

**FLORIDA ASSOCIATION OF FOOD BANKS, INC.  
FINANCIAL STATEMENTS AND SUPPLEMENTARY  
INFORMATION TOGETHER WITH  
REPORTS OF INDEPENDENT AUDITOR**

**Years Ended  
June 30, 2015 and 2014**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Independent Auditor’s Report .....</b>	<b>1-3</b>
 <b><u>Financial Statements</u></b>	
Statements of Financial Position.....	4
Statements of Activities.....	5
Statements of Functional Expenses.....	6-7
Statements of Cash Flows.....	8
Notes to the Financial Statements.....	9-17
 <b><u>Supplementary Information</u></b>	
Schedule of Expenditures of State Financial Assistance - Year Ended June 30, 2015.....	18
Notes to the Schedule of Expenditures of State Financial Assistance .....	19
 <b><u>Additional Reports of Independent Auditor</u></b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> .....	20-21
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Project and on Internal Control Over Compliance in Accordance with the Florida Single Audit Act (Florida Statute 215.97).....	22-24
Schedule of Findings and Questioned Costs - State Financial Assistance.....	25-26
Independent Auditor's Report to Management.....	27-29
Management's Response to Independent Auditor's Report to Management.....	Exhibit



**TUSCAN**  
& Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Florida Association of Food Banks, Inc.  
3760 Fowler Street  
Fort Myers, FL 33901

**Report on the Financial Statements**

We have audited the accompanying financial statements of Florida Association of Food Banks, Inc. (a Florida not-for-profit organization) which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years 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 control 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of 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 in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express

INTEGRITY ..... SERVICE ..... EXPERIENCE

12621 World Plaza Lane, Building 55 • Fort Myers, FL 33907 • Phone: (239) 333-2090 • Fax: (239) 333-2097

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 evaluating 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, based on our audits, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Association of Food Banks, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Florida Association of Food Banks, Inc. taken as a whole. The accompanying Schedule of Expenditures of State Financial Assistance for the year ended June 30, 2015 and the Notes thereto as required by the Florida Single Audit Act (Florida Statute Chapter 215.97) and the State of Florida Auditor General Rule 10.650 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of State Financial Assistance for the year ended June 30, 2015 and the Notes thereto are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Information

The Exhibit - Management's Response to Independent Auditor's Report to Management, is not a required part of the financial statements but is required by Government Auditing Standards. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2015, on our consideration of Florida Association of Food Banks, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Florida Association of Food Banks, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Tuscan & Company, P.A." in a cursive, flowing script.

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
November 24, 2015

**FLORIDA ASSOCIATION OF FOOD BANKS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2015 and 2014**

<b>ASSETS</b>	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (including restricted cash of \$193,895 and \$72,575 as of June 30, 2015 and 2014, respectively)	\$ 252,380	\$ 472,917
Grants receivable	43,596	5,000
Other receivables	527,162	114,499
Prepaid expenses	<u>564</u>	<u>500</u>
TOTAL CURRENT ASSETS	823,702	592,916
<b>EQUIPMENT, NET</b>	<u>605</u>	<u>1,084</u>
TOTAL ASSETS	<u>\$ 824,307</u>	<u>\$ 594,000</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accrued liabilities	\$ 358,440	\$ 229,538
Unearned revenue - prepaid membership dues	<u>-</u>	<u>475</u>
TOTAL CURRENT LIABILITIES	<u>358,440</u>	<u>230,013</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>358,440</u>	<u>230,013</u>
<b>NET ASSETS</b>		
Unrestricted	271,972	291,412
Temporarily restricted	<u>193,895</u>	<u>72,575</u>
TOTAL NET ASSETS	<u>465,867</u>	<u>363,987</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 824,307</u>	<u>\$ 594,000</u>

The accompanying notes are an integral part of this statement.

**FLORIDA ASSOCIATION OF FOOD BANKS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended June 30, 2015 and 2014**

	2015		
	Unrestricted	Temporarily Restricted	Total
<b>CHANGES IN NET ASSETS</b>			
<b>PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</b>			
Grants - non-governmental	\$ -	\$ 229,706	\$ 229,706
Transportation - FL DACS	-	1,000,000	1,000,000
Auto tag revenue - IMAGINE	-	341,236	341,236
Auto tag revenue - END HUNGER	-	37,824	37,824
Out of state PPO Farmers Feeding Florida	764,246	-	764,246
Logistics Fee	50,945	-	50,945
Membership dues	26,793	-	26,793
Donations	15,135	-	15,135
Donations In-Kind	-	-	-
Interest and other	454	-	454
	<u>857,573</u>	<u>1,608,766</u>	<u>2,466,339</u>
TOTAL PUBLIC SUPPORT AND REVENUES	857,573	1,608,766	2,466,339
Net assets released from restrictions:	<u>1,487,446</u>	<u>(1,487,446)</u>	<u>-</u>
	<u>2,345,019</u>	<u>121,320</u>	<u>2,466,339</u>
TOTAL PUBLIC SUPPORT AND REVENUES AND RECLASSIFICATIONS	2,345,019	121,320	2,466,339
<b>EXPENSES</b>			
Program services	2,310,451	-	2,310,451
Support services	54,008	-	54,008
	<u>2,364,459</u>	<u>-</u>	<u>2,364,459</u>
TOTAL EXPENSES	2,364,459	-	2,364,459
INCREASE (DECREASE) IN NET ASSETS	(19,440)	121,320	101,880
NET ASSETS, BEGINNING OF YEAR	<u>291,412</u>	<u>72,575</u>	<u>363,987</u>
NET ASSETS, END OF YEAR	<u>\$ 271,972</u>	<u>\$ 193,895</u>	<u>\$ 465,867</u>

The accompanying notes are an integral part of this statement.

2014		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 14,522	\$ 274,232	\$ 288,754
-	700,000	700,000
-	336,314	336,314
-	32,777	32,777
-	-	-
51,338	-	51,338
6,492	-	6,492
15,695	-	15,695
4,770	-	4,770
<u>14</u>	<u>-</u>	<u>14</u>
92,831	1,343,323	1,436,154
<u>1,270,748</u>	<u>(1,270,748)</u>	<u>-</u>
<u>1,363,579</u>	<u>72,575</u>	<u>1,436,154</u>
1,361,208	-	1,361,208
<u>90,432</u>	<u>-</u>	<u>90,432</u>
<u>1,451,640</u>	<u>-</u>	<u>1,451,640</u>
(88,061)	72,575	(15,486)
<u>379,473</u>	<u>-</u>	<u>379,473</u>
<u>\$ 291,412</u>	<u>\$ 72,575</u>	<u>\$ 363,987</u>

The accompanying notes are an integral part of this statement.

**FLORIDA ASSOCIATION OF FOOD BANKS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2015**

	2015 PROGRAM SERVICES			
FUNCTIONAL EXPENSES	Farmers Feeding Florida	Hunger Awareness	Training	Disaster Prep Response
Accounting	\$ 13,982	\$ 7,260	\$ 1,882	\$ 1,076
Audit	6,019	3,158	763	475
Bank charges	-	-	-	-
Board of Directors expenses	6,659	5,326	1,065	266
Capital expenditures	-	-	-	-
Conferences registrations	1,247	633	220	-
Depreciation expense	-	-	-	-
Directors & officers insurance	-	-	-	-
Education & advocacy	6,007	15,047	8,221	371
Farmers Feeding Florida PPO	152,545	-	-	-
Farmers Feeding Florida Out of State	774,858	-	-	-
Licenses and fees	-	-	-	-
Legal Expense - In Kind	-	-	-	-
Lobbying	-	-	-	-
Marketing - auto tag	-	85,403	-	-
Miscellaneous	4,440	150	26	16
Office expenses	5,291	2,888	372	254
Project manager	-	-	-	-
Salary & benefits	132,060	71,782	14,858	13,240
Transportation allocation	40,836	-	-	-
Staff contractor travel	15,996	8,283	4,056	942
Website	1,363	804	193	118
TOTAL	<u>1,161,303</u>	<u>200,734</u>	<u>31,656</u>	<u>16,758</u>
Allocation of Administration- FL DACS Program Management	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>\$ 1,061,303</u>	<u>\$ 200,734</u>	<u>\$ 31,656</u>	<u>\$ 16,758</u>

The accompanying notes are an integral part of this statement.

2015				
SUPPORTING SERVICES				
FL-DACS	Total Program Services	General and Administrative	Total Supporting Services	Total Expenses
\$ -	\$ 24,200	\$ 2,689	\$ 2,689	\$ 26,889
-	10,415	6,095	6,095	16,510
-	-	594	594	594
-	13,316	-	-	13,316
-	-	-	-	-
-	2,100	-	-	2,100
-	-	479	479	479
-	-	1,706	1,706	1,706
-	29,646	354	354	30,000
675,000	827,545	-	-	827,545
-	774,858	-	-	774,858
-	-	361	361	361
-	-	-	-	-
-	-	6,000	6,000	6,000
-	85,403	-	-	85,403
-	4,632	39	39	4,671
-	8,805	880	880	9,685
-	-	-	-	-
-	231,940	30,885	30,885	262,825
225,000	265,836	-	-	265,836
-	29,277	3,677	3,677	32,954
-	2,478	249	249	2,727
<u>900,000</u>	<u>2,310,451</u>	<u>54,008</u>	<u>54,008</u>	<u>2,364,459</u>
<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,000,000</u>	<u>\$ 2,310,451</u>	<u>\$ 54,008</u>	<u>\$ 54,008</u>	<u>\$ 2,364,459</u>

The accompanying notes are an integral part of this statement.

**FLORIDA ASSOCIATION OF FOOD BANKS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2014**

FUNCTIONAL EXPENSES	2014				
	PROGRAM SERVICES				
	Farmers Feeding Florida	Hunger Awareness	Training	Disaster Prep Response	FL-DACS
Accounting	\$ 3,155	\$ 3,155	\$ 1,262	\$ 631	\$ -
Audit	2,971	2,971	1,188	594	-
Bank charges	-	-	-	-	-
Board of Directors expenses	696	74	2,801	-	-
Capital expenditures	-	-	-	-	-
Conferences registrations	1,225	953	199	57	-
Depreciation expense	-	-	-	-	-
Directors & officers insurance	-	-	-	-	-
Education & advocacy	4,800	15,900	9,000	300	-
Farmers Feeding Florida PPO	70,547	-	-	-	560,000
Licenses and fees	-	-	-	-	-
Legal Expense - In Kind	-	-	-	-	-
Lobbying	-	-	-	-	-
Marketing - auto tag	-	50,059	-	-	-
Miscellaneous	-	-	-	-	-
Office expenses	3,940	3,625	426	327	-
Project manager	40,000	-	-	-	-
Salary & benefits	120,312	65,130	9,322	12,835	-
Transportation allocation	188,694	-	-	-	140,000
Staff contractor travel	25,189	11,405	1,373	614	-
Website	657	3,013	1,205	603	-
<b>TOTAL EXPENSES</b>	<b>\$ 462,186</b>	<b>\$ 156,285</b>	<b>\$ 26,776</b>	<b>\$ 15,961</b>	<b>\$ 700,000</b>

The accompanying notes are an integral part of this statement.

2014			
SUPPORTING SERVICES			
Total Program Services	General and Administrative	Total Supporting Services	Total Expenses
\$ 8,203	\$ 4,417	\$ 4,417	\$ 12,620
7,724	4,159	4,159	11,883
-	1,241	1,241	1,241
3,571	4,089	4,089	7,660
-	-	-	-
2,434	-	-	2,434
-	479	479	479
-	1,498	1,498	1,498
30,000	-	-	30,000
630,547	-	-	630,547
-	533	533	533
-	4,770	4,770	4,770
-	6,000	6,000	6,000
50,059	34,019	34,019	84,078
-	177	177	177
8,318	1,683	1,683	10,001
40,000	-	-	40,000
207,599	27,367	27,367	234,966
328,694	-	-	328,694
38,581	-	-	38,581
5,478	-	-	5,478
<u>\$ 1,361,208</u>	<u>\$ 90,432</u>	<u>\$ 90,432</u>	<u>\$ 1,451,640</u>

The accompanying notes are an integral part of this statement.

**FLORIDA ASSOCIATION OF FOOD BANKS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants and contracts	\$ 1,921,753	\$1,238,346
Cash received from donations, logistics fee and other	66,534	67,047
Cash received from members	26,318	4,592
Cash payments to suppliers and personnel	<u>(2,235,142)</u>	<u>(1,229,506)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(220,537)</u>	<u>80,479</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of equipment	<u>-</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings, net	-	-
Principal payments on debt	<u>-</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(220,537)	80,479
CASH AND CASH EQUIVALENTS - BEGINNING	<u>472,917</u>	<u>392,438</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 252,380</u>	<u>\$ 472,917</u>

The accompanying notes are an integral part of this statement.

**RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS  
TO NET CASH PROVIDED BY (USED IN ) OPERATING ACTIVITIES**

	<u>2015</u>	<u>2014</u>
Increase (Decrease) in net assets	\$ 101,880	\$ (15,486)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation	479	479
(Increase) decrease in grants receivables	(38,596)	(5,000)
(Increase) decrease in other receivables	(412,663)	(114,499)
(Increase) decrease in prepaid expenses	(64)	188
Increase (decrease) in accrued liabilities	128,902	216,697
Increase (decrease) in deferred revenue - prepaid dues	<u>(475)</u>	<u>(1,900)</u>
TOTAL ADJUSTMENTS	<u>(322,417)</u>	<u>95,965</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (220,537)</u>	<u>\$ 80,479</u>

**NON-CASH TRANSACTIONS**

Florida Association of Food Banks also received donated legal services in the amount of \$0 and \$4,770 for the years ended June 30, 2015 and 2014, respectively.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and description of activities**

The Florida Association of Food Banks, Inc. (the "Association") was incorporated as a Florida nonprofit corporation on January 21, 1993, for the purpose of increasing the availability of food to needy families throughout the State of Florida. The Association's general mission is to manage and administer certain resources for its fourteen (14) member food banks in order to enhance and support their efforts to feed needy Florida residents in all of the sixty-seven (67) Florida counties. The Association entered into an agreement in 2003 with Yoko Ono Lennon, which granted the Association the right to use the image of John Lennon on a specialty license plate. The Association receives revenue derived from the sale of the license plate and uses the funds to highlight the problems with hunger and support programs directed at ending hunger in the State of Florida. The revenue is termed "Auto Tag Revenue - IMAGINE".

Farmers Feeding Florida is a food recovery program instituted by the Association. The goal of the program is to work with farmers and packers to distribute unmarketable produce to those in need. The program helps offset the farmers/packers cost of picking and packing.

Hunger awareness is a program to increase awareness of the hunger issues in Florida.

The training program provides training to associated food banks.

Disaster preparedness is a program to provide training to associated food banks in preparation of disaster response.

FL-DACS Transportation is a State of Florida funded program to provide transportation of donated food to private not-for-profit emergency feeding organizations.

During the year ended June 30, 2014, the Association also began a service whereby if a Florida grower has a crop available and member food banks are saturated with that particular crop it will connect a food bank in or out of the State with the grower and then charge a one half cent to two cent per pound logistics fee. The respective food bank then pays the Association the cost of the picking and packing and the logistics. The Association then pays the respective grower the pick and pack fee.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

The following is a summary of the significant accounting policies used in the preparation of these financial statements:

**Basis of accounting**

The accounting and reporting policies of the Association conform to accounting principles generally accepted in the United States of America, and are in accordance with the audit guide issued by the American Institute of Certified Public Accountants, "Not-for-Profit Organizations" and accounting standards issued by the Financial Accounting Standard. Board (FASB) in the Accounting Standards Codification (ASC).

The Association prepares its financial statements on the accrual basis of accounting. Grant revenues are recorded as support when performance occurs under the terms of the grant agreement. Grant revenue includes all resources received from another entity in accordance with an entitlement or grant document.

**Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, the Association considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. At June 30, 2015 and 2014, the Association held no cash equivalents.

**Contracts and grants receivable**

Contracts and grants receivable consist of billings due from grantor or provider agencies. The Association uses the direct write-off method of accounting for uncollectible accounts associated with grantor or provider agencies. At June 30, 2015 and 2014, all contract and grant receivables are considered by management to be fully collectible.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Property and equipment**

The Association's policy is to capitalize assets with a cost of \$1,000 or more. Property and equipment is recorded at cost, except for donated items (used in operations of the Association), which are recorded at fair market value as of the date received. Assets are depreciated using straight-line and accelerated methods (which approximate straight-line) over their respective estimated lives, as follows:

<u>Property &amp; Equipment Category</u>	<u>Useful Lives</u>
Buildings	10 years
Furniture and fixtures	7 years
Equipment	5 years

**Impairment of long-lived assets**

The Association adheres to FASB ASC No. 360-10-50-2 (formerly the Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 144), "Accounting for the Impairment or Disposal of Long-Lived Assets." FASB ASC No. 360-10-50-2 requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on the Association's financial statements resulting from FASB ASC No. 360-10-50-2 for the years ended June 30, 2015 and 2014.

**Revenue recognition**

All grantor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished),

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES, CONTINUED**

**Revenue recognition, continued**

temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted support.

**Contributions**

In order to observe restrictions which donors place on grants and other gifts, as well as designations made by the Board of Directors, all assets, liabilities and activities are accounted for in the following net asset classifications:

**Unrestricted Net Assets** - not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

**Temporarily Restricted Net Assets** - subject to donor-imposed stipulations that may be fulfilled by actions of the Association to meet the stipulations or become unrestricted at the date specified by the donor.

**Permanently Restricted Net Assets** - subject to donor-imposed stipulations that they be retained and invested permanently by the Association. The donors require the Association to use all or part of the investment return on these net assets for specified or unspecified purposes.

**Advertising costs**

The Association's policy is to expense advertising costs as such costs are incurred.

**Donated services**

No amount has been reflected in the financial statements for donated services, in as much as no objective basis is available to measure the value of such services. A number of volunteers, including the Board of Directors, however, have donated significant amounts of their time and expertise to the Association's programs and supporting services.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Functional expenses**

The cost of providing the various programs and other activities have been detailed in the Statements of Functional Expenses and summarized on a functional basis in the Statements of Activities. Expenses that can be identified with a specific program service are charged directly to that program, according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

**Income taxes**

No provision for income tax expense has been made in the accompanying financial statements, since Florida Association of Food Banks, Inc. is exempt from income taxes under Internal Revenue Code Section 501(c)(3). In addition, Florida Association of Food Banks is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances.

The Association considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to the Association's status as a not-for-profit entity. Management believes the Association met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax. The Association's income tax returns for the past three years are open and subject to examination by tax authorities, and may change upon examination. The Association reports no unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities.

**Accounting for Uncertainty in Income Tax Items**

The Financial Accounting Standards Board has issued guidance on accounting for uncertainty in income taxes and the Foundation has adopted this guidance. The Organization has evaluated its tax provision and any estimates utilized in its tax returns, and concluded that it has taken no uncertain tax positions that require

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Accounting for Uncertainty in Income Tax Items, continued**

adjustment to the financial statements to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax positions will be recognized in income tax expenses, if required.

**Subsequent events**

Subsequent events have been evaluated through November 24, 2015, which is the date the financial statements were available to be issued.

**Management 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 the reported amounts of assets and liabilities and disclosure 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.

**Fair value measurements**

In accordance with FASB ASC 820, the Association adheres to fair value measurements to value certain types of assets. At June 30, 2015 and 2014, the carrying value of balances such as receivables, prepaids, accounts payable and accrued liabilities approximate fair value due to the short term maturity of these financial instruments.

**NOTE B - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Depository accounts	<u>\$ 252,380</u>	<u>\$ 472,917</u>
	<u>\$ 252,380</u>	<u>\$ 472,917</u>

Cash includes cash restricted for those purposes as noted as temporarily restricted net assets.

**NOTE B - CASH AND CASH EQUIVALENTS, CONTINUED**

**Concentration of credit risk**

The Association maintains its cash and cash equivalents in financial institutions located in Southwest Florida. The Association's cash and cash equivalents are federally insured up to \$250,000 per financial institution. At June 30, the bank balances of the Association's depository accounts are categorized as follows:

	<u>2015</u>	<u>2014</u>
Amount covered by FDIC	\$ 252,556	\$ 391,735
Amount uninsured	-	111,106
	<u>\$ 252,556</u>	<u>\$ 502,841</u>

The Association has not experienced any economic losses on such accounts. The Association believes it is not exposed to any significant credit risk regarding its cash balances as uninsured funds are further secured through a retail funds collateralization agreement up to the average collected quarterly balance.

**NOTE C - EQUIPMENT**

Equipment consists of the following at June 30:

	<u>2015</u>	<u>2014</u>
Office equipment	\$ 2,839	\$ 2,839
Less: Accumulated depreciation	(2,234)	(1,755)
	<u>\$ 605</u>	<u>\$ 1,084</u>

Depreciation expense for the years ended June 30, 2015 and 2014 was \$479 and \$479, respectively.

**NOTE D - ACCRUED EXPENSES**

Accrued expenses consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Accounts payable	\$ 349,062	\$ 224,320
Accrued payroll and taxes	7,022	5,218
Other accrued expenses	2,356	-
	<u>\$ 358,440</u>	<u>\$ 229,538</u>

**FLORIDA ASSOCIATION OF FOOD BANKS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE E - LINE OF CREDIT**

The Association obtained a demand basis \$175,000 line of credit (LOC) payable to a financial institution dated October 8, 2014. The LOC is collateralized by all personal property of Florida Association of Food Banks and has a variable interest rate of 1% over the prime interest rate. As of June 30, 2015, the interest rate was 4.25%. The line of credit matures on demand. At June 30, 2015, the outstanding balance on the LOC was \$0 and no funds were borrowed on the LOC during the years ended June 30, 2015 or 2014.

**NOTE F - UNRESTRICTED NET ASSETS**

Unrestricted net assets consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Unrestricted - undesignated	\$ 271,972	\$ 291,412
Unrestricted - designated	<u>-</u>	<u>-</u>
	<u>\$ 271,972</u>	<u>\$ 291,412</u>

At June 30, 2015 and 2014, the Association held no designated net assets.

**NOTE G - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
IMAGINE - auto license tag revenue	\$ 93,895	\$ 66,445 *
Mosaic	100,000	-
Florida Specialty Crop Foundation	<u>-</u>	<u>6,130</u>
Total temporarily restricted net assets	<u>\$ 193,895</u>	<u>\$ 72,575</u>

\* Includes \$44,533 that was re-classed from unrestricted to temporarily restricted.

**NOTE H - FUNDRAISING COSTS**

The Association incurred no specific fundraising costs and generated no specific funds from fundraising during the years ended June 30, 2015 and 2014.

**NOTE I - ECONOMIC DEPENDENCE**

The Association's operations are substantially dependent on the receipt of support and revenue from grantor and contract agencies. Loss of these funds and/or large decreases in this type of funding would have a material effect on the financial position of the Association and a negative impact on overall operations. For the years ended June 30, 2015 and 2014, substantially 96% and 94% of total support and revenue is attributable to funds received from contracts and grantor agencies.

The Association is currently receiving and previously has received grants, contracts, and other third party funds which are subject to special compliance audits by the grantor and other third party agencies that provide these reimbursements. These audits may result in disallowed expense amounts.

Disallowed amounts, if any, constitute a contingent liability of the Association. Accordingly, such liabilities are not reflected within the financial statements of the Association, as management does not believe any contingent liabilities that may exist to be material.

**NOTE J - RETIREMENT PLAN**

The Association provides a simple IRA self-directed defined contribution retirement plan (the "Plan") to its eligible full-time employees and contributes a match of up to 3% of annual base pay to the Plan. All contributions are immediately 100% vested. The Plan is administered by a third party administrator. For the years ended June 30, 2015 and 2014, retirement expense of \$3,480 and \$3,300 respectively, was incurred by the Association.

**SUPPLEMENTARY  
INFORMATION**

**FLORIDA ASSOCIATION OF FOOD BANKS, INC.**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**Year Ended June 30, 2015**

State Agency/Project Title	State CSFA#	Grantor's Contract Number	Project/ Award Amount	Receipts/ Revenue Recognized	Disbursements/ Expenditures
<b>STATE PROJECTS</b>					
<b><u>Florida Department of Agriculture and Consumer Services</u></b>					
<b>Major (Type A)</b>					
Contractual Services Agreement (FL-DACS)	42.019	21202	1,000,000	1,000,000 (1)	1,000,000
			1,000,000	1,000,000	1,000,000
<b><u>Florida Department of Highway Safety and Motor Vehicles</u></b>					
<b>Non-Major (Type A)</b>					
Florida Food Banks Auto Tag -					
IMAGINE Specialty License Plate Proceeds	76.077	N/A	\$ 341,236	\$ 341,236	\$ 341,236
<b>Non-Major (Type B)</b>					
END HUNGER Auto Tag Voluntary Contributions*	76.127	N/A	37,824	37,824	37,824
			379,060	379,060	379,060
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			<b>\$ 1,379,060</b>	<b>\$ 1,379,060</b>	<b>\$ 1,379,060</b>

(1) Includes receivables of \$2,000

\* License check off revenue

**FLORIDA ASSOCIATION OF FOOD BANKS, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF**  
**STATE FINANCIAL ASSISTANCE**  
**Year ended June 30, 2015**

Page 19 of 29

**NOTE A - BASIS OF PRESENTATION**

The Schedule of Expenditures of State Financial Assistance has been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America and is in accordance with the provisions of the Florida Single Audit Act (FS, 215.97) and the State of Florida, Rules of the Auditor General 10.650.

Expenditures reported on the Schedule of Expenditures of State Financial Assistance include cash disbursements, whether capitalized or expensed, during the fiscal year as well as grant related amounts recorded as payable at year end. Revenues reported on the Schedule of Expenditures of State Financial Assistance include cash receipts, whether recognized or deferred, as well as grant receivables recorded at year end.

**NOTE B - INDIRECT COSTS**

Florida Association of Food Banks, Inc. did not routinely allocate costs to State Financial Assistance Projects. Costs charged to such programs were direct costs unless specifically incurred for the program and allowed and indicated as such.

**ADDITIONAL REPORTS OF  
INDEPENDENT AUDITOR**



**TUSCAN**  
 & Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
 CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
 AND OTHER MATTERS BASED ON AN AUDIT OF  
 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
 WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
 Florida Association of Food Banks, Inc.  
 3760 Fowler Street  
 Fort Myers, FL 33901

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, the financial statements of Florida Association of Food Banks, Inc, which comprise the statement of financial position as of June 30, 2015 and the related statements of activities, functional expenses and cash flows for the year ended June 30, 2015 and the related notes to the financial statements, and have issued our report thereon dated November 24, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Florida Association of Food Banks, Inc's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Florida Association of Food Banks, Inc's internal control. Accordingly, we do not express an opinion on the effectiveness of Florida Association of Food Banks, Inc's internal control.

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 entity's financial statements will not be prevented, or detected and

INTEGRITY ..... SERVICE ..... EXPERIENCE

corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We, however, noted a matter that we have reported to the management of Florida Association of Food Banks, Inc. in our Report to Management dated November 24, 2015.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Florida Association of Food Banks, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Tuscany & Company, P.A.". The signature is written in a cursive, flowing style.

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
November 24, 2015



**Independent Auditor's Report on Compliance with Requirements  
That Could Have a Direct and Material Effect on Each Major  
Project and on Internal Control Over Compliance in Accordance  
With the Florida Single Audit Act (Florida Statute 215.97)**

Board of Directors  
Florida Association of Food Banks, Inc.  
3760 Fowler Street  
Fort Myers, FL 33901

**Report on Compliance for Each Major State Project**

We have audited Florida Association of Food Banks, Inc.'s compliance with the types of compliance requirements described in the "State Projects Compliance Supplement" that could have a direct and material effect on each of Florida Association of Food Banks, Inc.'s major state projects for the year ended June 30, 2015. Florida Association of Food Banks, Inc.'s major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Florida Association of Food Banks, Inc.'s major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America; and the Florida Single Audit Act (Florida Statute Chapter 215.97) and the State of Florida Rules of the Auditor General 10.650. Those standards and the Florida Single Audit Act (Florida Statute Chapter 215.97) and the State of Florida Rules of the Auditor General 10.650 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about Florida Association of Food Banks, Inc.'s compliance with those

requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of Florida Association of Food Banks, Inc.'s compliance.

### **Opinion on Each Major State Project**

In our opinion, Florida Association of Food Banks, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

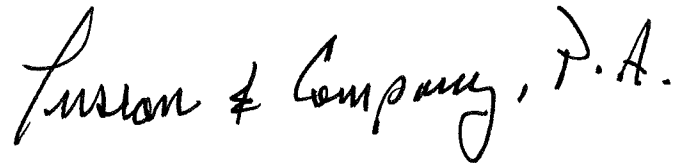
Management of Florida Association of Food Banks, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Florida Association of Food Banks, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each state project and to test and report on internal control over compliance in accordance with the Florida Single Audit Act (Florida Statute Chapter 215.97) and the State of Florida Rules of the Auditor General 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Florida Association of Food Banks, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Purpose of the Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Florida Single Audit Act (Florida Statute Chapter 215.97) and the State of Florida Rules of the Auditor General 10.650. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Tuscan & Company, P.A." in a cursive, flowing script.

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
November 24, 2015

**FLORIDA ASSOCIATION OF FOOD BANKS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE**  
**FINANCIAL ASSISTANCE**  
**Year ended June 30, 2015**

*Section I – Summary of Auditor’s Results*

Financial Statements

Type of auditor's report issued	Unmodified		
Internal control over financial reporting:			
Control deficiency(ies) identified?	_____	Yes <u>  X  </u>	No
Significant deficiency(ies) Identified?	_____	Yes <u>  X  </u>	No
Material weakness(es) Identified?	_____	Yes <u>  X  </u>	None reported
Noncompliance material to financial statements noted?	_____	Yes <u>  X  </u>	No

State Financial Assistance

Internal control over major projects:			
Control deficiency(ies) identified?	_____	Yes <u>  X  </u>	No
Significant deficiency(ies) Identified?	_____	Yes <u>  X  </u>	No
Material weakness(es) Identified?	_____	Yes <u>  X  </u>	None reported
Type of auditors report issued on compliance for major projects	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Section 215.97, Florida Statutes, and Chapter 10.650, Rules of the Auditor General?	_____	Yes <u>  X  </u>	No
Identification of major projects:			

CSFA

<u>Number(s)</u>	<u>Name of State Project</u>
42.019	FL - DACS Contractual Services Agreement

Dollar threshold used to distinguish between Type A and Type B projects      Threshold used was \$300,000

Auditee qualified as low-risk auditee?	<u>  X  </u>	Yes	_____	No
--	--------------	-----	-------	----

**FLORIDA ASSOCIATION OF FOOD BANKS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE**  
**FINANCIAL ASSISTANCE, CONTINUED**  
**For the Year ended June 30, 2015**

Page 26 of 29

***Section II- Financial Statement Findings***

There were no deficiencies, material weaknesses, or instances of noncompliance related to the financial statements.

***Section III- State Award Findings and Questioned Costs***

There were no audit findings related to State Awards required to be reported by Auditor General Rule 10.654(1)(h)4.

***Section IV- Status of State Prior Year Findings***

There were no prior year findings.



**TUSCAN**  
& Company, PA

**Certified Public Accountants & Consultants**

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

Page 27 of 29

**INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT**

To the Board of Directors  
Florida Association of Food Banks, Inc.  
3760 Fowler Street  
Fort Myers, FL 33901

In planning and performing our audit of the financial statements of Florida Association of Food Banks, Inc. (the "Association") (a not-for-profit Florida corporation) as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered Florida Association of Food Banks, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INTEGRITY ..... SERVICE ..... EXPERIENCE

12621 World Plaza Lane, Building 55 • Fort Myers, FL 33907 • Phone: (239) 333-2090 • Fax: (239) 333-2097

In connection with our audit, we are submitting the following comments and recommendations in accordance with Government Auditing Standards, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and Chapter 10.650 "Rules of the Auditor General - State Single Audit, Nonprofit and For-Profit Organizations" (Revised September 30, 2014) Rule 10.656(3)(e) and Section 215.97(9)(f), of the Florida Statutes. We are, therefore, submitting for your review and consideration, items noted during the audit and recommendations that are designed to help the Association make improvements and achieve operational efficiencies. Our comments reflect our desire to be of continuing assistance to Florida Association of Food Banks, Inc.

#### **PRIOR YEAR COMMENTS THAT CONTINUE TO APPLY:**

##### 2014-1. Tracking of Each Revenue Source and the Related Expenses Should be Enhanced

We noted that the Association is preparing a "proof of funds" worksheet to calculate the amount of temporarily restricted net assets at the end of the fiscal year. This calculation is specifically used to determine the amount of allowable expenses under the IMAGINE program. As many of the Association's revenue sources are restricted for the same purposes, it is important to ensure that the same expenses are not applied against multiple restricted revenues or that disallowed costs are paid from a particular revenue source.

We recommend that a "proof of funds" worksheet be prepared for each revenue source showing the revenue recorded and the allowable expenses applied against this revenue source. This proof of funds should then be used to prepare and reconcile to the functional expense statement. This would facilitate a timely year-end reconciliation and determination of the amount to be recorded as temporarily restricted net assets.

##### Current Year Adendum

During the audit, we noted a "proof of funds" worksheet was prepared to distinguish several revenues and expenses. However, we continue to recommend that this worksheet be prepared for each revenue source showing each individual revenue source recorded and the allowable expense applied against each revenue source. This worksheet should be used to prepare and reconcile to the functional expense statement. This would facilitate a timely year-end reconciliation and determination of the amount to be recorded as temporarily restricted net assets.

#### **CURRENT YEAR COMMENTS:**

No financially significant comments noted.

This report is intended solely for the information and use of the Board, Executive Committee, management, State awarding agencies, pass-through entities, the Auditor General of the State of Florida and other State audit agencies. This report is not intended to be, and should not be, used by anyone other than these specified parties.

*Tuscan & Company, P.A.*

TUSCAN & COMPANY, P.A.

Fort Myers, Florida

November 24, 2015

**EXHIBIT**



# FLORIDA ASSOCIATION OF FOOD BANKS

FEEDING  
AMERICA

## Member Organizations:

Agape Food Bank  
Lakeland, Florida  
863-665-7074

All Faiths Food Bank  
Sarasota, Florida  
941-379-6333

America's Second  
Harvest  
of the Big Bend, Inc.  
Tallahassee, Florida  
850-562-3033

Bread of the Mighty  
Food Bank  
Gainesville, Florida  
352-336-0839

Feeding The Gulf Coast  
(Formerly Bay Area  
Food Bank)  
Milton, Florida  
888-704-3663

Feeding South Florida  
Pembroke Park, Florida  
305-633-9861

Feeding Tampa Bay  
Tampa, Florida  
813-254-1190

First Step Food Bank  
Ocala, Florida  
352-732-5500

Florida Gateway Food  
Bank  
Lake City, Florida  
386-755-5683

Food Bank of Manatee  
Bradenton, Florida  
941-747-4655

Harry Chapin Food  
Bank  
of Southwest Florida  
Fort Myers, Florida  
239-334-7007

Second Harvest Food  
Bank  
of Northeast Florida  
Jacksonville, Florida  
904-353-3663

Treasure Coast Food  
Bank  
Fort Pierce, Florida  
772-489-5474

January 13, 2016

Auditor General  
State of Florida  
Claude Pepper Building  
111 West Monroe St.  
Tallahassee, FL 32399-1450

Re: Response to Management Letter, Fiscal Year 2014-15

Dear Sir:

In response to the Management Letter contained in the independent audit conducted for the Florida Association of Food Banks, Inc. by Tuscan and Company, PA, we provide the following:

Prior year findings: None

Prior year comments:

2014-1 – *As many of the Association's revenue sources are restricted for the same purposes, it is important to ensure that the same expenses are not applied against multiple restricted revenues or that disallowed costs are paid from a particular revenue. We recommend that a "proof of funds" worksheet be prepared for each revenue source showing the revenue recorded and the allowable expenses applied against this revenue source. This proof of funds should then be used to prepare and reconcile to the functional expense statement. This would facilitate a timely year-end reconciliation and determination of the amount to be recorded as temporarily restricted net assets.*

Response: FAFB currently maintains an internal balance sheet for each funding source reflecting the allocation of resources and balance of funds remaining. Staff will confer with Accounting to develop a "proof of funds" worksheet to be maintained by Accounting and reconciled to the functional expense statement.

Current year findings: None

Current year comments:

None, but prior year comment 2014-1 continues.

Sincerely,

Richard LeBer  
Interim Executive Director