

Treasure Coast Food Bank, Inc.

ANNUAL FINANCIAL REPORTS

June 30, 2017 and 2016

1. The first part of the document is a list of the names of the authors of the papers presented at the conference. The names are listed in alphabetical order of the last name.

2. The second part of the document is a list of the titles of the papers presented at the conference. The titles are listed in alphabetical order of the first letter of the title.

3. The third part of the document is a list of the abstracts of the papers presented at the conference. The abstracts are listed in alphabetical order of the first letter of the title.

4. The fourth part of the document is a list of the full texts of the papers presented at the conference. The full texts are listed in alphabetical order of the first letter of the title.

5. The fifth part of the document is a list of the conclusions of the papers presented at the conference. The conclusions are listed in alphabetical order of the first letter of the title.

6. The sixth part of the document is a list of the references of the papers presented at the conference. The references are listed in alphabetical order of the first letter of the title.

7. The seventh part of the document is a list of the acknowledgments of the papers presented at the conference. The acknowledgments are listed in alphabetical order of the first letter of the title.

8. The eighth part of the document is a list of the appendices of the papers presented at the conference. The appendices are listed in alphabetical order of the first letter of the title.

9. The ninth part of the document is a list of the index of the papers presented at the conference. The index is listed in alphabetical order of the first letter of the title.

10. The tenth part of the document is a list of the bibliography of the papers presented at the conference. The bibliography is listed in alphabetical order of the first letter of the title.

11. The eleventh part of the document is a list of the glossary of the papers presented at the conference. The glossary is listed in alphabetical order of the first letter of the title.

12. The twelfth part of the document is a list of the index of the papers presented at the conference. The index is listed in alphabetical order of the first letter of the title.

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Treasure Coast Food Bank, Inc.

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Report of Independent Auditors

To the Board of Directors
Treasure Coast Food Bank, Inc.
Fort Pierce, Florida

Report on the Financial Statements

We have audited the accompanying statements of financial position of Treasure Coast Food Bank, Inc. (the "Organization"), a nonprofit organization, as of June 30, 2017 and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal 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 statement audits contained in *Government Auditing Standards*. 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 no such opinion. An audit 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Fort Pierce / Stuart

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To the Board of Directors
Treasure Coast Food Bank, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Treasure Coast Food Bank, Inc. as of June 30, 2017, and the activities, cash flows and functional expenses for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2016. In our opinion, the summarized comparative information presented herein, as of, and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* ("Uniform Guidance") and is not a required part of the basic 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 14, 2017 on our consideration of the Organization'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 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 the Organization's internal control over financial reporting and compliance.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 14, 2017

Treasure Coast Food Bank, Inc.
STATEMENTS OF FINANCIAL POSITION
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 424,506	\$ 380,079
Cash - restricted	466,652	-
Accounts receivables	6,536	10,763
Grants receivables	351,765	228,191
Inventories	626,984	880,399
Other current assets	37,581	102,550
Total Current Assets	<u>1,914,024</u>	<u>1,601,982</u>
Capital Assets		
Land	380,213	380,213
Buildings	1,928,132	1,928,132
Construction in progress	2,692,932	626,731
Capitalized interest	35,733	-
Equipment	243,261	241,066
Office equipment	34,927	34,927
Furniture and fixtures	14,905	14,905
Vehicles	845,674	845,674
Improvements	556,461	495,422
Software	19,001	19,001
	<u>6,751,239</u>	<u>4,586,071</u>
Less: accumulated depreciation	<u>(1,645,101)</u>	<u>(1,487,092)</u>
Net Capital Assets	<u>5,106,138</u>	<u>3,098,979</u>
Other Assets		
Deposits	4,460	4,060
Certificate of deposit	208,238	205,955
Investments	4,925	14,849
Total Other Assets	<u>217,623</u>	<u>224,864</u>
Total Assets	<u><u>\$ 7,237,785</u></u>	<u><u>\$ 4,925,825</u></u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 150,149	\$ 272,119
Accrued payroll	30,195	83,862
Accrued compensated absences	23,526	25,421
Current portion of long-term debt	102,512	29,477
Deferred revenues	-	40,000
Total Current Liabilities	<u>306,382</u>	<u>450,879</u>
Non-current Liabilities		
Note payable	1,961,504	700,568
Total Liabilities	<u>2,267,886</u>	<u>1,151,447</u>
Net Assets		
Permanently restricted	15,000	15,000
Temporarily restricted	931,114	514,150
Unrestricted	4,023,785	3,245,228
Total Net Assets	<u>4,969,899</u>	<u>3,774,378</u>
Total Liabilities and Net Assets	<u><u>\$ 7,237,785</u></u>	<u><u>\$ 4,925,825</u></u>

The accompanying notes are an integral part of these financial statements.

Treasure Coast Food Bank, Inc.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenues				
Support				
Grants and contributions	\$ 1,734,704	\$ 1,893,998	\$ -	\$ 3,628,702
Whole Child Connection	-	216,780	-	217,696
In-kind contributions	15,813,598	-	-	15,813,598
Fundraising, net of \$41,471 and \$24,653 expenses	550,074	-	-	550,074
Total Support	<u>18,098,376</u>	<u>2,110,778</u>	<u>-</u>	<u>20,209,154</u>
Revenues				
Handling fees -agency	281,778	-	-	281,778
Handling fees - purchased food	28,358	-	-	28,358
Miscellaneous	8,343	-	-	8,343
Net assets released from restrictions	1,693,814	(1,693,814)	-	-
Total Revenues	<u>2,012,293</u>	<u>(1,693,814)</u>	<u>-</u>	<u>318,479</u>
Total Support and Revenues	<u>20,110,669</u>	<u>416,964</u>	<u>-</u>	<u>20,527,633</u>
Expenses				
Program Services				
Community service	14,129,757	-	-	14,129,757
Whole Child Connection	216,780	-	-	217,696
Emergency food assistance program	4,396,251	-	-	4,396,251
Total Program Services	<u>18,742,788</u>	<u>-</u>	<u>-</u>	<u>18,742,788</u>
Supporting Services				
General administration	429,382	-	-	429,382
Fundraising	159,942	-	-	159,942
Total Supporting Services	<u>589,324</u>	<u>-</u>	<u>-</u>	<u>589,324</u>
Total Expenses	<u>19,332,112</u>	<u>-</u>	<u>-</u>	<u>19,332,112</u>
Change in Net Assets	778,557	416,964	-	1,195,521
Net Assets - Beginning of Year	3,245,228	514,150	15,000	3,774,378
Net Assets - Ending of Year	<u>\$ 4,023,785</u>	<u>\$ 931,114</u>	<u>\$ 15,000</u>	<u>\$ 4,969,899</u>

The accompanying notes are an integral part of these financial statements.

Treasure Coast Food Bank, Inc.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,195,521	\$ 147,649
Adjustments used to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	158,009	205,666
Securities (gain)/loss	28,031	106
Gain on sale of assets	-	(3,500)
Donated securities	(1,529,000)	(10,116)
Decrease (Increase) in assets:		
Receivables	(119,347)	(60,041)
Inventories	253,415	91,705
Other assets	62,286	(62,722)
Increase (Decrease) in liabilities:		
Accounts payable	(121,970)	94,355
Accrued payroll	(53,667)	23,625
Accrued compensation	(1,895)	(13,697)
Deferred revenues	(40,000)	40,000
Net Cash Provided (Used) by Operating Activities	<u>(168,617)</u>	<u>453,030</u>
Cash Flows from Investing Activities		
Proceeds from sale of investments	1,510,893	-
Purchases of capital assets	(2,165,168)	(498,716)
Proceeds from sale of capital assets	-	3,500
Net Cash Used by Investing Activities	<u>(654,275)</u>	<u>(495,216)</u>
Cash Flows from Financing Activities		
Proceeds from note payable	1,365,779	-
Principal payments of note payable	(31,808)	(30,074)
Net Cash Provided (Used) by Financing Activities	<u>1,333,971</u>	<u>(30,074)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	511,079	(72,260)
Cash and Cash Equivalents - Beginning of Year	<u>380,079</u>	<u>452,339</u>
Cash and Cash Equivalents	424,506	380,079
Cash - restricted for capital improvements	466,652	-
Cash and Restricted Cash - End of Year	<u>\$ 891,158</u>	<u>\$ 380,079</u>
Supplemental disclosures of cash flow information		
Interest expense	\$ 30,159	44,668
Capitalized interest	35,733	-
Donated securities	1,529,000	10,116

The accompanying notes are an integral part of these financial statements.

Treasure Coast Food Bank, Inc.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2017
(With Comparative Totals For the Year Ended June 30, 2016)

	Program Services			Supporting Services			June 30, 2017 Total	June 30, 2016 Total
	Community Service	Whole Child Connection	Emergency Food Assistance	General Administration	Fundraising	Total		
Donated food	\$ 12,009,833	\$ -	\$ 3,897,911	\$ -	\$ -	\$ 15,907,744	\$ 15,907,744	\$ 16,882,877
Salaries	827,042	149,428	244,117	198,345	106,802	305,147	1,525,734	1,391,697
Food purchases	231,414	-	40,838	-	-	272,252	272,252	455,100
Insurance	119,560	16,678	34,060	31,931	10,643	42,574	212,872	223,306
Postage and freight	154,516	137	38,664	-	-	193,317	193,317	169,728
Depreciation	126,407	-	-	26,862	4,740	31,602	158,009	205,666
Professional fees	69,129	10,800	19,985	16,762	5,587	22,349	122,263	67,544
Miscellaneous	16,395	8,000	6,099	79,865	1,906	81,771	112,265	25,513
Payroll taxes	59,669	11,430	17,775	14,442	7,776	22,218	111,092	103,666
Repairs and maintenance	86,456	-	21,614	-	-	108,070	108,070	91,947
Contract labor	78,669	-	-	-	-	78,669	78,669	82,948
Utilities	36,999	-	9,250	8,672	2,891	11,563	57,812	52,917
Travel	43,105	3,000	-	8,645	2,881	11,526	57,631	62,776
Advertising/marketing	36,379	250	9,158	8,583	2,862	11,445	57,232	61,391
Fuel	43,409	-	10,852	-	-	54,261	54,261	53,063
Occupancy	22,168	8,518	7,672	7,193	2,397	9,590	47,948	44,062
Workers compensation insurance	27,533	-	6,883	5,593	3,011	8,604	43,020	44,668
Warehouse costs	26,758	-	6,689	-	-	33,447	33,447	49,100
Interest	24,126	-	-	4,523	1,510	6,033	30,159	30,762
Retirement	16,565	-	4,141	3,365	1,812	5,177	25,883	24,591
Equipment purchase/rental	16,059	3,000	4,765	-	-	23,824	23,824	52,683
Telephone	10,488	3,048	3,384	3,172	1,057	4,229	21,149	20,974
Dues and subscriptions	12,373	-	3,095	2,902	969	3,871	19,339	21,017
Office supplies and expenses	10,818	1,000	2,954	2,770	923	3,693	18,465	21,590
Conferences and conventions	6,980	-	1,745	1,636	546	2,182	10,907	11,750
Printing and binding	5,266	1,491	1,689	1,584	528	2,112	10,558	36,043
Administration	6,130	-	1,533	1,245	671	1,916	9,579	4,608
Bank fees	5,511	-	1,378	1,292	430	1,722	8,611	9,833
Total	\$ 14,129,757	\$ 216,780	\$ 4,396,251	\$ 429,382	\$ 159,942	\$ 589,324	\$ 19,332,112	\$ 20,271,820

The accompanying notes are an integral part of these financial statements.

Treasure Coast Food Bank, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Treasure Coast Food Bank, Inc. (the "Organization") has been serving the Treasure Coast since 1988. The Food Bank is a nonprofit organization incorporated May 11, 1989, under the laws of the State of Florida. The Food Bank operated during 1988 as an unincorporated entity. The Food Bank is a private, non-profit organization that distributes surplus food and personal items to other non-profit agencies and recognized denominations in St. Lucie, Indian River, Martin and Okeechobee counties. The Food Bank is authorized through the State of Florida to receive commodities from the United States Department of Agriculture ("USDA") for distribution in the four county region, providing food for frontline emergency food assistance. It is also responsible for assisting with procurement and distribution of donated emergency products during and after disasters. The Food Bank is fully committed to its mission of providing food and resources in our communities with the goal of alleviating hunger, educating others on the causes of hunger, and feeding hope for a brighter future through delivery of collaborative programs.

Donated food is received from the USDA, wholesalers, distributors, manufacturers, retailers, and individuals. The Food Bank also purchases food to supplement donations received.

Food is distributed to local 501(c)(3) charities, such as food pantries, soup kitchens, shelters, children's and senior meal programs, and other programs that offer assistance to low-income individuals and families in St. Lucie, Martin, Indian River, and Okeechobee counties.

In addition to collecting and distributing food, the Food Bank operates advocacy and public education programs. Advocacy efforts focus on outreach to underserved populations, research, and public policy issues that affect the root causes of hunger.

The Food Bank is a member of Feeding America (formerly known as America's Second Harvest - The Nation's Food Bank Network), a national hunger-relief organization of food banks and food rescue organizations.

U.S. Government Program

The Emergency Food Assistance Program ("TEFAP") supplements the diets of some low-income Americans by providing them with emergency food and nutrition assistance at no cost. The USDA allocates TEFAP commodities to each state.

Treasure Coast Food Bank, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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Treasure Coast Food Bank, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U.S. Government Program (Continued)

States designate an agency to order, store, distribute, and track TEFAP commodities, as well as monitor distribution sites. These distribution sites provide the commodities for household consumption or use them to prepare and serve meals in a congregate setting. Recipients of food for home use must meet income eligibility criteria set by the states. Recipients of foods prepared from USDA commodities at congregate feeding sites are presumed to be low income and are therefore not subject to eligibility criteria.

Continued funding levels of the TEFAP program is subject to annual renewal by the Congress of the United States.

Fiscal Year

The Food Bank's fiscal year ends on June 30th. References to 2017 and 2016 in the accompanying financial statements relate to the years ended June 30, 2017 and 2016, respectively.

Estimates

Management of the Food Bank has made a number of estimates and assumptions relating to the reporting of asset, liabilities, revenue and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from those results but, in the opinion of management, such differences would not be material.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its FASB Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958, the Organization is required to report information regarding its financial position and activities are required to be reported according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents are defined as short-term, highly liquid investments that are both: (a) readily convertible to known amounts of cash, and (b) so near their maturity (three months or less) that they present insignificant risk of changes in value because of changes in interest rates. Cash and cash equivalents include savings and checking accounts, money market funds and certificate of deposits with a maturity of less than 90 days.

Treasure Coast Food Bank, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are initially recorded at their acquisition cost (including brokerage and other transaction fees) if they are purchased, and, at fair value if they are received as a contribution or through an agency transaction. Subsequent to acquisition, investments in equity securities, with readily determinable fair value, and all debt securities are recorded at fair value. All other securities are evaluated for impairment, if the impairment is considered other than temporary; the security is recorded at fair value.

The investment policy allows investments to be allocated in equities (20%-60%), fixed income (10%-40%), and cash and/or equivalents (0%-20%). Equities are ownership interest possessed by shareholders in a corporation. Fixed income investments are oriented to government, corporate, municipal bonds, and to preferred stock paying a fixed dividend. Cash equivalents are any highly liquid security with a known market value and maturity, when acquired, of less than one year, and may include money market funds and U.S. Treasury Bills.

The overall objectives require the portfolio to be of above average quality and holdings be diversified as to issuer, style, and sector. Equity securities are limited to those of high quality and actively traded on either the NYSE or NASDAQ exchanges. Short-term, fixed-income investments must be rated at least A-1 Standard and Poor's Corporation ("S&P") and P-1 by Moody's Investment Services, Inc. ("Moody's"). Long-term, fixed-income securities must be rated A or better by S&P and Moody's. Short-term investments eligible for purchase include certificates of deposit, money market funds, federally-sponsored agency obligations, and short term debt obligations of the U.S. Government, so long as they meet rating guidelines.

Inventory

Inventory, determined by the first-in, first-out method, consists of donated food and grocery products, U.S. Department of Agriculture commodities, and purchased product at the lower of cost or market. The donated goods inventory is stated at \$1.73 per pound at June 30, 2017 and \$1.67 per pound at June 30, 2016, which is the estimated wholesale fair market value at the time of donation. USDA commodities inventory is stated at \$1.73 per pound at June 30, 2017 and \$1.67 per pound at June 30, 2016. Purchased product inventory is stated at cost.

Capital Assets

It is the Organization's policy to capitalize property and equipment valued over \$1,000. All purchased items are stated at cost and donated items are stated at fair value at the date of donation. All expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Depreciation is computed on the straight-line method over the estimated lives of the assets ranging from three to thirty-nine years. Construction in progress relates building improvement and is capitalized when the asset is placed-in-service.

Treasure Coast Food Bank, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date as required by the Fair Value measurements and Disclosures Topic of the Accounting Standards Codification (ASC) – ASC 820 of the Financial Standards Accounting Board (FASB). ASC 820 establishes a three-level hierarchy for fair value measurements based upon the observability of inputs to the valuation of the asset or liability as of the measurement date. ASC 820 expands disclosures about instruments measured at fair value and applies to other accounting pronouncements that require or permit fair value measurements and, accordingly, it does not require any new fair value measurements.

As noted above, ASC 820 establishes a three-level valuation hierarchy for the disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

The primary uses of fair value measures in the organization's financial statements are:

- Initial measurement of non-cash gifts, including gifts of investment assets and unconditional promises to give.
- Recurring measurement of short term investments.
- Recurring measurement of endowment investments.
- Cash and cash equivalents, accounts receivable, other assets, accounts payable, accrued liabilities, and promises to give receivable have a carrying amount that is a reasonable estimate of the fair value because of the short maturity of these instruments.

Treasure Coast Food Bank, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Food Bank follows the FASB ASC 958-605, *Revenue Recognition – Contributions Received*. In accordance with the above, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Information regarding its financial position and activities is reported according to the following three classes of net assets:

Unrestricted - Revenues, gains, and other support that have no external restrictions on their use or purpose and can be used for any purpose consistent with the bylaws are unrestricted. Unrestricted net assets include all assets available for general purposes.

Temporarily Restricted - Contributions that are received with donor stipulations that limit their use are temporarily restricted. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted - Contributions that have been restricted by donor or by law to be maintained in perpetuity are permanently restricted. Permanently restricted net assets consist of endowment fund assets to be held indefinitely. The income from these assets can be used to support general activities.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Compensated Absences

Employees are entitled to paid vacation and sick leave, depending on job classification and length of service. Sick time is forfeited upon separation; and, therefore is not included as a liability on the Statement of Financial Position. However, accrued vacation, a maximum of 48 hours, may be payable upon separation and therefore is accrued and reflected as a liability.

Treasure Coast Food Bank, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants

Contributions received are measured at their fair values and are reported as an increase in net assets. Gifts, grants and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated asset, or if they are designated as support for periods.

When a donor restriction expires, that is, when the stipulated time restriction ends or the purpose for the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted net assets.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses, depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which the promise is made are substantially met and the promises become unconditional.

Donated Materials and Services

Donations of food and grocery products by the food industry, other businesses, community organizations and individuals are recorded as support at their estimate fair market value. The policy adopted by the Board of Directors is to value donated product at \$1.67 per pound through December 31, 2016 and \$1.73 per pound as of January 1, 2017 for the year ended June 30, 2017. This is the approximate average value for the past five years based on an independent accountants' report to Feeding America, located in Chicago, Illinois.

Unrestricted donations, memorials, and bequests in the accompanying Statements of Activities included \$15,809,410 and \$16,784,312 of in-kind food donations (approximately 9,294,223 pounds and 9,957,908 pounds of food) during the years ended June 30, 2017 and 2016 received from the above referenced sources.

Donated property, materials, and equipment are recorded as contributions at their estimated fair market value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

Donated Professional Services

A substantial number of volunteers have donated their time in various Food Bank programs and special events. Donated professional services are recorded at the estimated fair market as both support and expense in the period that the services were performed if they meet the criteria of FASB ASC 958-605 and subsections. The Organization does not recognize any support, revenue, or expense contributed by volunteers, as management has determined there is no practical way to estimate their value. No amounts have been reflected in the financial statements for donated services which do not require specialized skills.

Treasure Coast Food Bank, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

Advertising costs are charged to expense in the year incurred. Advertising expense was \$57,232 and \$61,391, respectively, for the years ended June 30, 2017 and June 30, 2016.

Tax Exempt Status

The Organization is exempt from Federal income taxes under the provisions of the Internal Revenue Code 501(c)(3) and is not considered a private foundation. The tax periods open to examination in which the Foundation is subject include the fiscal years ended June 30, 2014, 2015 and 2016. No uncertain tax positions within the scope of ASC 740, *Accounting for Uncertainty in Income Taxes*, existed as of June 30, 2017.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash balances are maintained with several institutions. At June 30, 2017 the Organization had \$890,858 on deposit in banks, all of which was fully insured by the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). At June 30, 2016, the Organization had \$379,779 on deposit in banks, all of which was insured by the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). Cash and cash equivalents consisted of the following at June 30:

	2017	2016
Cash and Cash Equivalents		
Checking accounts	\$ 180,995	\$ 95,845
Savings accounts	204,941	204,880
Money market	504,922	79,054
Petty cash on hand	300	300
Total Cash and Cash Equivalents	<u>\$ 891,158</u>	<u>\$ 380,079</u>

Treasure Coast Food Bank, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 3 – GRANTS RECEIVABLES

Grants receivables at June 30, consists of:

	2017	2016
State of Florida - TEFAP	\$ 107,020	\$ -
State of Florida - Summer Feeding Program	60,607	-
United Way - St. Lucie County	5,000	10,000
United Way - Indian River County	60,000	60,000
United Way - Martin County	40,000	40,000
United Way - Okeechobee County	4,000	3,500
Other grants	75,138	114,691
Total Grants Receivables	<u>\$ 351,765</u>	<u>\$ 228,191</u>

NOTE 4 – INVENTORY

Certain inventory amounts are restricted to distribution programs serving the needy. Therefore, the value of ending inventory, which has been donated, is reflected as a temporarily restricted contribution. Distribution of donated inventory on hand at the beginning of the year is reflected in the Statements of Activities as assets released from restrictions during the year.

NOTE 5 – CAPITAL ASSETS

Capital Assets, stated at cost:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Land	\$ 380,213	\$ -	\$ -	\$ 380,213
Building	1,928,132	-	-	1,928,132
Construction in progress	626,731	2,066,201	-	2,692,932
Capitalized interest	-	35,733	-	35,733
Warehouse equipment	241,066	2,195	-	243,261
Office equipment	34,927	-	-	34,927
Furniture and fixtures	14,905	-	-	14,905
Vehicle	845,674	-	-	845,674
Improvements	495,422	61,039	-	556,461
Software	19,001	-	-	19,001
Total Capital Assets	<u>4,586,071</u>	<u>2,165,168</u>	<u>-</u>	<u>6,751,239</u>
Less: Accumulated Depreciation	<u>(1,487,092)</u>	<u>(158,009)</u>	<u>-</u>	<u>(1,645,101)</u>
Net Capital Assets	<u>\$ 3,098,979</u>	<u>\$ 2,007,159</u>	<u>\$ -</u>	<u>\$ 5,106,138</u>

Depreciation expense was \$158,009 and \$205,666 for the years ended June 30, 2017 and 2016, respectively.

Treasure Coast Food Bank, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 6 – EMPLOYEE RETIREMENT PLANS

The Organization offers Simple and Roth IRA's to eligible employees, matching contributions up to three percent.

No unfunded liability existed at June 30, 2017 and 2016. The Organization made contributions of \$25,883 during the year ended June 30, 2017 and \$24,591 in the previous fiscal year for the Simple IRA.

NOTE 7 – NOTE PAYABLE

In May 2013, the Organization obtained a \$742,500 note payable from a bank to finance the purchase of land and a building. Interest is payable monthly at a fixed rate of 4% with interest only payments due for the first 12 months. After the interest only period, monthly principal and interest payments are based upon a twenty-four year amortization with a balloon payment due May 2, 2024. The note is secured by land and building. In the event the Organization loses its 501c (3) tax exempt status during the term of the loan, the interest rate will increase to 6.45%.

In addition, in September 2014, the Organization obtained financing for the purchase of a vehicle in the amount of \$17,475. Principal and interest are due monthly, at a fixed rate of 3.99%, and maturing in October 2018. The loan is secured by the vehicle.

The Organization also purchased a forklift, with a cost of \$32,140, in May 2014, under a 60 month installment agreement. Installment payments of \$615, including interest of 6%, are due monthly, with the final payment due April 2019.

At June 30, 2017, the \$1.3 million line of credit was converted to a loan at a fixed interest rate of 5.5%. Installment payments of principal and interest are due monthly, beginning July 31, 2017 in the amount of \$8,943, with a final balloon payment due July 31, 2023. The loan is secured by land, improvements and equipment.

Maturities of long-term debt obligations are as follows:

	Building	Production Kitchen	Vehicle	Equipment	Total
Year Ending June 30,					
2018	\$ 19,413	36,733	\$ 4,578	\$ 6,281	\$ 67,005
2019	22,052	38,805	1,566	5,401	67,824
2020	22,893	40,994	-	-	63,887
2021	23,909	43,306	-	-	67,215
2022	24,896	45,749	-	-	70,645
Thereafter	567,248	1,094,413	-	-	1,661,661
	<u>\$ 680,411</u>	<u>\$ 1,300,000</u>	<u>\$ 6,144</u>	<u>\$ 11,682</u>	<u>\$ 1,998,237</u>

During the fiscal year ended June 30, 2017 the Food Bank also received draws in the amount of \$65,779 on a \$300,000 line of credit. The unused portion of the line of credit as of June 30, 2017 was \$234,221. Interest is due monthly at a fixed rate of 1.5%.

Treasure Coast Food Bank, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 8 – RESTRICTED NET ASSETS AND RELEASE OF RESTRICTED NET ASSETS

Permanently restricted net assets at June 30, 2017 and 2016 consisted of land restricted to be used in the operations of the Organization. Temporarily restricted net assets at June 30, 2017 and 2016 are available for the following purposes:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Purpose restrictions:		
Program	\$ 149,000	\$ 148,525
Inventory	207,120	253,605
Building	78,065	81,718
Capital improvements	496,929	30,302
Total Temporarily Restricted Net Assets	<u>\$ 931,114</u>	<u>\$ 514,150</u>

Net assets were released from donor or grant restrictions by incurring expenses satisfying the restricted purpose by donors or grantees as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Purpose restriction accomplished:		
Emergency food assistance	\$ 389,577	\$ 125,836
Capital Improvements	1,052,065	-
Community service	201,357	22,742
Management and general	50,815	3,032
Total Net Assets Released From Restrictions	<u>\$ 1,693,814</u>	<u>\$ 151,610</u>

The \$15,000 permanently restricted net assets consist of assets restricted for purpose.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Reimbursement claims under Federal and state program grants are subject to audit and adjustment by grantor agencies. Any disallowed claims might become a liability of the Organization. The Organization is aware of no communications from granting agencies regarding the lack of compliance with grant conditions that could result in a liability. There are no asserted or known unasserted claims against the Food Bank that require disclosure or a loss accrual under Financial Accounting Standards Board Statement No.5.

The Organization is exposed to various risks of loss related to operations, theft of, damage to and destruction of assets, errors, omission, and natural disasters for which commercial insurance is carried. There has been no significant reduction in insurance coverage from the prior year and the Food Bank has not been required to pay any settlements in excess of insurance coverage during the last three fiscal years.

Treasure Coast Food Bank, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE 10 – OPERATING LEASES

Treasure Coast Food Bank, Inc. has entered into agreements on January 8, 2015 to rent a tractor semi and refrigerated trailer. Future minimum payments are as follows:

Fiscal Year Ended	June 30
2018	\$ 39,108
2019	31,146
2020	23,184
2021	23,184
2022	11,592
	<u>\$ 128,214</u>

Rent expense of \$39,108 on these operating leases was included in repairs and maintenance on the Statement of Functional Expenses.

NOTE 11 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of financial instruments:

Cash and Cash Equivalents – The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value.

Accounts Receivable, Other Current Assets and Accounts Payable – The carrying amount of accounts receivable, other current assets, and accounts payable in the balance sheet approximates fair value.

Long Term Debt – The carrying amount of notes payable approximates fair value.

The carrying amounts of the Company's financial instruments at June 30, 2017, approximate fair value.

NOTE 12 – COMPARATIVE AMOUNTS

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Food Bank's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

NOTE 13 – SUBSEQUENT EVENTS

The Organization has assessed subsequent events from June 30, 2017 through November 14, 2017, which is the date the financial statements were released.

**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**

The Board of Directors
Treasure Coast Food Bank, Inc.
Fort Pierce, Florida

We have audited, in accordance with the 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 Treasure Coast Food Bank, Inc., which comprise the statement of financial position as of June 30, 2017 and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to financial statements and have issued our report thereon dated November 14, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Treasure Coast Food Bank, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Treasure Coast Food Bank, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Treasure Coast Food Bank, 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 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. *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 over financial reporting 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 financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors
Treasure Coast Food Bank, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Treasure Coast Food Bank, 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.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 14, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Directors
Treasure Coast Food Bank, Inc.
Fort Pierce, Florida

Report on Compliance for Each Major Federal Program

We have audited Treasure Coast Food Bank, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Treasure Coast Food Bank, Inc.'s major federal programs for the year ended June 30, 2017. Treasure Coast Food Bank, Inc.'s major federal programs 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 federal statutes, regulations, and the terms and conditions of federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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 federal program, occurred. An audit includes examining, on a test basis, evidence about the Organization'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 federal program. However, our audit does not provide a legal determination of the Organization's compliance.

The Board of Directors
Treasure Coast Food Bank, Inc.

Opinion on Each Major Federal Program

In our opinion, the Organization 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 federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Treasure Coast Food Bank, 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 the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the Treasure Coast Food Bank, 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 federal program 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 federal program 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 federal program 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.

The Board of Directors
Treasure Coast Food Bank, Inc.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL

November 14, 2017

Treasure Coast Food Bank, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2017

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA #	Contract/Grant Number	PROGRAM YEAR	Pass Through Entity ID	TOTAL EXPENDED
UNITED STATES DEPARTMENT OF AGRICULTURE					
Indirect Programs:					
Passed Through the Florida Department of Agriculture and Consumer Services					
CHILD NUTRITION CLUSTER					
Summer Food Service Program for Children	10.559		2016/2017	000001138	\$ 129,650
	10.559		2017/2018	000001138	100,607
Total Child Nutrition Cluster					<u>230,257</u>
FOOD DISTRIBUTION CLUSTER					
Commodity Supplemental Food Program	10.565	024326	2016/2017		1,470
Emergency Food Assistance Program (Administrative Costs)	10.568	022747	2016/2017		219,235
Emergency Food Assistance Program (Food Commodities)	10.569		2016/2017		3,897,911
Total Food Distribution Cluster					<u>4,118,616</u>
<i>Total US Department of Agriculture</i>					<u>4,348,873</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY					
Direct Program					
Emergency Food and Shelter Program	97.024	33-1710-00 010	2016/2017	171000-010	6,000
<i>Total Department of Homeland Security</i>					<u>6,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 4,354,873</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

Treasure Coast Food Bank, Inc.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2017

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Treasure Coast Food Bank, Inc. (the "Organization") under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Treasure Coast Food Bank, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Treasure Coast Food Bank, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Treasure Coast Food Bank, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – PROGRAM CLUSTERS

The Uniform Guidance defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. According to this definition, similar programs deemed to be a cluster of programs are considered to be one program and are tested accordingly.

NOTE 4 – SUB-RECIPIENT MONITORING

The Organization has provided no federal awards to subrecipients.

NOTE 5 – CONTINGENCIES

Amounts received, or receivable, from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditure is disallowed as a result of these audits the claims for reimbursement to the grantor agency would become a liability of the Organization. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

NOTE 6 – CHILDREN'S SERVICES COUNCIL GRANTS

During the year, Treasure Coast Food Bank received a grant from the Children's Services Council of St. Lucie County. The activity for the year was as follows:

Grant Award (Through September 30, 2017)	<u>\$ 68,896</u>
Expenses Through June 30, 2017	<u>\$ 38,035</u>

Treasure Coast Food Bank, Inc.
Schedule of Findings and Questioned Costs
June 30, 2017

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that were required to be reported in accordance with section 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program(s) or Cluster(s)</u>
10.565/10.568/10.569	Food Distribution Cluster (Emergency Food Assistance Program for Children and Commodity Supplemental Food Program)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee, pursuant to Uniform Guidance? ☐ Yes ☒ No

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported in the prior year or in the current year.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings or questioned costs were reported in the prior year or in the current year.