

**OUR DAILY BREAD FOOD PANTRY, INC.**  
**FINANCIAL STATEMENTS TOGETHER WITH**  
**REPORT OF INDEPENDENT AUDITOR**  
**Year ended December 31, 2020**

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**TUSCAN**  
& Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Our Daily Bread Food Pantry, Inc.  
1450 Winterberry Drive  
Marco Island, FL 34145

**Report on the Financial Statements**

We have audited the accompanying financial statements of Our Daily Bread Food Pantry, Inc. (a Florida not-for-profit corporation), which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

INTEGRITY ..... SERVICE ..... EXPERIENCE

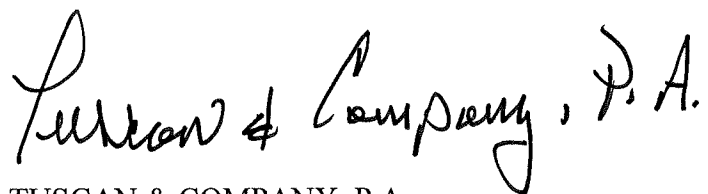
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expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Our Daily Bread Food Pantry, Inc. as of December 31, 2020, 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.

A handwritten signature in black ink that reads "TUSCAN & COMPANY, P.A." in a cursive, slightly slanted script.

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
April 12, 2021

**OUR DAILY BREAD FOOD PANTRY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2020**

<b>ASSETS</b>	<u>Amount</u>
<b>CURRENT ASSETS</b>	
Cash and cash equivalents (includes restricted cash of \$335,000)	\$ 1,116,604
Investments (CD)	1,000
Other receivables	83,637
Food bank inventory	60,639
Prepaid expenses	<u>79,155</u>
TOTAL CURRENT ASSETS	1,341,035
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>104,227</u>
TOTAL ASSETS	<u>\$ 1,445,262</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 10,801
Accrued expenses	<u>34,084</u>
TOTAL CURRENT LIABILITIES	44,885
<b>COMMITMENTS AND CONTINGENCIES</b>	<u>-</u>
TOTAL LIABILITIES	<u>44,885</u>
<b>NET ASSETS</b>	
Without donor restrictions:	
Unrestricted	1,065,377
Unrestricted, designated	<u>335,000</u>
	1,400,377
With donor restrictions:	
Temporarily restricted	-
Permanently restricted	<u>-</u>
TOTAL NET ASSETS	<u>1,400,377</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,445,262</u>

The accompanying notes are an integral part of this statement.

**OUR DAILY BREAD FOOD PANTRY, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2020**

	Without Donor	With Donor Restrictions		
	<u>Restrictions</u>	Temporarily	Permanently	
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Restricted</u>	<u>Total</u>
<b>CHANGES IN NET ASSETS</b>				
<b>PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</b>				
Special events and fundraising	\$ 267,692	\$ -	\$ -	\$ 267,692
Less: direct costs	<u>(3,523)</u>	<u>-</u>	<u>-</u>	<u>(3,523)</u>
Net proceeds from special events and fundraising	264,169	-	-	264,169
Contributions	911,992	-	-	911,992
Grants	-	708,109	-	708,109
In-kind donations - food	647,867	-	-	647,867
Investment and other income	<u>14,584</u>	<u>-</u>	<u>-</u>	<u>14,584</u>
TOTAL PUBLIC SUPPORT AND REVENUES	1,838,612	708,109	-	2,546,721
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>708,109</u>	<u>(708,109)</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS	<u>2,546,721</u>	<u>-</u>	<u>-</u>	<u>2,546,721</u>
<b>EXPENSES</b>				
Program services	1,246,527	-	-	1,246,527
Supporting services	17,437	-	-	17,437
Fundraising	<u>21,859</u>	<u>-</u>	<u>-</u>	<u>21,859</u>
TOTAL EXPENSES	<u>1,285,823</u>	<u>-</u>	<u>-</u>	<u>1,285,823</u>
INCREASE (DECREASE) IN NET ASSETS	1,260,898	-	-	1,260,898
NET ASSETS, BEGINNING OF YEAR	<u>139,479</u>	<u>-</u>	<u>-</u>	<u>139,479</u>
NET ASSETS, END OF YEAR	<u>\$ 1,400,377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,400,377</u>

The accompanying notes are an integral part of this statement.

**OUR DAILY BREAD FOOD PANTRY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2020**

FUNCTIONAL EXPENSES	SUPPORTING SERVICES				Total Expenses
	Program Services	Admin	Fund Raising	Total Supporting Services	
Compensation and related expenses					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll taxes	-	-	-	-	-
	-	-	-	-	-
Advertising	-	-	10,106	10,106	10,106
Benevolence	2,815	-	-	-	2,815
Depreciation	7,085	787	-	787	7,872
Donated Food	615,552	-	-	-	615,552
Equipment & software	27,907	653	6,060	6,713	34,620
Fees	-	-	1,482	1,482	1,482
Food	534,023	-	-	-	534,023
Insurance	5,078	120	-	120	5,198
Internet	2,111	-	-	-	2,111
Legal	-	-	-	-	-
Maintenance (Building/Vehicle)	12,119	3,531	-	3,531	15,650
Miscellaneous	-	1,394	-	1,394	1,394
Network for Good Fees	-	-	4,211	4,211	4,211
Office supplies	11,020	7,209	-	7,209	18,229
Rent	28,817	3,202	-	3,202	32,019
Telephone	-	341	-	341	341
Utilities	-	200	-	200	200
<b>TOTAL EXPENSES</b>	<b>\$ 1,246,527</b>	<b>\$ 17,437</b>	<b>\$ 21,859</b>	<b>\$ 39,296</b>	<b>\$ 1,285,823</b>

The accompanying notes are an integral part of this statement.

**OUR DAILY BREAD FOOD PANTRY, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2020**

	<u>Amount</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from grants, donors, and other operating activities	\$ 1,805,333
Cash paid to suppliers	(724,424)
Interest/investment income received	<u>14,584</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,095,493</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of certificates of deposit and investments	(1,000)
Cash from certificates of deposit redemptions	-
Purchases of property and equipment	<u>(72,646)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(73,646)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from debt issuance	<u>-</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,021,847
CASH AND CASH EQUIVALENTS - BEGINNING	<u>94,757</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>\$ 1,116,604</u></u>

The accompanying notes are an integral part of this statement.



**RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS  
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES**

	<u>Amount</u>
Increase (Decrease) in Net Assets	\$ 1,260,898
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used In) Operating Activities:	
Depreciation	7,872
(Increase) decrease in investment (CD)	-
(Increase) decrease in other receivables	(78,937)
(Increase) decrease in food bank inventory	(60,639)
(Increase) decrease in prepaid expenses	(74,077)
Increase (decrease) in accounts payable	10,801
Increase (decrease) in accrued expenses	<u>29,575</u>
TOTAL ADJUSTMENTS	<u>(165,405)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 1,095,493</u>

**NON-CASH TRANSACTIONS**

The Organization received in-kind food donations in the amount of \$647,867 for the year ended December 31, 2020. The related non-cash revenue and expenses have been eliminated from the operating activities.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and description of activities**

Our Daily Bread Food Pantry, Inc. (the "Organization") is a private, Florida not-for-profit corporation based in Marco Island, Florida. The Organization was originally established on January 2, 2019 to offer nourishing food choices, encouragement, and hope. The Organization engages daily with families who are experiencing food insecurity and the Organization is working to wipe out hunger in Marco Island and Naples.

Specifically, the Organization's programs reach individuals where they are spiritually, physically, and geographically. However, food is the first priority. As such, the Organization's funding is generated through donations, bequests, grants and events.

The following is a summary of the significant accounting policies used in the preparation of these financial statements:

**Basis of Accounting**

The Organization prepares its financial statements on the accrual basis of accounting. Grant revenues are recorded as support when performance occurs under the terms of the grant agreement. Grant revenue includes all resources received from another entity in accordance with an entitlement or grant document.

**Financial statement presentation**

The accounting and reporting policies of the Organization conform to accounting principles generally accepted in the United States of America and are in accordance with the audit guide issued by the American Institute of Certified Public Accountants, "Not-for-Profit Organizations" and the accounting standards issued by the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC).

The financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC)

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Financial statement presentation, continued**

958-225-45-1 (formerly Statement of Financial Accounting Standards (SFAS) No. 117), "Financial Statements of Not-for-Profit Organizations". Under FASB ASC 958-225-45-1, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The Organization reports its contributions in accordance with FASB ASC 958-605-50-1 (formerly SFAS No. 116) "Accounting for Contributions Received and Contributions Made". In accordance with FASB ASC 958-605-50-1, contributions received are recorded as with donor restriction or without donor restriction depending on the existence and/or nature of any donor restrictions. Under FASB ASC 958-605-50-1, such contributions are required to be reported as contributions with donor restriction and are then reclassified to net assets without donor restriction upon expiration of the time restriction or compliance with the purpose restriction.

**Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Organization's policy for cash and cash equivalents permits the use of depository accounts and money market accounts.

**Investments**

The investment policy of the Organization permits the investment of excess cash in certificates of deposits and money market accounts. Investments are carried at market value, which approximates fair value, at the respective year end. The Organization has the ability and intends to hold these investments for the foreseeable future. Gains and losses are determined using the specific identification method when securities are sold or matured. Due to the type and nature of investments held, any gain or loss is reflected as investment income. Unrealized appreciation or depreciation of the investments is considered immaterial and therefore not reflected separately in the financial statements. Related investment fees are considered insignificant.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Food pantry inventory**

The Organization maintains an inventory of food items and consumable supplies to distribute to their clients. Many of the items are received through donations. The method used to determine the value of the inventory is to value the goods held at \$1.15 per pound.

**Property and equipment**

The Organization's policy is to capitalize assets with a cost of \$1,000 or more and a useful life greater than 1 year. Property and equipment is recorded at cost, except for donated items (used in operations of the Organization) which are recorded at fair market value as of the date received. Assets are depreciated using straight-line and accelerated methods (which approximate straight-line) over their respective estimated lives as follows:

<u>Category</u>	<u>Useful Lives</u>
Vehicles	4-8 years
Equipment	5-10 years

**Contributions**

In order to observe restrictions which donors place on grants and other gifts, as well as designations made by the Board of Directors, all assets, liabilities and activities are accounted for in the following net asset classifications:

**Net Assets without donor restrictions** - not subject to donor-imposed restrictions. Net assets without restrictions may be designated for specific purposes by action of the Board of Directors.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Contributions, continued**

**Net assets with donor restrictions** - subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions include:

**Temporarily Restricted Net Assets** - subject to donor-imposed stipulations that may be fulfilled by actions of the Organization to meet the stipulations or become unrestricted at the date specified by the donor.

**Permanently Restricted Net Assets** - subject to the restriction in perpetuity that the principal be invested. Investment income earned on permanently restricted donations is unrestricted and used as determined by the Board of Directors.

**Impairment of fixed assets**

The Organization adheres to the Financial Accounting Standards Board (FASB) FASB ASC 958-360-50-2 (formerly Statement of Financial Accounting Standards (SFAS) No. 144), "Accounting for the Impairment or Disposal of Long-Lived Assets." FASB ASC 958-360-50-2 requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on the Organization's financial statements resulting from FASB ASC 958-360-50-2 for the year ended December 31, 2020.

**Accrued compensated absences**

No accrued amounts have been recorded for accrued compensated absences as the Organization currently has no employees and had none during the year ended December 31, 2020.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Revenue recognition**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Contributions that are restricted by the donor are reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized.

**Functional expenses**

The cost of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Expenses that can be identified with a specific program service are charged directly to that program, according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

**Income taxes**

No provision for income tax expense has been made in the accompanying financial statements since the Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3). In addition, the Organization is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Organization reports no unrelated business taxable income. However, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities. The Organization's informational returns (US Form 990), "Returns of Organization Exempt from Income Tax," for the last three years are subject to examination by the IRS, generally for three years after they were filed.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Accounting for Uncertainty in Income Tax Items**

The Financial Accounting Standards Board has issued guidance on accounting for uncertainty in income taxes and the Organization has adopted this guidance. The Organization has evaluated its tax provision and any estimates utilized in its tax returns, and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax positions will be recognized in income tax expense, if required.

**Advertising costs**

The Organization's policy is to expense advertising costs when incurred.

**Donated materials and services**

The Organization is operated by volunteers, including the Board of Directors, each of which donate significant amounts of their time and expertise to the Organization and its programs. No amounts have been recorded for donated services inasmuch as no objective basis is available to measure the value of such services.

The Organization receives donated food items which are inventoried (food bank inventory) and distributed (donated) by the Organization to the clients served by the Organization.

**Concentration of credit risk**

The Organization maintains its cash and cash equivalent balances at a local financial institution in deposit, money market and certificate of deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Fair value of financial instruments**

The FASB ASC Topic "Financial Instruments" clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Fair value of financial instruments, continued**

The Organization's financial instruments consist of cash and cash equivalents, receivables, payables, and accrued liabilities. The Organization estimates that the fair value of all financial instruments do not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying Statement of Financial Position.

**Risk management**

It is the policy of the Organization to purchase commercial insurance for known forms of potential risks to which it is exposed.

**Management estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to make estimates and assumptions that affect the reported amounts of assets, liabilities and net assets and disclosure of contingent assets and liabilities, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**New Accounting Pronouncement**

On August 18, 2016 FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include (a) requiring the presentation of only two classes of net assets now titled "net assets without donor restrictions" and "net assets with donor restrictions" and (b) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources. As a result of adopting the ASU, the Organization's presentation of its net assets and the footnote disclosures are consistent with that required by the ASU.

**Subsequent Events**

Subsequent events have been evaluated through April 12, 2021, which is the date the financial statements were available to be issued.



**NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents consist of the following at December 31, 2020:

	<u>Amount</u>
Depository accounts	\$ 158,851
Money market account	<u>957,753</u>
	<u>\$ 1,116,604</u>

The Organization had restricted cash of \$335,000 as of December 31, 2020 equal to board designated net position.

**Investments**

Investments are comprised of the following at December 31, 2020:

	<u>Amount</u>
Certificate of deposit (CD)	<u>\$ 1,000</u>
	<u>\$ 1,000</u>

The CD was not renewed on February 22, 2021 as the CD was cashed out and deposited into the operating account.

**Concentration of credit risk**

The Organization maintains its cash and cash equivalents, as well as its certificates of deposit (CD's), in a financial institution. These assets, which at times may exceed FDIC limits, are Federally insured (FDIC) up to \$250,000 per financial institution. The bank balances of \$1,055,886 as of December 31, 2020 were held in the Organization's depository accounts, money market account and certificates of deposit of which \$250,000 was fully insured. At December 31, 2020, \$805,886 was uninsured. Management believes the Organization is not exposed to excessive credit risk due the uninsured deposits. The Organization has not experienced any losses due to credit risks.

**NOTE C - PROPERTY AND EQUIPMENT, NET**

Property and equipment consists of the following at December 31, 2020:

	<u>Amount</u>
Vehicles	\$ 44,095
Equipment	<u>70,711</u>
	114,806
Less: accumulated depreciation	<u>(10,579)</u>
Property and Equipment, net	<u><u>\$ 104,227</u></u>

Depreciation expense for the year ended December 31, 2020 was \$7,872.

**NOTE D - FAIR VALUE MEASUREMENTS**

The following table presents the Organization's fair value hierarchy for the assets measured at fair value in the accompanying Statement of Financial Position as of December 31, 2020:

	<u>December 31, 2020</u>			
	<u>Fair Value Measurements Using:</u>			
	<u>Fair Value</u>	<u>Level (1)</u>	<u>Level (2)</u>	<u>Level (3)</u>
Investment - CD	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization adheres to the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10-50-1 through 820-10-50-8 (formerly Statement of Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements"). FASB ASC 820-10 established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level (1) inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level (2) inputs are from other than quoted market prices included in Level (1) that are observable for the asset or liability either directly or indirectly. These inputs include quoted market prices in active markets for similar assets. Level (3) inputs have the lowest priority and consist of unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. The Organization uses appropriate valuation techniques based

**NOTE D - FAIR VALUE MEASUREMENTS, CONTINUED**

on the available inputs to measure fair value of its investments. When available, the Organization measures fair value using Level (1) inputs because they generally provide the most reliable evidence of fair value. No Level (2) or Level (3) inputs were used by the Organization.

In January 2010, the FASB issued ASU No. 2010-06, "Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements." This update provided amendments that require new disclosures of (a) transfers in and out of Levels (1) and (2) to include reasons for the transfers and (b) reconciliation for fair value measurements using significant unobservable inputs, Level (3), should be presented separately on a gross basis, rather than as one net number. This update also provided amendments that clarify existing disclosures such as the level of disaggregation for each class of assets and liabilities as well as disclosures about inputs and valuation techniques.

**Level 1:** Inputs are quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date. An active market is a market in which transactions of the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

**Level 2:** No such inputs at December 31, 2020.

**Level 3:** No such inputs at December 31, 2020.

The components of the net appreciation on investments, include interest income. Investment manager's fees are netted against these amounts.

Other assets and liabilities such as cash, receivables, prepaids, inventory, accounts payable and accrued expenses are recorded at cost which approximates fair value due to the short term nature of these assets and liabilities.

**OUR DAILY BREAD FOOD PANTRY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE E - SCHEDULE AND RESTRICTIONS ON NET POSITION**

Net position are available for the following purposes at December 31, 2020:

<u>Without Donor Restrictions</u>	<u>Amount</u>
<b>Unrestricted net assets</b>	
Undesignated by the Board	\$ 1,065,377
BOD Designated Net Assets	
Operating reserve - 90 days	323,000
Capital asset reserve	<u>12,000</u>
	<u>335,000</u>
 <b><u>With Donor Restrictions</u></b>	
<b>Temporarily restricted net assets</b>	-
Restricted for:	
Building/land grant	
 <b>Permanently restricted net assets</b>	
Restricted for:	
Donated pickup truck for Organization	-
Total Net Assets	<u><u>\$ 1,400,377</u></u>

Cash has been restricted equal to Board designated net assets.

**NOTE F - LOCAL GRANTS REVENUE**

For the year ended December 31, 2020, local grants revenue consisted of the following:

	<u>Amount</u>
Community Foundation of Collier County - Cares Act	\$ 525,288
Other Foundations	30,000
Other	17,975
Community Foundation of Collier County	68,425
Empty Bowls of Naples	20,000
Island Country Club	15,000
Southwest Florida Community Foundation	7,000
United Way - Collier County	7,500
United Church of Marco	<u>16,921</u>
	<u><u>\$ 708,109</u></u>

**NOTE G - LEASE COMMITMENT**

The Organization leases food pantry and office space for a sixty (60) month term beginning February 1, 2020 and ending January 25, 2025 at a monthly rate of \$2,500.

The Organization also leases certain office equipment.

Total rent expense for the year ended December 31, 2020 was \$32,019.

Total future minimum lease payments required under the food pantry and office space lease is as follows:

<u>Years Ending December 31</u>	<u>Amount</u>
2021	\$ 30,000
2022	30,000
2023	30,000
2024	30,000
2025	2,500
	<u>\$ 122,500</u>

**NOTE H - ECONOMIC DEPENDENCE**

The Organization's operations are substantially dependent on the receipt of support and revenue from donations and grantor agencies. Loss of these funds and/or large decreases in this type of funding would have a material effect on the financial position of the Organization and a negative impact on overall operations. For the year ended December 31, 2020, approximately 89% of total support and revenue is attributable to funds received from donations and grantor agencies.

**NOTE I - COMMITMENTS AND CONTINGENCIES**

The Organization is currently receiving and previously has received grants, contracts, and other third party funds which are subject to special compliance audits by the grantor and other third party agencies that provided these reimbursements. These audits may result in disallowed expense amounts.

**OUR DAILY BREAD FOOD PANTRY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**NOTE I - COMMITMENTS AND CONTINGENCIES, CONTINUED**

Disallowed amounts, if any, constitute a contingent liability of the Organization. Such liabilities are not reflected within the financial statements of the Organization, as management does not believe any material contingent liabilities exist.

In December 2020, the Organization ordered a refrigerated truck in the amount of \$78,250 and placed a deposit of \$7,000 on the contract. The balance is due on delivery upon acceptance and inspection. The balance was paid in January 2021 subsequent to the year ended December 31, 2020.

**NOTE J - LIQUIDITY**

Financial assets available within one year of December 31, 2020 consisted of the following:

	<u>Amount</u>
Cash and cash equivalents	\$ 1,116,604
Investments	1,000
Other receivables	<u>83,637</u>
	<u>1,201,241</u>
Less amounts due within one year:	
Current liabilities	44,885
Restricted cash	<u>335,000</u>
	<u>379,885</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 821,356</u></u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As such, the Board restricted cash as follows at December 31, 2020:

	<u>Amount</u>
Operating reserve - 90 days	\$ 323,000
Capital asset reserve	<u>12,000</u>
	<u><u>\$ 335,000</u></u>

**NOTE K - COVID 19**

In early March 2020, the World Health Organization classified the coronavirus outbreak "COVID-19" as a global pandemic, and it, unfortunately, continues to spread. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, have been severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. On April 1, 2020, Florida Governor, Ron DeSantis ordered all Floridians to stay home, to lock down the State against the Coronavirus. Most fundraising events were halted throughout the community.

The Organization has adapted its fundraising and development efforts as well as its operations to accommodate the current environment. However, the full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to instability in financial markets. Management is actively monitoring the local situation on its financial condition, liquidity, operations, donors, industry, and workforce. Given the daily evolution of COVID-19 and the global and local responses to curb its spread, the Organization is not able to estimate the future effects of COVID-19 on its results of operation, financial condition, or liquidity for fiscal year 2020-21.