

PHILABUNDANCE

Driving hunger from our communities

PHILABUNDANCE
Consolidated Financial Statements
June 30, 2024 and 2023
With Independent Auditor's Reports

Philabundance
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June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Philabundance:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Philabundance, which comprise the consolidated statement of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Philabundance as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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 Philabundance 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 Philabundance's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

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 GAAS 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 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 GAAS 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 Philabundance'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 Philabundance'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.

Report on 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 and city awards for the year ended June 30, 2023 is presented for purposes of additional analysis as required by 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*, and the *City of Philadelphia Subrecipient Audit Guide* and is not a required part of the consolidated financial statements.

In addition, the accompanying supplemental schedules of City of Philadelphia Office of Homeless Services (Section 5000) - Reconciliations of Agency Reported Expenditures/Revenues to Audited Expenditures/Revenues and City of Philadelphia Department of Behavioral Health and Intellectual Disability Services (Section 7000) - Reconciliations of Agency Reported Expenditures/Revenues to Audited Expenditures/Revenues are presented for purposes of additional analysis and are required by the *City of Philadelphia Subrecipient Audit Guide* on pages 33-44. The accompanying schedules are presented for the purposes of additional analysis and are 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 schedule of expenditure of federal awards and city awards 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* and the *City of Philadelphia Subrecipient Audit Guide*, we have also issued our report dated December 9, 2024 on our consideration of Philabundance'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *City of Philadelphia Subrecipient Audit Guide* in considering Philabundance's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC". The signature is written in a cursive, flowing style.

December 9, 2024

Philabundance
Consolidated Statement of Financial Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 2,065,592	\$ 637,888
Investments, current	9,823,417	12,006,045
Accounts receivable, net of allowance for credit losses of \$84,875 and \$12,875, respectively	2,223,753	1,524,451
Contributions receivable, current	185,500	330,500
Inventory	4,153,104	3,454,211
Other current assets	224,444	94,542
Prepaid expense and deposits	<u>212,151</u>	<u>242,841</u>
Total current assets	<u>18,887,961</u>	<u>18,290,478</u>
Noncurrent assets		
Endowment and other investments	2,417,888	2,070,291
Contributions receivables, net of current portion and discount to present value	183,307	259,807
Property and equipment, net	18,175,277	20,009,252
Operating lease right-of-use assets, net	2,982,036	4,144,435
Beneficial interest	<u>18,625</u>	<u>17,297</u>
Total noncurrent assets	<u>23,777,133</u>	<u>26,501,082</u>
Total assets	<u>\$ 42,665,094</u>	<u>\$ 44,791,560</u>
Liabilities and Net Assets		
Current liabilities		
Operating lease liabilities, current portion	\$ 1,210,561	\$ 1,199,123
Accounts payable and accrued expenses	1,551,504	2,115,405
Security deposit	23,093	23,093
Self-amortizing long-term debt - PCK 2.0, current portion	113,333	-
Deferred income	<u>1,552,132</u>	<u>1,275,570</u>
Total current liabilities	<u>4,450,623</u>	<u>4,613,191</u>
Long-term liabilities		
Operating lease liabilities, net of current portion	1,971,201	3,181,763
Self-amortizing long-term debt - PCK 2.0, net of current portion	<u>4,566,666</u>	<u>4,679,999</u>
Total long-term liabilities	<u>6,537,867</u>	<u>7,861,762</u>
Total liabilities	<u>10,988,490</u>	<u>12,474,953</u>
Net assets		
Without donor restrictions	28,695,099	29,771,312
With donor restrictions	<u>2,981,505</u>	<u>2,545,295</u>
Total net assets	<u>31,676,604</u>	<u>32,316,607</u>
Total liabilities and net assets	<u>\$ 42,665,094</u>	<u>\$ 44,791,560</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Philabundance
Consolidated Statement of Activities
Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating support and revenue			
In-kind food (Note 1)	\$ 74,609,053	\$ -	\$ 74,609,053
In-kind goods and services	501,530	-	501,530
Grants, contracts, and contributions	26,570,770	3,848,929	30,419,699
Other income	149,600	-	149,600
	<u>101,830,953</u>	<u>3,848,929</u>	<u>105,679,882</u>
Net assets released from restrictions	<u>3,412,719</u>	<u>(3,412,719)</u>	<u>-</u>
Total operating support and revenue	<u>105,243,672</u>	<u>436,210</u>	<u>105,679,882</u>
Expenses			
Program expenses	97,098,402	-	97,098,402
Management and general	4,884,386	-	4,884,386
Fundraising	5,249,223	-	5,249,223
Total expenses	<u>107,232,011</u>	<u>-</u>	<u>107,232,011</u>
Changes in net assets from operations	<u>(1,988,339)</u>	<u>436,210</u>	<u>(1,552,129)</u>
Non-operating activities			
Investment income	1,016,707	-	1,016,707
Gain (loss) on disposal of property and equipment	(105,909)	-	(105,909)
Change in beneficial interest	1,328	-	1,328
Total non-operating activities	<u>912,126</u>	<u>-</u>	<u>912,126</u>
Changes in net assets	(1,076,213)	436,210	(640,003)
Net assets			
Beginning of year	<u>29,771,312</u>	<u>2,545,295</u>	<u>32,316,607</u>
End of year	<u>\$ 28,695,099</u>	<u>\$ 2,981,505</u>	<u>\$ 31,676,604</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Philabundance
Consolidated Statement of Activities
Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating support and revenue			
In-kind food (Note 1)	\$ 43,947,484	\$ -	\$ 43,947,484
In-kind goods and services	675,924	-	675,924
Grants, contracts, and contributions	26,052,317	3,922,278	29,974,595
Other income	438,842	-	438,842
	<u>71,114,567</u>	<u>3,922,278</u>	<u>75,036,845</u>
Net assets released from restrictions	<u>3,945,777</u>	<u>(3,945,777)</u>	<u>-</u>
Total operating support and revenue	<u>75,060,344</u>	<u>(23,499)</u>	<u>75,036,845</u>
Expenses			
Program expenses	71,731,561	-	71,731,561
Management and general	6,521,252	-	6,521,252
Fundraising	5,020,930	-	5,020,930
Total expenses	<u>83,273,743</u>	<u>-</u>	<u>83,273,743</u>
Changes in net assets from operations	<u>(8,213,399)</u>	<u>(23,499)</u>	<u>(8,236,898)</u>
Non-operating activities			
Investment income	879,469	-	879,469
Gain (loss) on disposal of property and equipment	12,608	-	12,608
Change in beneficial interest	(238)	-	(238)
Total non-operating activities	<u>891,839</u>	<u>-</u>	<u>891,839</u>
Changes in net assets	<u>(7,321,560)</u>	<u>(23,499)</u>	<u>(7,345,059)</u>
Net assets			
Beginning of year	<u>37,092,872</u>	<u>2,568,794</u>	<u>39,661,666</u>
End of year	<u>\$ 29,771,312</u>	<u>\$ 2,545,295</u>	<u>\$ 32,316,607</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Philabundance
Consolidated Statement of Cash Flows
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating activities		
Changes in net assets	\$ (640,003)	\$ (7,345,059)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Realized gain on investments	(2,355)	(502)
Unrealized gain on investments	(477,266)	(298,720)
Change in beneficial interest	(1,328)	238
Depreciation and amortization	2,358,719	1,582,719
Bad debt	69,870	-
Right-of-use asset amortization	1,162,399	1,230,373
Gain (loss) on disposal of property and equipment	105,909	(12,608)
Change in operating assets and liabilities:		
Accounts receivable	(769,172)	(619,799)
Contributions receivable	221,500	(146,948)
Inventory	(698,893)	568,587
Other current assets	(129,902)	38,349
Prepaid expense and deposits	30,690	361,791
Accounts payable and accrued expenses	(563,901)	(2,735,064)
Deferred income	276,562	(394,354)
Net lease liabilities - operating	<u>(1,199,124)</u>	<u>(1,245,104)</u>
Net cash used in operating activities	<u>(256,295)</u>	<u>(9,016,101)</u>
Investing activities		
Purchase of investments	(537,829)	(892,741)
Proceeds from sale of investments	2,852,481	11,000,000
Purchase of property and equipment	(677,549)	(3,375,047)
Proceeds from sale of property and equipment	<u>46,896</u>	<u>102,371</u>
Net cash provided by investing activities	<u>1,683,999</u>	<u>6,834,583</u>
Net change in cash and cash equivalents	1,427,704	(2,181,518)
Cash and cash equivalents		
Beginning of year	<u>637,888</u>	<u>2,819,406</u>
End of year	<u>\$ 2,065,592</u>	<u>\$ 637,888</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ -</u>	<u>\$ -</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Philabundance
Consolidated Statement of Functional Expenses
Year Ended June 30, 2024

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and related costs	\$ 7,296,256	\$ 2,633,331	\$ 2,266,813	\$ 12,196,400
Agency support	-	-	38,986	38,986
Bad debt	-	69,870	46,725	116,595
Credit card and bank fees	918	31,803	211,424	244,145
Depreciation and amortization	1,415,231	495,331	448,157	2,358,719
Donated food and nonfood	74,240,604	-	-	74,240,604
Dues and subscriptions	-	100,995	28,350	129,345
Facilities and occupancy	2,567,582	331,564	175,512	3,074,658
Food acquisition	8,576,480	2,744	-	8,579,224
Freight	396,246	19,127	-	415,373
Information technology	22,559	167,126	23,463	213,148
Insurance	119,514	67,362	31,102	217,978
Mailing services	1,333	894	1,387,796	1,390,023
Marketing and design	1,031	4,113	338,644	343,788
Meetings and training	11,354	89,345	7,259	107,958
Miscellaneous	-	3,592	6,051	9,643
Printing	2,630	470	2,442	5,542
Professional fees	94,504	602,664	100,957	798,125
Supplies	757,922	56,878	83,273	898,073
Telecommunications	21,184	80,508	419	102,111
Temporary help	572,915	126,669	51,850	751,434
Transportation	1,000,139	-	-	1,000,139
	<u>\$ 97,098,402</u>	<u>\$ 4,884,386</u>	<u>\$ 5,249,223</u>	<u>\$ 107,232,011</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Philabundance
Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and related costs	\$ 8,384,710	\$ 2,643,953	\$ 2,734,503	\$ 13,763,166
Agency support	-	-	-	-
Bad debt	-	6,493	-	6,493
Credit card and bank fees	-	-	255,859	255,859
Depreciation and amortization	964,214	304,046	314,459	1,582,719
Donated food and nonfood	43,091,956	953,155	-	44,045,111
Dues and subscriptions	10,834	30,446	119,228	160,508
Facilities and occupancy	2,249,076	312,976	398,374	2,960,426
Food acquisition	13,793,456	-	685	13,794,141
Freight	465,719	-	1,250	466,969
Information technology	42,821	113,930	161,093	317,844
Insurance	122,849	67,755	31,422	222,026
Mailing services	4,229	1,505,955	505	1,510,689
Marketing and design	2,304	201,947	109	204,360
Meetings and training	-	11,312	42,369	53,681
Miscellaneous	1,844	2,061	1,667	5,572
Printing	3,039	15,991	1,915	20,945
Professional fees	80,562	239,241	791,156	1,110,959
Supplies	1,259,956	58,640	42,047	1,360,643
Telecommunications	24,619	6,281	105,468	136,368
Temporary help	239,360	47,070	18,821	305,251
Transportation	990,013	-	-	990,013
	<u>\$ 71,731,561</u>	<u>\$ 6,521,252</u>	<u>\$ 5,020,930</u>	<u>\$ 83,273,743</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Philabundance
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

1. ORGANIZATION AND OPERATIONS

Philabundance is a Pennsylvania nonprofit founded in 1984 with the simple belief that no one should go hungry while healthy food goes to waste. Philabundance's mission is to drive hunger from its communities today and to end hunger for good. In addition to food distribution, Philabundance strives to reduce food waste, increase access to nutritious meals, and tackle the root causes of hunger.

Philabundance provides food to thousands of people each week through a network of over 350 agency partners – food pantries, cupboards, and emergency kitchens – over a nine-county service area in Pennsylvania (Bucks, Chester, Delaware, Montgomery, and Philadelphia counties) and New Jersey (Burlington, Camden, Gloucester, and Salem counties).

Philabundance continually works to improve the quality of food and increase its efforts in the amount of food it provides to agency partners, working with key partners to make food more accessible and making thousands of meals each week. In Fiscal Year 2021, Philabundance opened a new home for the Philabundance Community Kitchen (“PCK”), a culinary arts and life skills program, that makes nutritious ready-to-eat meals for people who are unhoused, seniors, and community members struggling to make ends meet.

Philabundance recognizes that food distribution alone is not enough and is working to ensure that those receiving services are not hungry again in the future. Philabundance is reimagining how it distributes food through the new “Food Plus” model, which provides clients with food plus other essential services such as education, financial literacy, and housing.

Philabundance is continuing to make strategic investments in its agency partners, programs, staffing, and own equipment so it can continue to meet the increased need. In addition to the in-kind donations of food, revenues are also primarily derived from contributions (largely from individual donors), grants, and fees for services provided, including government contracts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the Philabundance have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which require it to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Philabundance. These net assets may be used at the discretion of Philabundance’s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Philabundance or by passage of time. When restrictions are satisfied, they are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Philabundance

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Philabundance and F&S Chester, RE, Inc., which are collectively referred to as the "Organization." All significant intercompany transactions and balances have been eliminated in consolidation.

Revenue and Support Recognition

Contributions and Grants

Contributions are reported as revenue when they are received or unconditionally promises to give and are recorded as net assets with donor restrictions or net assets without donor restrictions according to donor stipulations if the related assets are limited by donor-imposed time or purpose restrictions.

Conditional promises to give and grants are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are reflected at the present value of estimated future cash flows utilizing the treasury rate for a similar term on the date the unconditional promise to give is received plus .5% added for assumed risk of non-payment. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Government Grant and Contract Revenue

Revenue from government grant and contract agreements, which are generally considered nonexchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met. Grant funds received in advance of the expenditures incurred are recorded as deferred revenue. Grant funds expended in advance of reimbursement from the funding source are classified as grants and contracts receivable in the consolidated statement of financial position. Philabundance receives funding from federal and city agencies under grants and contracts, of which, some have a commitment spanning multiple years.

Other revenues are obtained from investment income and other miscellaneous income items. These revenues are not restricted in their use and are used to offset management and general expenses and program expenses. Revenues from these sources are recognized at the time the investment income is received or miscellaneous income is earned.

Revenue from Contracts with Customers

Philabundance accounts for agency handling fees and food purchase fees and catering income as exchange transactions in the consolidated statement of activities and changes in net assets. Revenues from contracts with customers are treated as revenues without donor restrictions. Performance obligations are satisfied at the point in time, which is when the related goods are provided to the customer. Philabundance does not have any significant financing components as payment is received shortly after revenue is recognized. Funds received in advance from customers for work that has not been performed have been recorded as contract liabilities and are shown as deferred income in the consolidated statement of financial position.

The following summarizes Philabundance's performance obligations:

Agency Handling Fees and Food Purchase Fees

Agency handling fees are charged for the delivery of purchased or donated food to agencies and are recorded at the time the delivery has occurred. Agency handling fees are not charged on the delivery of governmental food donations. Food purchase fees are charged to the agencies for food purchased by Philabundance and are based on the cost of the food plus a percentage markup over cost. The food purchase fees are recorded as revenue at the time the purchase is made. These fees are shown as support with no donor restrictions in the consolidated statement of activities and changes in net assets.

Philabundance
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Inventory of Donated Food and Commodities and Purchased Food

The value of donated food and commodities is determined using an average wholesale cost per pound, which is based on an annual study prepared by Feeding America, the national organization of food banks nationwide. Food that has been donated but not distributed is shown as inventory in the consolidated statement of financial position. Donated food and commodities that have been distributed are shown in the consolidated statement of functional expenses as donated food and non-food. Distributed food is released from inventory at fair value on the date of distribution. Due to normally short periods between receipt of food donations and their subsequent distribution, the fair value on the date of receipt generally approximates the fair value on the date of distribution. Purchased food that is distributed is valued at cost, with the resulting expense upon distribution also being recorded at cost due to the relatively short time frame between purchase and distribution.

Donated Goods and Services

Philabundance receives various forms of nonfood gifts-in-kind ("GIK") items such as gift cards, store credit, advertising services, equipment, supplies, and other miscellaneous items. These goods are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. GIK are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use as the time the goods are contributed by the donor.

Philabundance receives significant donated services from volunteers, officers, and directors and affiliated organizations to support operations, fundraising, and administrative efforts. The value of these donated services is not included in these consolidated financial statements, as they do not meet the criteria for recognition under not-for-profit accounting standards.

Cash and Cash Equivalents

Cash and cash equivalents include funds held in money market accounts and other instruments with a maturity of three months or less at the time of acquisition.

Investments

Investments in securities with readily determinable values and all investments in debt securities are measured at fair value in the consolidated statement of financial position. Donated investments are recorded at fair value at the date of receipt. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments, are reflected in the consolidated statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

Accounts Receivable

The Organization uses the allowance method to provide for losses on accounts receivable which is based on management's judgment considering historical information as well as current and future economic conditions. Services are provided on an unsecured basis. Past-due accounts are reviewed for collectability and written off as necessary. In addition, an allowance is provided for other accounts when a significant pattern of collectability has occurred. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At June 30, 2024 and 2023, the allowance for expected credit losses was \$84,875 and \$12,875, respectively. As of July 1, 2022, accounts receivable were \$904,652.

Philabundance
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Contributions Receivable

Contributions that are expected to be collected within one year are recorded at their net realizable value. Contributions that are expected to be collected beyond one year are recorded at their net present value of estimated future cash funds. Philabundance provides for uncollectible contributions using the allowance method, which is based on management's judgment concerning analysis of individual contributions. Past-due contributions receivable are individually analyzed for collectability and written off when all efforts have been exhausted.

Property and Equipment

Property and equipment purchases are recorded at cost, less accumulated depreciation, except for donated items, which are recorded at their fair value on the date of donation. Amortization of software is included within depreciation expense. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Philabundance capitalizes all fixed assets over \$2,500 with an estimated life greater than one year. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs, and minor renewals are charged to operations as incurred.

The principal rates for computing depreciation by major asset category are as follows:

<u>Description</u>	<u>Estimated Life (Years)</u>
Buildings and improvements	40
Vehicles	5-7
Computer hardware and software	3-5
Equipment	5
Furniture and fixtures	5

Valuation of Long-Lived Assets

In accordance with the accounting pronouncements on impairment or disposal of long-lived assets, Philabundance reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no impairment charge was required for the periods presented in these consolidated financial statements.

Fair Value of Financial Instruments

Financial Accounting Standards Board Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value under U.S. GAAP, and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The pronouncement describes a fair value hierarchy based on three levels of input, of which the first two are considered observable and the last unobservable.

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These levels are as follows:

Level 1 - Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 - Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 - Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect one's estimates of assumptions that a market participant would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models, and similar techniques.

The following is a description of the valuation methodologies used for Philabundance's investments measured at fair value. There have been no changes in the methodologies used for periods presented in these consolidated financial statements.

Money Market Funds, Preferred Stock, Mutual Funds, and Exchange-Traded Funds: Shares of money market funds preferred stock, mutual funds, and exchange-traded funds are valued at quoted market prices at Philabundance's fiscal year end.

Beneficial Interest: Beneficial interests in charitable trusts are determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of trust investments as reported by the trustees.

Measure of Operations

The consolidated statement of activities and changes in net assets reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities reflect all transactions attributable to Philabundance's ongoing programs. Non-operating activities reflect transactions considered to be nonrecurring in nature or not directly related to Philabundance's mission including investment income, gain on sale of property and equipment, and change in beneficial interests.

Income Taxes

Philabundance is a not-for-profit organization exempt from federal income taxes pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code ("IRC") and from Pennsylvania state income taxes under applicable state law. Accordingly, no provision for federal or state income taxes has been recorded in the consolidated statement of activities and changes in net assets.

F&S Chester, RE, Inc. is a taxable Pennsylvania corporation.

Management has determined that there are no uncertain tax positions for Philabundance as of June 30, 2024 and 2023. Philabundance has no income tax related penalties or interest for the periods reported in these consolidated financial statements.

Concentration of Credit Risk

Cash, cash equivalents, and investments and certain receivables are exposed to various risks, such as interest rate, market, and credit risks. To minimize such risks, Philabundance has a diversified portfolio managed by independent investment managers in a variety of asset classes. Philabundance regularly evaluates its investments including performance thereof. Due to inherent risks and potential volatility in investment valuations, the amounts reported in the accompanying consolidated financial statements can vary substantially from year to year.

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Philabundance maintains various bank accounts, some of which have significant cash balances that throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access of such funds could have a significant adverse impact on Philabundance's financial condition, changes in net assets, and cash flows.

Leases

Philabundance accounts for leases in accordance with ASC 842. In accordance with ASC 842, Philabundance determines if an arrangement is or contains a lease at contract inception and recognizes an asset and a lease liability at the lease commencement date. Contract terms determine if a lease will be accounted for as an operating or finance lease. Based on the lease contracts, nonlease components are separated and recorded as other liabilities. As a result, the nonlease components are not included in the lease calculation.

For operating leases, the lease liability is measured at the present value of the unpaid lease payments. The right-of-use ("ROU") asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense is recognized on a straight-line basis over the lease term.

For finance leases, the lease liability is initially measured in the same manner as operating leases and is subsequently measured at amortized cost using the effective-interest method. The asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or lease term unless the lease transfers ownership to Philabundance. Amortization of the asset and interest expense of the lease liability is recognized and presented separately.

Philabundance has elected not to recognize ROU assets and lease liabilities for short-term leases that have a term of 12 months or less and recognizes the lease payments associated with its short-term leases as an expense on a straight-line basis over the lease term.

Several key estimates and judgments are used to determine the ROU assets and operating lease liabilities, including the discount rate used to discount the unpaid lease payments to present value, lease term, and lease payments. ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. The incremental borrowing rate is the rate of interest Philabundance would have to pay to borrow an amount equal to the lease payments under similar terms and conditions.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. There were significant estimates recorded in these consolidated financial statements for the value of donated food and commodity inventories and revenues for donations received, the associated value of food and supplies that were distributed, the useful lives of fixed assets, fair value of investments and the allocation of expenses among functional categories.

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Functional Allocation of Expenses

The cost of providing the various programs, which include food distribution and other ancillary programs of Philabundance, has been shown in the consolidated statement of functional expenses. The smaller related programs have not been shown separately because none of the programs are individually significant in relation to the food distribution program. Certain costs have been allocated between program and supporting services on an equitable basis as follows:

<u>Expense</u>	<u>Method of Allocation</u>
Personnel	Time and effort
Fringe benefits	Time and effort
Occupancy	Square footage
Telephone	Square footage
Insurance	Square footage
Repairs and maintenance	Square footage
Depreciation	Square footage

3. NEW ACCOUNTING PRONOUNCEMENTS ADOPTED

In June 2016, the Financial Accounting Standards Board (“FASB”) issued an Accounting Standards Update (“ASU”) amending the accounting for credit losses on financial instruments. This methodology replaced the incurred loss methodology with the expected credit losses using a wide range of reasonable and supportable information. The amendment affects loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposure and other financial instruments recorded at amortized cost.

Philabundance adopted the new standard effective July 1, 2023, using the modified retrospective approach. Comparative prior periods were not adjusted upon adoption. Upon adoption, Philabundance did not recognize a cumulative-effect adjustment to the opening balance of net assets as the impact was immaterial to the consolidated financial statements.

4. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of June 30, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows:

	<u>2024</u>	<u>2023</u>
Financial assets		
Cash and cash equivalents	\$ 2,065,592	\$ 637,888
Accounts receivable, net	2,223,753	1,524,451
Current portion of contributions receivable	185,500	330,500
Investments	<u>12,241,305</u>	<u>14,076,336</u>
	16,716,150	16,569,175
Less: Financial assets unavailable for general expenditures		
Net assets with donor restrictions	<u>(2,981,505)</u>	<u>(2,545,295)</u>
Total financial assets available within one year	<u>\$ 13,734,645</u>	<u>\$ 14,023,880</u>

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Philabundance looks to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in investments for long-term growth. Significant contributions and government funding are received annually to fund annual operating expenses.

5. ENDOWMENT AND INVESTMENTS

Investments consist of the following at June 30, 2024:

	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 9,069,200	\$ 9,069,200
Certificates of deposit	8,971	8,833
Exchange-traded funds	93,612	122,637
Equity mutual funds	1,074,432	2,652,342
Fixed income mutual funds	429,256	387,293
Preferred stock	1,000	1,000
	<u>\$ 10,676,471</u>	<u>\$ 12,241,305</u>

Investments consist of the following at June 30, 2023:

	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 11,367,836	\$ 11,367,836
Certificates of deposit	8,971	8,686
Exchange-traded funds	92,103	103,088
Equity mutual funds	1,068,504	2,158,536
Fixed income mutual funds	477,256	437,190
Preferred stock	1,000	1,000
	<u>\$ 13,015,670</u>	<u>\$ 14,076,336</u>

Investment income consists of the following for the year ended June 30, 2024:

Interest and dividend income	\$ 537,086
Realized gain on sale of investments	2,355
Unrealized gain on investments	477,266
	<u>\$ 1,016,707</u>

6. ENDOWMENT

Philabundance's endowment consists of a fund restricted in perpetuity to continue the purpose of the Organization. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Philabundance considers the following factors when making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund, the purposes of Philabundance and the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income, and the appreciation of investments and the investment policies of Philabundance.

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In addition, Philabundance is guided in its total return policy by Commonwealth of Pennsylvania Act 141, which dictates the amount of allowable distributions to be made from a restricted endowment. The act states that the annual distribution cannot exceed 7% of the principal (value of the principal is the fair market value of the endowment assets averaged over a period of three or more preceding years).

Philabundance's endowment funds at June 30, 2024 consist of a general endowment of \$1,087,418, Giant endowment of \$1,006,509, and PCK endowment of \$323,959. Philabundance's endowment funds at June 30, 2023 consist of a general endowment of \$1,097,210, Giant endowment of \$727,541, and PCK endowment of \$245,540. Income from the Giant and PCK endowments is restricted for specific purposes and is therefore not available for general expenditure.

Endowment activity for the year ended June 30, 2024 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
July 1, 2023	\$ 712,570	\$ 1,357,722	\$ 2,070,292
Investment income	23,488	20,449	43,937
Net realized and unrealized gain	242,072	209,536	451,608
Distribution/releases	<u>(76,447)</u>	<u>(71,502)</u>	<u>(147,949)</u>
June 30, 2024	<u>\$ 901,683</u>	<u>\$ 1,516,205</u>	<u>\$ 2,417,888</u>

Endowment activity for the year ended June 30, 2023 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
July 1, 2022	\$ 626,304	\$ 1,290,747	\$ 1,917,051
Investment income	20,974	37,220	58,194
Net realized and unrealized loss	177,758	136,907	314,665
Distribution/Releases	<u>(112,467)</u>	<u>(107,152)</u>	<u>(219,619)</u>
June 30, 2023	<u>\$ 712,569</u>	<u>\$ 1,357,722</u>	<u>\$ 2,070,291</u>

7. CONTRIBUTIONS RECEIVABLE

Contributions receivable are due as follows for the years ending June 30:

	<u>2024</u>	<u>2023</u>
2025	\$ 185,500	\$ 330,500
2026	<u>236,000</u>	<u>312,500</u>
	421,500	643,000
Less: Discount to net present value	<u>(52,693)</u>	<u>(52,693)</u>
	<u>\$ 368,807</u>	<u>\$ 590,307</u>

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8. FAIR VALUE

The following table summarizes the assets that have been accounted for at fair value on a recurring basis as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 9,069,200	\$ -	\$ -	\$ 9,069,200
Certificates of deposit	8,833	-	-	8,833
Exchange-traded funds	122,637	-	-	122,637
Marketable securities				
Equity mutual funds	2,652,342	-	-	2,652,342
Fixed income mutual funds	387,293	-	-	387,293
Preferred stock	1,000	-	-	1,000
Total investments	12,241,305	-	-	12,241,305
Beneficial interest	-	-	18,625	18,625
	<u>\$ 12,241,305</u>	<u>\$ -</u>	<u>\$ 18,625</u>	<u>\$ 12,259,930</u>

The following table summarizes the assets that have been accounted for at fair value on a recurring basis as of June 30, 2023:

	2023			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 11,367,836	\$ -	\$ -	\$ 11,367,836
Certificates of deposit	8,686	-	-	8,686
Exchange-traded funds	103,088	-	-	103,088
Marketable securities				
Equity mutual funds	2,158,536	-	-	2,158,536
Fixed income mutual funds	437,190	-	-	437,190
Preferred stock	1,000	-	-	1,000
	14,076,336	-	-	14,076,336
Beneficial interest	-	-	17,297	17,297
	<u>\$ 14,076,336</u>	<u>\$ -</u>	<u>\$ 17,297</u>	<u>\$ 14,093,633</u>

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9. PROPERTY AND EQUIPMENT

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

	<u>2024</u>	<u>2023</u>
Land	\$ 1,222,831	\$ 1,222,831
Building and improvements	19,672,173	17,047,101
Furniture and fixtures	2,400,029	2,219,599
Equipment	1,437,334	1,350,046
Computer hardware and software	1,235,595	1,285,635
Vehicles	1,822,982	1,731,064
Construction in progress	-	2,489,989
	<u>27,790,944</u>	<u>27,346,265</u>
Less: Accumulated depreciation	<u>(9,615,667)</u>	<u>(7,337,013)</u>
	<u>\$ 18,175,277</u>	<u>\$ 20,009,252</u>

Depreciation expense totaled \$2,358,719 and \$1,582,719 for the years ended June 30, 2024 and 2023, respectively.

10. BENEFICIAL INTEREST

During the year ended September 30, 2003, Philabundance transferred \$10,000 of unrestricted funds to The Philadelphia Foundation (a community foundation). Under the terms of the organizational endowment fund agreement, the community foundation will provide an annual distribution to Philabundance as long as Philabundance maintains its present 501(c)(3) status. Accordingly, the projected income is classified as part of net assets without donor restrictions at June 30, 2024 and 2023. Given the nature of the promises, as well as the inability to compute the present value of the income stream, the beneficial interest has been recorded on the consolidated statement of financial position at the market value of Philabundance's proportionate share. The value of the beneficial interest was \$18,625 and \$17,297, as of June 30, 2024 and 2023, respectively. The activity in the beneficial interest is recorded in the consolidated statement of activities and changes in net assets as a change in net assets without donor restrictions for the year ended June 30, 2024 and 2023.

11. LONG-TERM DEBT

Self-Amortizing Long-Term Debt - PCK 2.0

On April 23, 2019, Philabundance entered into an agreement with Philadelphia Redevelopment Authority to borrow a sum not to exceed \$4,000,000 for the new construction of a building as well as \$679,999 for the acquisition of land located at 2224-38 N. 10th Street, Philadelphia, Pennsylvania. The construction loan consists of \$2,500,000 funded through Community Development Block Grant funds from the U.S. government and \$1,500,000 funded under the Choice Neighborhoods Initiative Implementation grants.

The land and building are to be used to provide culinary arts job training programs to students at least 51% of whom are low- to moderate-income persons. The term of the construction loan will be for a 25-year period commencing as of the date of the agreement. The loan bears no interest. Beginning on the 21st anniversary of the agreement until the end of the term of the loan, the principal balance of the loan shall be reduced without payment by an amount equal to 20% of the original principal amount of the loan, provided Philabundance complies with the terms and conditions of the agreement.

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The term of the land acquisition loan will be for a 10-year period commencing on the date of completion of the construction of the project. Beginning on the fifth anniversary of the construction completion and for each successive annual anniversary until the end of the term of the loan, the principal balance of the loan shall be reduced without payment by an amount equal to \$113,333, provided Philabundance complies with the terms and conditions of the agreement. It is Philabundance's intention to comply with the terms and conditions of the long-term debt agreements; therefore, there are no principal amounts due in the next five years.

The future scheduled maturities of long-term debt are as follows:

2025	\$	113,333
2026		113,333
2027		113,333
2028		113,333
Thereafter		<u>4,226,667</u>
	\$	<u><u>4,679,999</u></u>

12. LEASES

Philabundance leases a warehouse space, vehicles, and office equipment under operating leases, which have a noncancelable term exceeding one year. The operating leases expire at various dates through 2027 and provide for renewal options ranging from 3 to 5 years.

The renewal options have not been included in the lease liability calculation, since it is not reasonably certain that they will be exercised, based on general uncertainties that come with the passage of time.

Because the rates implicit in the leases are generally not available, Philabundance utilizes risk-free interest rates in estimating the net present value of future cash flows under the various lease agreements.

The consolidated statement of financial position includes operating lease right-of-use assets and liabilities at June 30, as follows:

	<u>2024</u>	<u>2023</u>
Operating lease right-of-use assets, gross	\$ 6,936,983	\$ 6,936,983
Less: Accumulated amortization of right-of-use assets	<u>(3,954,947)</u>	<u>(2,792,548)</u>
Total operating lease right-of-use assets, net	<u>\$ 2,982,036</u>	<u>\$ 4,144,435</u>
Current portion of operating lease liabilities	\$ 1,210,561	\$ 1,199,123
Long-term operating lease liabilities	<u>1,971,201</u>	<u>3,181,763</u>
Total operating lease liabilities	<u>\$ 3,181,762</u>	<u>\$ 4,380,886</u>

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The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of June 30:

2025	\$ 1,234,462
2026	1,244,529
2027	<u>740,550</u>
	3,219,541
Less: Imputed interest	<u>(37,779)</u>
Lease liabilities - operating at June 30, 2024	<u>\$ 3,181,762</u>

Total rent expense not only includes expenses associated with the long-term operating leases disclosed above but also short-term and variable payment leases that have not been recorded as ROU assets and lease liabilities.

Cash paid in the measurement of operating leases totaled \$1,199,124 and \$1,306,292 for the years ended June 30, 2024 and 2023.

The following table summarizes the composition of lease expense for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Operating lease expense	\$ 1,266,015	\$ 1,301,546
Short-term lease expense	<u>248,684</u>	<u>229,937</u>
Total lease expense	<u>\$ 1,514,699</u>	<u>\$ 1,531,483</u>

The following table summarizes certain other information related to Philabundance's leases for the year ended June 30, 2024:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities	\$ 1,199,124	\$ 1,306,292
Operating cash flows from operating leases	\$ 1,199,124	\$ 1,306,292

The following table summarizes the weighted-average remaining lease terms and weighted-average discount rate related to the Philabundance's operating leases recorded on the consolidated statement of financial position as of June 30:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term (years):		
Operating leases	1.85	3.53
Weighted-average discount rate:		
Operating leases	0.66%	0.90%

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13. RETIREMENT PLANS

Philabundance has a qualified retirement plan under IRC Section 403(b) covering eligible employees. Philabundance provides a 50% employer match on voluntary employee contributions for up to 4% of the employee's salary. In addition, Philabundance contributes 1% of each employee's salary amount. These contributions are made after each payroll. Total contribution to the plan was \$176,568 and \$221,675 for the years ended June 30, 2024 and 2023.

14. SELF INSURANCE

Philabundance is self-insured for medical claims. At June 30, 2024, the total number of individuals covered by the self-insurance plan was 135. The specific deductible for the plan is \$65,000 per person with no cap on the number of individuals for which the stop loss reimbursement would be covered. The point aggregate stop loss coverage would reimburse on an aggregate level up to the maximum aggregate benefit of \$1,000,000. Self-insurance claims filed and claims incurred but not reported are accrued based on management's estimates of the ultimate cost for self-insurance claims based upon information provided by the insurance company and historical data available. The accrual for self-insurance for medical claims is included in the accounts payable and accrued expenses line within the statement of net position – regulatory basis. The accrual for medical claims amounted to approximately \$128,000 as of June 30, 2024. Although management believes it has the ability to reasonably estimate losses related to claims, it is possible that actual results could differ from recorded self-insurance liabilities.

15. NET ASSETS

Components of consolidated net assets with donor restrictions at June 30, are as follows:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specific purpose		
Building	\$ 240,242	\$ 210,657
Children and seniors	417,683	-
Disaster relief	54,722	54,722
Emergency relief	25,100	25,100
Other programs	<u>535,114</u>	<u>349,672</u>
	1,272,861	640,151
Subject to passage of time		
For periods after June 30	421,500	643,000
Investments in perpetuity		
Children	600,000	600,000
Philabundance Community Kitchen	252,500	252,500
General operations	<u>434,644</u>	<u>409,644</u>
	<u>\$ 2,981,505</u>	<u>\$ 2,545,295</u>
Net assets released from restrictions:		
Building	\$ 45,416	\$ 30,000
Children & Seniors	818,610	438,351
Other programs	<u>2,548,693</u>	<u>3,477,426</u>
	<u>\$ 3,412,719</u>	<u>\$ 3,945,777</u>

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16. IN-KIND DONATIONS

Entities receiving contributions are to recognize them at the estimated fair value of the assets received. The estimated fair value of donated food is based on the average wholesale value per pound of donated product type as determined by an independent annual survey commissioned by Feeding America, a national hunger relief, public policy, and advocacy organization.

<u>Nonfinancial Contribution</u>	<u>Valuation</u>	<u>2024</u>	<u>2023</u>
Food	U.S. wholesale prices, similar products, or government valuation.	\$ 74,609,053	\$ 43,947,484
Gift cards and store credit	Based on value of gift cards and store credits received.	298,647	447,098
Media	Based on value provided with third party estimated billing rates.	-	192,000
Equipment and supplies	Based on estimated value for similar products.	88,189	26,226
Other	Based on estimated purchase value of items received.	114,694	10,600
		<u>\$ 75,110,583</u>	<u>\$ 44,623,408</u>

17. SUBSEQUENT EVENTS

Philabundance has evaluated subsequent events occurring after the consolidated statement of financial position date through December 9, 2024, which is the date the consolidated financial statements were available to be issued. Based upon this evaluation, Philabundance has determined that no subsequent events have occurred, which require disclosure in or adjustment to the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Philabundance
Schedule of Expenditures of Federal Awards and City Awards
Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Grant Period	Passed Through to Subrecipients	Total Federal and City Expenditures
<u>U.S. Department of Agriculture</u>					
Food Distribution Cluster					
Pass-through the Pennsylvania Department of Agriculture					
The Emergency Food Assistance Program - Bonus (Commodity Funds)	10.569	N/A	10/1/2022 - 9/30/2024	\$ -	\$ 135,414
The Emergency Food Assistance Program - Entitlement (Commodity Funds)	10.569	N/A	10/1/2022 - 9/30/2024	-	302,565
				<u>-</u>	<u>437,979</u>
Pass-through the Hunger-Free PA					
Commodity Supplemental Food Program (Food Commodities)	10.565	N/A	10/1/2021 - 9/30/2023	-	17,443
Commodity Supplemental Food Program (Administrative Cost)	10.565	N/A	10/1/2022 - 9/30/2024	-	244,298
				<u>-</u>	<u>261,741</u>
Pass-through City of Philadelphia, Office of Supportive Housing					
Child and Adult Care Food Program	10.569	2020326-04	7/1/23 - 6/30/24	-	245,000
Pass-through City of Philadelphia, Office of Homeless Services					
State Food Purchase Program	10.569	2020326-03	7/1/23 - 6/30/24	-	626,393
Total Food Distribution Cluster				<u>-</u>	<u>1,571,113</u>
Passed through the Pennsylvania Department of Human Services					
Supplemental Nutrition Assistance Program (SNAP)	10.561	4100082141-3	10/1/2018 - 9/30/2024	-	167,507
Supplemental Nutrition Assistance Program (SNAP)	10.561	4100082141-3	10/1/2021 - 9/30/2024	-	29,167
				<u>-</u>	<u>196,674</u>
Pass-through the Pennsylvania Department of Agriculture					
Local Food Purchase Assistance (LFPA)	10.182	N/A	7/1/2023 - 6/30/2024	-	1,541,436
Pass-through City of Philadelphia, Office of Supportive Housing					
Child and Adult Care Food Program	10.558	2220091-01	7/1/23 - 6/30/24	-	505,128
Total U.S. Department of Agriculture				<u>-</u>	<u>3,814,351</u>
<u>U.S. Department of Housing and Urban Development</u>					
Choice Neighborhoods Initiative Implementation Grant Loan	14.892	N/A	4/23/2019 - 3/23/2044	-	1,500,000
Community Development Block Grant Loan - PCK 2.0 - Additional Funding	14.218	N/A	4/23/2019 - 3/23/2044	-	2,500,000
Total U.S. Department of Housing and Urban Development				<u>-</u>	<u>4,000,000</u>
Total Expenditures of Federal Awards				<u>\$ -</u>	<u>\$ 7,814,351</u>
<u>State Awards</u>					
Pass-through the Pennsylvania Department of Agriculture					
PA Agriculture Surplus System (PASS) Contract	N/A	N/A	8/15/2022 - 8/14/2023	\$ -	\$ 626,393
Total Expenditures of State Awards				<u>\$ -</u>	<u>\$ 626,393</u>
<u>City Awards</u>					
Pass-through City of Philadelphia, Office of Homeless Services					
Emergency and Temporary Housing	N/A	2320206-01	7/1/23 - 6/30/24	\$ -	\$ 184,359
Pass-through City of Philadelphia, Department of Behavioral Health and Intellectual Disability Services					
Pass-through PMHCC, Inc.	N/A	N/A	8/15/2022 - 8/14/2024	-	74,790
Total Expenditures of City Awards				<u>\$ -</u>	<u>\$ 259,149</u>
Total Expenditures of Federal, State, and City Awards				<u>\$ -</u>	<u>\$ 8,073,500</u>

See Independent Auditor's Report.
See Notes to Schedule of Expenditures of Federal Awards and City Awards.

Philabundance
Notes to Schedule of Expenditures of Federal Awards and City Awards
June 30, 2024

1. GENERAL INFORMATION

The accompanying schedule of expenditures of federal awards and city awards presents the activities in all the federal and city awards programs of Philabundance. The information in this schedule of federal awards and city awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards and City of Philadelphia Subrecipient Audit Guide*. All financial assistance received directly from federal and city agencies, as well as financial assistance passed through other governmental agencies or nonprofit organizations, is included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards and city awards is presented using the accrual basis of accounting. The amounts reported in the schedule as expenditures may differ from certain financial reports submitted to federal and city funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

3. RELATIONSHIP TO BASIC CONSOLIDATED FINANCIAL STATEMENTS

Federal and city awards are reported on the consolidated statement of functional expenses as program expenses. In certain programs, the expenditures reported in the basic consolidated financial statements may differ from the expenditures reported in the schedule of expenditures of federal awards and city awards due to program expenditures exceeding grant or contract budget limitations or agency matching or in-kind contributions which are not included as federal awards and city financial assistance. Donated commodities received that have not been distributed are shown as inventory in the consolidated statement of financial position. Donated commodities that have been distributed are shown in the consolidated statement of functional expenses as donated food and nonfood. Distributed food is released from inventory at the fair value on the date of distribution. Due to the generally short periods between receipt of food donations and their subsequent distributions, the fair value on the date of receipt generally approximates the fair value on the date of distribution.

4. FEDERAL DONATED COMMODITIES

The value of nonmonetary assistance in the form of donated commodities is reported in the schedule of expenditures of federal awards and city awards when distributed based on the value of the commodities when received. This value is generally fair value on the date of receipt but may be an assessed value if provided by the Department of Agriculture. At June 30, 2024, Philabundance had federal food commodities totaling \$1,463,704 recorded in inventory that are available for distribution during the subsequent fiscal year.

5. INDIRECT COST RATE

The 10% de minimis rate was used in two of the federal awards.

See Independent Auditor's Report.

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Philabundance:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the consolidated financial statements of Philabundance, which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to consolidated financial statements and have issued our report thereon dated December 9, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Philabundance'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 opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Philabundance's internal control. Accordingly, we do not express an opinion on the effectiveness of Philabundance'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 Philabundance'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.

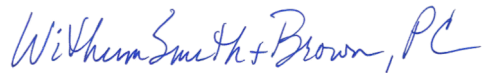
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Philabundance'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 Philabundance's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Philabundance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



December 9, 2024

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND CITY PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Philabundance:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Philabundance's compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of Philabundance's major federal programs for the year ended June 30, 2024. Philabundance'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, Philabundance complied, in all material respects, with the 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 Philabundance 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 Philabundance'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 Philabundance's federal programs.

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 Philabundance'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 Philabundance'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 Philabundance'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 Philabundance'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 Philabundance'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.

WithumSmith+Brown, PC

December 9, 2024

**Philabundance
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	

<u>Assistance Listing Number</u>	<u>Federal Program</u>	
14.892	Choice Neighborhoods Initiative Implementation Grant Loan	
14.218	Community Development Block Grant Loan - PCK 2.0	
10.182	Pandemic Relief Activities: Local Food Purchase Assistance Cooperative Agreement	
Dollar threshold used to distinguish between Type A and Type B programs:		
Federal programs		\$750,000
Auditee qualified as a low-risk auditee?		Yes

**Philabundance
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Section 2 – Consolidated Financial Statement Findings

None.

Section 3 – Major Federal Award Findings and Questioned Costs

None.

Section 4 – Prior Year Federal Awards Findings and Questioned Costs

None.

SUPPLEMENTARY INFORMATION

Philabundance
City of Philadelphia, Office of Supporting Housing
Contract Number 2220091-02/03
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues
Year Ended June 30, 2024

BUDGET CATEGORIES	1 AGENCY TOTAL CONTRACT EXPENDITURES	2 ADJUSTMENTS	3 AMOUNT PER AUDIT
PERSONNEL SERVICES			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Personnel Services	\$ -	\$ -	\$ -
OPERATING EXPENSES			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Operating Expenses	\$ -	\$ -	\$ -
FIXED ASSETS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Fixed Assets	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Supporting Housing
Contract Number 2220091-02/03
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended June 30, 2024

BUDGET CATEGORIES	AGENCY TOTAL CONTRACT EXPENDITURES	ADJUSTMENTS	AMOUNT PER AUDIT
ADMINISTRATIVE COSTS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Administrative Costs	\$ -	\$ -	\$ -
PARTICIPANTS			
Food and related fees	\$ 750,128	\$ -	\$ 750,128
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Participants	\$ 750,128	\$ -	\$ 750,128
OSH CONTRACT BUDGET/EXPENDITURES	\$ 750,128	\$ -	\$ 750,128
Client fees	\$ -	\$ -	\$ -
City of Philadelphia	750,128	-	750,128
Total funding	\$ 750,128	\$ -	\$ 750,128
Excess of expenditures over funding sources	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Supporting Housing
Contract Number 2220091-02/03
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended June 30, 2024

Contract Categories	Cumulative Expenses					Other Adjustments					Remaining Balance				
	Supportive Services	Admin Costs	Leasing	ASH Match	Total	Supportive Services	Admin Costs	Leasing	ASH Match	Total	Supportive Services	Admin Costs	Leasing	ASH Match	Total
Direct personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	750,128	-	-	-	750,128	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating subtotal	750,128	-	-	-	750,128	-	-	-	-	-	-	-	-	-	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	<u>\$ 750,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 20-20326-03
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues
Year Ended June 30, 2024

BUDGET CATEGORIES	1 AGENCY TOTAL CONTRACT EXPENDITURES	2 ADJUSTMENTS	3 AMOUNT PER AUDIT
PERSONNEL SERVICES			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Personnel Services	\$ -	\$ -	\$ -
OPERATING EXPENSES			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Operating Expenses	\$ -	\$ -	\$ -
FIXED ASSETS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Fixed Assets	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 20-20326-03
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended June 30, 2024

BUDGET CATEGORIES	AGENCY TOTAL CONTRACT EXPENDITURES	ADJUSTMENTS	AMOUNT PER AUDIT
ADMINISTRATIVE COSTS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Administrative Costs	\$ -	\$ -	\$ -
PARTICIPANTS			
Food and related fees	\$ 626,393	\$ -	\$ 626,393
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Participants	\$ 626,393	\$ -	\$ 626,393
OSH CONTRACT BUDGET/EXPENDITURES			
	\$ 626,393	\$ -	\$ 626,393
Client fees	\$ -	\$ -	\$ -
City of Philadelphia	626,393	-	626,393
Total funding	\$ 626,393	\$ -	\$ 626,393
Excess of expenditures over funding sources	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 20-20326-03
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended June 30, 2024

Contract Categories	Cumulative Expenses					Other Adjustments					Remaining Balance				
	Supportive Services	Admin Costs	Leasing	ASH Match	Total	Supportive Services	Admin Costs	Leasing	ASH Match	Total	Supportive Services	Admin Costs	Leasing	ASH Match	Total
Direct personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	626,393	-	-	-	626,393	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating subtotal	626,393	-	-	-	626,393	-	-	-	-	-	-	-	-	-	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	<u>\$ 626,393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 626,393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 23-20206-01
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues
Year Ended June 30, 2024

BUDGET CATEGORIES	1 AGENCY TOTAL CONTRACT EXPENDITURES	2 ADJUSTMENTS	3 AMOUNT PER AUDIT
PERSONNEL SERVICES			
Salaries	\$ 28,236	\$ -	\$ 28,236
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Personnel Services	\$ 28,236	\$ -	\$ 28,236
OPERATING EXPENSES			
Travel and Delivery	\$ 3,525	\$ -	\$ 3,525
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Operating Expenses	\$ 3,525	\$ -	\$ 3,525
FIXED ASSETS			
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Fixed Assets	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 23-20206-01
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended June 30, 2024

BUDGET CATEGORIES	AGENCY TOTAL CONTRACT EXPENDITURES	ADJUSTMENTS	AMOUNT PER AUDIT
ADMINISTRATIVE COSTS			
Other	\$ 17,397	\$ -	\$ 17,397
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Administrative Costs	\$ 17,397	\$ -	\$ 17,397
PARTICIPANTS			
Food and food supplies	\$ 84,218	\$ -	\$ 84,218
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
SUB-TOTAL: Participants	\$ 84,218	\$ -	\$ 84,218
OSH CONTRACT BUDGET/EXPENDITURES	\$ 133,376	\$ -	\$ 133,376
Client fees	\$ -	\$ -	\$ -
City of Philadelphia	133,376	-	133,376
Total funding	\$ 133,376	\$ -	\$ 133,376
Excess of expenditures over funding sources	\$ -	\$ -	\$ -

Philabundance
City of Philadelphia, Office of Homeless Services
Contract Number 23-20206-01
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues (Continued)
Year Ended June 30, 2024

Contract Categories	Cumulative Expenses					Other Adjustments					Remaining Balance				
	Supportive Services	Admin Costs	Leasing	ASH Match	Total	Supportive Services	Admin Costs	Leasing	ASH Match	Total	Supportive Services	Admin Costs	Leasing	ASH Match	Total
Direct personnel	\$ 28,236	\$ -	\$ -	\$ -	\$ 28,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	3,525	-	-	-	3,525	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	84,218	-	-	-	84,218	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program cost	-	<u>17,397</u>	-	-	<u>17,397</u>	-	-	-	-	-	-	-	-	-	-
Operating subtotal	115,979	17,397	-	-	133,376	-	-	-	-	-	-	-	-	-	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	<u>\$ 115,979</u>	<u>\$ 17,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Philabundance
City of Philadelphia
Department of Behavioral Health and Intellectual Disability Services
Reconciliation of Agency Reported Expenditures/Revenues
to Audited Expenditures/Revenues
Year Ended June 30, 2024**

	Amount Reported on Fiscal <u>Report</u>	(A) Other <u>Adjustments</u>	(B) Amount <u>per Audit</u>
Expenditures by cost center:			
Total personnel services	\$ -	\$ -	\$ -
Total operating expenses	74,790	-	74,790
Total fixed assets	-	-	-
Total expenditures by cost center	<u>74,790</u>	<u>-</u>	<u>74,790</u>
Funding sources:			
Client fees	-	-	-
DBHIDS, Office of Addiction Services	-	-	-
Community Behavioral Health	-	-	-
Behavioral Health Services Initiatives	-	-	-
Other Revenue	<u>74,790</u>	<u>-</u>	<u>74,790</u>
Total funding	<u>74,790</u>	<u>-</u>	<u>74,790</u>
Excess of expenditures over funding sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>