

*Financial Statements*

United Food Bank & Services  
of Plant City, Inc.

Year Ended June 30, 2022



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**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**

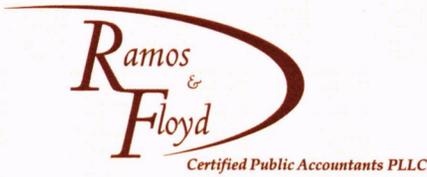
**YEAR ENDED JUNE 30, 2022**

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**TABLE OF CONTENTS**

	<b><u>PAGE NUMBER</u></b>
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-12



## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of United Food Bank & Services of Plant City, Inc.

We have audited the accompanying financial statements of United Food Bank & Services of Plant City, Inc., (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 United Food Bank & Services of Plant City, Inc. as of June 30, 2022, 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 audit 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 Responsibility for the Audit of the Financial Statements* section of our report. We are required to be independent of United Food Bank & Services of Plant City, Inc. and to meet other ethical responsibilities in accordance with the 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 audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 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 United Food Bank & Services of Plant City, 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 Responsibility 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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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 these circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Food Bank & Services of Plant City, 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 United Food Bank & Services of Plant City, 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.

*Ramos & Floyd CPAs PLLC*

Lakeland, Florida

August 23, 2022

**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2022**

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**ASSETS**

Cash	\$ 1,826,883
Receivables	400
Inventory	496,934
Property and equipment	<u>498,568</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,822,785</u></b>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 8,181
Accrued expenses payable	6,187
Long-term debt	<u>238,153</u>
<b>TOTAL LIABILITIES</b>	<b>252,521</b>
<b>NET ASSETS:</b>	
Without donor restrictions	<u>2,570,264</u>
<b>TOTAL NET ASSETS</b>	<b><u>2,570,264</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,822,785</u></b>

Read accompanying notes to financial statements.

**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2022**

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CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

SUPPORT AND REVENUE

Contributions	\$ 7,979,358
Grants	902,563
Special events	121,124
Rental income	27,685
Interest income	196
Loan forgiveness	<u>36,712</u>

Total support and revenue 9,067,638

EXPENSES

Program	7,932,077
Management and general	129,748
Fund raising	<u>190,690</u>

Total expenses 8,252,515

Increase in net assets without donor restrictions 815,123

Increase in net assets 815,123

NET ASSETS, beginning of year 1,755,141

NET ASSETS, end of year \$ 2,570,264

Read accompanying notes to financial statements.

**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2022**

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Food distributed	\$ 7,599,618	\$ -	\$ -	\$ 7,599,618
Personnel-related expenses	92,193	76,730	95,803	264,726
Depreciation	86,059	10,757	10,758	107,574
Insurance	39,305	9,018	-	48,323
Office expense	20,517	10,258	10,258	41,033
Utilities	27,892	930	2,169	30,991
Grant writing	-	-	29,281	29,281
Fund raising	-	-	24,046	24,046
Automobile and truck expenses	18,709	-	-	18,709
Warehouse supplies	16,508	-	-	16,508
Accounting	-	11,161	-	11,161
Interest	9,973	-	-	9,973
Meals and entertainment	-	7,936	-	7,936
Repair and maintenance	7,569	-	-	7,569
Advertising	-	-	7,346	7,346
Printing and copying	-	-	5,426	5,426
Donations	2,485	-	1,980	4,465
Telephone	2,175	1,087	1,088	4,350
Taxes	4,014	-	-	4,014
Building management	2,681	-	-	2,681
Lawn care	1,980	-	-	1,980
Subscriptions and dues	-	-	1,739	1,739
Postage	399	399	796	1,594
Pest control	-	775	-	775
Bank charges	-	697	-	697
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Total expenses	<u>\$ 7,932,077</u>	<u>\$ 129,748</u>	<u>\$ 190,690</u>	<u>\$ 8,252,515</u>

Read accompanying notes to financial statements.

**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED JUNE 30, 2022**

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CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 815,123
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	107,574
Forgiveness of debt	(36,712)
(Increase) decrease in:	
Receivables	1,336
Inventory	(178,404)
Increase (decrease) in:	
Accounts payable	(12,284)
Accrued expenses payable	<u>(2,231)</u>
Net cash from operating activities	694,402
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES:	
Purchase of property and equipment	<u>(81,348)</u>
Net cash from (used by) investing activities	(81,348)
CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES:	
Principal payments on debt	<u>(12,889)</u>
Net cash from (used by) financing activities	<u>(12,889)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	600,165
CASH, beginning of year	<u>1,226,718</u>
CASH, end of year	<u><u>\$ 1,826,883</u></u>
SUPPLEMENTAL DATA:	
Cash paid for:	
Interest	<u>\$ 9,973</u>
Income taxes	<u>\$ -</u>

Read accompanying notes to financial statements.

# UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**ORGANIZATION AND NATURE OF ACTIVITIES** - United Food Bank & Services of Plant City, Inc. (the “Organization”) is a non-profit Florida corporation operating from eastern Hillsborough County, Florida. The Organization provides temporary assistance with food, personal hygiene items and other last resort assistance to needy families and individuals. The Organization’s motto, “A Hand Up, Not a Hand Out” is actualized by accepting clients by referral only and qualifying them through a screening process. Referring agencies include churches, hospitals, neighborhood organizations, and state and local government agencies. The Organization also maintains reciprocity with other agencies in Hillsborough County in order to meet its needs and to provide an outlet for surplus items that are donated so they are not wasted.

The Organization holds two primary annual fund raisers: Empty Bowls and Food for All. Funding is provided by business sponsorships and ticket sales.

**LIQUIDITY** - Assets are presented in the accompanying statements of financial position according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity, and resulting use of cash.

**BASIS OF ACCOUNTING** - The Organization’s policy is to prepare its financial statements on the accrual basis of accounting. Under this basis, revenue is recognized when earned, and expenses are recognized when incurred.

**USE OF ESTIMATES** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NET ASSETS** - Net assets and support and revenue are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions.

**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**(continued)**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released when a restriction expires, that is, when the stipulated time has passed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

REVENUE RECOGNITION - The Organization recognizes contributions 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 conditions upon which they depend have been met. Government contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue from special events is recognized when the event takes place. Rent income is recognized when the performance obligation of providing space is satisfied. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support in the statement of activities.

CASH - Cash is defined as amounts due from banks. At times, cash may exceed FDIC insurance limits.

INVENTORY - Inventory consists primarily of food items on hand. Valuation is based on local grocery retail prices.

PROPERTY AND EQUIPMENT - Purchases of furniture and equipment in excess of \$200 are capitalized at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

CONTRIBUTED MATERIALS AND SERVICES - All contributions of property and equipment, materials - including food products, and professional services received by the Organization have been recorded as donation at their estimated fair value at the date of receipt. These are included in the statement of financial position as property and equipment or in the statement of activities as both support and expense, respectively. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization. Those contributions do not meet the requirements for recognition in the financial statements, however, and are not recorded.

In-kind items totaled \$7,713,016 for the year ended June 30, 2022, all of which was for food distribution.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

NOTES TO FINANCIAL STATEMENTS

(continued)

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**ADVERTISING** - Advertising costs are expensed as they are incurred.

**INCOME TAX** - The Organization is exempt from federal and state income taxes as an organization described under Section 501(c)(3) of the Internal Revenue Code.

**EXPENSE ALLOCATION** - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

**MANAGEMENT EVALUATION** - Management has evaluated subsequent events through August 23, 2022, the date the financial statements were available for issue.

**NOTE 2 – LIQUIDITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, comprise the following at June 30, 2022:

Cash	\$ 1,826,883
Receivables	<u>400</u>
Total	<u>\$ 1,827,283</u>

The Organization's policy is to maintain liquidity to cover 60 days of normal operating expenses. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its liabilities and other obligations come due.

**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**(continued)**

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**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment consists of:

Land and land improvements	\$ 193,435
Building	277,899
Freezers	70,440
Computers	28,868
Vehicles	169,099
Other furniture and equipment	<u>86,832</u>
	826,573
Less accumulated depreciation	<u>328,005</u>
Net property and equipment	<u>\$ 498,568</u>

**NOTE 4 - LONG-TERM DEBT**

Long-term debt consists of:

3.875% mortgage note, payable \$1,879 monthly, including including interest, through February 2036; interest rate and payment change every five years thereafter; the note is collateralized by the Organization's real property	\$ 238,153
Less current maturities	<u>13,558</u>
Non-current portion	<u>\$ 224,595</u>

**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**(continued)**

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**NOTE 4 - LONG-TERM DEBT (continued)**

The aggregate amounts of long-term debt maturities are as follows:

Year ending June 30,	
2023	\$ 13,558
2024	14,093
2025	14,649
2026	15,227
2027	15,828
Thereafter	<u>164,798</u>
	<u>\$ 238,153</u>

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

Approximately 27% of the Organization’s building is leased to various parties under noncancellable leases. In connection with the agreements, future minimum lease payments required are as follows:

Year ended June 30, 2023	<u>\$ 8,100</u>
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The Organization has an unsecured \$100,000 line of credit with a bank. Under the terms of the agreement, borrowings are payable on demand and interest is payable monthly at the 5-year US Treasury rate plus 2.5 percent with a floor of 3.875 percent. The credit line expires February 2023. There were no borrowings under this agreement at June 30, 2022.

The Organization participates in federal and local programs which are subject to financial and compliance audits to determine compliance with grant requirements. In the event that expenditures would be disallowed, repayment could be required.

**NOTE 6 - CONCENTRATIONS**

During the year ended June 30, 2022, the Organization received (in-kind) contributions from two donors representing approximately 29 percent of total support and revenue.

**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**(concluded)**

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**NOTE 7 - PANDEMIC**

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations, and cash flows. Possible effects may include, but are not limited to, disruption to the Organization's donor contributions and revenue, absenteeism in the Organization's labor workforce, and ultimately, its financial viability.