

Financial Statements

United Food Bank & Services
of Plant City, Inc.

Year Ended June 30, 2024



THIS PAGE INTENTIONALLY LEFT BLANK.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
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	7-13



INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2024, 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, 2024, 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 Responsibilities 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 our 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 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 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
November 11, 2024

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS

Cash and cash equivalents	\$	659,471
Investments		22,369
Inventory		650,255
Property and equipment, net		169,189
Construction in progress		1,892,926
Other assets		425
		<hr/>
TOTAL ASSETS	\$	3,394,635
		<hr/> <hr/>

LIABILITIES AND NET ASSETS

Accounts payable	\$	12,601
Accrued expenses		10,816
Long-term debt, current portion		131,297
		<hr/>
Total liabilities		154,714
Net assets:		
Without donor restrictions		3,239,921
		<hr/>
Total net assets		3,239,921
		<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$	3,394,635
		<hr/> <hr/>

Read accompanying notes to financial statements.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

SUPPORT AND REVENUE

Contributions (\$10,231,441 in-kind)	\$ 10,759,358
Grants	274,851
Special events, net of expense of \$3,336	51,257
Loss on disposal of property and equipment	(286,640)
Interest income	29,106
Net investment income	(3,408)
Total support and revenue	<u>10,824,524</u>

EXPENSES

Program	10,549,861
Management and general	176,106
Fund raising	233,476
Total expenses	<u>10,959,443</u>

CHANGE IN NET ASSETS (134,919)

NET ASSETS, beginning of year 3,374,840

NET ASSETS, end of year \$ 3,239,921

Read accompanying notes to financial statements

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Food distributed	\$ 10,134,062	\$ -	\$ -	\$ 10,134,062
Personnel-related expenses	148,016	127,577	130,380	405,973
Client services	-	-	70,367	70,367
Rent	53,325	-	-	53,325
Depreciation	36,692	4,587	4,587	45,866
Insurance	36,110	9,027	-	45,137
Office expense	20,684	10,342	10,342	41,368
Warehouse supplies	39,436	-	-	39,436
Automobile and truck expenses	26,603	-	-	26,603
Utilities	12,049	402	937	13,388
Accounting	-	12,361	-	12,361
Repairs and maintenance	12,253	-	-	12,253
Taxes	9,368	-	-	9,368
Interest	8,620	-	-	8,620
Meals and entertainment	-	8,194	-	8,194
Advertising	-	-	6,108	6,108
Printing and copying	-	-	5,849	5,849
Building management	4,841	-	-	4,841
Telephone	2,131	1,065	1,065	4,261
Donations	2,922	-	-	2,922
Postage	709	709	1,419	2,837
Subscriptions and dues	-	-	2,422	2,422
Lawn care	2,040	-	-	2,040
Bank charges	-	920	-	920
Continuing education	-	757	-	757
Pest control	-	165	-	165
TOTAL	\$ 10,549,861	\$ 176,106	\$ 233,476	\$ 10,959,443

Read accompanying notes to financial statements.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES:	
Change in net assets	\$ (134,919)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	45,866
In-kind contribution of investment securities	(18,150)
Loss on disposal of property and equipment	286,640
Net realized and unrealized loss on investments	3,408
(Increase) decrease in:	
Inventory	(111,931)
Increase (decrease) in:	
Accounts payable	2,620
Accrued expenses	1,048
	<hr/>
Net cash from (used by) operating activities	74,582
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES:	
Proceeds from investments	1,344
Purchases of property and equipment	(3,875)
Purchases of construction in progress	(1,774,476)
	<hr/>
Net cash from (used by) investing activities	(1,777,007)
CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES:	
Repayment of principal on debt	(225,461)
Proceeds from loan issuance	131,297
	<hr/>
Net cash from (used by) financing activities	(94,164)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,796,589)
CASH AND CASH EQUIVALENTS, beginning of year	2,456,060
	<hr/>
CASH AND CASH EQUIVALENTS, end of year	\$ 659,471
	<hr/> <hr/>
SUPPLEMENTAL DATA:	
Interest	\$ 8,620
Income taxes	\$ -
	<hr/> <hr/>

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 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)

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 AND CASH EQUIVALENTS - Cash and cash equivalents are defined as cash and highly liquid investments that have original maturities of three months or less. At times, cash may exceed FDIC insurance limits.

INVESTMENTS - The Organization has adopted Financial Accounting Standards Board Accounting Codification ASC 320, Investments. Accordingly, investments are recorded at fair value and realized and unrealized gains and losses are reflected in the statement of activities.

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. Construction in progress is reclassified to property and equipment when it is placed in service.

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 \$10,231,441 for the year ended June 30, 2024. Of that, \$10,213,291 was for food distribution and \$18,150 was for donated investment securities.

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 (IRS). The Organization files a Return of Organization Exempt from Income Tax (Form 990) with the IRS. The Organization's Form 990 is subject to examination by the IRS, generally for three years after filing. It does not have unrelated business income, so it is not required to and does not file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

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.

LEASES - The Organization accounts for leases under Financial Accounting Standard Board's Accounting Standards Codification (ASC) 842, Leases. For operating leases in which the Organization is the lessee, the lease standard requires the recognition of a right-of-use asset and a lease liability. The Organization calculates operating lease liabilities with a risk-free discount rate, using a comparable period with the lease term, for all asset classes. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. Only lease options that the Organization believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

MANAGEMENT EVALUATION - Management has evaluated subsequent events through November 11, 2024, the date the financial statements were available for issue.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

NOTES TO FINANCIAL STATEMENTS

(continued)

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, 2024:

Cash	\$ 659,471
Investment securities	<u>22,369</u>
Total	<u>\$ 681,840</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.

NOTE 3 – INVESTMENTS

Investments securities are carried at quoted market prices, are held for trading purposes, and the components of investment income consist of the following as of June 30, 2024:

Investment income:	
Interest	\$ 1,344
Net unrealized and realized gain (loss)	(3,408)
Investment fees	<u>(1,344)</u>
Total	<u>\$ (3,408)</u>

The Organization's investments are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the value of these investments could occur in the near term. Such changes could materially affect the amount reported in the statements of the Organization.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization adheres to Financial Accounting Standards Board Accounting Standards codification, *Fair Value Measurements and Disclosures*, which defines fair value as the price that should be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

NOTES TO FINANCIAL STATEMENTS

(continued)

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The standard establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels or inputs that may be used to measure fair value.

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs

Assets measured at fair value on a recurring basis as of June 30, 2024 are summarized below:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:			
Common stock	<u>\$ 22,369</u>	<u>\$ -</u>	<u>\$ -</u>
Total financial assets	<u><u>\$ 22,369</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Common stock is valued at the closing price reported on the major market on which the securities are traded.

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

NOTES TO FINANCIAL STATEMENTS

(continued)

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of:

Land and land improvements	\$ 79,707
Freezers	70,440
Computers	28,868
Vehicles	183,994
Other furniture and equipment	<u>140,227</u>
	503,236
Less accumulated depreciation	<u>334,047</u>
Property and equipment, net	<u>\$ 169,189</u>

NOTE 6 – LONG-TERM DEBT

Long-term debt consists of:

7.2% construction loan, interest only payable monthly, the note is collateralized by the Organization's real property	\$ 131,297
Less current maturities	<u>131,297</u>
Non-current portion	<u>\$ -</u>

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

Year ending June 30,	
2025	\$ 131,297
2026	-
2027	-
2028	-
2029	-
Thereafter	<u>-</u>
	<u>\$ 131,297</u>

UNITED FOOD BANK & SERVICES OF PLANT CITY, INC.

NOTES TO FINANCIAL STATEMENTS

(concluded)

NOTE 7 – COMMITMENTS AND CONTINGENCIES

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 May 2025. There were no borrowings under this agreement at June 30, 2024.

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.

In September 2023, the Organization entered into a lease agreement from which to operate its facilities for a one-year term. The Organization has the option to renew the lease for an additional year up to four years. The monthly lease amount is \$5,500. The agreement was necessary for a limited timeframe since the existing facilities were demolished and are being rebuilt to better meet the needs of the community.

NOTE 8 - CONCENTRATIONS

During the year ended June 30, 2024, the Organization received (in-kind) contributions from two donors representing approximately 29 percent of total support and revenue.

NOTE 9 - NEW ACCOUNTING GUIDANCE IMPLEMENTATION

On January 1, 2023, the Organization adopted ASU 2016-13 Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including assessments receivable. Adoption of the new guidance had no effect on the financial statements.