

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

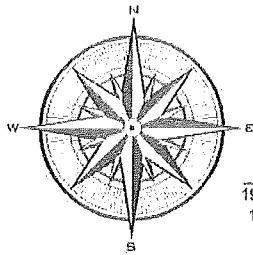
**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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# RAULERSON CASTILLO & COMPANY

Certified Public Accountants and Consultants

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
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), as of June 30, 2017, which comprise the statement of financial position and the related statement of activities, statement of functional expenses, and statement of 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 controls 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**

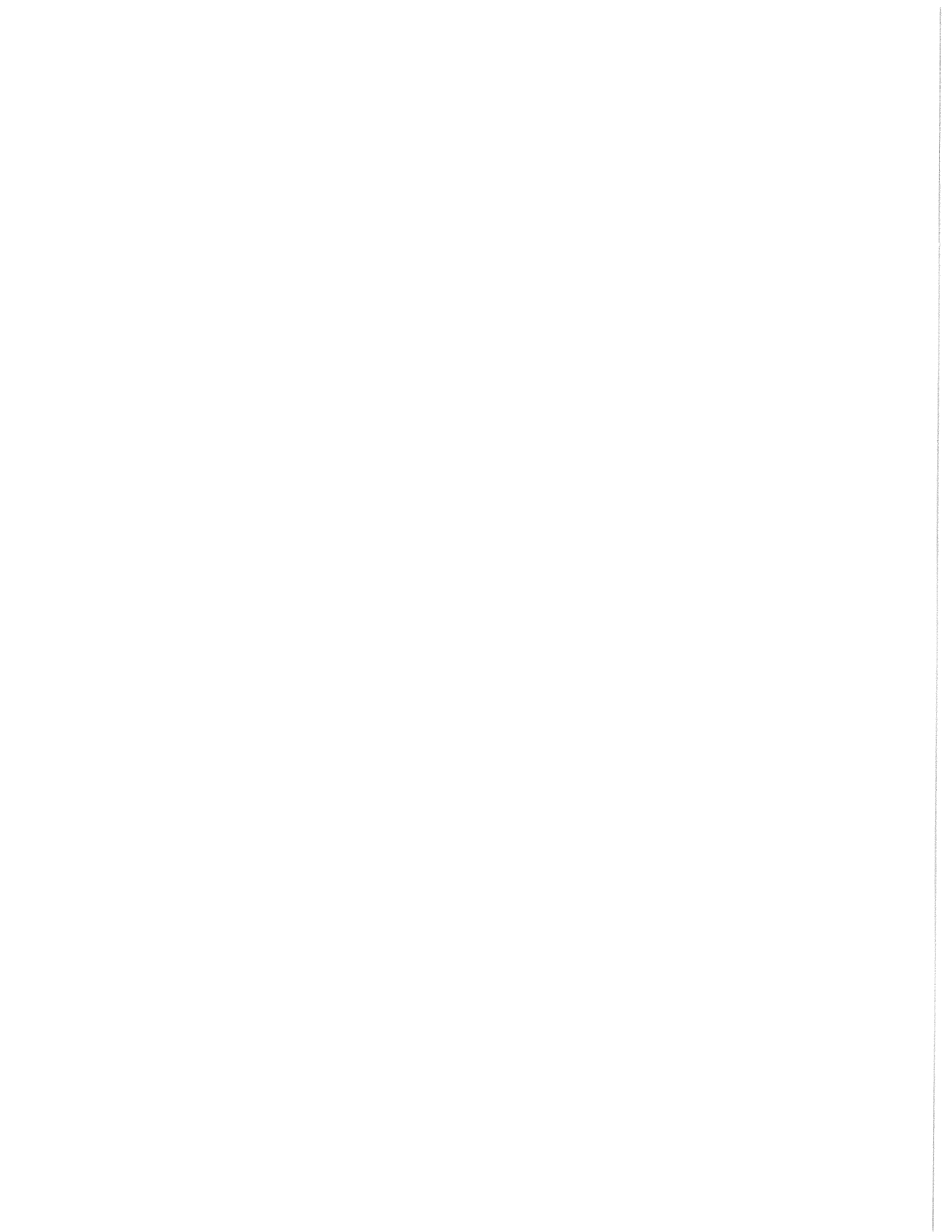
Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 risk 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 under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as 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.

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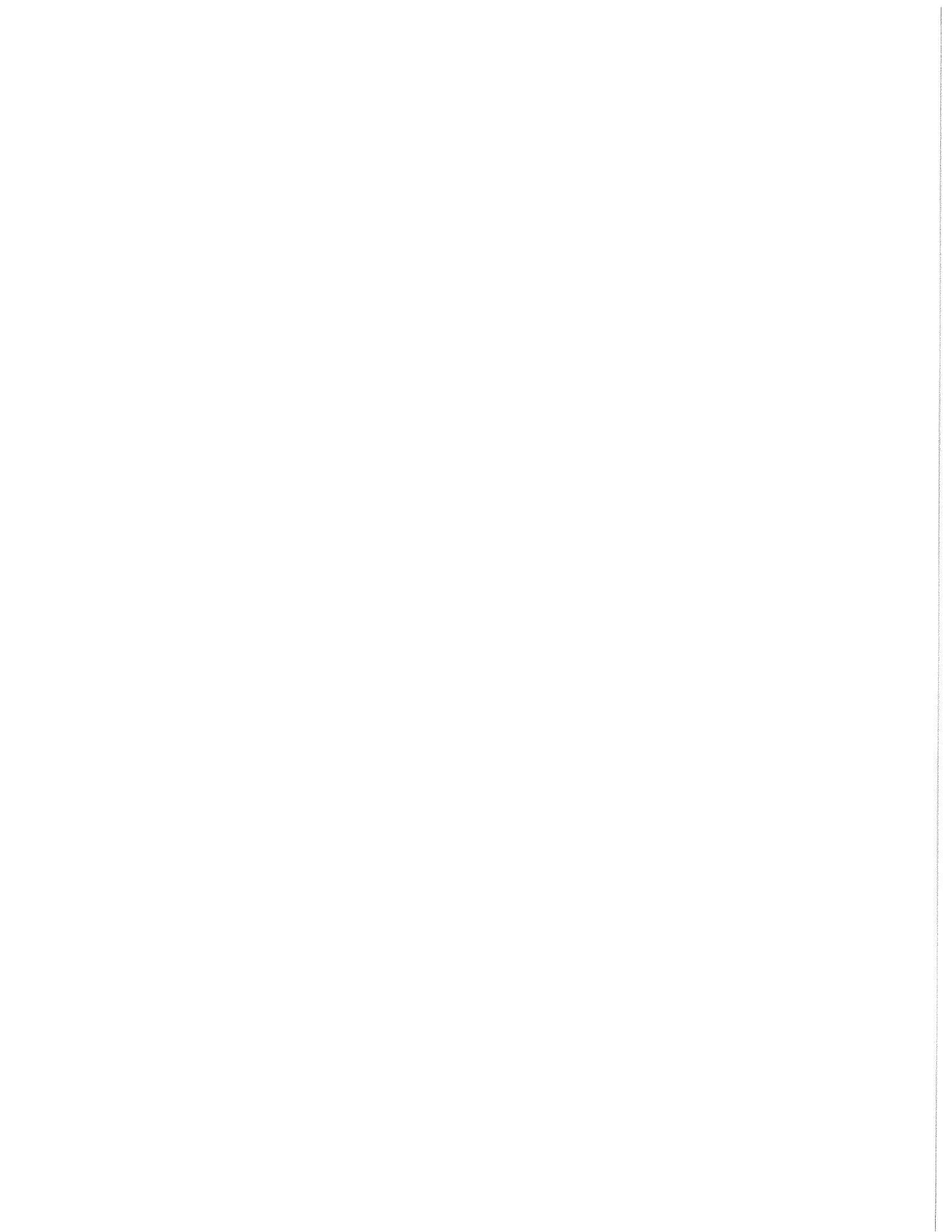
**Opinion**

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, 2016, and its changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Raulerson Castillo & Co PA*

Raulerson Castillo & Company  
Certified Public Accountants

Plant City, Florida  
November 21, 2017



**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2017**

**ASSETS**

**CURRENT ASSETS**

Cash & Cash Equivalents	\$ 154,507
Other Current Assets	2,349
Prepaid Expenses	3,377
Inventories	669,099
	829,332
Total Current Assets	829,332

**PROPERTY, PLANT, AND EQUIPMENT**

Freezer	35,763
Building	275,816
Website	1,535
Furniture and Fixtures	2,788
Computer Equipment	8,482
Equipment	6,777
Vehicles	33,675
Land Improvements	41,172
Land	79,707
Less: Accumulated Depreciation	(92,607)
	393,108
Total Property, Plant, and Equipment	393,108

**TOTAL ASSETS** \$ 1,222,440

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Current Portion of Loan Payable	\$ 11,209
	11,209
Total Current Liabilities	11,209

**LONG-TERM DEBT, Net of Current Portion** 286,633

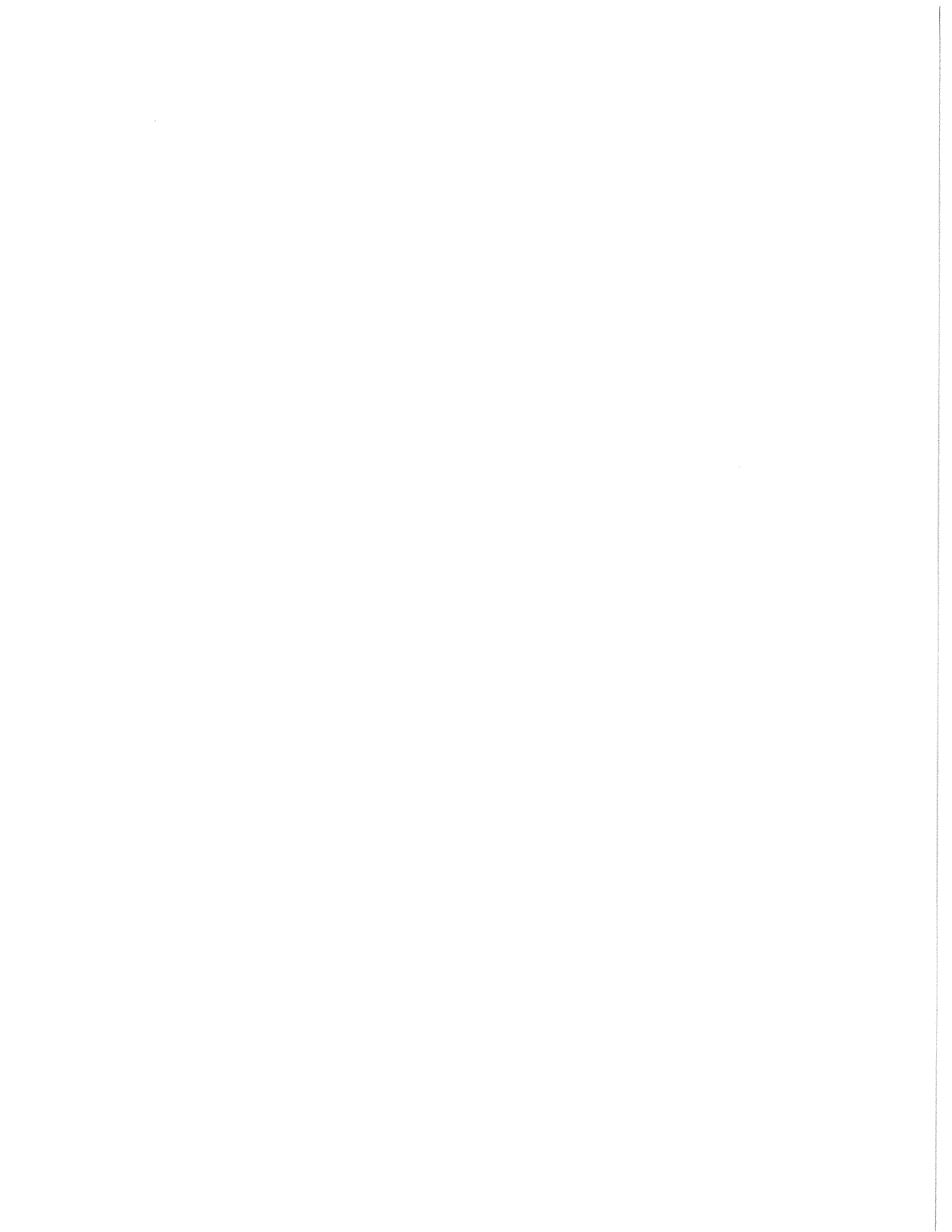
Total Liabilities 297,842

**NET ASSETS**

Unrestricted	924,598
Temporarily Restricted	-
Permanently Restricted	-
	924,598
Total Net Assets	924,598

**TOTAL LIABILITIES AND NET ASSETS** \$ 1,222,440

**SEE ACCOMPANYING AUDITOR'S REPORT AND NOTES TO FINANCIAL STATEMENTS**





UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

STATEMENT OF ACTIVITIES

AS OF JUNE 30, 2017

**SUPPORT**

Donations	\$ 3,757,790
United Way	75,383
Grants	61,425
Fundraising	98,620
Rental Income	33,421
Interest Income	29
<b>Total Support</b>	<b><u>4,026,668</u></b>

**EXPENSES**

**Program Expenses**

Programs	3,661,930
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**Support Services**

Fundraising	77,944
General and Administrative	88,627

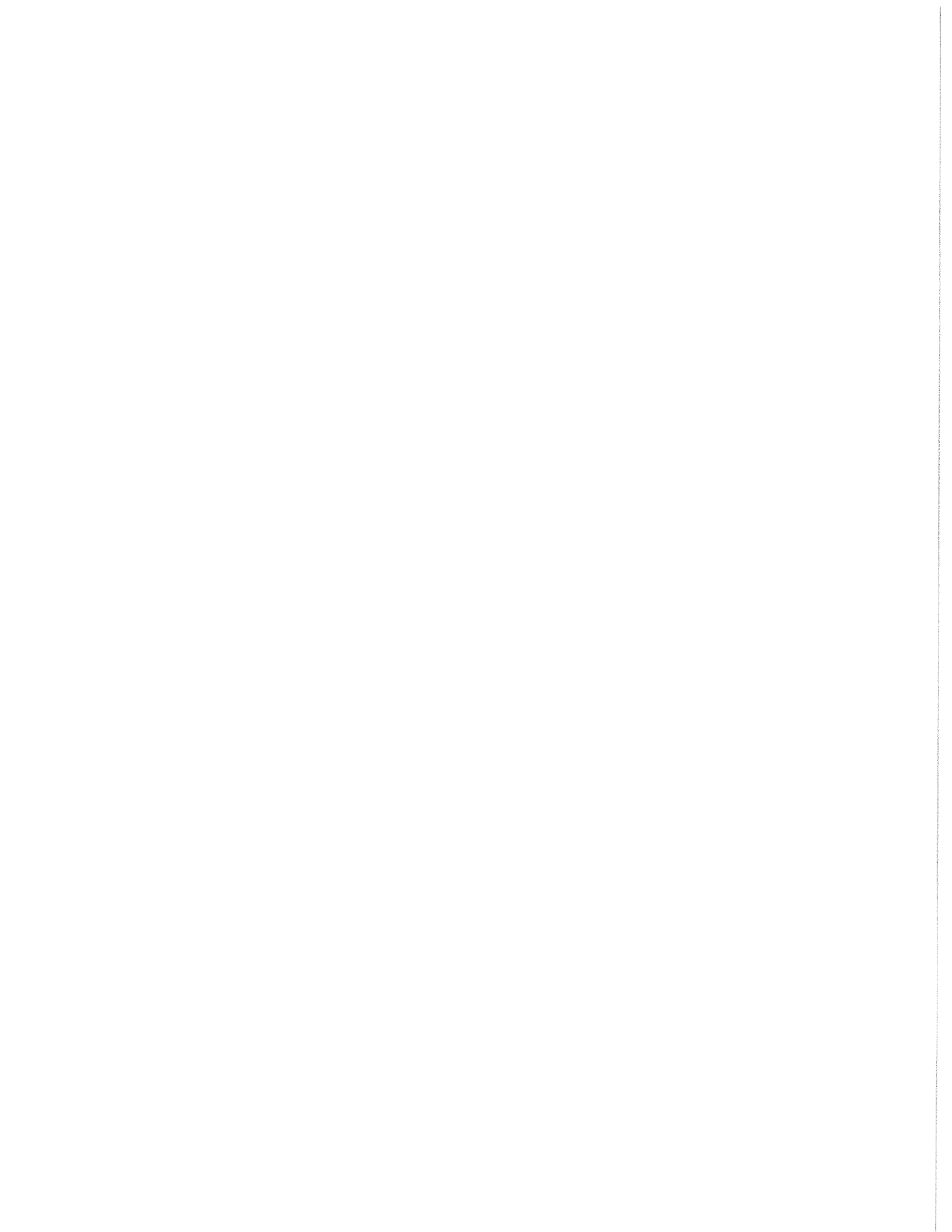
<b>Total Expenses</b>	<b><u>3,828,500</u></b>
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<b><u>CHANGE IN NET ASSETS</u></b>	198,168
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<b><u>NET ASSETS, BEGINNING OF YEAR</u></b>	<u>726,430</u>
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<b><u>NET ASSETS, END OF YEAR</u></b>	<b><u><u>\$ 924,598</u></u></b>
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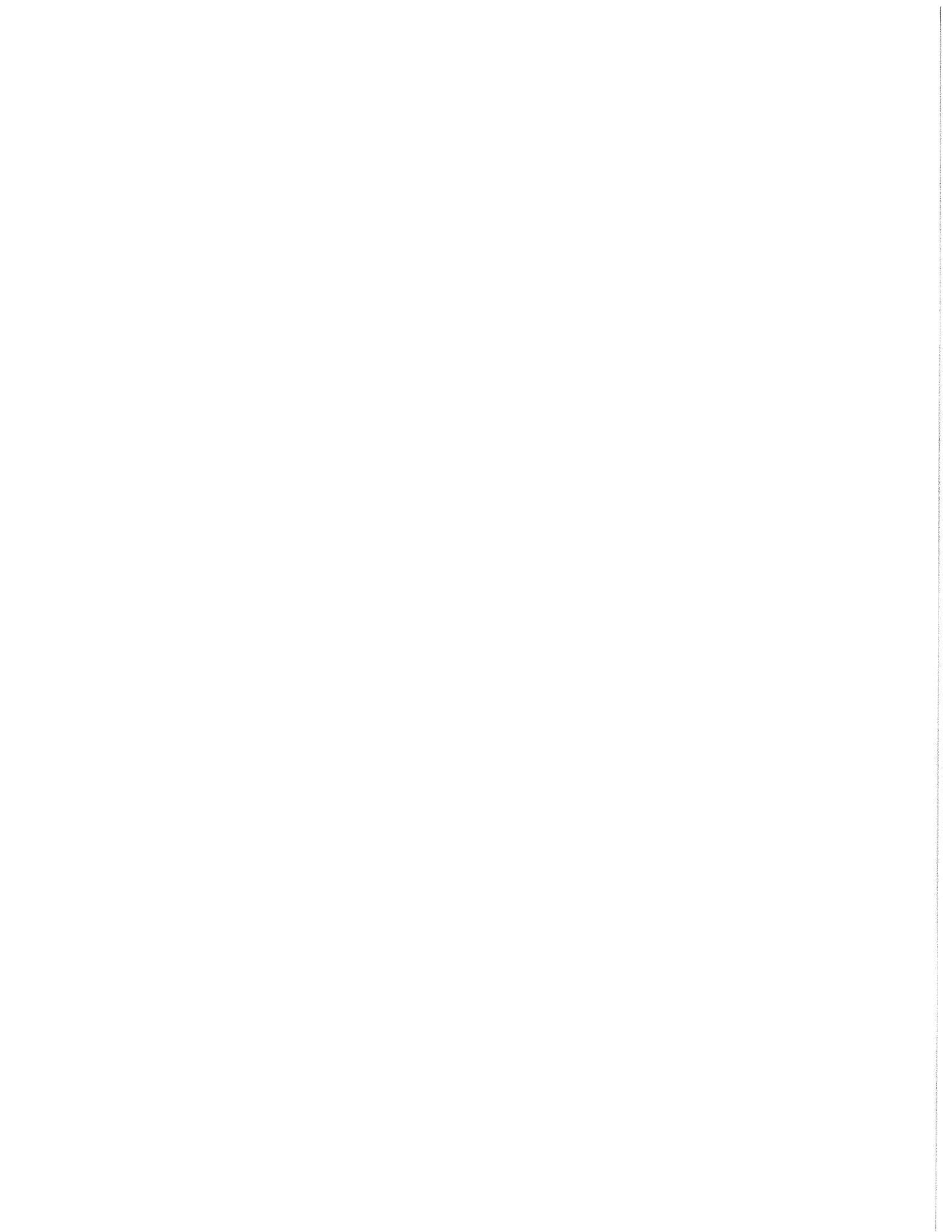
SEE ACCOMPANYING AUDITOR'S REPORT AND NOTES TO FINANCIAL STATEMENTS



**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**AS OF JUNE 30, 2017**

	<u>Programs</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Payroll Expense	\$ 106,760	\$ 30,503	\$ 15,251	\$ 152,514
Payroll Taxes	9,923	2,835	1,417	14,175
<b>Total Payroll</b>	<b>116,683</b>	<b>33,338</b>	<b>16,668</b>	<b>166,689</b>
Accounting	2,710	1,355	1,355	5,420
Advertising	-	1,269	-	1,269
Auto and Truck Expenses	7,152	-	-	7,152
Bank Charges	-	-	100	100
Building Management	-	-	3,189	3,189
Client Services	44,602	-	-	44,602
Food Distributed	3,438,229	-	-	3,438,229
Fundraising	-	27,561	-	27,561
Gifts	-	25	-	25
Grant Writing	12,119	-	-	12,119
Insurance	-	-	24,048	24,048
Interest	-	-	11,892	11,892
Lawn Care	-	-	2,100	2,100
Meals and Entertainment	1,640	1,639	-	3,279
Office Expense	7,035	3,518	3,518	14,071
Pest Control	-	-	600	600
Postage	80	158	80	318
Printing and Copying	-	1,260	-	1,260
Repair and Maintenance	-	-	13,660	13,660
Subscriptions and Dues	-	1,470	-	1,470
Taxes and Licenses	-	-	6,725	6,725
Telephone	1,395	698	698	2,791
Utilities	11,618	3,319	1,660	16,597
<b>Total Expenses Before Depreciation</b>	<b>3,643,263</b>	<b>75,610</b>	<b>86,293</b>	<b>3,805,166</b>
Depreciation	18,667	2,334	2,334	23,335
<b>Total Expenses</b>	<b>\$ 3,661,930</b>	<b>\$ 77,944</b>	<b>\$ 88,627</b>	<b>\$ 3,828,500</b>

SEE ACCOMPANYING AUDITOR'S REPORT AND NOTES TO FINANCIAL STATEMENTS



**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**  
**STATEMENT OF CASH FLOWS**  
**AS OF JUNE 30, 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received From:	
Contributions, Fundraising and Grants	\$ 235,428
Rental Income	33,421
Investment Income	29
Cash Paid For Expenses	<u>(201,896)</u>
Net Cash Provided/(Used) by Operating Activities	<u>66,982</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of New Equipment	(16,380)
Net Cash Provided/(Used) by Investing Activities	<u>(16,380)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Payments of Long-Term Debt	<u>(12,012)</u>
Net Cash Provided/(Used) by Financing Activities	<u>(12,012)</u>

**NET INCREASE/(DECREASE) IN CASH** 38,590

**CASH, BEGINNING OF YEAR** 115,917

**CASH, END OF YEAR** \$ 154,507

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES**

Change in Net Assets \$ 198,168

**ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES**

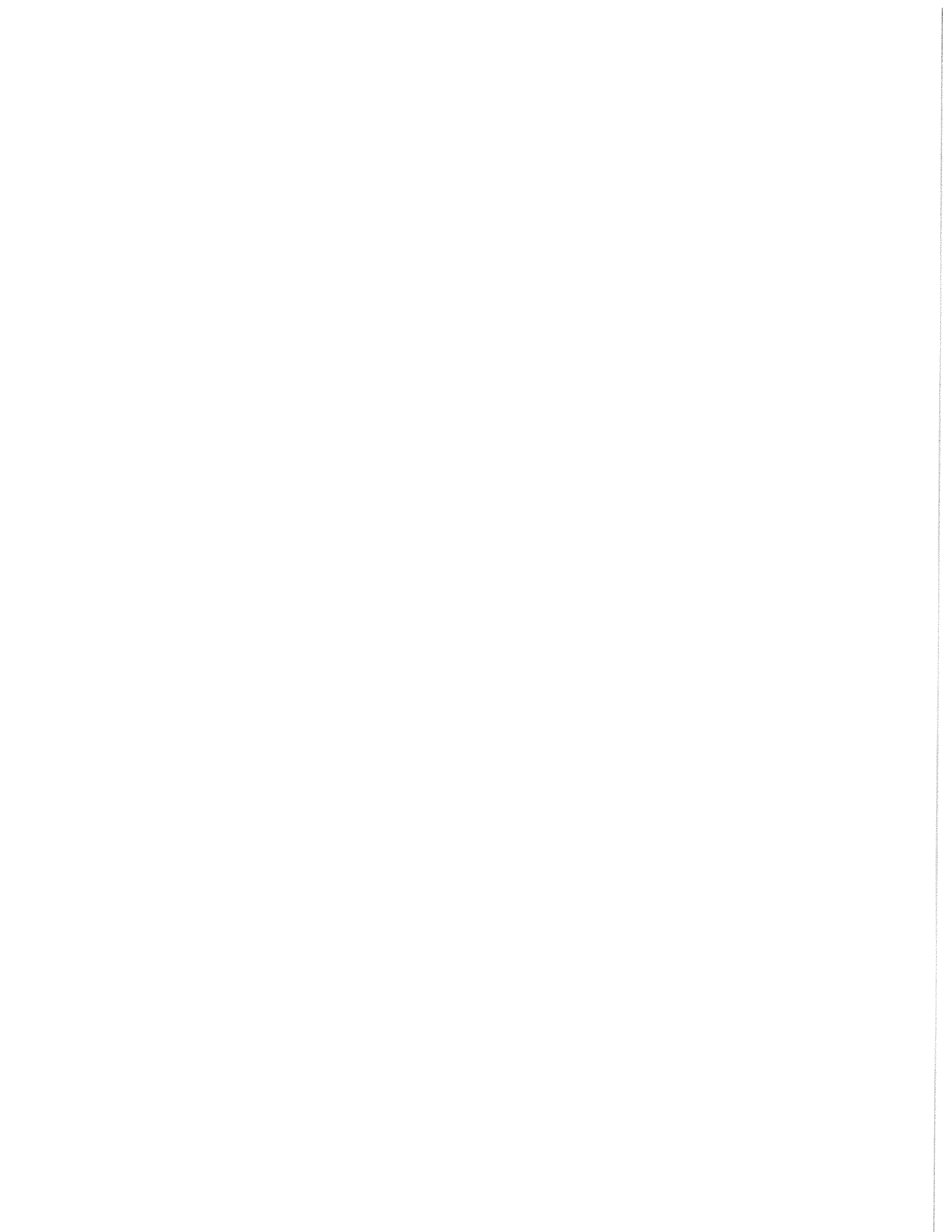
Depreciation	23,335
Increase in Inventory	(149,471)
Increase in Other Current Assets	<u>(5,050)</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ 66,982</u></u>

**SUPPLEMENTAL CASH FLOW DISCLOSURES**

**NONCASH OPERATING ACTIVITIES**

Food Contributions	\$ 3,587,700
Food and Groceries Distributed	<u>(3,438,229)</u>
Net noncash activities	<u><u>\$ 149,471</u></u>

**SEE ACCOMPANYING AUDITOR'S REPORT AND NOTES TO FINANCIAL STATEMENTS**



**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE A – DESCRIPTION OF ORGANIZATION**

The United Food Bank & Services of Plant City, Inc. ("the Organization") provides temporary assistance with food, personal hygiene items and other Last Resort Assistance to needy families and individuals in Eastern Hillsborough County.

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, 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 primary fundraisers for the Organization are a "Celebrity Chef Dinner" and a "Empty Bowls" event which are held annually. Business sponsorships and ticket sales provide the necessary funding.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation:**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations, including contributions whose restrictions are met in the same reporting period.

*Temporarily restricted net assets* – Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently restricted net assets* – Net assets that are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

**Estimates:**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.





UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

**Cash and Cash Equivalents:**

Cash and cash equivalents include certificates of deposit with original maturities of three months or less.

**Financial Instruments:**

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

*Cash and Cash Equivalents* – the carrying amount approximated fair value due to the short-term maturity of these instruments.

*Long-Term Debt* – the carrying value approximates market value based on prevailing market conditions.

**Furniture and Equipment:**

Furniture and equipment are recorded at cost, or in the event of contributed property, at fair market value at the date of the contributions. Property and equipment are depreciated using the straight-line method over the estimated useful lives of each asset – equipment, 5 – 7 years. Acquisitions of property and equipment with a cost in excess of \$200 are capitalized.

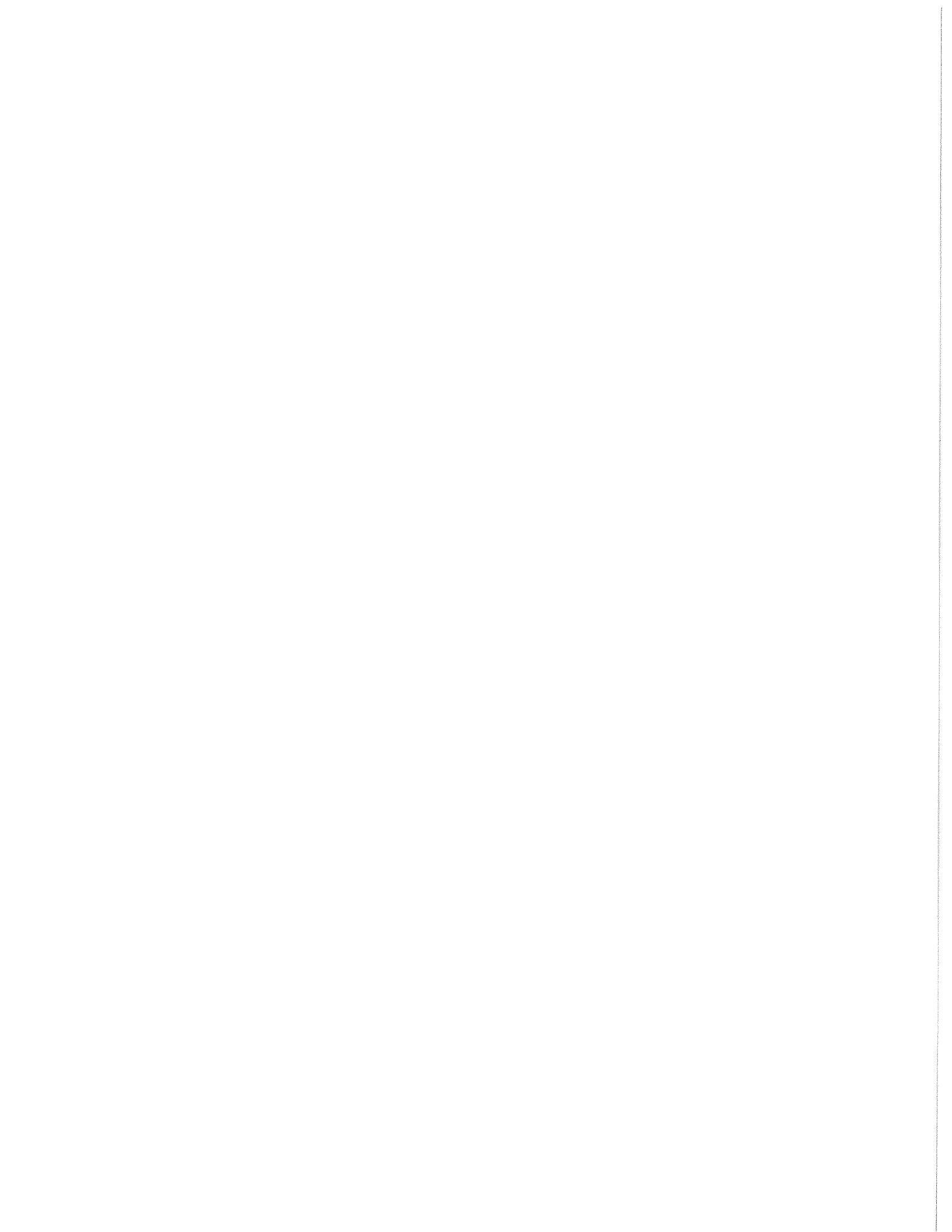
**Volunteer Contributions:**

A substantial number of unpaid volunteers have made significant contributions of their time to maintain the Organization's programs. No amounts have been reported in the financial statements for voluntary donation of services because no objective basis is available to measure the value of such donations.

The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided. Administrative and general expenses are allocated to the various programs based on a ratio of the program's total expenses to the total Organization expenses.

**Income Tax Status:**

Income taxes are not provided for in the financial statements since the Organization is exempt from federal and state income taxes under section 501 (c) (3) of the Internal Revenue Code and similar state provisions. The Organization is treated as a publicly supported organization, and not as a private foundation. Management is not aware of any activities that would jeopardize the Organization's tax-exempt status.



**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**Concentration of Credit Risk:**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash with creditworthy, high quality financial institutions. The Organization has not experienced any losses from its deposits.

**NOTE C – DONATED GOODS**

The Organization conducts a food drive in November and December by placing barrels in grocery stores, schools, businesses and churches. In addition, donations of food and supplies are received from grocery stores. Inventory received and distributed are recorded in pounds. Valuation of ending inventory is based on local grocery retail prices per unit. Estimated ending inventory is as follows:

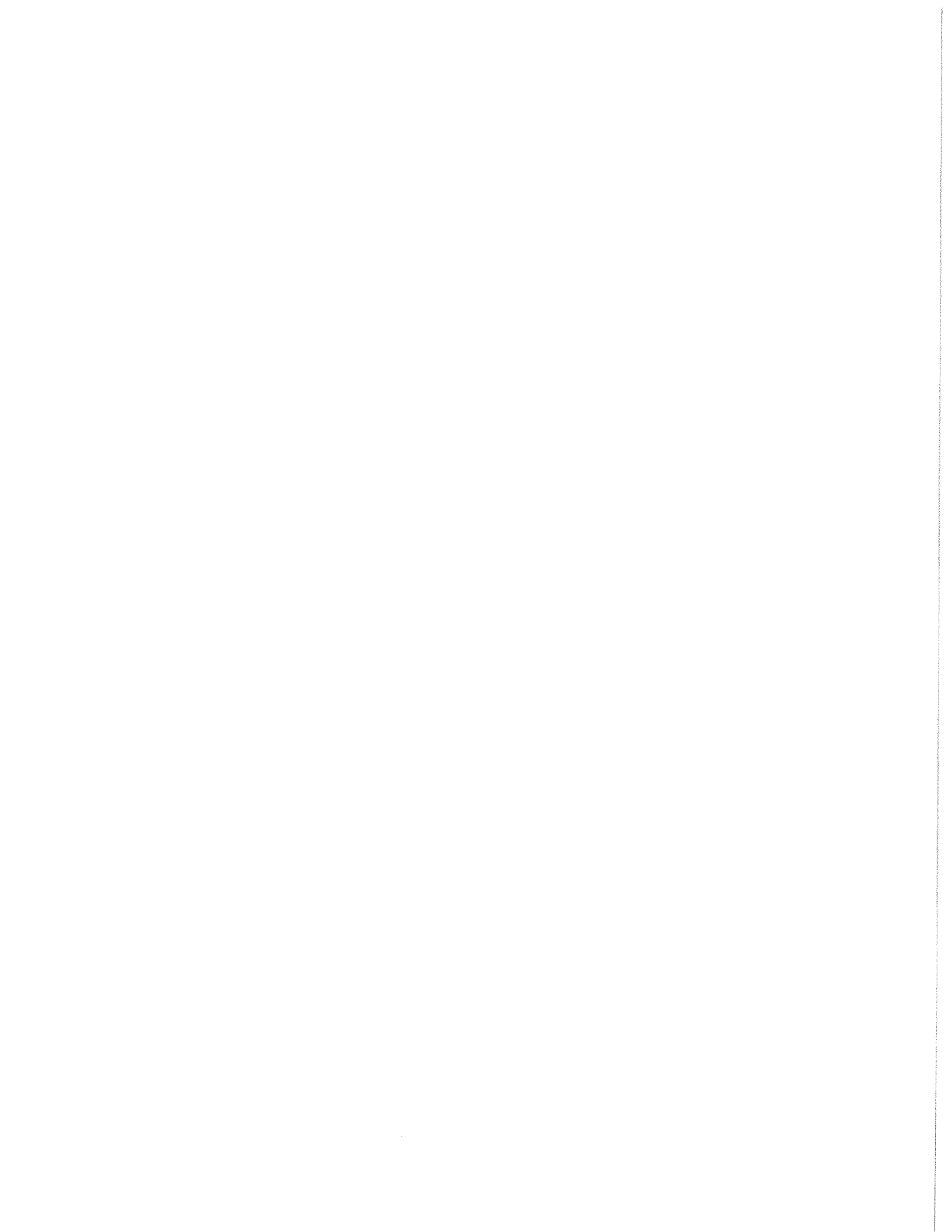
Beginning	\$ 519,628
Donated/Distributed, net	149,471
Ending	<u>\$ 669,099</u>

**NOTE D – LONG TERM DEBT**

Long-term debt at June 30, 2017 consists of a note payable in monthly installments, currently \$1,879, including interest at 3.875%, which matures February 17, 2036. The interest rate and payment change February 17, 2023 and every five years thereafter. The note is secured by a mortgage on the Organization's property.

Annual maturities of long-term debt is as follows:

2018	\$ 11,209
2019	11,651
2020	12,111
2021	12,589
2022	13,085
Thereafter	237,197
	<u>\$ 297,842</u>



**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE E – UNITED WAY FUNDING**

The Organization receives United Way funds for emergency temporary assistance with food, baby food, baby diapers and personal hygiene items. Services are provided to low-income and homeless families in Eastern Hillsborough County.

The Organization is presented as a United Way participating agency and provides non-financial support to the annual United Way campaign.

**NOTE F – SUBSEQUENT EVENTS**

Management has considered subsequent events up to the date that this report was available to be issued.

