

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

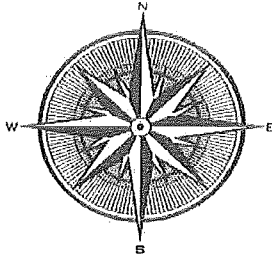
**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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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), which comprise the statement of financial position as of June 30, 2019, and the related statement of activities, statement of 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**

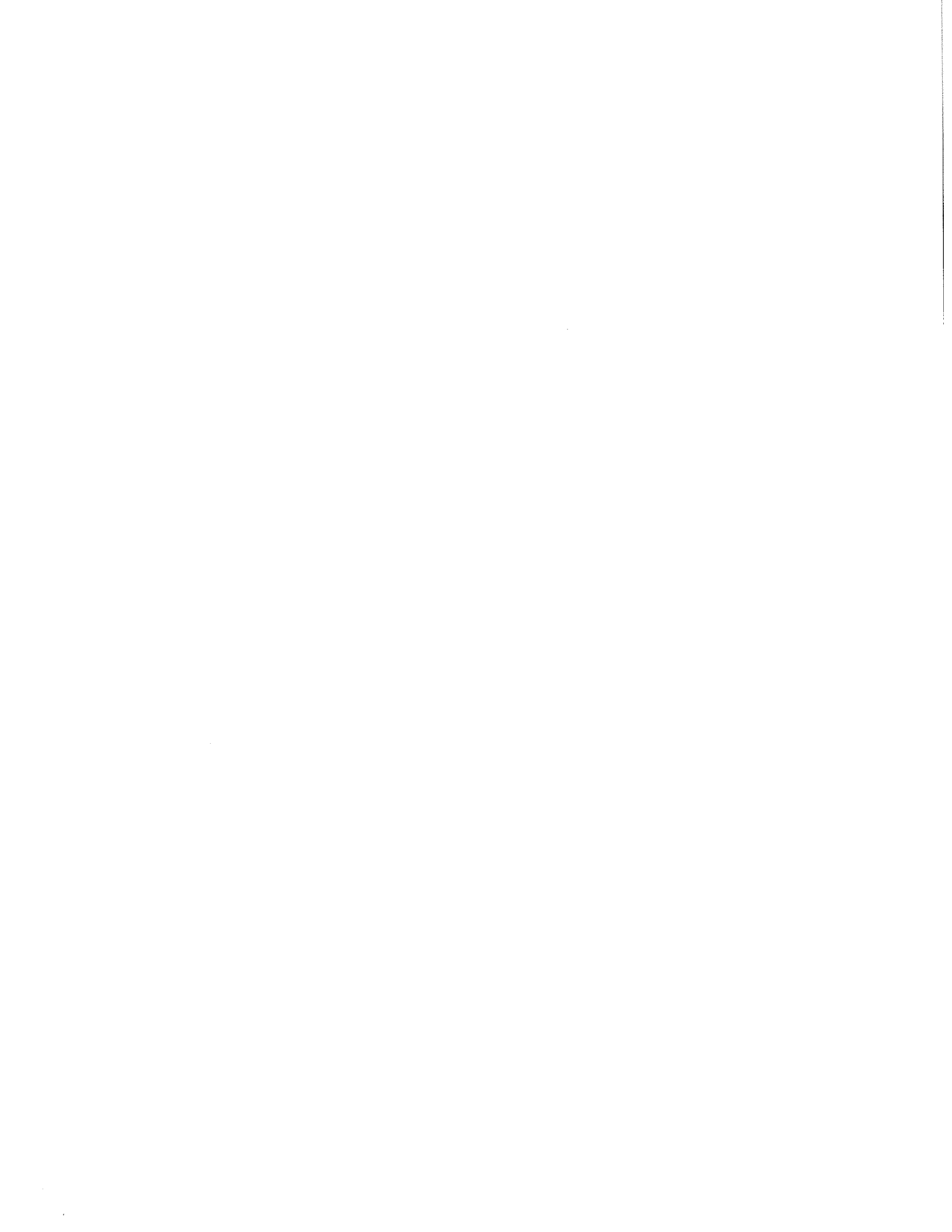
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and 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 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 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 under the circumstances, but not for the purpose of 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 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.



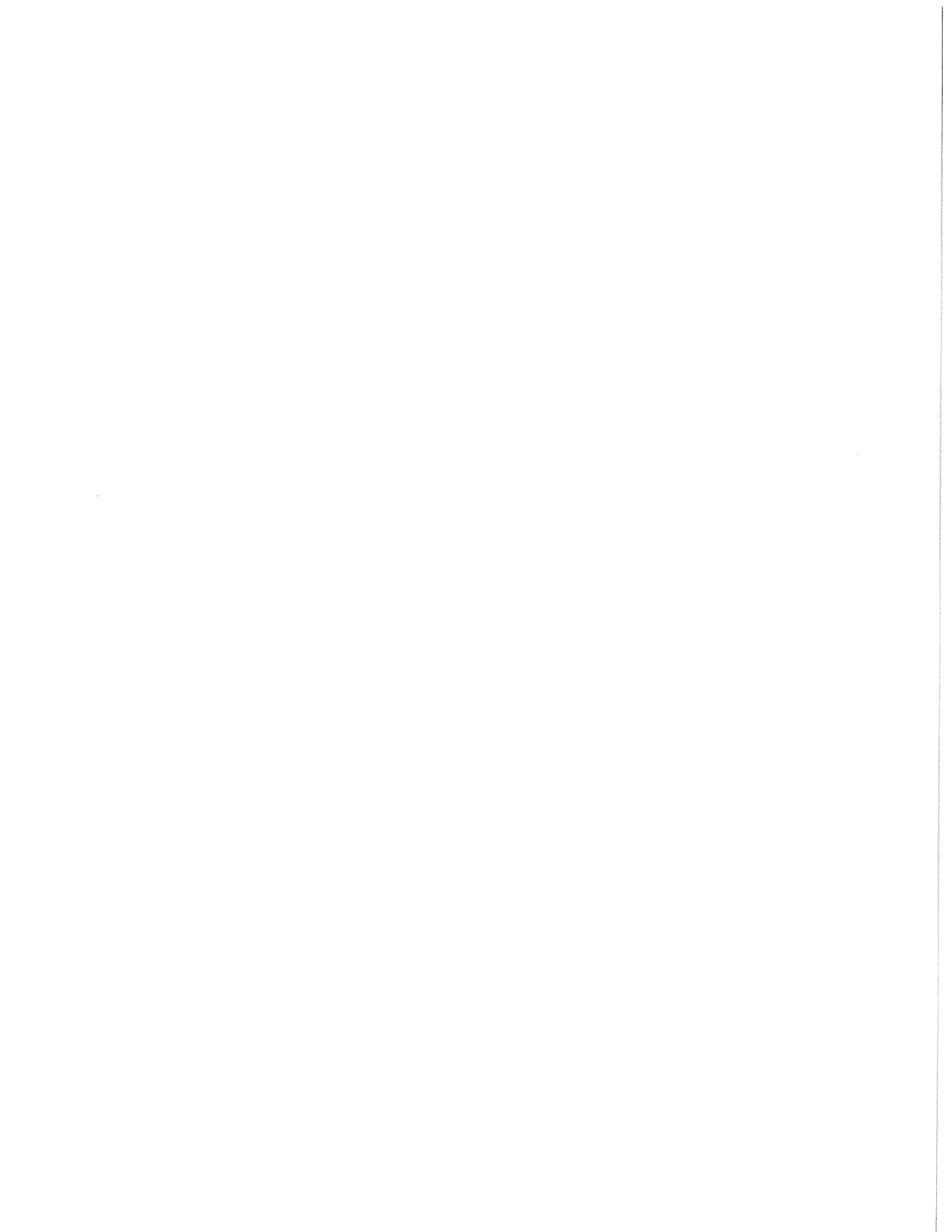
**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Food Bank & Services of Plant City, Inc. as of June 30, 2019, 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  
January 15, 2020



**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2019**

**ASSETS**

**CURRENT ASSETS**

Cash & Cash Equivalents	\$ 337,747
Other Current Assets	1,261
Inventories, Note J	<u>506,806</u>
Total Current Assets	<u>845,814</u>

**PROPERTY, PLANT, AND EQUIPMENT**

Freezer	35,763
Signs	918
Building	277,899
Website	1,535
Furniture and Fixtures	2,788
Computer Equipment	14,892
Equipment	7,294
Vehicles	33,675
Land Improvements	120,858
Land	79,707
Less: Accumulated Depreciation	<u>(135,331)</u>
Total Property, Plant, and Equipment	<u>439,998</u>

<b>TOTAL ASSETS</b>	<b><u>\$ 1,285,812</u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Current Portion of Loan Payable	\$ 12,111
Credit Card Payable	1,842
Accrued Expense	<u>4,990</u>
Total Current Liabilities	18,943

<b><u>LONG-TERM DEBT, Net of Current Portion</u></b>	<u>263,284</u>
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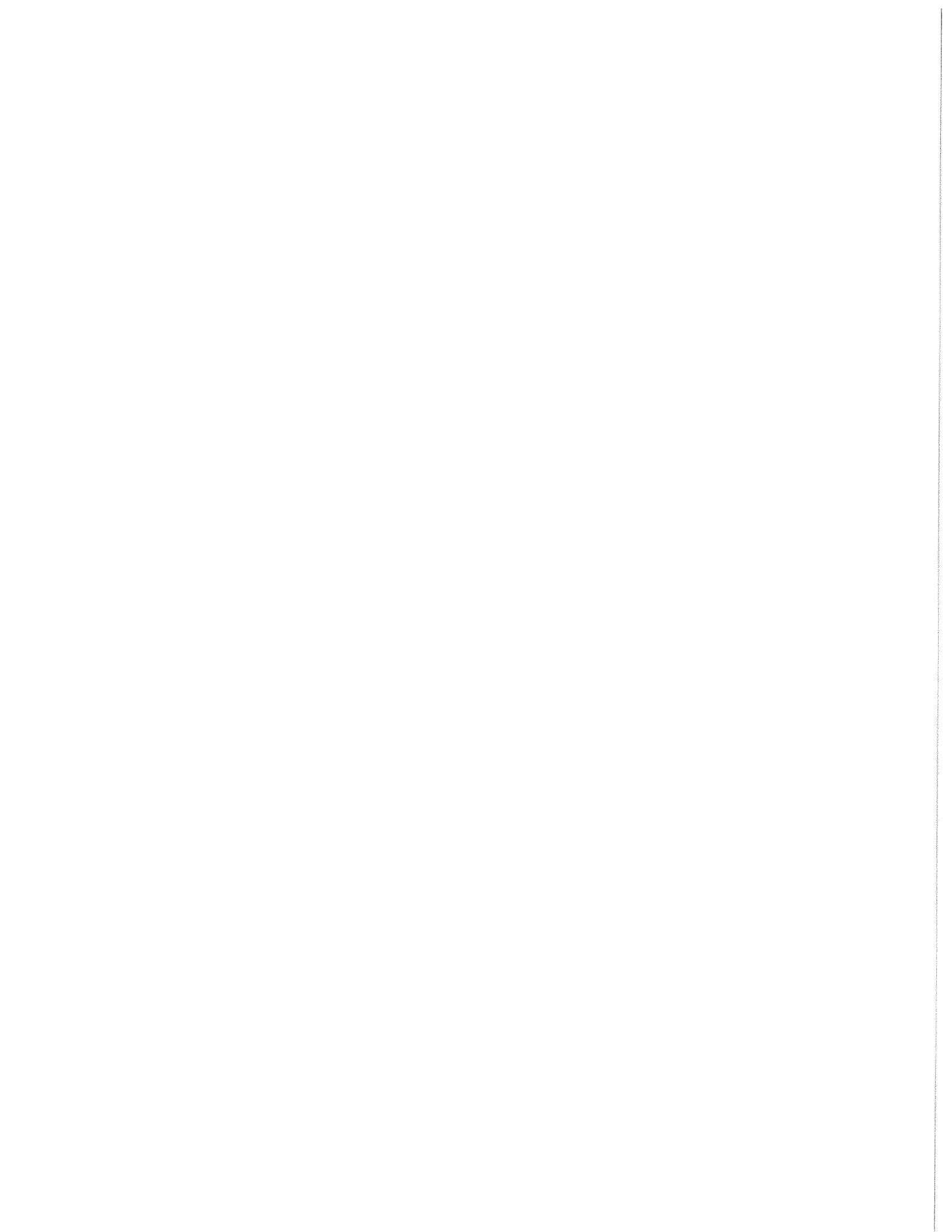
Total Liabilities	<u>282,227</u>
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**NET ASSETS**

Net Assets without Donor Restrictions	1,003,585
Net Assets with Donor Restrictions	<u>-</u>
Total Net Assets	<u>1,003,585</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,285,812</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 ACTIVITIES

AS OF JUNE 30, 2019

**SUPPORT**

Donations	\$ 4,115,647
United Way	57,861
Grants	135,975
Fundraising	96,994
Rental Income	33,574
Interest Income	66

**Total Support** 4,440,117

**EXPENSES**

**Program Expenses**

Programs 3,993,556

**Support Services**

Fundraising 88,646  
General and Administrative 51,756

**Total Expenses** 4,133,958

**CHANGE IN NET ASSETS** 306,159

**NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED** 1,271,558

Prior Period Adjustment (574,132)

**NET ASSETS, BEGINNING OF YEAR, AS RESTRICTED** 697,426

**NET ASSETS, WITHOUT RESTRICTIONS, END OF YEAR** \$ 1,003,585

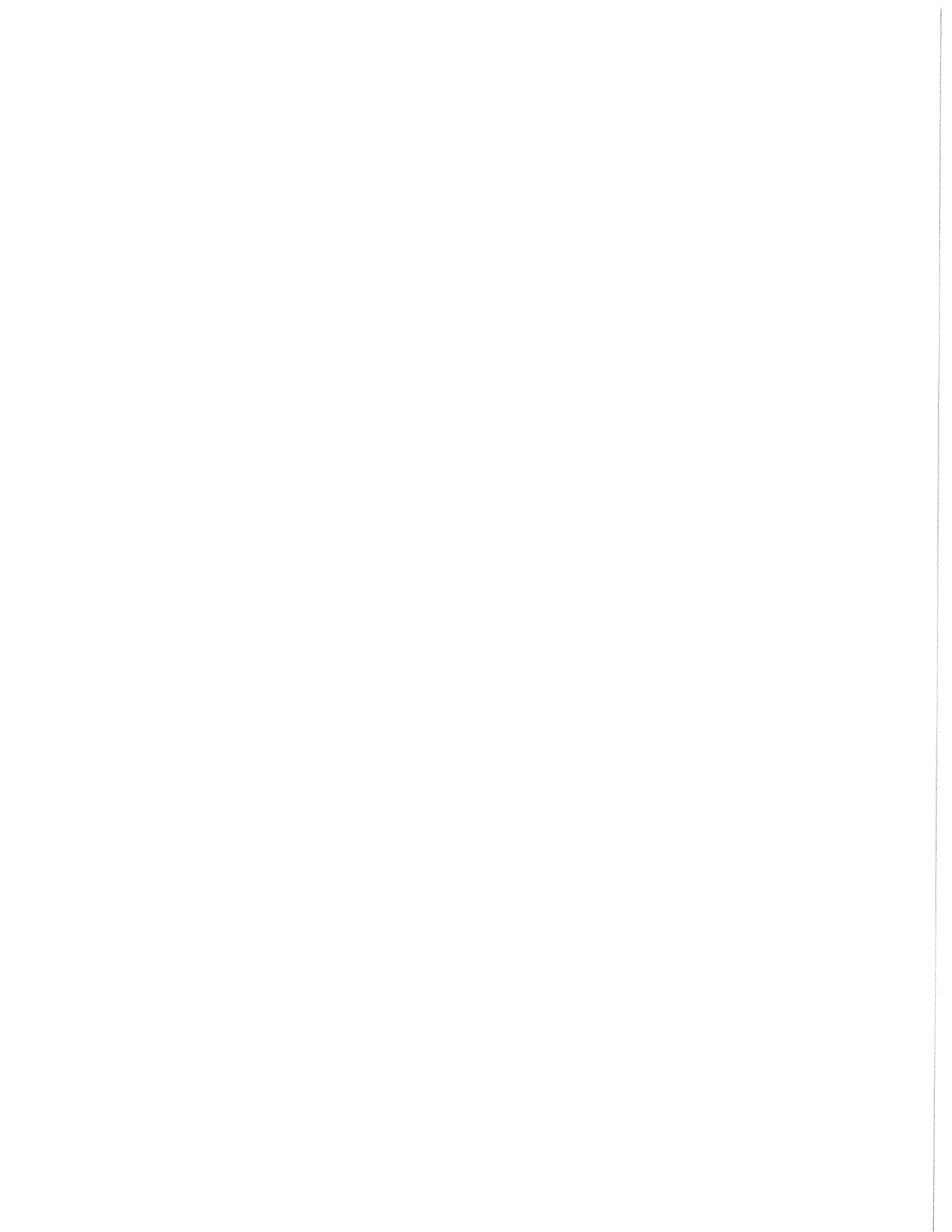
SEE ACCOMPANYING AUDITOR'S REPORT AND NOTES TO FINANCIAL STATEMENTS



UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
AS OF JUNE 30, 2019

	<u>Programs</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Payroll Expense	\$ 126,440	\$ 36,126	\$ 18,062	\$ 180,628
Payroll Taxes	10,528	3,008	1,504	15,040
<b>Total Payroll</b>	<b>136,968</b>	<b>39,134</b>	<b>19,566</b>	<b>195,668</b>
Accounting	2,550	1,275	1,275	5,100
Advertising	-	4,303	-	4,303
Auto and Truck Expenses	18,266	-	-	18,266
Bank Charges	-	-	77	77
Building Management	3,357	-	-	3,357
Client Services	52,954	-	-	52,954
Contributions	-	137	-	137
Food Distributed	3,674,487	-	-	3,674,487
Fundraising	-	26,368	-	26,368
Gifts	-	636	-	636
Grant Writing	31,495	-	-	31,495
Insurance	3,403	-	20,914	24,317
Interest	11,112	-	-	11,112
Lawn Care	2,100	-	-	2,100
Meals and Entertainment	2,337	2,337	-	4,674
Office Expense	8,613	4,307	4,306	17,226
Pest Control	-	-	300	300
Postage	195	390	195	780
Printing and Copying	-	2,983	-	2,983
Repair and Maintenance	13,814	-	-	13,814
Subscriptions and Dues	-	375	-	375
Taxes and Licenses	2,886	-	616	3,502
Telephone	1,717	859	858	3,434
Utilities	13,248	3,785	1,893	18,926
<b>Total Expenses Before Depreciation</b>	<b>3,979,502</b>	<b>86,889</b>	<b>50,000</b>	<b>4,116,391</b>
Depreciation	14,054	1,757	1,756	17,567
<b>Total Expenses</b>	<b>\$ 3,993,556</b>	<b>\$ 88,646</b>	<b>\$ 51,756</b>	<b>\$ 4,133,958</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, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received From:	
Contributions, Fundraising and Grants	\$ 549,889
Rental Income	33,574
Investment Income	66
Cash Paid For Expenses	<u>(434,509)</u>
Net Cash Provided/(Used) by Operating Activities	<u>149,020</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Land Improvements	<u>(76,254)</u>
Net Cash Provided/(Used) by Investing Activities	<u>(76,254)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Payments of Long-Term Debt	<u>(11,436)</u>
Net Cash Provided/(Used) by Financing Activities	<u>(11,436)</u>

**NET INCREASE/(DECREASE) IN CASH** 61,330

**CASH, BEGINNING OF YEAR** 276,417

**CASH, END OF YEAR** \$ 337,747

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

Change in Net Assets \$ 306,159

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

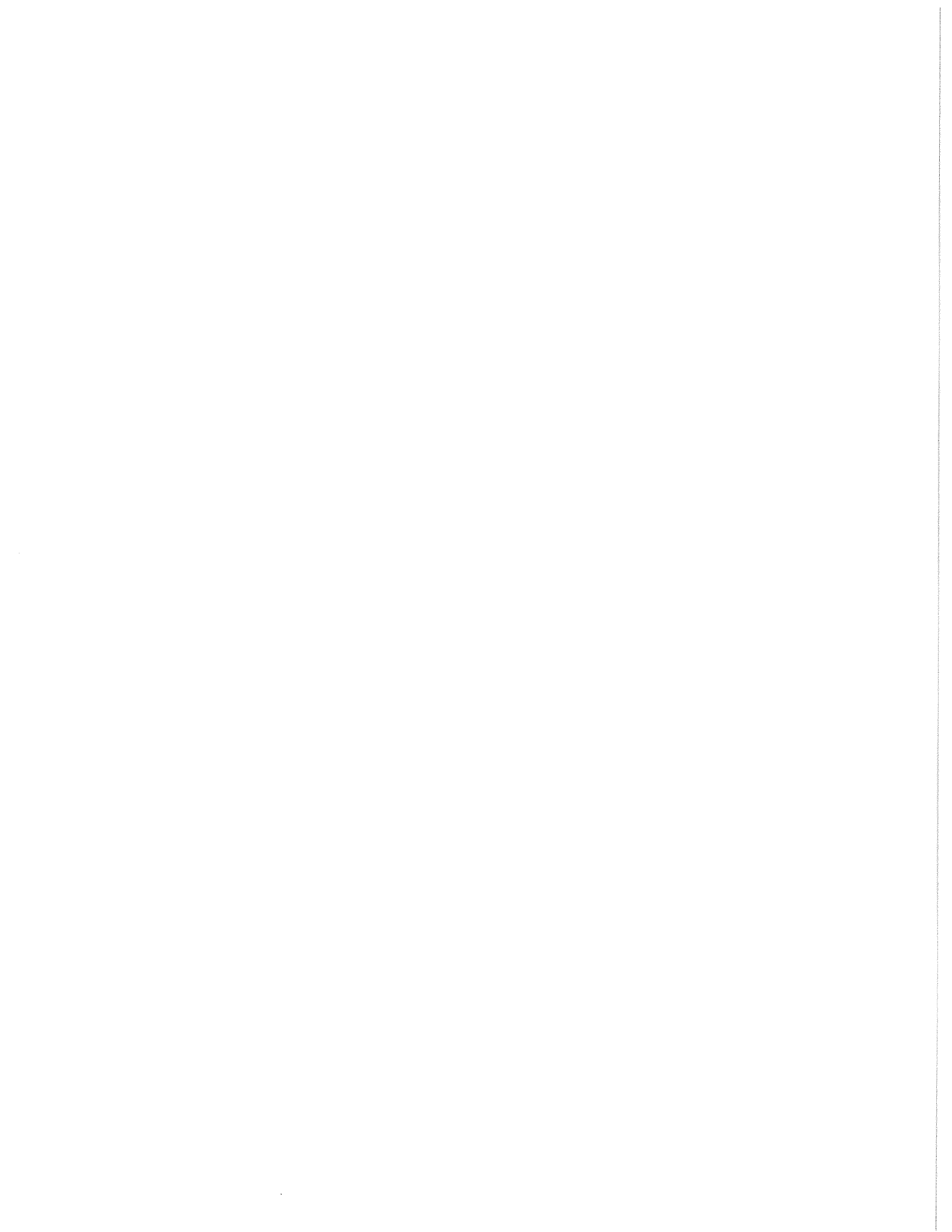
Depreciation	17,567
Decrease in Inventory	392,025
Decrease in Other Current Assets	846
Increase in Accrued Expenses	4,990
Increase in Other Current Liabilities	<u>1,560</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ 723,147</u></u>

**SUPPLEMENTAL CASH FLOW DISCLOSURES**

**NONCASH OPERATING ACTIVITIES**

Food Contributions	\$ 3,856,588
Food and Groceries Distributed	<u>(3,674,487)</u>
Net noncash activities	<u><u>\$ 182,101</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, 2019**

**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:

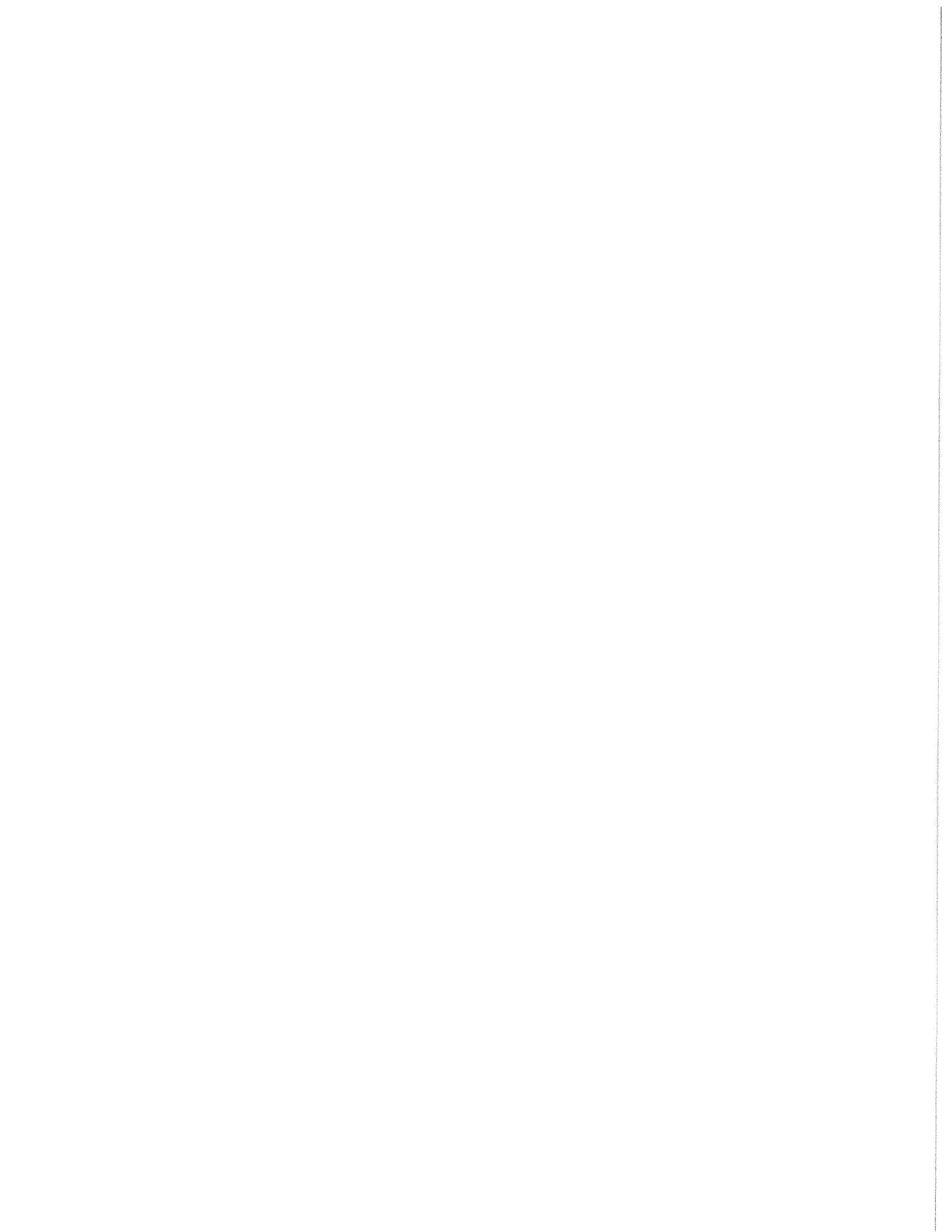
*Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations, including contributions whose restrictions are met in the same reporting period.

*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, 2019**

**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, 2019**

**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	\$ 898,831
Donated/Distributed, net	(392,025)
Ending	<u>\$ 506,806</u>

**NOTE D – LONG TERM DEBT**

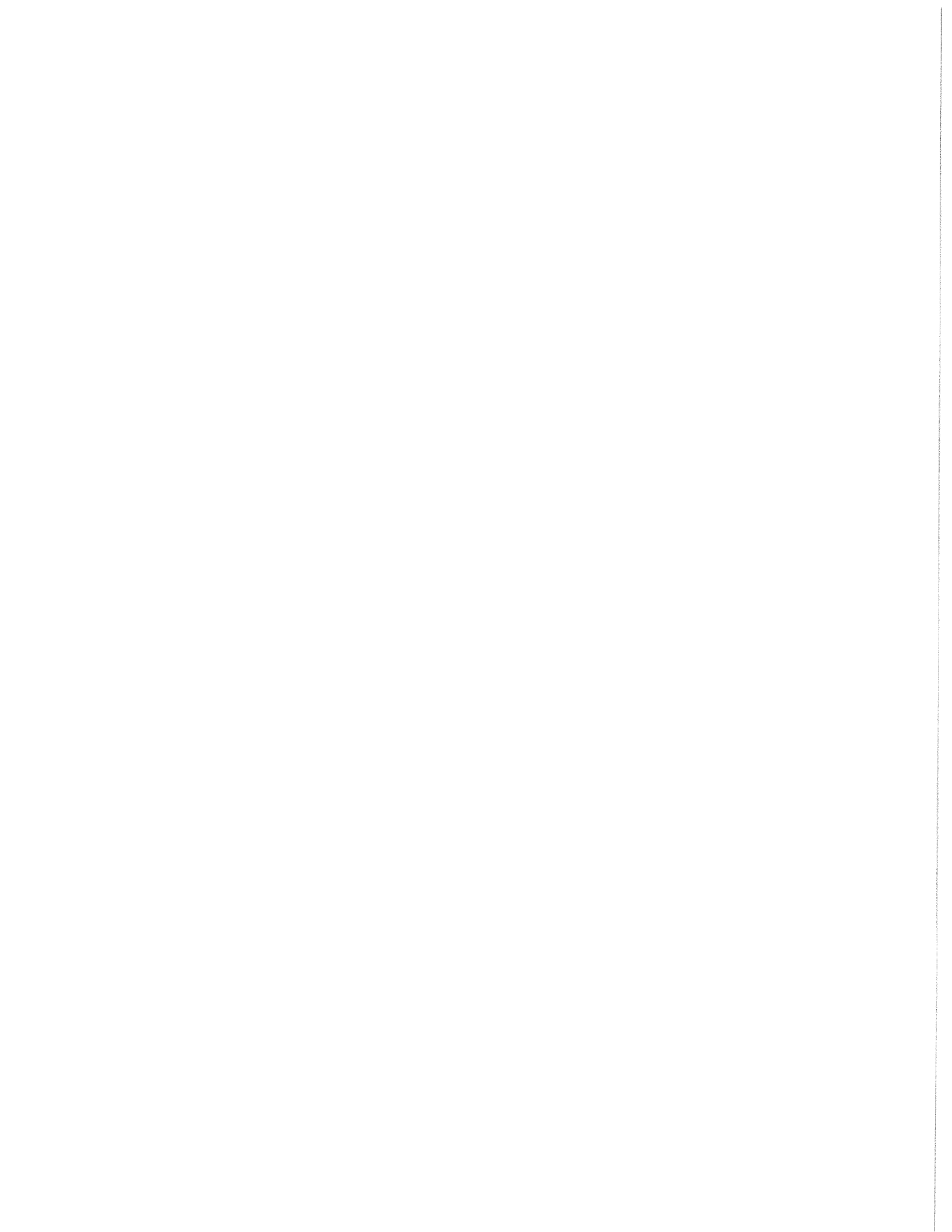
Long-term debt at June 30, 2019 consists of a note payable in monthly installments, currently \$1,879, including interest at 3.875%, which matures February 17, 2036. The interest rate and payment change February 17, 2023 and every five years thereafter. The note is secured by a mortgage on the Organization's property.

Annual maturities of long-term debt is as follows:

2020	\$ 12,111
2021	12,589
2022	13,085
2023	13,601
2024	14,138
Thereafter	209,871
	<u>\$ 275,395</u>

**NOTE E – PRIOR PERIOD ADJUSTMENT**

Net assets as of the beginning of the fiscal year have been adjusted to decrease inventory for adjustments to balance net previously recognized in prior years. The correction has no effect on the results of the current year's activities; however, the cumulative effect decreased net assets by \$574,132.



**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE F – 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 G – SUBSEQUENT EVENTS**

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

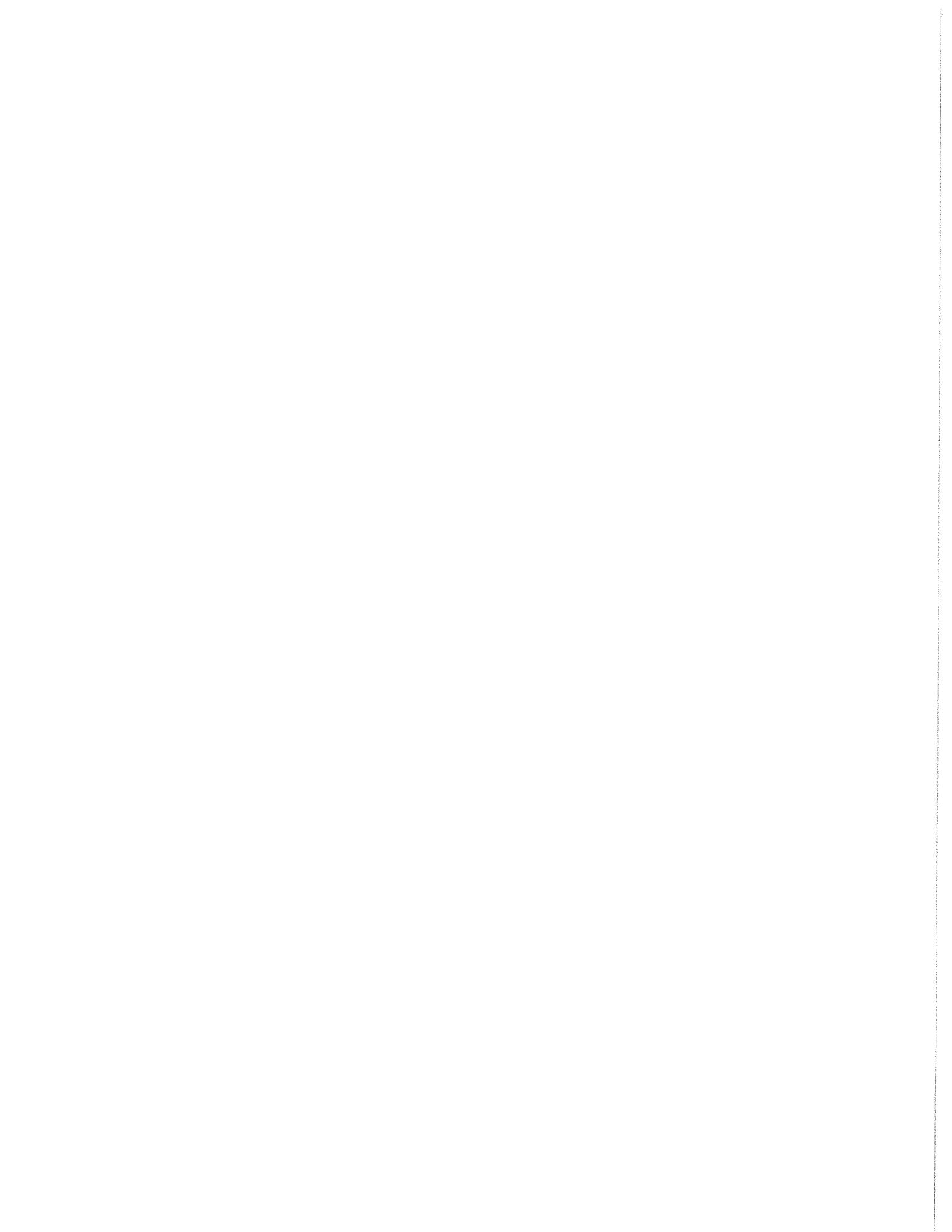
**NOTE H – LIQUIDITY**

United Food Bank & Services of Plant City, Inc. has \$337,747 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$337,747. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

United Food Bank & Services of Plant City, Inc. has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$23,400. United Food Bank & Services of Plant City, Inc. has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE I – EFFECT OF CURRENT ECONOMIC CONDITIONS ON CONTRIBUTIONS**

The Organization depends heavily on contributions and grants for its revenue. The ability of the Organization's contributors and granters to continue giving amounts comparable with prior years may be dependent upon current and future economic conditions and the continued deductibility for income tax purposes of contributions and grants to the Organization. While the Organization's Board of Directors believes that economic conditions such as tax deductibility are stable enough for the Organization to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.



**UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE J – FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

*Level 1*

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access. The balanced mutual funds are in this category.

*Level 2*

Inputs to the valuation methodologies include (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets (3) inputs other than quoted prices that are observable for the asset or liability; (4) 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*

Inputs to the valuation methodology are unobservable and significant to the fair value measurements. 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 measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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 measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Inventories are stated using Level 2 measurements.

**NOTE K – COST ALLOCATION**

The Organization administers specific programs to which common costs or indirect costs (costs incurred on behalf of all programs) are charged. The Organization currently utilizes a general and administrative cost pool to capture charges which benefit all programs and then allocates such costs each month by using a provisional or predetermined rate based on its indirect cost rate.

