

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

**Years Ended**  
**June 30, 2016 and 2015**

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Private Companies Practice Section

Tax Division

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Feeding Florida, Inc.  
1489 Market Street  
Tallahassee, FL 32312

**Report on the Financial Statements**

We have audited the accompanying financial statements of Feeding Florida, Inc. (a Florida not-for-profit organization) which comprise the statements of financial position as of June 30, 2016 and 2015, 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

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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 Feeding Florida, Inc. as of June 30, 2016 and 2015, 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 Feeding Florida, Inc. taken as a whole. The accompanying Schedule of Expenditures of State Financial Assistance for the year ended June 30, 2016 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 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, 2016 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.

Board of Directors  
Feeding Florida, Inc.  
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**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 7, 2016, on our consideration of Feeding Florida, 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 Feeding Florida, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Tuscany & Company, P.A." The signature is written in black ink and is positioned above the printed name of the firm.

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
November 7, 2016

**FEEDING FLORIDA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2016 and 2015**

<b>ASSETS</b>	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (including restricted cash of \$123,931 and \$193,895 as of June 30, 2016 and 2015, respectively)	\$ 219,242	\$ 252,380
Grants receivable	-	43,596
Other receivables	873,580	527,162
Prepaid expenses	<u>1,137</u>	<u>564</u>
TOTAL CURRENT ASSETS	1,093,959	823,702
<b>EQUIPMENT, NET</b>	<u>2,191</u>	<u>605</u>
TOTAL ASSETS	<u>\$ 1,096,150</u>	<u>\$ 824,307</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accrued liabilities	\$ 501,100	\$ 358,440
Unearned revenue - prepaid membership dues	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>501,100</u>	<u>358,440</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>501,100</u>	<u>358,440</u>
 <b>NET ASSETS</b>		
Unrestricted	471,119	271,972
Temporarily restricted	<u>123,931</u>	<u>193,895</u>
TOTAL NET ASSETS	<u>595,050</u>	<u>465,867</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,096,150</u>	<u>\$ 824,307</u>

The accompanying notes are an integral part of this statement.

**FEEDING FLORIDA, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended June 30, 2016 and 2015**

	2016		
	Unrestricted	Temporarily Restricted	Total
<b>CHANGES IN NET ASSETS</b>			
<b>PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</b>			
Grants - non-governmental	\$ -	\$ 110,650	\$ 110,650
Transportation - FL DACS	-	1,200,000	1,200,000
Auto tag revenue - IMAGINE	-	349,951	349,951
Auto tag revenue - END HUNGER	-	32,221	32,221
Out of state PPO Farmers Feeding Florida	1,245,103	-	1,245,103
In state PPO Farmers Feeding Florida	123,481	-	123,481
Logistics Fee	105,200	-	105,200
Membership dues	31,292	-	31,292
Donations	19,495	-	19,495
Donations In-Kind	-	-	-
Interest and other	38	-	38
	<u>1,524,609</u>	<u>1,692,822</u>	<u>3,217,431</u>
TOTAL PUBLIC SUPPORT AND REVENUES	1,524,609	1,692,822	3,217,431
Net assets released from restrictions:	<u>1,762,786</u>	<u>(1,762,786)</u>	<u>-</u>
	<u>3,287,395</u>	<u>(69,964)</u>	<u>3,217,431</u>
TOTAL PUBLIC SUPPORT AND REVENUES AND RECLASSIFICATIONS	3,287,395	(69,964)	3,217,431
<b>EXPENSES</b>			
Program services	3,014,964	-	3,014,964
Support services	73,284	-	73,284
	<u>3,088,248</u>	<u>-</u>	<u>3,088,248</u>
TOTAL EXPENSES	3,088,248	-	3,088,248
INCREASE (DECREASE) IN NET ASSETS	199,147	(69,964)	129,183
NET ASSETS, BEGINNING OF YEAR	<u>271,972</u>	<u>193,895</u>	<u>465,867</u>
NET ASSETS, END OF YEAR	<u>\$ 471,119</u>	<u>\$ 123,931</u>	<u>\$ 595,050</u>

The accompanying notes are an integral part of this statement.

2015		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ -	\$ 229,706	\$ 229,706
-	1,000,000	1,000,000
-	341,236	341,236
-	37,824	37,824
764,246	-	764,246
-	-	-
50,945	-	50,945
26,793	-	26,793
15,135	-	15,135
-	-	-
454	-	454
<u>857,573</u>	<u>1,608,766</u>	<u>2,466,339</u>
<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>
2,310,451	-	2,310,451
<u>54,008</u>	<u>-</u>	<u>54,008</u>
<u>2,364,459</u>	<u>-</u>	<u>2,364,459</u>
(19,440)	121,320	101,880
<u>291,412</u>	<u>72,575</u>	<u>363,987</u>
<u>\$ 271,972</u>	<u>\$ 193,895</u>	<u>\$ 465,867</u>

The accompanying notes are an integral part of this statement.

**FEEDING FLORIDA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2016**

	2016 PROGRAM SERVICES			
FUNCTIONAL EXPENSES	Farmers Feeding Florida	Hunger Awareness	Training	Disaster Prep Response
Accounting	\$ 17,562	\$ 10,377	\$ 2,907	\$ 1,547
Audit	10,298	2,540	712	379
Bank charges	-	-	-	-
Conferences registrations	450	1,315	-	-
Consulting	65,589	19,138	5,361	2,853
Depreciation expense	-	-	-	-
Directors & officers insurance	-	-	-	-
Education & advocacy	4,400	14,575	8,250	275
Farmers Feeding Florida In State	165,596	-	-	-
Farmers Feeding Florida Out of State	1,189,967	2,120	-	-
Licenses and fees	416	37	10	5
Lobbying	-	-	-	-
Marketing - auto tag	-	87,488	-	-
Marketing - general	17,387	10,274	2,878	1,531
Miscellaneous	-	-	-	-
Office expenses	6,167	2,449	728	356
Salary & benefits	149,490	43,216	15,365	15,842
Transportation allocation	8,801	-	-	-
Child Nutrition allocation	-	-	-	-
Travel - Board of Directors	2,645	411	2,945	4,654
Travel - staff & contractors	28,036	4,660	674	617
Website	653	495	108	58
TOTAL	<u>1,667,457</u>	<u>199,095</u>	<u>39,938</u>	<u>28,117</u>
Allocation of Administration- FL DACS Program Management	<u>(120,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>\$ 1,547,457</u>	<u>\$ 199,095</u>	<u>\$ 39,938</u>	<u>\$ 28,117</u>

The accompanying notes are an integral part of this statement.

2016					
SUPPORTING SERVICES					
FL-DACS	Child Nutrition	Total Program Services	General and Administrative	Total Supporting Services	Total Expenses
\$ -	\$ -	\$ 32,393	\$ 4,172	\$ 4,172	\$ 36,565
-	-	13,929	2,421	2,421	16,350
-	-	-	-	-	-
-	-	1,765	-	-	1,765
-	-	92,941	8,021	8,021	100,962
-	-	-	514	514	514
-	-	-	2,168	2,168	2,168
-	-	27,500	-	-	27,500
675,000	-	840,596	-	-	840,596
-	-	1,192,087	-	-	1,192,087
-	-	468	75	75	543
-	-	-	5,500	5,500	5,500
-	-	87,488	-	-	87,488
-	-	32,070	4,249	4,249	36,319
-	-	-	3,241	3,241	3,241
-	113	9,813	2,875	2,875	12,688
-	-	223,913	32,564	32,564	256,477
225,000	-	233,801	-	-	233,801
-	180,000	180,000	-	-	180,000
-	-	10,655	4,419	4,419	15,074
-	244	34,231	2,910	2,910	37,141
-	-	1,314	155	155	1,469
<u>900,000</u>	<u>180,357</u>	<u>3,014,964</u>	<u>73,284</u>	<u>73,284</u>	<u>3,088,248</u>
<u>120,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,020,000</u>	<u>\$ 180,357</u>	<u>\$ 3,014,964</u>	<u>\$ 73,284</u>	<u>\$ 73,284</u>	<u>\$ 3,088,248</u>

The accompanying notes are an integral part of this statement.

**FEEDING FLORIDA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2015**

FUNCTIONAL EXPENSES	2015 PROGRAM SERVICES				
	Farmers Feeding Florida	Hunger Awareness	Training	Disaster Prep Response	FL-DACS
Accounting	\$ 13,982	\$ 7,260	\$ 1,882	\$ 1,076	\$ -
Audit	6,019	3,158	763	475	-
Bank charges	-	-	-	-	-
Conferences registrations	1,247	633	220	-	-
Depreciation expense	-	-	-	-	-
Directors & officers insurance	-	-	-	-	-
Education & advocacy	6,007	15,047	8,221	371	-
Farmers Feeding Florida In State	152,545	-	-	-	675,000
Farmers Feeding Florida Out of State	774,858	-	-	-	-
Licenses and fees	-	-	-	-	-
Lobbying	-	-	-	-	-
Marketing - auto tag	-	85,403	-	-	-
Miscellaneous	4,440	150	26	16	-
Office expenses	5,291	2,888	372	254	-
Salary & benefits	132,060	71,782	14,858	13,240	-
Transportation allocation	40,836	-	-	-	225,000
Travel - Board of Directors	6,659	5,326	1,065	266	-
Travel - staff & contractors	15,996	8,283	4,056	942	-
Website	1,363	804	193	118	-
<b>TOTAL EXPENSES</b>	<b>1,161,303</b>	<b>200,734</b>	<b>31,656</b>	<b>16,758</b>	<b>900,000</b>
Allocation of Administration- FL DACS Program Management	(100,000)	-	-	-	100,000
<b>Total Expenses</b>	<b>\$ 1,061,303</b>	<b>\$ 200,734</b>	<b>\$ 31,656</b>	<b>\$ 16,758</b>	<b>\$ 1,000,000</b>

The accompanying notes are an integral part of this statement.

2015			
SUPPORTING SERVICES			
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
2,100	-	-	2,100
-	479	479	479
-	1,706	1,706	1,706
29,646	354	354	30,000
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
265,836	-	-	265,836
13,316	-	-	13,316
29,277	3,677	3,677	32,954
<u>2,478</u>	<u>249</u>	<u>249</u>	<u>2,727</u>
<u>2,310,451</u>	<u>54,008</u>	<u>54,008</u>	<u>2,364,459</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.

**FEEDING FLORIDA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants and contracts	\$ 2,758,584	\$1,921,753
Cash received from donations, logistics fee and other	124,733	66,534
Cash received from members	31,292	26,318
Cash payments to suppliers and personnel	<u>(2,945,647)</u>	<u>(2,235,142)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(31,038)</u>	<u>(220,537)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of equipment	<u>(2,100)</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(2,100)</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	(33,138)	(220,537)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>252,380</u>	<u>472,917</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 219,242</u>	<u>\$ 252,380</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>2016</u>	<u>2015</u>
Increase (Decrease) in net assets	\$ 129,183	\$ 101,880
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation	514	479
(Increase) decrease in grants receivables	43,596	(38,596)
(Increase) decrease in other receivables	(346,418)	(412,663)
(Increase) decrease in prepaid expenses	(573)	(64)
Increase (decrease) in accrued liabilities	142,660	128,902
Increase (decrease) in deferred revenue - prepaid dues	<u>-</u>	<u>(475)</u>
TOTAL ADJUSTMENTS	<u>(160,221)</u>	<u>(322,417)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (31,038)</u>	<u>\$ (220,537)</u>

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

**Organization and description of activities**

Feeding Florida, Inc. (the "Organization") was incorporated as a Florida nonprofit corporation on January 21, 1993 under the corporate name Florida Association of Food Banks, Inc. (the "Association"), for the purpose of increasing the availability of food to needy families throughout the State of Florida. On June 8, 2016, the Association amended the Articles of Incorporation to change its official name to Feeding Florida, Inc. The Organization'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 Organization entered into an agreement in 2003 with Yoko Ono Lennon, which granted the Organization the right to use the image of John Lennon on a specialty license plate. The Organization 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 Organization. The goal of the program is to work with farmers and packers to distribute unmarketable produce to those in need. This program helps offset the farmers/packers cost of picking and packing. This program is partially supported by the FL DACS Program

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

FL-DACS Transportation which 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, 2016, the Organization established a new program called "Child Nutrition" which is a combination of specific initiatives to combat child hunger issues.

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

**Organization and description of activities, continued**

During the year ended June 30, 2014, the Organization 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 Organization the cost of the picking and packing and the logistics. The Organization then pays the respective grower the pick and pack fee.

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 Organization 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 Standards Board (FASB) in the Accounting Standards Codification (ASC).

The Organization 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 Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. At June 30, 2016 and 2015, the Organization held no cash equivalents.

**Contracts and grants receivable**

Contracts and grants receivable consist of billings due from grantor or provider agencies. The Organization uses the direct write-off method of accounting for uncollectible accounts associated with grantor or provider agencies. At June 30, 2016 and 2015, 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 Organization'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 Organization), 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 Organization 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 Organization's financial statements resulting from FASB ASC No. 360-10-50-2 for the years ended June 30, 2016 and 2015.

**Unrestricted net assets**

The Organization's unrestricted net asset goal is to consistently maintain unrestricted cash reserves greater than the prior year's audited average operating expenses excluding donated food, government donated food and pass-through funds.

**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 Organization 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 Organization. The donors require the Organization to use all or part of the investment return on these net assets for specified or unspecified purposes.

**Advertising costs**

The Organization'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 Organization'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 Feeding Florida, Inc. is exempt from income taxes under Internal Revenue Code Section 501(c)(3). In addition, Feeding Florida, Inc. 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 Organization 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 Organization's status as a not-for-profit entity. Management believes the Organization met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax. The Organization's income tax returns for the past three years are open and subject to examination by tax authorities, and may change upon examination. The Organization 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 Organization 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 7, 2016, 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 Organization adheres to fair value measurements to value certain types of assets. At June 30, 2016 and 2015, 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>2016</u>	<u>2015</u>
Depository accounts	\$ 219,242	\$ 252,380
	<u>\$ 219,242</u>	<u>\$ 252,380</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 Organization maintains its cash and cash equivalents in financial institutions located in Southwest Florida. The Organization's cash and cash equivalents are federally insured up to \$250,000 per financial institution. At June 30, the bank balances of the Organization's depository accounts are categorized as follows:

	<u>2016</u>	<u>2015</u>
Amount covered by FDIC	\$ 305,159	\$ 252,556
Amount uninsured	-	-
	<u>\$ 305,159</u>	<u>\$ 252,556</u>

The Organization has not experienced any economic losses on such accounts. The Organization 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>2016</u>	<u>2015</u>
Office equipment	\$ 4,939	\$ 2,839
Less: Accumulated depreciation	(2,748)	(2,234)
	<u>\$ 2,191</u>	<u>\$ 605</u>

Depreciation expense for the years ended June 30, 2016 and 2015 was \$514 and \$479, respectively.

**NOTE D - ACCRUED EXPENSES**

Accrued expenses consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 410,390	\$ 349,062
Accrued payroll and taxes	12,027	7,022
Other accrued expenses	78,683	2,356
	<u>\$ 501,100</u>	<u>\$ 358,440</u>

**FEEDING FLORIDA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016 and 2015**

**NOTE E - LINE OF CREDIT**

The Organization obtained a demand basis \$175,000 line of credit (LOC) payable to a financial institution dated October 8, 2014. The LOC was collateralized by all personal property of Feeding Florida, Inc. and had a variable interest rate of 1% over the prime interest rate. As of June 30, 2016, the interest rate was 4.5%. The line of credit matured on demand. At June 30, 2016, the outstanding balance on the LOC was \$0 and no funds were borrowed on the LOC during the years ended June 30, 2016 or 2015. The LOC was closed subsequent to June 30, 2016.

**NOTE F - UNRESTRICTED NET ASSETS**

Unrestricted net assets consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Unrestricted - undesignated	\$ 471,119	\$ 271,972
Unrestricted - designated	-	-
	<u>\$ 471,119</u>	<u>\$ 271,972</u>

At June 30, 2016 and 2015, the Organization held no designated net assets.

**NOTE G - TEMPORARILY RESTRICTED NET ASSETS**

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

	<u>2016</u>	<u>2015</u>
IMAGINE - auto license tag revenue	\$ 97,131	\$ 93,895
Mosaic	-	100,000
Florida Specialty Crop Foundation	10,000	-
HFSF Grant	16,800	-
Total temporarily restricted net assets	<u>\$ 123,931</u>	<u>\$ 193,895</u>

**NOTE H - FUNDRAISING COSTS**

The Organization incurred no specific fundraising costs and generated no specific funds from fundraising during the years ended June 30, 2016 and 2015.

**NOTE I - ECONOMIC DEPENDENCE**

The Organization'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 Organization and a negative impact on overall operations. For the years ended June 30, 2016 and 2015, substantially 98% and 98% of total support and revenue is attributable to funds received from contracts and grantor agencies.

The Organization 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 Organization. Accordingly, such liabilities are not reflected within the financial statements of the Organization, as management does not believe any contingent liabilities that may exist to be material.

**NOTE J - RETIREMENT PLAN**

The Organization 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, 2016 and 2015, retirement expense of \$1,060 and \$3,480 respectively, was incurred by the Organization.

**SUPPLEMENTARY  
INFORMATION**

**FEEDING FLORIDA, INC.**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**Year Ended June 30, 2016**

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	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
			1,200,000	1,200,000	1,200,000
<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	349,951	349,951	349,951
<b>Non-Major (Type B)</b>					
END HUNGER Auto Tag Voluntary Contributions*	76.127	N/A	<u>32,221</u>	<u>32,221</u>	<u>32,221</u>
			<u>382,172</u>	<u>382,172</u>	<u>382,172</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			<b><u>\$ 1,582,172</u></b>	<b><u>\$ 1,582,172</u></b>	<b><u>\$ 1,582,172</u></b>

\* License check off revenue

NOTE: No amounts were subgranted out by Feeding Florida, Inc. during the year ended June 30, 2016.

**FEEDING FLORIDA, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF**  
**STATE FINANCIAL ASSISTANCE**  
**Year ended June 30, 2016**

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**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**

Feeding Florida, 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/budgeted 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  
 Feeding Florida, Inc.  
 1489 Market Street  
 Tallahassee, FL 32312

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 Feeding Florida, Inc., which comprise the statement of financial position as of June 30, 2016 and the related statements of activities, functional expenses and cash flows for the year ended June 30, 2016 and the related notes to the financial statements, and have issued our report thereon dated November 7, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Feeding Florida, 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 Feeding Florida, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Feeding Florida, 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

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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 Feeding Florida, Inc. in our Report to Management dated November 7, 2016.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Feeding Florida, 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.



TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
November 7, 2016



**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  
Feeding Florida, Inc.  
1489 Market Street  
Tallahassee, FL 32312

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

We have audited Feeding Florida, 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 Feeding Florida, Inc.'s major state projects for the year ended June 30, 2016. Feeding Florida, 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 Feeding Florida, 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 Feeding Florida, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 Feeding Florida, Inc.'s compliance.

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

In our opinion, Feeding Florida, 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, 2016.

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

Management of Feeding Florida, 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 Feeding Florida, 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 Feeding Florida, 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 "Tuscán & Company, P.A." The signature is written in a cursive, flowing style.

TUSCAN & COMPANY, P.A.  
Fort Myers, Florida  
November 7, 2016

**FEEDING FLORIDA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE**  
**FINANCIAL ASSISTANCE**  
**Year ended June 30, 2016**

*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
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**FEEDING FLORIDA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE**  
**FINANCIAL ASSISTANCE, CONTINUED**  
**For the Year ended June 30, 2016**

***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

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Affiliations

Florida Institute of Certified Public Accountants

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Tax Division

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**INDEPENDENT AUDITOR'S REPORT TO MANAGEMENT**

To the Board of Directors  
Feeding Florida, Inc.  
1489 Market Street  
Tallahassee, FL 32312

In planning and performing our audit of the financial statements of Feeding Florida, Inc. (the "Organization") (a not-for-profit Florida corporation) as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered Feeding Florida, 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

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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, 2015) 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 Feeding Florida, 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 Organization 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 Organization'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.

FY 2015 Addendum

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 Addendum

During the audit, we noted a "proof of funds" worksheet was prepared to distinguish several revenues and expenses by restricted source after year end. 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:**

2016-1. Board of Directors Should Annually Review and Approve Allocation Policy

We recommend that management determine and the Board approve reasonable, prudent and consistent allocation percentages for all indirect costs to be allocated to program, administrative and fundraising categories. The allocation methods and percentages used should be reviewed regularly to ensure that they remain appropriate. Such policy should be routinely reviewed (at least annually), amended as necessary and re-approved by the Board. Such approval should be documented in the Board minutes.

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.

Fort Myers, Florida

November 7, 2016

**EXHIBIT**

January 17, 2017

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

Re: Response to Management Letter, Fiscal Year 2015-16

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

Prior year findings: None

Prior year comments:

*FY 2015 Addendum - During the audit, we noted a "proof of funds" worksheet was prepared to distinguish several revenues and expenses by restricted source after year end. 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.*

Response:

Feeding Florida currently maintains an internal balance sheet for each funding source reflecting the allocation of resources and balance of funds remaining. Staff has conferred 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

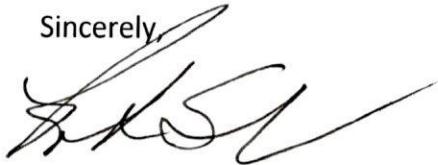
Current year comments:

*2016-1- Board of Directors Should Annually Review and Approve Allocation Policy  
We recommend that management determine and the Board approve reasonable, prudent and consistent allocation percentages for all indirect costs to be allocated to program, administrative and fundraising categories. The allocation methods and percentages used should be reviewed regularly to ensure that they remain appropriate. Such policy should be routinely reviewed (at least annually), amended as necessary and re-approved by the Board. Such approval should be documented in the Board minutes.*

Response:

Feeding Florida Board of Directors currently reviews on a regular basis at each board meeting all indirect costs allocated to the program, administrative and fundraising categories. The review and approval of the allocation method will be noted annually at the board meeting where the budget is approved and will be noted in the Board minutes.

Sincerely,



Robin Safley  
Executive Director