

Daily Bread, An Ecumenical Food Pantry, Inc.

Financial Statements with Independent Auditor's Report

Years Ended December 31, 2025 and 2024

Daily Bread, An Ecumenical Food Pantry, Inc.

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Independent Auditor's Report

The Board of Directors
Daily Bread, An Ecumenical Food Pantry, Inc.

Opinion

We have audited the accompanying financial statements of Daily Bread, An Ecumenical Food Pantry, Inc. (a Connecticut nonprofit corporation), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Daily Bread, An Ecumenical Food Pantry, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in conformity with the 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Daily Bread, An Ecumenical Food Pantry, Inc. 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Daily Bread, An Ecumenical Food Pantry, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Daily Bread, An Ecumenical Food Pantry, Inc.'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.

Nanavaty, Davenport, Studley & White, LLP

March 27, 2026

Daily Bread, An Ecumencial Food Pantry, Inc.

Statements of Financial Position

As of December 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 817,953	\$ 501,727
Investments	262,420	107,790
Donated Inventory	115,204	47,909
Prepaid rent	10,591	23,299
Security deposit	9,000	9,000
Right-of-use asset	392,367	431,324
Fixed assets, net	352,150	390,528
Total Assets	<u>\$ 1,959,685</u>	<u>\$ 1,511,577</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued expenses	\$ 5,808	\$ 21,056
Lease liability	401,687	438,237
Total Liabilities	<u>407,495</u>	<u>459,293</u>
Net Assets:		
Without donor restrictions	1,530,190	1,052,284
With donor restrictions	22,000	-
Total Net Assets	<u>1,552,190</u>	<u>1,052,284</u>
Total Liabilities and Net Assets	<u>\$ 1,959,685</u>	<u>\$ 1,511,577</u>

The accompanying notes are an integral part of these financial statements.

Daily Bread, An Ecumenical Food Pantry, Inc.

Statements of Activities

Years Ended December 31,

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions:						
In-kind food donations	\$ 2,928,394	\$ -	\$ 2,928,394	\$ 2,491,250	\$ -	\$ 2,491,250
In-kind Super Pantry	-	-	-	65,000	-	65,000
Cash and other financial assets	719,387	53,620	773,007	385,559		385,559
Grants	58,282	-	58,282	120,081	-	120,081
Investment return, net	14,494	-	14,494	14,646	-	14,646
Total support and revenue	<u>3,720,557</u>	<u>53,620</u>	<u>3,774,177</u>	<u>3,076,536</u>	<u>-</u>	<u>3,076,536</u>
Net assets released from restrictions	<u>31,620</u>	<u>(31,620)</u>	<u>-</u>	<u>20,230</u>	<u>(20,230)</u>	<u>-</u>
Expenses:						
Program services	3,265,771	-	3,265,771	2,741,427	-	2,741,427
General and administrative	8,500	-	8,500	6,165	-	6,165
Total expenses	<u>3,274,271</u>	<u>-</u>	<u>3,274,271</u>	<u>2,747,592</u>	<u>-</u>	<u>2,747,592</u>
Change in Net Assets	477,906	22,000	499,906	349,174	(20,230)	328,944
Net Assets - beginning of year	<u>1,052,284</u>	<u>-</u>	<u>1,052,284</u>	<u>703,110</u>	<u>20,230</u>	<u>723,340</u>
Net Assets - end of year	<u>\$ 1,530,190</u>	<u>\$ 22,000</u>	<u>\$ 1,552,190</u>	<u>\$ 1,052,284</u>	<u>\$ -</u>	<u>\$ 1,052,284</u>

The accompanying notes are an integral part of these financial statements.

Daily Bread, An Ecumenical Food Pantry, Inc.

Statements of Functional Expenses

Years Ended December 31,

	2025			2024		
	Program Services	General and Administrative	Total	Program Services	General & Administrative	Total
Food supplies - in-kind	\$ 2,861,099	\$ -	\$ 2,861,099	\$ 2,443,341	\$ -	\$ 2,443,341
Occupancy costs	90,536	-	90,536	76,182	-	76,182
Super Pantry expenses - non capital	68,516	-	68,516	33,026	-	33,026
Food supplies - purchased	66,903	-	66,903	54,489	-	54,489
Depreciation	45,556	-	45,556	21,728	-	21,728
Professional fees	29,483	8,500	37,983	19,318	5,800	25,118
Operating supplies	35,410	-	35,410	50,501	-	50,501
Computer expenses	21,265	-	21,265	13,144	-	13,144
Office expense	15,608	-	15,608	10,308	365	10,673
Repairs and maintenance	13,928	-	13,928	3,658	-	3,658
Insurance	9,391	-	9,391	4,779	-	4,779
Marketing	6,672	-	6,672	3,426	-	3,426
Van expenses	817	-	817	2,593	-	2,593
Bank charges and fees	587	-	587	4,934	-	4,934
Total expenses	<u>\$ 3,265,771</u>	<u>\$ 8,500</u>	<u>\$ 3,274,271</u>	<u>\$ 2,741,427</u>	<u>\$ 6,165</u>	<u>\$ 2,747,592</u>

The accompanying notes are an integral part of these financial statements.

Daily Bread, An Ecumenical Food Pantry, Inc.

Statements of Cash Flows

Years Ended December 31,

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 499,906	\$ 328,944
Adjustments to reconcile change in net assets to net provided by operating activities:		
Depreciation expense	45,556	21,728
In-kind donated inventory	(67,295)	(47,909)
Change in right-of-use lease	2,407	6,913
(Increase) decrease in operating assets:		
Prepaid rent	12,708	(23,299)
Security deposit	-	(9,000)
Increase (decrease) in operating liabilities:		
Accrued expenses	(15,248)	21,056
Net cash provided by operating activities	<u>478,034</u>	<u>298,433</u>
Cash Flows from Investing Activities		
Increases to fixed assets	(7,178)	(274,280)
Purchase of investments	(154,630)	(5,070)
Net cash used in investing activities	<u>(161,808)</u>	<u>(279,350)</u>
Net Increase in Cash and Cash Equivalents	316,226	19,083
Cash and Cash Equivalents - beginning of year	501,727	482,644
Cash and Cash Equivalents - end of year	<u><u>\$ 817,953</u></u>	<u><u>\$ 501,727</u></u>
Supplemental Disclosure:		
Donated food	\$ 2,861,099	2,443,341
Donated leasehold improvements	-	65,000
	<u><u>\$ 2,861,099</u></u>	<u><u>\$ 2,508,341</u></u>

The accompanying notes are an integral part of these financial statements.

Daily Bread, An Ecumenical Food Pantry, Inc.

Notes to the Financial Statements

NOTE 1 - ORGANIZATION

Daily Bread, An Ecumenical Food Pantry, Inc. (Daily Bread) is a 501(c)3 nonprofit organization, incorporated in 1984 in Connecticut, and is located in Danbury, Connecticut. The mission of Daily Bread is to operate a non-sectarian food pantry for needy families in the immediate Danbury, Connecticut area. Food is given out to these families free of charge. Food supplies are donated and purchased as needed. The major sources of revenues are donations and grants from individuals, foundations and local companies as well as donations of food from local and national organizations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation - The financial statements of Daily Bread have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The organization is required to report information regarding its financial position according to the classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The organization's net assets are classified as net assets without donor restrictions and net assets with donor restrictions based upon the existence or absence of donor-imposed restrictions limiting the use of the contributed assets as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. These resources may be expended or designated at the discretion of the Board of Directors.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed stipulations. Some donor restrictions are temporary in nature or satisfied by the passage of time that either expire with the passage of time or can be fulfilled by the actions of Daily Bread pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents are defined as highly liquid investments with original maturities of 90 days or less.

Investment Valuation and Income Recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for a discussion of fair value measurements. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains include gains and losses on investments bought and sold as well as held during the year.

Notes to the Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Revenue Recognition - Contributions are recognized when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest; is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the condition on which they depend has been met. Contributions receivable that are expected to be collected in more than one year are discounted to their present value.

Daily Bread reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets released from donor restrictions. Contributions received whose restrictions are met in the same period are recognized with net assets without donor restrictions.

Contributed services are recognized in the financial statements if they enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated or volunteer services do not meet these criteria for recognition.

Donated Facilities and Services - Daily Bread's policy related to gifts-in-kind is to utilize the assets Daily Bread to carry out the mission of the organization. If an asset is provided that does not allow the organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Fixed Assets and Depreciation - Additions and betterments with a cost greater than \$5,000 and with a useful life greater than 3 years are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Equipment is carried at cost. Donated equipment is capitalized at fair value at the time of receipt. Depreciation is computed on the straight-line method over the estimated useful lives ranging from 5-15 years. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Impairment of Long-Lived Assets - Long-lived assets which are held and used by Daily Bread are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If impairment is indicated by that review, the asset is written down to its estimated fair value through a charge to expense.

Income Taxes - Daily Bread is a nonprofit organization and is exempt from federal and state income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The organization recognizes the benefits of income tax positions only if those positions are more likely than not of being sustained. Daily Bread is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress and Daily Bread believes that it is no longer subject to audits for years prior to 2022.

Notes to the Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements - The Financial Accounting Standards Board (“FASB”) Topic 820, under the FASB Accounting Standards Codification (“ASC”) defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the respective asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is categorized into three levels based on the transparency of inputs:

Level 1 - Quoted market prices are available in active markets for identical assets or liabilities in active markets. A quoted market price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Significant inputs to the valuation methodology are unobservable. The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by the organization.

Daily Bread considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the organization’s perceived risk of that instrument.

Notes to the Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases - Daily Bread determines if an arrangement is a lease at inception. Operating lease right-of-use (“ROU”) assets are included in the statement of financial position. The organization does not have any finance leases. ROU assets represent Daily Bread’s right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of the lease payments over the lease term. As most of Daily Bread’s leases do not provide an implicit rate, the U.S. Treasury rate is used in determining the present value of the lease payments. The implicit rate is used when readily determinable. Lease terms may include options to extend or terminate the lease when it’s reasonably certain that the organization will exercise that option. For operating leases, lease expense is recognized on a straight-line basis over the lease term. See Note 9 for a discussion of lease activity.

Functional Expense and Cost Allocation - The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Daily Bread allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Expenses that are common to several functions have been allocated based on management’s estimate of the actual activities of the organization.

Subsequent Events - In preparing these financial statements, management has evaluated subsequent events through March 27, 2026, which represents the date the financial statements were available to be issued. There are no subsequent events that require disclosure.

NOTE 3 - CONCENTRATIONS AND RISKS

Daily Bread maintains bank accounts at a local financial institution, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, during the year the balance in these accounts may exceed the federally insured limit. Daily Bread has never experienced any losses on such accounts.

Investments consist of certificates of deposit with maturity greater than 91 days and are presented in the financial statements at fair value based on quoted prices in active markets (all Level 1 measurements). Market risk could occur and is dependent on the future changes in market prices of the various investments held. All the investments are included in unrestricted net assets.

Daily Bread, An Ecumenical Food Pantry, Inc.

Notes to the Financial Statements

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects Daily Bread's financial assets at December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one-year of the balance sheet date:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 817,953	\$ 501,727
Investments	<u>262,420</u>	<u>107,790</u>
	1,080,373	609,517
Less: net assets with donor restrictions	<u>(22,000)</u>	<u>-</u>
Total Financial Assets Available to Management for General Expenditure within One-Year	<u><u>\$ 1,036,373</u></u>	<u><u>\$ 609,517</u></u>

Liquidity Management

Daily Bread maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition to financial assets available to meet general expenditures over the next 12 months, the organization anticipates sufficient revenue to cover general expenditures.

NOTE 5 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The investments made by Daily Bread are in certificates of deposit. Investments in certificates of deposit with maturities that are greater than 91 days are reported at fair value. It is the intent of Daily Bread to hold these investments until maturity, and therefore fair value for reporting purposes is equal to the principal amount invested plus accrued interest through the date of the financial statements.

The following is a summary of the source of fair value measurements for assets that are measured at fair value on a recurring basis as of December 31 (all Level 1):

<u>Investment Description</u>	<u>Fair Value</u>	
	<u>2025</u>	<u>2024</u>
Certificates of deposit	<u>\$ 262,420</u>	<u>\$ 107,790</u>
Total investments	<u><u>\$ 262,420</u></u>	<u><u>\$ 107,790</u></u>

Daily Bread, An Ecumenical Food Pantry, Inc.

Notes to the Financial Statements

NOTE 6 - FIXED ASSETS

Fixed assets consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Pantry leasehold improvements	\$ 316,967	\$ 316,967
Machinery and equipment	97,195	90,017
Vehicle	<u>56,743</u>	<u>56,743</u>
Total fixed assets	470,905	463,727
Less: accumulated depreciation	<u>(118,755)</u>	<u>(73,199)</u>
Fixed assets, net	<u><u>\$ 352,150</u></u>	<u><u>\$ 390,528</u></u>

NOTE 7 - IN-KIND CONTRIBUTIONS

During fiscal years 2025 and 2024, Daily Bread received approximately 1,541,260 pounds and 1,297,526 pounds, respectively of donated food product from local organizations and individuals. The donated food is recorded in the financial statements as contributions of nonfinancial assets and as an expense at the estimated average fair value of one pound of donated food product at the per pound rate published by Feeding America of \$1.90 and \$1.92 for fiscal years 2025 and 2024, respectively. Additionally, during fiscal year 2024, Daily Bread received donated materials and professional contractor services to improve the new Super Pantry space valued at \$65,000.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent amounts restricted for food purchases that were not spent by the end of December 31, 2025. During the years ended December 31, 2025 and 2024, net assets that met the satisfaction of donor restrictions and were released totaled \$31,620 and \$20,230, respectively.

Daily Bread, An Ecumenical Food Pantry, Inc.

Notes to the Financial Statements

NOTE 9 - LEASE ACTIVITY

Daily Bread has an operating lease for its Super Pantry in Danbury, Connecticut. The lease began on April 1, 2024, and has a remaining lease term including option periods of 8.25 years. Daily Bread elected to use the risk-free interest rate of 4.33%, which was in place during the month that the lease agreement was executed. Daily Bread has also assumed that an additional five-year extension will be exercised at the conclusion of this current initial lease period. The following summarizes the line items in the statements of financial position which include amounts for the operating lease as of December 31:

	<u>2025</u>	<u>2024</u>
Operating lease right-of-use asset	<u>\$ 392,367</u>	<u>\$ 431,324</u>
Operating lease liability	<u>\$ 401,687</u>	<u>\$ 438,237</u>

Year Ended December 31,	2026	\$ 55,906
	2027	57,024
	2028	58,165
	2029	59,328
	2030	60,515
	Thereafter	<u>186,833</u>
Total lease payments		477,771
Less: interest		<u>(76,084)</u>
Present value of lease liabilities		<u>\$ 401,687</u>

Operating lease payments in the table above include approximately \$310,266 related to options to extend lease terms that are reasonably certain to be offered and exercised. The original lease agreement includes four months of free rent that is granted for month 1 of the lease and months 58-60. Rent expense on all operating leases was \$ 76,307 and \$51,805 for the years ended December 31, 2025 and 2024, respectively. Rent expense is included in occupancy costs in the statement of functional expenses.