such as toys and educational materials. Area supermarkets, caterers, food vendors, shops, hotels and volunteers provide over 98% of the food served by McKenna's Wagon at no cost or at significant discounts. In-kind contributions related to donated food are determined based on monthly estimates of meals served.

Contributed nonfinancial assets related to clothing and other items are determined based on periodic surveys of sale prices for comparable items at similar local thrift and second-hand stores. None of the contributed nonfinancial assets were restricted by donors and none of the donated goods were monetized through sale.

Martha's Table periodically reviews its systems and processes for calculating in-kind contribution values and makes necessary updates.

For the years ended June 30, 2024 and 2023, Martha's Table's Health and Wellness and Parent and Family Initiatives programs benefited from volunteer hours totaling 33,655 and 31,493 (both unaudited). The value of hours volunteered at Martha's Table is not recorded in the consolidated financial statements, as it does not create or enhance nonfinancial assets or require specialized skills. The value of such unrecorded labor was estimated by management at \$1,127,106 and \$1,346,897 (both unaudited) for the years ended June 30, 2024 and 2023.

MARTHA'S TABLE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Use of estimates -

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the Consolidated Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of Martha's Table are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Risks and uncertainties -

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

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, Martha's Table has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Consolidated Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Martha's Table has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

MARTHA'S TABLE, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended June 30, 2024 and 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by Martha's Table are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by Martha's Table are deemed to be actively traded.
- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Investments:				
Money Market Funds	\$ 6,603,777	\$ -	\$ -	\$ 6,603,777
Mutual Fund - Fixed Income - Intermediate	11,591,481	-	-	11,591,481
Mutual Fund - Fixed Income - Short-term Bond	6,584,088	-	-	6,584,088
Equities	<u>4,893,405</u>	<u>-</u>	<u>-</u>	<u>4,893,405</u>
TOTAL	<u>\$ 29,672,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,672,751</u>

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2023 were as follows:

	Level 1	Level 2	Level 3	Total
Investments:				
Money Market Funds	\$ 9,002,979	\$ -	\$ -	\$ 9,002,979
Mutual Fund - Fixed Income - Intermediate	6,726,003	-	-	6,726,003
Mutual Fund - Fixed Income - Short-term Bond	3,892,882	-	-	3,892,882
Equities	<u>2,972,048</u>	<u>-</u>	<u>-</u>	<u>2,972,048</u>
TOTAL	<u>\$ 22,593,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,593,912</u>

Net investment return consisted of the following:

	2024	2023
Interest and dividends, net of fees	\$ 1,484,915	\$ 668,817
Realized and unrealized gain	<u>781,374</u>	<u>144,635</u>
NET INVESTMENT RETURN	<u>\$ 2,266,289</u>	<u>\$ 813,452</u>

MARTHA'S TABLE, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

3. PLEDGES AND CONTRIBUTIONS RECEIVABLE

Martha's Table has received written promises to give from various donors totaling \$3,271,476 and \$2,993,447, respectively as of June 30, 2024 and 2023. Pledges receivable that are due in more than one year have been recorded at the net present value of their estimated future cash flows using discount rates ranging from 3% to 3.25%. Pledges receivable are expected to be collected as of June 30, 2024 and 2023.

Following is a schedule of amounts due, by year, as of June 30, 2024 and 2023:

	2024	2023
Less than one year	\$ 3,052,211	\$ 2,723,447
One to five years	-	270,000
Total	3,052,211	2,993,447
Less: Allowance to discount balance to present value	-	(32,311)
NET RECEIVABLES	\$ 3,052,211	\$ 2,961,136

4. NOTE RECEIVABLE - NEW MARKETS TAX CREDITS

In May 2017, Martha's Table SO entered into a note receivable of \$18,974,200 from an outside investment firm that was issued as part of the New Markets Tax Credit financing for the development of the new Martha's Table Headquarters and Early Learning Center. The note accrues interest at 1% per year. Quarterly payments of interest-only are due through July 20, 2024. Quarterly payments of principal and interest are due from October 20, 2024 through October 20, 2044. New Markets Tax Credits note receivable at June 30, 2024 and 2023 totaled \$18,974,200. The note receivable is considered to be fully collectible by management as of June 30, 2024 and 2023.

During the years ended June 30, 2024 and 2023, interest income was \$189,742. As of June 30, 2024 and 2023, \$47,436 remained outstanding and was recorded in interest receivable on the Consolidated Statements of Financial Position.

In June 2024, when the NMTC period expired the notes were forgiven.

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2024 and 2023:

	2024	2023
Buildings	\$ 25,992,896	\$ 25,992,896
Construction in progress	1,917,494	1,917,494
Equipment	1,598,561	1,598,561
Vehicles	630,633	554,402
Leasehold improvements	531,868	531,868
Total Property and equipment	30,671,452	30,595,221
Less: Accumulated depreciation and amortization	(6,338,316)	(5,491,683)
NET PROPERTY AND EQUIPMENT	\$ 24,333,136	\$ 25,103,538

MARTHA'S TABLE, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

6. NOTE PAYABLE - COMMUNITY DEVELOPMENT ENTITIES

In May 2018, Hillsdale entered into a series of notes payable to help finance construction of the new Martha's Table headquarters located at 2735 Elvans Road SE, through the New Markets Tax Credit ("NMTC") Program.

The notes were funded by various Community Development Entities ("CDEs") which received funding from the investment fund which MT SO provided funds to Martha's Table Hillsdale, LLC received loans of \$3,975,900 and \$1,904,100 from Impact CDE 58 LLC, \$8,371,800 and \$3,388,200 from City First Capital 49, LLC, \$3,313,250 and \$1,686,750 from MS New Markets XIII, LLC, and \$4,825,000 from New Markets Investment 105, LLC. Each loan from the CDEs requires quarterly payments of interest-only at 1.009% per annum through June 30, 2024.

Starting on October 5, 2024, quarterly payments of principal and interest are due, with the entire unpaid principal due on October 5, 2052. Notes payable to the CDEs at June 30, 2023 totaled \$27,465,000.

Interest and fees related to long-term debt totaled \$353,359 and \$359,694 for the years ended June 30, 2024 and 2023, respectively.

In June 2024, when the NMTC period expired. The loans were forgiven. As a result, in fiscal year 2024, Martha's Table recognized other revenue in the amount of \$8,253,096 to reflect the forgiveness of the loans.

7. BOARD DESIGNATED NET ASSETS

As of June 30, 2024 and 2023, net assets without donor restrictions have been designated by the Board of Directors for the following purposes:

	2024	2023
Reserve Fund	<u>\$ 25,214,746</u>	<u>\$ 25,214,746</u>

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2024 and 2023:

	2024	2023
Program services - Subject to Expenditure	\$ 2,709,211	\$ 2,166,138
Subject to passage of time	<u>1,000,000</u>	<u>7,447,398</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 3,709,211</u>	<u>\$ 9,613,536</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

	2024	2023
Purpose restrictions accomplished	\$ 2,161,928	\$ 1,609,241
Passage of time	<u>6,497,397</u>	<u>2,701,334</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 8,659,325</u>	<u>\$ 4,310,575</u>

MARTHA'S TABLE, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

9. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Consolidated Statements of Financial Position date comprise the following:

	2024	2023
Cash and cash equivalents	\$ 13,119,343	\$ 14,802,246
Investments	29,672,751	22,593,912
Pledges and contributions receivable, net	3,052,211	2,961,136
Grants receivable	1,822,522	8,488,286
Interest receivable	47,436	47,436
Note receivable	-	<u>18,974,200</u>
Subtotal financial assets available	47,714,263	67,867,216
Less: Reserve for New Market Tax Credits	-	(115,973)
Less: Donor restricted funds	(2,709,211)	(2,166,138)
Less: Board-designated funds	<u>(25,214,746)</u>	<u>(25,214,746)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ 19,790,306	\$ 40,370,359

Martha's Table has a policy to structure its financial assets to be available and liquid as its obligations become due.

10. CONTRIBUTED NONFINANCIAL ASSETS

Martha's Table was the beneficiary of certain contributed nonfinancial assets which allowed Martha's Table to provide greater resources towards its various programs. No donor-imposed restrictions were associated with the contributed nonfinancial assets, which are recorded at their estimated fair market value as of the date of the gift. In addition, none of the donated goods were monetized through sale.

Contributed nonfinancial assets consisted of the following for the years ended June 30, 2024 and 2023:

	2024	2023
Donated food	\$ 977,743	\$ 877,518
Donated clothing and other items	1,385,692	1,192,237
Donated legal	<u>155,172</u>	<u>150,276</u>
TOTAL	\$ 2,518,607	\$ 2,220,031

The contributed nonfinancial assets have been recorded in support and in the following functional expense categories (also describe the natural expense category where they are recorded) for the years ended June 30,

	2024	2023
Health and Wellness	\$ 977,743	\$ 872,893
Neighborhood Impact Initiatives	1,385,692	1,196,862
Administration	<u>155,172</u>	<u>150,276</u>
TOTAL	\$ 2,518,607	\$ 2,220,031

MARTHA'S TABLE, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

11. LEASE COMMITMENTS

Martha's Table follows FASB ASC 842 for leases. Martha's Table has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. Martha's Table has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

On February 22, 2013, Martha's Table entered into a 39-month noncancellable retail space lease agreement for its second Martha's Outfitters location. The lease originally expired May 31, 2016, but two renewal options were exercised that extended the term to May 31, 2019 and May 31, 2021, and a third renewal option was exercised that extended the term to May 31, 2028. The third extended lease term calls for monthly payments of rent, plus direct payment of utilities and insurance and reimbursement of common area maintenance costs and real estate taxes. The terms of the lease agreement required a security deposit of \$3,684, which is included in prepaid expenses in the accompanying Consolidated Statements of Financial Position.

On May 19, 2017, Martha's Table entered into an agreement to lease space on Columbia Road, N.W. Washington, D.C. to house its programs ("Maycroft"). The commencement date on the lease was March 2019, with a lease term of 120 months from the date of commencement. Base rent began at \$14,872 per month and increases by 2% each year.

For the years ended June 30, 2024 and 2023, respectively, total lease cost was \$220,009 and \$211,971. Total cash paid was \$256,842 and \$251,213 for all operating leases during the years ended June 30, 2024 and 2023. As of June 30, 2024, the weighted-average remaining lease term and rate for operating leases is 4 years and 3%, respectively.

The following is a schedule of the future minimum lease payments due under the operating leases, net of imputed interest, as of June 30, 2024:

<u>Year Ending June 30,</u>	
2025	\$ 262,603
2026	268,498
2027	274,529
2028	274,690
2029	<u>142,187</u>
	1,222,507
Less: Imputed interest	<u>(79,372)</u>
LEASE LIABILITIES	<u>\$ 1,143,135</u>

12. RETIREMENT PLAN

The employees of Martha's Table who work 1,000 or more hours within a 12-month period are eligible to participate in a 403(b) tax-deferred annuity plan, through which they can defer up to the legal limits allowed by the Internal Revenue Code. Martha's Table contributes 3% for all eligible employees, plus Martha's Table makes a 1% contribution if the employee contributes 1%. Contributions to the Plan during the years ended June 30, 2024 and 2023 totaled \$342,825 and \$314,859, respectively.

MARTHA'S TABLE, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

13. CONTINGENCY

Martha's Table receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2024. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

14. RELATED PARTY

On May 19, 2017, Martha's Table signed a lease agreement with Hillsdale to lease the building and improvements. The lease commenced once the building was substantially completed in 2018, and expires on December 31, 2052. Base rent is \$150,000 for 2018, \$300,000 for 2019 - 2023 and \$400,000 for 2024 - 2052, payable in quarterly installments throughout the lease term. The rental income and rent expense are eliminated on the consolidated financial statements.

15. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, Martha's Table has evaluated events and transactions for potential recognition or disclosure through March 6, 2025, the date the consolidated financial statements were issued.

Subsequent to year end, the United State Government began re-assessing their awards both internationally and domestically. Martha's Table is currently assessing the financial and operational impact of this event. Management does not anticipate any immediate effects on other programs or funding sources, however there is inherent uncertainty regarding the long-term implications of the foreign aid freeze. These financial statements do not reflect any adjustments related to this subsequent event.

SUPPLEMENTAL INFORMATION

MARTHA'S TABLE, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
FOR NON-POB FUND AND POB FUND
AS OF JUNE 30, 2024

	<u>Non-POB* Fund</u>	<u>MT POB*</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 13,119,313	\$ 30	\$ -	\$ 13,119,343
Pledges and contributions receivable, net	3,052,211	-	-	3,052,211
Grants receivable	1,822,522	1,450,000	(1,450,000)	1,822,522
Investments	29,672,751	-	-	29,672,751
Prepaid expenses	192,467	-	-	192,467
Property and equipment, net	2,028,276	22,304,860	-	24,333,136
Other current assets	95	-	-	95
Interest receivable	47,436	-	-	47,436
Right-of-use assets, net	1,117,353	-	-	1,117,353
TOTAL ASSETS	<u>\$ 51,052,424</u>	<u>\$ 23,754,890</u>	<u>\$ (1,450,000)</u>	<u>\$ 73,357,314</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable and accrued expenses	\$ 826,764	\$ 1,842,782	\$ (1,450,000)	\$ 1,219,546
Lease liabilities	1,143,135	-	-	1,143,135
Deferred revenue	(9,069)	-	-	(9,069)
Total liabilities	<u>1,960,830</u>	<u>1,842,782</u>	<u>(1,450,000)</u>	<u>2,353,612</u>
NET ASSETS				
Net assets without donor restrictions:				
Board designated – reserve fund	25,214,746	-	-	25,214,746
Operating	20,167,637	21,912,108	-	42,079,745
Total net assets without donor restrictions	<u>49,091,594</u>	<u>21,912,108</u>	<u>-</u>	<u>67,294,491</u>
Net assets with donor restrictions	<u>3,709,211</u>	<u>-</u>	<u>-</u>	<u>3,709,211</u>
Total net assets	<u>49,091,594</u>	<u>21,912,108</u>	<u>-</u>	<u>71,003,702</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 51,052,424</u>	<u>\$ 23,754,890</u>	<u>\$ (1,450,000)</u>	<u>\$ 73,357,314</u>

MARTHA'S TABLE, INC. AND AFFILIATE

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR NON-POB FUND AND POB FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Non-POB* Fund</u>	<u>POB* Fund</u>	<u>Eliminations</u>	<u>Total</u>
SUPPORT AND REVENUES				
Contributions and grants:				
Individuals	\$ 4,966,242	\$ -	\$ -	\$ 4,966,242
Corporations	377,843	-	-	377,843
Foundations	3,446,477	-	-	3,446,477
Civic and religious groups	221,228	-	-	221,228
Combined Federal campaign	332,121	-	-	332,121
Federal and State funds	7,030,373	590,052	-	7,620,425
	<u>16,374,284</u>	<u>590,052</u>	<u>-</u>	<u>16,964,336</u>
Contributed non-financial assets:				
Donated food	977,743	-	-	977,743
Donated clothing and other items	1,540,864	-	-	1,540,864
	<u>2,518,607</u>	<u>-</u>	<u>-</u>	<u>2,518,607</u>
Other revenues:				
Childcare co-pay	686,662	787,782	-	1,474,444
Net investment return	1,991,483	274,806	-	2,266,289
Martha's outfitters	(1,146)	18,894	-	17,748
Miscellaneous income	747,122	-	-	747,122
Events, net	203,344	(1,200)	-	202,144
Rental income	400,000	-	(400,000)	-
Other revenue	7,785,128	48,785,480	(48,317,512)	8,253,096
	<u>11,812,593</u>	<u>49,865,762</u>	<u>(48,717,512)</u>	<u>12,960,843</u>
Total other revenues	<u>11,812,593</u>	<u>49,865,762</u>	<u>(48,717,512)</u>	<u>12,960,843</u>
Total support and revenues	<u>30,705,484</u>	<u>50,455,814</u>	<u>(48,717,512)</u>	<u>32,443,786</u>
EXPENSES				
Personnel Expenses:				
Salaries	1,461,656	7,963,607	-	9,425,263
Payroll taxes and benefits	468,238	2,304,276	-	2,772,514
	<u>1,929,894</u>	<u>10,267,883</u>	<u>-</u>	<u>12,197,777</u>
Operating Expenses:				
Children's food	82,369	132,113	-	214,482
Depreciation and amortization	6,346	840,287	-	846,633
Extermination	1,973	7,708	-	9,681
Food – Other	1,054,689	1,692,483	-	2,747,172
Fundraising	-	96,398	-	96,398
Gasoline	2,738	5,451	-	8,189
Grants	-	1,270,631	-	1,270,631
Insurance	12,151	226,425	-	238,576
Interest	-	345,859	-	345,859
Meetings	10,721	117,574	-	128,295
Miscellaneous	152,775	738,968	-	891,743

MARTHA'S TABLE, INC. AND AFFILIATE

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR NON-POB FUND AND POB FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Non-POB* Fund</u>	<u>POB* Fund</u>	<u>Eliminations</u>	<u>Total</u>
EXPENSES (Continued)				
Operating Expenses (continued):				
Printing and postage	\$ 15,061	\$ 243,668	\$ -	\$ 258,729
Consultants and professional fees	393,265	2,116,389	-	2,509,654
Repairs and maintenance	28,895	272,566	-	301,461
Lease expense	221,912	495,172	(400,000)	317,084
Research	-	42,948	-	42,948
Supplies	97,228	709,329	-	806,557
Tax, tags, and licenses	1,964	21,809	-	23,773
Trash removal	19,486	54,605	-	74,091
Travel	10,250	220,953	-	231,203
Utilities	56,525	262,972	-	319,497
Contributions expense	48,317,512	-	(48,317,512)	-
	<u>50,485,860</u>	<u>9,914,308</u>	<u>(48,717,512)</u>	<u>11,682,656</u>
Donated food	-	977,743	-	977,743
Donated clothing and other items	5,000	1,380,692	-	1,385,692
	<u>5,000</u>	<u>2,358,435</u>	<u>-</u>	<u>2,363,435</u>
Total expenses	<u>52,420,754</u>	<u>22,540,626</u>	<u>(48,717,512)</u>	<u>26,243,868</u>
Change in net assets	(21,715,270)	27,915,188	-	6,199,918
Beginning net assets	70,806,864	(6,003,080)	-	64,803,784
ENDING NET ASSETS	<u>\$ 49,091,594</u>	<u>\$ 21,912,108</u>	<u>\$ -</u>	<u>\$ 71,003,702</u>

MARTHA'S TABLE, INC. AND AFFILIATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor / Pass-Through Entity	Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures
Office of the State Superintendent of Education	93.575	70048	\$ -	\$ 1,373,444
Early Headstart - Cluster	93.600	N/A	<u>-</u>	<u>3,085,766</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ -</u>	<u>\$ 4,459,210</u>

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of Martha's Table under programs of the Federal Government for the year ended June 30, 2024. Information in the Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The Schedule presents only a selected portion of the operations of Martha's Table; accordingly, it is not intended to and does not present the financial position, changes in net assets or cash flows of Martha's Table.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Martha's Table has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Federal and State Funds

Federal awards	\$ 4,459,210
State awards	<u>3,161,215</u>
TOTAL FEDERAL AND STATE FUNDS PER EXHIBIT B	<u>\$ 7,620,425</u>

MARTHA'S TABLE, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

1). Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP on the accrual basis of accounting: Unmodified

2). Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

3). Noncompliance material to financial statements noted? Yes No

Federal Awards

4). Internal control over major Federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

5). Type of auditor's report issued on compliance for major Federal programs: Unmodified

6). Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

7). Identification of major Federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
93.600	Early Headstart - Cluster

8). Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

9). Auditee qualified as a low-risk auditee? Yes No

MARTHA'S TABLE, INC. AND AFFILIATE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section II - Financial Statement Findings

There were no reportable findings.

Section III - Federal Award Findings and Questioned Costs (2 CFR 200.516(a))

There were no reportable findings.

Section IV - Prior Year Findings and Questioned Costs With Current Year Status

There were no prior year reportable findings.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Martha's Table, Inc. and Affiliate
Washington, D.C.

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 consolidated financial statements of Martha's Table, Inc. and Affiliate (Martha's Table) as of and for the year ended June 30, 2024, and the related notes to the consolidated financial statements, which collectively comprise Martha's Table's basic consolidated financial statements, and have issued our report thereon dated March 6, 2025.

Report on Internal Control Over Financial Reporting

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

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

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Martha's Table's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

March 6, 2025



CPAs & ADVISORS

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

To the Board of Directors
Martha's Table, Inc. and Affiliate
Washington, D.C.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Martha's Table, Inc. and Affiliate (Martha's Table)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Martha's Table major Federal programs for the year ended June 30, 2024. Martha's Table's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Martha's Table 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 June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Martha's Table and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major Federal program. Our audit does not provide a legal determination of Martha's Table's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Martha's Table's Federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Martha's Table's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Martha's Table's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Martha's Table's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Martha's Table's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Martha's Table's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The 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.

Gelman Rosenberg & Freedman

March 6, 2025