

MARTHA'S TABLE, INC.

AUDIT REPORT

**FINANCIAL AND FEDERAL AWARD
COMPLIANCE EXAMINATION**

FOR THE YEAR ENDED JUNE 30, 2025

MARTHA'S TABLE, INC.

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CONSOLIDATED FINANCIAL STATEMENTS

MARTHA'S TABLE, INC.

**FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024**

MARTHA'S TABLE, INC.

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Martha's Table, Inc. (Martha's Table), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, 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, 2025 and 2024, 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 audits 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 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 accompanying Schedule of Expenditures of Federal Awards on page I-25, 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 consolidated 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 December 15, 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".

December 15, 2025

MARTHA'S TABLE, INC.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2025 AND 2024**

ASSETS

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 12,717,738	\$ 13,119,343
Investments	30,920,107	29,672,751
Accounts receivable	10,350	-
Pledges and contributions receivable, net	2,410,615	3,052,211
Grants receivable	856,473	1,831,591
Prepaid expenses	169,753	192,467
Property and equipment, net	23,374,071	24,333,136
Other current assets	95	95
Interest receivable	-	47,436
Operating lease right-of-use assets, net	<u>880,690</u>	<u>1,117,353</u>
TOTAL ASSETS	<u>\$ 71,339,892</u>	<u>\$ 73,366,383</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 1,185,543	\$ 1,219,546
Operating lease liabilities	910,788	1,143,135
Refundable advances	<u>154,770</u>	<u>-</u>
Total liabilities	<u>2,251,101</u>	<u>2,362,681</u>

NET ASSETS

Without donor restrictions:		
Board designated - reserve fund	12,787,168	25,214,746
Operating	<u>53,203,184</u>	<u>42,079,745</u>
Total without donor restrictions	65,990,352	67,294,491
With donor restrictions	<u>3,098,439</u>	<u>3,709,211</u>
Total net assets	<u>69,088,791</u>	<u>71,003,702</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 71,339,892</u>	<u>\$ 73,366,383</u>

MARTHA'S TABLE, INC.

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions and gifts:			
Individuals	\$ 9,209,672	\$ 19,585	\$ 9,229,257
Corporations	67,328	541,791	609,119
Foundations	340,079	1,485,404	1,825,483
Civic and religious groups	108,332	3,740	112,072
Combined Federal campaign	414,377	-	414,377
Federal and State funds	9,007,583	-	9,007,583
Net assets released from donor restrictions	<u>2,661,292</u>	<u>(2,661,292)</u>	<u>-</u>
Total contributions and gifts	<u>21,808,663</u>	<u>(610,772)</u>	<u>21,197,891</u>
Contributed non-financial assets:			
Donated food	1,202,230	-	1,202,230
Donated clothing and other items	<u>1,944,138</u>	<u>-</u>	<u>1,944,138</u>
Total contributed non-financial assets	<u>3,146,368</u>	<u>-</u>	<u>3,146,368</u>
Other revenues:			
Childcare co-pay	126,744	-	126,744
Investment return, net of fees	2,490,447	-	2,490,447
Martha's Outfitters	26,920	-	26,920
Miscellaneous income	(79,840)	-	(79,840)
Events, net	<u>375,021</u>	<u>-</u>	<u>375,021</u>
Total other revenues	<u>2,939,292</u>	<u>-</u>	<u>2,939,292</u>
Total support and revenues	<u>27,894,323</u>	<u>(610,772)</u>	<u>27,283,551</u>
EXPENSES			
Program Services:			
Health and Wellness Initiatives	8,449,786	-	8,449,786
Parent and Family Initiatives	6,741,958	-	6,741,958
Education Initiatives	8,020,791	-	8,020,791
Neighborhood Impact Initiatives	<u>1,078,412</u>	<u>-</u>	<u>1,078,412</u>
Total program services	<u>24,290,947</u>	<u>-</u>	<u>24,290,947</u>
Supporting Services:			
General Administration	2,311,761	-	2,311,761
Fundraising and Communications	<u>2,595,754</u>	<u>-</u>	<u>2,595,754</u>
Total supporting services	<u>4,907,515</u>	<u>-</u>	<u>4,907,515</u>
Total expenses	<u>29,198,462</u>	<u>-</u>	<u>29,198,462</u>
Changes in net assets	(1,304,139)	(610,772)	(1,914,911)
Net assets at beginning of year	<u>67,294,491</u>	<u>3,709,211</u>	<u>71,003,702</u>
NET ASSETS AT END OF YEAR	<u>\$ 65,990,352</u>	<u>\$ 3,098,439</u>	<u>\$ 69,088,791</u>

MARTHA'S TABLE, INC.

**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	206,666	554,509
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	7,620,425	-	7,620,425
Net assets released from donor restrictions	<u>8,659,325</u>	<u>(8,659,325)</u>	<u>-</u>
Total contributions and gifts	<u>23,045,327</u>	<u>(5,904,325)</u>	<u>17,141,002</u>
In-kind contributions:			
Donated food	977,743	-	977,743
Donated clothing and other items	<u>1,540,864</u>	<u>-</u>	<u>1,540,864</u>
Total in-kind contributions	<u>2,518,607</u>	<u>-</u>	<u>2,518,607</u>
Other revenues:			
Childcare co-pay	1,474,444	-	1,474,444
Investment return, net of fees	2,266,289	-	2,266,289
Martha's Outfitters	17,748	-	17,748
Miscellaneous income	747,122	-	747,122
Events, net	25,478	-	25,478
Other revenue	<u>8,253,096</u>	<u>-</u>	<u>8,253,096</u>
Total other revenues	<u>12,784,177</u>	<u>-</u>	<u>12,784,177</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>

MARTHA'S TABLE, INC.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services				
	Health and Wellness Initiatives	Parent and Family Initiatives	Education Initiatives	Neighborhood Impact Initiatives	Total Program Services
Personnel Expenses:					
Salaries	\$ 1,854,130	\$ 1,389,650	\$ 3,838,703	\$ 163,998	\$ 7,246,481
Payroll taxes and benefits	537,243	329,784	1,448,130	51,823	2,366,980
	<u>2,391,373</u>	<u>1,719,434</u>	<u>5,286,833</u>	<u>215,821</u>	<u>9,613,461</u>
Operating Expenses:					
Children's food	212,862	173	-	-	213,035
Depreciation and amortization	144,897	83,249	373,484	30,790	632,420
Extermination	2,785	1,600	7,178	592	12,155
Grants	75,000	1,759,469	1,500	650,332	2,486,301
Food – other	3,118,568	46,539	891	-	3,165,998
Gasoline	6,101	525	46	-	6,672
Insurance	37,907	21,779	97,709	8,055	165,450
Meetings	65,697	147,632	145,226	13,511	372,066
Miscellaneous	106,731	73,702	363,237	10,873	554,543
Printing and postage	35,863	8,020	32,614	6,990	83,487
Consultants and professional fees	479,242	734,401	645,791	81,697	1,941,131
Repairs and maintenance	67,730	39,908	136,374	11,243	255,255
Lease expense	67,327	78,527	134,650	-	280,504
Research	14,220	-	10,665	-	24,885
Supplies	275,121	301,401	149,263	19,172	744,957
Tax, tags, and licenses	1,229	333	2,168	123	3,853
Trash removal	16,542	18,610	42,639	3,515	81,306
Travel	1,406	38,808	302,107	1,564	343,885
Utilities	126,955	88,244	288,416	24,134	527,749
	<u>4,856,183</u>	<u>3,442,920</u>	<u>2,733,958</u>	<u>862,591</u>	<u>11,895,652</u>
Donation Expenses:					
Donated food	1,202,230	-	-	-	1,202,230
Donated clothing and other items	-	1,579,604	-	-	1,579,604
	<u>1,202,230</u>	<u>1,579,604</u>	<u>-</u>	<u>-</u>	<u>2,781,834</u>
TOTAL	<u>\$ 8,449,786</u>	<u>\$ 6,741,958</u>	<u>\$ 8,020,791</u>	<u>\$ 1,078,412</u>	<u>\$ 24,290,947</u>

MARTHA'S TABLE, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Supporting Services			Total Expenses
	General Administration	Fundraising and Communications	Total Supporting Services	
Personnel Expenses:				
Salaries	\$ 938,400	\$ 1,425,776	\$ 2,364,176	\$ 9,610,657
Payroll taxes and benefits	289,568	368,459	658,027	3,025,007
	<u>1,227,968</u>	<u>1,794,235</u>	<u>3,022,203</u>	<u>12,635,664</u>
Operating Expenses:				
Children's food	-	-	-	213,035
Depreciation and amortization	158,088	28,688	186,776	819,196
Extermination	3,038	551	3,589	15,744
Grants	-	-	-	2,486,301
Food – other	-	3,054	3,054	3,169,052
Gasoline	-	-	-	6,672
Insurance	166,504	7,505	174,009	339,459
Meetings	48,745	53,195	101,940	474,006
Miscellaneous	87,434	309,530	396,964	951,507
Printing and postage	15,647	149,714	165,361	248,848
Consultants and professional fees	321,046	185,597	506,643	2,447,774
Repairs and maintenance	57,724	10,475	68,199	323,454
Lease expense	-	-	-	280,504
Research	10,665	-	10,665	35,550
Supplies	63,918	26,255	90,173	835,130
Tax, tags, and licenses	1,533	115	1,648	5,501
Trash removal	19,815	3,275	23,090	104,396
Travel	2,746	1,283	4,029	347,914
Utilities	126,890	22,282	149,172	676,921
	<u>1,083,793</u>	<u>801,519</u>	<u>1,885,312</u>	<u>13,780,964</u>
Donation Expenses:				
Donated food	-	-	-	1,202,230
Donated clothing and other items	-	-	-	1,579,604
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,781,834</u>
TOTAL	\$ 2,311,761	\$ 2,595,754	\$ 4,907,515	\$ 29,198,462

MARTHA'S TABLE, INC.

**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.

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

	Supporting Services			Total Expenses
	General Administration	Fundraising and Communications	Total Supporting Services	
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	\$ 3,008,754	\$ 2,098,186	\$ 5,106,940	\$ 26,243,868

MARTHA'S TABLE, INC.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (1,914,911)	\$ 6,199,918
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	819,196	846,633
Realized and unrealized gain on investments	(1,247,356)	(781,374)
Adjustment to leasehold improvements	144,047	-
Gain on extinguishment of debt	-	(8,490,800)
Amortization of operating lease right-of-use assets	236,663	230,084
(Increase) decrease in:		
Accounts receivable	(10,350)	-
Pledges and contributions receivable	641,596	(91,075)
Grants receivable	975,118	6,656,695
Interest receivable	47,436	-
Prepaid expenses	22,714	2,028
Other current assets	-	19,999
(Decrease) increase in:		
Accounts payable and accrued expenses	(34,003)	472,678
Change in operating lease liabilities	(232,347)	(220,007)
Refundable advances	<u>154,770</u>	<u>(153,986)</u>
Net cash (used) provided by operating activities	<u>(397,427)</u>	<u>4,690,793</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(4,178)	(76,231)
Purchases of investments	<u>-</u>	<u>(6,297,465)</u>
Net cash used by investing activities	<u>(4,178)</u>	<u>(6,373,696)</u>
Net decrease in cash and cash equivalents	(401,605)	(1,682,903)
Cash and cash equivalents at beginning of year	<u>13,119,343</u>	<u>14,802,246</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 12,717,738</u>	<u>\$ 13,119,343</u>
SUPPLEMENTAL INFORMATION:		
Interest Paid	<u>\$ -</u>	<u>\$ 345,859</u>

MARTHA'S TABLE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Martha's Table, Inc. (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. 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, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

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

Organization (continued) -

Program Services (continued)

Education Initiatives (continued)

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 non-profit 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.
- **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.

MARTHA'S TABLE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

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

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 cash flows. 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.

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.

MARTHA'S TABLE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

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

Income taxes -

Martha's Table is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code (IRC), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Martha's Table is not a private foundation.

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.

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. Martha's Table had refundable advances totaling \$154,770 as of June 30, 2025. There was no refundable advance at June 30, 2024.

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. However, Martha's Table had no conditional contributions to be received in future years as of June 30, 2025 and 2024.

Revenue from contracts with customers -

Martha's Table's events are the most significant revenue streams that are 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 disclosures not required for nonpublic entities. Transaction price is based on 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.

MARTHA'S TABLE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

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

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, 2025 and 2024, Martha's Table's Health and Wellness and Parent and Family Initiatives programs benefited from volunteer hours totaling 35,395 and 33,655 (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 \$1,244,647 and \$1,127,106 (both unaudited) for the years ended June 30, 2025 and 2024.

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.

MARTHA'S TABLE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

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.

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, 2025 and 2024. 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, 2025, were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money Market Funds	\$ 6,825,939	\$ -	\$ -	\$ 6,825,939
Mutual Fund - Fixed Income - Intermediate	12,193,580	-	-	12,193,580
Mutual Fund - Fixed Income - Short-term Bond	6,826,040	-	-	6,826,040
Equities	<u>5,074,548</u>	<u>-</u>	<u>-</u>	<u>5,074,548</u>
TOTAL INVESTMENTS	<u>\$ 30,920,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,920,107</u>

MARTHA'S TABLE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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, were as follows:

	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	4,893,405	-	-	4,893,405
TOTAL INVESTMENTS	\$ 29,672,751	\$ -	\$ -	\$ 29,672,751

Net investment return consisted of the following:

	2025	2024
Interest and dividends, net of fees	\$ 1,243,091	\$ 1,484,915
Realized and unrealized gain	1,247,356	781,374
NET INVESTMENT RETURN	\$ 2,490,447	\$ 2,266,289

3. PLEDGES AND CONTRIBUTIONS RECEIVABLE

Martha's Table has received written promises to give from various donors totaling \$2,284,095 and \$3,271,476, respectively as of June 30, 2025 and 2024. 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 4%. Pledges receivable are expected to be collected as of June 30, 2025 and 2024.

Following is a schedule of amounts due, by year, as of June 30, 2025 and 2024:

	2025	2024
Less than one year	\$ 2,226,917	\$ 1,580,033
One to five years	200,000	1,540,000
Total	2,426,917	3,120,033
Less: Allowance to discount balance to present value	(16,302)	(67,822)
NET RECEIVABLES	\$ 2,410,615	\$ 3,052,211

MARTHA'S TABLE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

4. PROPERTY AND EQUIPMENT

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

	2025	2024
Buildings	\$ 25,848,851	\$ 25,992,895
Construction in progress	1,917,494	1,917,494
Equipment	1,602,736	1,598,561
Vehicles	630,633	630,633
Leasehold improvements	531,868	531,868
Total Property and equipment	30,531,582	30,671,451
Less: Accumulated depreciation and amortization	(7,157,511)	(6,338,315)
NET PROPERTY AND EQUIPMENT	\$ 23,374,071	\$ 24,333,136

5. BOARD DESIGNATED NET ASSETS

As of June 30, 2025 and 2024, net assets without donor restrictions have been designated by the Board of Directors for the following purposes:

	2025	2024
Reserve Fund	\$ 12,787,168	\$ 25,214,746

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2025 and 2024:

	2025	2024
Program services - Subject to Expenditure	\$ 2,290,209	\$ 2,709,211
Subject to passage of time	808,230	1,000,000
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 3,098,439	\$ 3,709,211

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:

	2025	2024
Purpose restrictions accomplished	\$ 2,133,500	\$ 2,161,928
Passage of time	527,792	6,497,397
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ 2,661,292	\$ 8,659,325

MARTHA'S TABLE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

7. 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:

	2025	2024
Cash and cash equivalents	\$ 12,717,738	\$ 13,119,343
Accounts receivable	10,350	-
Pledges and contributions receivable, net	2,410,615	3,052,211
Grants receivable	856,473	1,831,591
Investments	30,920,107	29,672,751
Interest receivable	-	47,436
Subtotal financial assets available	46,915,283	47,723,332
Less: Donor-restricted funds	(2,290,209)	(2,709,211)
Less: Board designated funds	(12,787,168)	(25,214,746)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ 31,837,906	\$ 19,799,375

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

8. 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, 2025 and 2024:

	2025	2024
Donated food	\$ 1,202,230	\$ 977,743
Donated clothing and other items	1,579,604	1,385,692
Donated legal and professional fees	364,534	155,172
TOTAL	\$ 3,146,368	\$ 2,518,607

The contributed nonfinancial assets have been recorded in support and in the following functional expense categories for the years ended June 30, 2025 and 2024:

	2025	2024
Health and Wellness - Donated food	\$ 1,202,230	\$ 977,743
Neighborhood Impact Initiatives - Donated clothing and other items	1,579,604	1,385,692
General and Administration - Consultants and professional fees	364,534	155,172
TOTAL	\$ 3,146,368	\$ 2,518,607

MARTHA'S TABLE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

9. 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, 2025 and 2024, respectively, total lease cost was \$280,504 and \$317,084. Total cash paid was \$263,603 and \$256,842, respectively, for all operating leases during the years ended June 30, 2025 and 2024. As of June 30, 2025 and 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, 2025:

Year Ending June 30,

2025	\$ -	\$ 262,603
2026	268,498	268,498
2027	274,529	274,529
2028	274,690	274,690
2029	<u>142,187</u>	<u>142,187</u>
	959,904	1,222,507
Less: Imputed interest	<u>(49,116)</u>	<u>(79,372)</u>
LEASE LIABILITIES	<u>\$ 910,788</u>	<u>\$ 1,143,135</u>

10. 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, 2025 and 2024 totaled \$372,379 and \$342,825, respectively.

MARTHA'S TABLE, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

11. 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 2025. 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.

12. 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.

13. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, Martha's Table has evaluated events and transactions for potential recognition or disclosure through December 15, 2025, the date the consolidated financial statements were issued.

SUPPLEMENTAL INFORMATION

MARTHA'S TABLE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

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	\$ -	\$ 1,387,542
Early Headstart - Cluster	93.600	N/A	<u>-</u>	<u>2,705,888</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ -</u></u>	<u><u>\$ 4,093,430</u></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, 2025. 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	\$ 4,093,430
State awards	<u>4,914,153</u>
TOTAL FEDERAL AND STATE FUNDS PER EXHIBIT B	<u><u>\$ 9,007,583</u></u>

MARTHA'S TABLE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

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:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
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.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

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.
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. (Martha's Table), as of and for the year ended June 30, 2025, 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 December 15, 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 CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
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".

December 15, 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.
Washington, D.C.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Martha's Table, Inc.'s (Martha's Table) 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, 2025. 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, 2025.

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

December 15, 2025