

August 24, 2021

Ms. Mary Heysek, Executive Director
United Food Bank and Services of Plant City, Inc.
702 E. Alsowood Street #H
Plant City, Florida 33563

Dear Mary:

Enclosed are five copies of the audited financial statements for the year ended June 30, 2021. I have also e-mailed you an electronic copy of the report. Under separate cover you will receive the 2020 tax return (electronic) for that same period. **The return filing date is November 15th.**

Thank you for allowing me to be of service to you this year. I truly appreciate the opportunity to work with you.

Sincerely,

David R. Ramos

David R. Ramos

DRR
Enclosures

MATTERS REQUIRED TO BE COMMUNICATED TO
THE BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors and Management
United Food Bank & Services of Plant City, Inc.

My Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in my engagement letter, my responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. My audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

I performed the audit according to the planned scope and timing.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by United Food Bank & Services of Plant City, Inc. (the "Organization") are described in Note 1 to the financial statements. Except for the application of ASU 2018-08 and ASU 2014-09, no new accounting policies were adopted and the application of existing policies was not changed during fiscal year ended June 30, 2021. I noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions that have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the allocation of expenses. I evaluated the key factors and assumptions used to develop the allocations and that they were reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no exceptionally sensitive disclosure items affecting the financial statements.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Audit adjustments were approved by management and I have provided copies to management for posting. A copy of my version of the adjusted trial balance has been provided to management. There were no uncorrected adjustments noted during my audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated August 23, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

This information is intended solely for the use of the Board of Directors and Management of United Food Bank & Services of Plant City, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

David R. Ramos, CPA

August 23, 2021

Board of Directors and Management
United Food Bank & Services of Plant City, Inc.

COMMUNICATING MATTERS RELATED THE
ENTITY'S INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit of the financial statements of United Food Bank & Services of Plant City, Inc. (the "Organization") for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, I considered its internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses and, therefore, material weaknesses may exist that were not identified. However, as discussed below, I identified a deficiency in internal control that I consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be presented, or detected and corrected, on a timely basis. I consider the following deficiency in the Organization's internal control to be a material weakness:

The monthly weight totals reports are not independently compared to the in-kind contributions amount reported on the Organization's financial statements. This allows for the improper recording of both support and expense to occur and go unchecked. During fiscal year ended June 30, 2021, the overstatement of support and expense exceeded \$520,000.

During my audit, I became aware of the following matters other than significant deficiencies or material weaknesses that are opportunities for its strengthening internal controls and operating efficiency:

The minutes of the board of directors do not document whether corporate filings are up-to-date. This would include registration of the filing with the Florida Division of Corporations, the Florida Dept of Agriculture and Consumer Services, the filing of IRS form 990, and others. This process would lend to ensuring that the Organization is compliant with applicable laws, rules and regulations.

The Organization's capitalization policy provides that acquisitions of furniture and equipment in excess \$200 get capitalized. In today's operating business environment, a more functional capitalization threshold would be \$1,000.

This information is intended solely for the use of the Board of Directors, management and others within United Food Bank & Services of Plant City, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

David R. Ramos, CPA

August 23, 2021

Financial Statements

United Food Bank & Services
of Plant City, Inc.

Year Ended June 30, 2021



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UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

I 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, 2021, 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 my 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, 2021, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of my report. I am 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 my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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

My 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 my 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.

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

- 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 my 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.

I am 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 I identified during the audit.

David R. Ramos, CPA

Lakeland, Florida
August 23, 2021

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

ASSETS

Cash	\$ 1,226,718
Receivables	1,736
Inventory	318,530
Property and equipment	<u>524,794</u>
TOTAL ASSETS	<u>\$ 2,071,778</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 20,465
Accrued expenses payable	8,418
Long-term debt	<u>287,754</u>
TOTAL LIABILITIES	316,637
NET ASSETS:	
Without donor restrictions	<u>1,755,141</u>
TOTAL NET ASSETS	<u>1,755,141</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,071,778</u>

Read accompanying notes to financial statements.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

SUPPORT AND REVENUE

Contributions	\$ 7,062,374
United Way	47,617
Grants	1,082,532
Special events	66,615
Rental income	26,278
Interest income	<u>137</u>

Total support and revenue 8,285,553

EXPENSES

Program	7,485,286
Management and general	106,015
Fund raising	<u>186,401</u>

Total expenses 7,777,702

Increase in net assets without donor restrictions 507,851

Increase in net assets 507,851

NET ASSETS, beginning of year 1,247,290

NET ASSETS, end of year \$ 1,755,141

Read accompanying notes to financial statements.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Food distributed	\$ 6,951,669	\$ -	\$ -	\$ 6,951,669
Client services	308,435	-	-	308,435
Personnel-related expenses	88,334	64,695	76,131	229,160
Depreciation	49,691	6,211	6,211	62,113
Grant writing	-	-	37,565	37,565
Office expense	16,622	8,311	8,311	33,244
Fundraising	-	-	27,022	27,022
Insurance	4,631	20,183	-	24,814
Utilities	14,301	2,045	4,086	20,432
Automobile and truck expenses	13,826	-	-	13,826
Repair and maintenance	10,809	-	-	10,809
Interest	10,107	-	-	10,107
Printing and copying	-	-	9,641	9,641
Advertising	-	-	7,678	7,678
Accounting	3,670	1,835	1,835	7,340
Meals and entertainment	2,442	-	2,442	4,884
Telephone	2,064	1,032	1,032	4,128
Taxes	3,462	-	-	3,462
Building management	2,637	-	-	2,637
Lawn care	2,080	-	-	2,080
Postage	506	506	1,013	2,025
Gifts	-	-	1,780	1,780
Subscriptions and dues	-	-	1,654	1,654
Pest control	-	605	-	605
Bank charges	-	592	-	592
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 7,485,286</u>	<u>\$ 106,015</u>	<u>\$ 186,401</u>	<u>\$ 7,777,702</u>

Read accompanying notes to financial statements.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 507,851
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	62,113
(Increase) decrease in:	
Receivables	31
Inventory	205,751
Increase (decrease) in:	
Accounts payable	10,742
Accrued expenses payable	<u>32</u>
Net cash from operating activities	786,520
CASH FLOWS USED BY INVESTING ACTIVITIES:	
Purchase of property and equipment	<u>(136,291)</u>
Net cash used by investing activities	(136,291)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal payments on debt	<u>(12,442)</u>
Net cash from financing activities	<u>(12,442)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	637,787
CASH, beginning of year	<u>588,931</u>
CASH, end of year	<u>\$ 1,226,718</u>
SUPPLEMENTAL DATA:	
Cash paid for:	
Interest	\$ <u>10,107</u>
Income taxes	\$ <u>-</u>

Read accompanying notes to financial statements.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

NOTES TO FINANCIAL STATEMENTS

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 fundraisers: Celebrity Chef Dinner and Empty Bowls. Funding is provided by business sponsorships and ticket sales.

ADOPTION OF ACCOUNTING PRINCIPLES - The Organization has adopted Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Made (Topic 958)* as well as ASU No. 2014-09 *Revenue from Contracts with Customers (Topic 606)*. Both ASUs were adopted using the retrospective method, though this did not result in significant change to the Organization’s accounting policies or impact its financial position, results of operations, or cash flows. Accordingly, prior period financial statements were not restated and there was not a cumulative effect adjustment upon adoption.

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.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

NOTES TO FINANCIAL STATEMENTS

(continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 of primarily 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.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

NOTES TO FINANCIAL STATEMENTS

(continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$6,745,918 for the year ended June 30, 2021, all of which was for food distribution.

FEDERAL 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, 2021, 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, 2021:

Cash	\$ 1,226,718
Receivables	<u>1,311</u>
Total	<u>\$ 1,228,029</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)

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consists of:

Land and land improvements	\$ 193,435
Building	277,899
Freezers	70,440
Computers	28,223
Vehicles	116,204
Other furniture and equipment	<u>59,024</u>
	745,225
Less accumulated depreciation	<u>220,431</u>
Net property and equipment	<u>\$ 524,794</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	\$ 251,042
1% Payroll Protection Program loan, payable \$2,056 monthly, including interest, payments beginning May 2021, through May 2022; unsecured	<u>36,712</u>
Total	287,754
Less current maturities	<u>49,584</u>
Non-current portion	<u>\$ 238,170</u>

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

NOTES TO FINANCIAL STATEMENTS

(continued)

NOTE 4 - LONG-TERM DEBT (continued)

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

Year ending June 30,	
2022	\$ 49,584
2023	13,379
2024	13,907
2025	14,456
2026	15,026
Thereafter	<u>181,402</u>
	<u>\$ 287,754</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 ending June 30,	
2022	\$ 26,475
2023	<u>2,550</u>
	<u>\$ 29,025</u>

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 2022. There were no borrowings under this agreement at June 30, 2021.

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.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

NOTES TO FINANCIAL STATEMENTS

(concluded)

NOTE 6 - CONCENTRATIONS

During the year ended June 30, 2021, the Organization received (in-kind) contributions from two donors representing 30% percent of total support and revenue.

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.