



FOOD SHARE, INC.
FINANCIAL STATEMENTS
Years Ended
June 30, 2016 and 2015

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
SUPPLEMENTARY SCHEDULE	
Schedule of Expenditures of Federal Awards	17
Independent Auditors' 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	18
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	20
Schedule of Findings and Questioned Costs	22
Schedule of Status of Prior Year's Findings and Questioned Costs	24

Soares, Sandall, Bernacchi & Petrovich, LLP

CERTIFIED PUBLIC ACCOUNTANTS

FRANK J. SOARES (1908-1991)
THOMAS W. PETROVICH (1937-2013)
DEBRA N. DETTENMAYER (1955-2014)

PARTNERS
BILLIE JO RODRIGUEZ, C.P.A. RICK C. HELDWEIN, C.P.A.
JUAN M. SOTO, C.P.A. SHARON I. ROBERTS, C.P.A.
PRAJESH (RAJ) ACHARYA, C.P.A.

CONSULTANTS
RICK B. SMITH, C.P.A. KENNETH R. MERIDETH, C.P.A.
BERNARD D. BERNACCHI GEORGE E. SANDALL, C.P.A.

Board of Directors
FOOD Share, Inc.
Oxnard, California

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of FOOD Share, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets, 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.

Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 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, the financial statements referred to above present fairly, in all material respects, the financial position of FOOD Share, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2017, on our consideration of FOOD Share, 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 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 FOOD Share, Inc.'s internal control over financial reporting and compliance.

Soares, Sandall, Bernacchi & Petrovich, LLP

SOARES, SANDALL, BERNACCHI & PETROVICH, LLP
Certified Public Accountant
Oxnard, CA

March 31, 2017

FOOD SHARE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 585,684	\$ 1,006,418
Accounts receivable, net	296,011	615,374
Prepaid expense and other assets	67,674	54,938
Food inventory	1,327,998	1,004,149
Property and equipment, net	3,114,623	3,089,435
Beneficial interest in assets held by Ventura County Community Foundation	1,151,969	1,264,425
TOTAL ASSETS	\$ 6,543,959	\$ 7,034,739
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 221,171	\$ 90,096
Accrued expenses	177,229	153,278
Deferred revenue	23,649	20,247
TOTAL LIABILITIES	422,049	263,621
NET ASSETS		
Unrestricted	4,640,497	5,288,893
Temporarily restricted	560,151	560,963
Permanently restricted	921,262	921,262
TOTAL NET ASSETS	6,121,910	6,771,118
TOTAL LIABILITIES AND NET ASSETS	\$ 6,543,959	\$ 7,034,739

See accompanying notes to financial statements and independent auditors' report.

FOOD SHARE, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended June 30, 2016 and 2015

Page One

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT				
Grants and contracts	\$ 877,346	\$ -	\$ -	\$ 877,346
Donated food received	15,160,235	4,040,301	-	19,200,536
Contributions from public	2,552,059	-	-	2,552,059
Shared maintenance fees	275,028	-	-	275,028
Investment income	78,535	-	-	78,535
Special events, net of \$16,537 of expenses	(3,793)	-	-	(3,793)
Increase (decrease) in value of beneficial interest in assets held by Ventura County Community Foundation	(112,456)	-	-	(112,456)
Other	6,726	-	-	6,726
Net Assets Released from Restrictions:				
Satisfaction of program restrictions	4,041,113	(4,041,113)	-	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	22,874,793	(812)	-	22,873,981
EXPENSES				
Program Services:				
Agency Distribution	18,850,985	-	-	18,850,985
Senior Share	972,715	-	-	972,715
Education and Outreach	91,828	-	-	91,828
Senior Nutrition	152,181	-	-	152,181
CalFresh Outreach	618,717	-	-	618,717
Mobile Pantry	185,774	-	-	185,774
Community Distribution	1,048,488	-	-	1,048,488
TOTAL PROGRAM SERVICES	21,920,688	-	-	21,920,688
Management and general	548,107	-	-	548,107
Fund-raising	1,054,394	-	-	1,054,394
TOTAL EXPENSES	23,523,189	-	-	23,523,189
INCREASE (DECREASE) IN NET ASSETS	(648,396)	(812)	-	(649,208)
NET ASSETS AT BEGINNING OF THE YEAR	5,288,893	560,963	921,262	6,771,118
NET ASSETS AT END OF THE YEAR	\$ 4,640,497	\$ 560,151	\$ 921,262	\$ 6,121,910

See accompanying notes to financial statements and independent auditors' report.

FOOD SHARE, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended June 30, 2016 and 2015

Page Two

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT				
Grants and contracts	\$ 965,157	\$ -	\$ -	\$ 965,157
Donated food received	14,883,805	3,292,924	-	18,176,729
Contributions from public	2,835,150	300,000	-	3,135,150
Shared maintenance fees	298,881	-	-	298,881
Investment income	76,525	-	-	76,525
Special events, net of \$15,867 of expenses	1,519	-	-	1,519
Increase (decrease) in value of beneficial interest in assets held by Ventura County Community Foundation	(41,415)	-	-	(41,415)
Other	5,311	-	-	5,311
Net Assets Released from Restrictions:				
Satisfaction of program restrictions	3,738,107	(3,738,107)	-	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	22,763,040	(145,183)	-	22,617,857
EXPENSES				
Program Services:				
Agency Distribution	18,570,546	-	-	18,570,546
Senior Share	774,641	-	-	774,641
Kid's Farmers Market	63,549	-	-	63,549
Education and outreach	27,923	-	-	27,923
Senior Nutrition	148,105	-	-	148,105
Community Distribution	1,404,155	-	-	1,404,155
CalFresh Outreach	595,703	-	-	595,703
TOTAL PROGRAM SERVICES	21,584,622	-	-	21,584,622
Management and general	474,741	-	-	474,741
Fund-raising	992,319	-	-	992,319
TOTAL EXPENSES	23,051,682	-	-	23,051,682
INCREASE (DECREASE) IN NET ASSETS	(288,642)	(145,183)	-	(433,825)
NET ASSETS AT BEGINNING OF THE YEAR	5,577,535	706,146	921,262	7,204,943
NET ASSETS AT END OF THE YEAR	\$ 5,288,893	\$ 560,963	\$ 921,262	\$ 6,771,118

See accompanying notes to financial statements and independent auditors' report.

FOOD SHARE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2016 and 2015

Page One

	2016										
	Program							Total Program Expenses	Management and General	Fund-raising	Total Expenses
	Senior Share	Education & Outreach	Senior Nutrition	Agency Distribution	CalFresh Outreach	Community Distribution	Mobile Pantry				
Salaries	\$ 78,223	\$ 19,993	\$ 50,179	\$ 791,043	\$ 254,577	\$ 43,062	\$ 70,296	\$ 1,307,373	\$ 332,103	\$ 448,055	\$ 2,087,531
Payroll taxes and workers' compensation insurance	8,356	2,364	8,476	94,096	25,243	5,540	402	144,477	27,394	37,596	209,467
Employee benefits	12,929	1,767	6,486	81,171	33,751	8,178	4,486	148,768	35,490	18,838	203,096
Total salaries and employee related expenses	99,508	24,124	65,141	966,310	313,571	56,780	75,184	1,600,618	394,987	504,489	2,500,094
Food distribution	826,644	37,788	77,117	17,217,536	629	877,972	84,844	19,122,530	-	-	19,122,530
Professional fees	2,940	11,197	248	50,645	175,863	3,275	757	244,925	80,638	13,729	339,292
Office expense	244	133	3	11,239	121	58	42	11,840	3,251	2,568	17,659
Warehouse and program supplies	913	2,551	104	9,222	3,517	1,250	6,036	23,593	-	15,235	38,828
Postage	480	218	41	8,260	477	542	13	10,031	745	223,411	234,187
Freight	2,923	1,325	250	47,447	2,906	3,301	-	58,152	-	19	58,171
Insurance	3,890	1,764	333	63,085	3,866	4,392	-	77,330	5,930	2,480	85,740
Utilities	4,648	2,107	851	76,309	12,289	5,249	3,325	104,778	6,954	8,783	120,515
Payment to affiliates	-	-	-	-	-	-	-	-	6,171	-	6,171
Grants to others	-	-	-	3,003	-	-	-	3,003	-	-	3,003
Repairs and maintenance	8,070	3,658	690	132,180	8,022	9,113	1,947	163,680	3,463	1,370	168,513
Donor development	-	-	-	-	-	-	-	-	-	20,305	20,305
Vehicle expenses	2,176	986	186	36,189	2,163	2,457	985	45,142	-	-	45,142
Printing and mailing	193	88	17	3,212	1,199	218	168	5,095	627	630	6,352
Travel and conferences	1,776	842	36	10,223	31,702	480	1,830	46,889	1,220	15,205	63,314
Public information	-	-	-	-	23,170	-	-	23,170	1,158	192,116	216,444
Community events	-	-	-	-	-	-	-	-	-	34,608	34,608
VAP fees	6,114	2,771	523	99,157	6,077	6,904	-	121,546	-	-	121,546
Bank fees	-	-	-	-	-	-	-	-	25,814	6,227	32,041
Taxes, licenses, fees	954	340	74	12,158	745	846	10,593	25,710	1,153	796	27,659
Staff development	128	58	11	2,082	161	145	-	2,585	2,437	1,077	6,099
Bad debt expense	119	54	10	2,513	119	135	-	2,950	-	-	2,950
Volunteer appreciation	-	-	-	-	-	-	-	-	4,244	-	4,244
Membership fees	583	264	50	9,551	579	658	50	11,735	1,782	7,691	21,208
Depreciation	10,412	1,560	6,496	90,664	31,541	74,713	-	215,386	7,533	3,655	226,574
TOTALS	\$972,715	\$ 91,828	\$ 152,181	\$18,850,985	\$ 618,717	\$ 1,048,488	\$ 185,774	\$ 21,920,688	\$ 548,107	\$1,054,394	\$23,523,189

See accompanying notes to financial statements and independent auditors' report.

FOOD SHARE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2016 and 2015

Page Two

2015

	Program							Management and General	Fund-raising	Total Expenses	
	Kid's	Education	Senior	Agency	CalFresh	Community	Total				
	Senior Share	Farmers Market	& Outreach	Nutrition	Distribution	Outreach	Distribution				Program Expenses
Salaries	\$ 74,351	\$ 6,812	\$ 11,902	\$ 45,671	\$ 741,491	\$276,231	\$ 40,484	\$ 1,196,942	\$ 298,479	\$ 355,770	\$ 1,851,191
Payroll taxes and workers' compensation insurance	8,294	593	1,666	7,609	92,366	25,481	5,174	141,183	25,484	28,298	194,965
Employee benefits	9,577	1,011	235	4,792	90,511	19,637	5,718	131,481	22,169	16,638	170,288
Total salaries and employee related expenses	92,222	8,416	13,803	58,072	924,368	321,349	51,376	1,469,606	346,132	400,706	2,216,444
Food distribution	635,780	38,378	72	79,683	17,007,012	-	1,204,009	18,964,934	-	-	18,964,934
Professional fees	3,453	12,004	1,293	279	53,086	164,724	4,011	238,850	47,529	34,906	321,285
Office expense	327	964	467	185	792	3,264	20,359	26,358	4,494	18,730	49,582
Warehouse and program supplies	847	-	-	-	19,348	-	8,667	28,862	2,031	-	30,893
Postage	594	33	236	51	9,634	590	866	12,004	828	80,810	93,642
Freight	2,469	137	982	211	43,446	-	2,788	50,033	-	-	50,033
Insurance	3,920	942	1,559	335	63,672	3,174	4,427	78,029	810	393	79,232
Utilities	4,369	237	1,694	1,022	70,276	13,849	4,810	96,257	3,081	4,434	103,772
Payment to affiliates	-	-	-	-	-	-	-	-	7,672	-	7,672
Grants to others	-	-	-	-	11,767	-	-	11,767	-	-	11,767
Repairs and maintenance	8,498	371	2,647	569	108,753	6,616	8,200	135,654	1,631	1,031	138,316
Vehicle expenses	2,672	149	1,062	228	43,329	2,656	3,110	53,206	76	901	54,183
Printing and mailing	490	24	169	36	7,277	782	968	9,746	-	144,974	154,720
Travel and conferences	1,494	924	154	30	12,301	25,972	470	41,345	7,121	21,251	69,717
Public information	-	-	-	-	-	14,032	-	14,032	1,378	221,943	237,353
Community events	-	-	51	-	300	50	725	1,126	951	32,642	34,719
VAP fees	5,186	289	2,062	443	89,267	-	5,856	103,103	-	-	103,103
Bank fees	76	4	30	6	1,135	75	86	1,412	22,419	6,051	29,882
Taxes, licenses, fees	577	32	230	49	9,365	574	4,142	14,969	4,958	5,744	25,671
Staff development	95	5	38	8	1,599	95	108	1,948	994	8,938	11,880
Volunteer appreciation	-	-	-	-	-	-	-	-	6,781	-	6,781
Membership fees	597	33	237	51	9,676	593	674	11,861	5,830	5,017	22,708
Depreciation	10,975	607	1,137	6,847	84,143	37,308	78,503	219,520	10,025	3,848	233,393
TOTALS	\$ 774,641	\$ 63,549	\$ 27,923	\$ 148,105	\$18,570,546	\$595,703	\$1,404,155	\$ 21,584,622	\$ 474,741	\$992,319	\$23,051,682

See accompanying notes to financial statements and independent auditors' report.

FOOD SHARE, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (649,208)	\$ (433,825)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	226,574	233,393
Decrease in value of beneficial interest in assets held by Ventura County Community Foundation	112,456	41,415
(Gain) on disposal of assets	(5,000)	-
(Increase) decrease in:		
Accounts receivable	319,363	(374,771)
Prepaid and other assets	(12,736)	8,759
Value of food inventory	(323,849)	442,808
Increase (decrease) in:		
Accounts payable	131,076	(14,704)
Accrued expenses	23,951	3,667
Deferred revenue	3,402	3,683
TOTAL ADJUSTMENTS	475,237	344,250
NET CASH USED BY OPERATING ACTIVITIES	(173,971)	(89,575)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(251,763)	(206,147)
Proceeds from disposal of assets	5,000	-
NET CASH USED BY INVESTING ACTIVITIES	(246,763)	(206,147)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(420,734)	(295,722)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	1,006,418	1,302,140
CASH AND CASH EQUIVALENT AT END OF YEAR	\$ 585,684	\$ 1,006,418
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -

See accompanying notes to financial statements and independent auditors' report.

FOOD SHARE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 1 – GENERAL

FOOD Share, Inc., (the Organization) is a California nonprofit corporation which obtains surplus food from the food industry and other sources, and distributes it to the low income population of Ventura County through a network of various supportive agencies and its own Senior Share, Kid's Farmers Market and Senior Nutrition Program. The Organization also provides Nutrition Education and outreach programs to school aged children and families in the County. Incorporated in 1984, the Organization is supported by federal, state, and local grants on an annual basis, as well as support from the general public. The Organization provides the following programs:

Senior Share – This program works with volunteers in over 40 locations across the county to provide low income seniors with a bag of nutritious food every other week.

Education and Outreach – Nutrition education is conducted by nutritionists at senior centers, agencies partners and after school sites. This helps combat obesity and teaches ways to eat healthily and more affordably.

Senior Nutrition – Provides weekly home deliveries of healthy meals to homebound seniors in partnership with the cities of Ventura and Oxnard.

Agency Distribution – Over 150 partner nonprofit agencies in the county obtain food to distribute to the County's hungry through food pantries, congregate feeding sites and shelters.

CalFresh Outreach – Known in California as CalFresh, this program assists people in the community determine eligibility for benefits and facilitates the application process in partnership with Ventura County HSA.

Community Distribution – Produce and other food items are distributed throughout the County at monthly giveaways in underserved areas.

Mobile Pantry – FOOD Share & Friends Mobile Pantry is a 28-foot commercial kitchen trailer towed by a stake bed truck. It visits underserved and, or, low income neighborhoods across Ventura County providing nutrition education, recipe demonstrations and taste testing. Often the Mobile Pantry is accompanied by other service providers, creating a mobile community center with multiple services available.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method. The Organization prepares its financial statements on the accrual basis.

Cash and Cash Equivalent. For the purpose of the statement of cash flows the Organization includes all highly liquid investments with an initial maturity date of three months or less to be cash equivalent.

Accounts and Grants Receivable. Accounts and grants receivable are presented at fair value. At June 30, 2016 and 2015, management considered all accounts and grants receivable to be collectible and, therefore, did not establish a provision for uncollectible grants.

FOOD SHARE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Property and Equipment. Property and equipment purchased is recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. Donated property and equipment is recorded at the estimated fair market value at the date of the donation, and are similarly depreciated. The Organization capitalizes all fixed asset purchases greater than \$1,000 with a useful life greater than one year.

Net Assets. Unrestricted net assets consist of funds free of any donor-imposed restrictions. Temporarily and permanently restricted net assets consist of contributions and other inflows of funds subject to donor-imposed restrictions. The restrictions are temporary in that they are expected to expire with the passage of time or be satisfied and removed by actions and expenditures of the Organization that fulfill donor stipulations. Permanently restricted net assets are those net assets restricted in perpetuity by the donor, such as an endowment.

Recognition of Donor and Grant Restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All restricted support is recorded 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 as unrestricted net assets.

Income Taxes. The Organization has been classified as an other-than private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The Organization is subject to a tax on income from any unrelated business.

Accounting for uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and State of California. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2016, and 2015.

The Organization's policy is to classify income tax related interest and penalties as interest expense on the financial statements. The Organization did not pay income tax related interest and penalties for the years ended June 30, 2016 and 2015.

The Organization's prior three years tax returns remain subject to examination by the Internal Revenue Service and the California Franchise Tax Board.

Donated Materials and Services. A substantial number of volunteers have donated their time to the Organization by serving as board members and/or by helping with Senior Share distribution, food-drives, and fundraising. Only specific services requiring specialized skills may be recorded in the financial statements. Total donated professional services during the year were not material and have not been recorded. During the year ended June 30, 2016, the Organization received over 38,000 volunteer hours. For donated food, see Notes 4 and 5.

FOOD SHARE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements. The Organization has adopted Financial Accounting Standards Board (FASB) Codification Section 820-20 on "*Fair Value Measurements*", which provides a framework for measuring fair value under U.S. Generally Accepted Accounting Principles. This standard applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in the Standard, fair value is the exchange 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. In determining fair value, the Organization uses various methods including market, income, and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.
- Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models, and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are subject to the fair value standard. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. For the years ended June 30, 2016 and 2015, the application of valuation techniques applied to similar assets and liabilities have been consistent.

The carrying amount of financial instruments including cash, accounts receivable, and accounts payable approximated fair value as of June 30, 2016 and 2015.

FOOD SHARE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. Significant estimates used in preparing these financial statements include:

- Allocation of certain expenses by function
- Value of donated and distributed food
- Depreciable lives and estimated residual value of property and equipment
- Allowance for doubtful receivable

Allocated Expenses. Expenses by function have been allocated among program and supporting services classifications on the basis of time records, square footage of space utilized by each function and on estimates made by the Organization's management.

Subsequent events. Subsequent events have been evaluated through March 31, 2017, which is the date the financial statements were available to be issued. The Organization did not experience material subsequent events requiring financial statements disclosure.

Reclassification. Certain information in the June 30, 2015, financial statements have been reclassified for comparison purposes to conform to the current year presentation.

Advertising. The Organization expenses advertising costs as incurred. Advertising expense was \$216,445 and \$212,681 for the years ended June 30, 2016 and 2015, respectively.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable are primarily from governmental sources and are considered fully collectible.

NOTE 4 – FOOD ASSISTANCE FROM UNITED STATES DEPARTMENT OF AGRICULTURE

The Organization receives food assistance from the United States Department of Agriculture (USDA). Food received from this source is considered restricted for the purpose of distribution to eligible persons/organizations. The Organization uses valuation guidelines provided by Feeding America (formerly known as America's Second Harvest) to value food assistance received from this source for financial reporting purposes. For year ended June 30, 2016 and 2015, the valuation used was approximately \$1.72 and \$1.69, respectively, per pound of food received from USDA.

The changes in the USDA donated food inventory for the year ended June 30, 2016 and 2015, in value and quantity are summarized as follows:

	<u>2016</u>	
	Dollars	Pounds
Beginning inventory - July 1, 2015	\$ 260,963	154,166 lbs
Food received	4,040,301	2,349,012 lbs
Food distributed	(3,741,113)	(2,177,509) lbs
Ending Inventory - June 30, 2016	<u>\$ 560,151</u>	<u>325,669 lbs</u>

FOOD SHARE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 4 – FOOD ASSISTANCE FROM UNITED STATES DEPARTMENT OF AGRICULTURE - Continued

	<u>2015</u>	
	<u>Dollars</u>	<u>Pounds</u>
Beginning inventory - July 1, 2014	\$ 699,005	395,279 lbs
Food received	3,292,924	1,948,476 lbs
Food distributed	<u>(3,730,966)</u>	<u>(2,189,589) lbs</u>
Ending Inventory - June 30, 2015	<u>\$ 260,963</u>	<u>154,166 lbs</u>

NOTE 5 – FOOD PURCHASED AND DONATED FROM OTHER SOURCES

The Organization receives food from various other sources and uses a combination of actual cost, estimated market value and Feeding America (formerly known as Second Harvest) guidelines to value food inventory, food received and food distributed. The changes in purchased food and the other donated food inventory for the year ended June 30, 2016 and 2015, in value and pounds are summarized as follows:

	<u>2016</u>	
	<u>Dollars</u>	<u>Pounds</u>
Beginning inventory - July 1, 2015	\$ 743,186	521,760 lbs
Food purchased and received	15,395,900	9,287,093 lbs
Food distributed	<u>(15,371,239)</u>	<u>(8,910,246) lbs</u>
Ending Inventory - June 30, 2016	<u>\$ 767,847</u>	<u>898,607 lbs</u>

	<u>2015</u>	
	<u>Dollars</u>	<u>Pounds</u>
Beginning inventory - July 1, 2014	\$ 747,952	606,245 lbs
Food purchased and received	15,292,817	9,464,253 lbs
Food distributed	<u>(15,297,583)</u>	<u>(9,548,738) lbs</u>
Ending Inventory - June 30, 2015	<u>\$ 743,186</u>	<u>521,760 lbs</u>

FOOD SHARE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2016 and 2015, are as follows:

	2016	2015
Land	\$ 706,193	\$ 706,193
Building and improvements	3,247,829	3,247,718
Equipment	881,316	857,169
Vehicles	725,012	757,341
Total property equipment	5,560,350	5,568,421
Construction in-progress	217,042	-
Accumulated Depreciation	(2,662,769)	(2,478,986)
Net property equipment	<u>\$ 3,114,623</u>	<u>\$ 3,089,435</u>
Depreciation expense	<u>\$ 226,574</u>	<u>\$ 233,393</u>

**NOTE 7 – BENEFICIAL INTEREST IN ASSETS HELD BY VENTURA COUNTY
COMMUNITY FOUNDATION**

Starting 1993, the Organization has been transferring selected restricted and other unrestricted funds to the Ventura County Community Foundation (Foundation) to establish an endowment fund. Under the terms of the agreement the Organization can request an annual payout from the Foundation up to a limit set forth by the Board of Directors of the Foundation (currently it is 5% of a 12 quarter rolling average balance of the fund). These funds are held by the Foundation as the Foundation's component fund and the Foundation has the variance power to these funds. That power gives the Foundation the right to distribute the investment income to another not-for-profit organization of its choice if the Organization ceases to exist or if the governing board of the Foundation votes that support of the Organization (a) is no longer necessary or (b) is inconsistent with the needs of the Ventura County Community. While the Foundation is the legal owner of all assets held in the component fund and the Organization cannot withdraw any portion of the amount transferred and any appreciation on those transferred assets, however for reporting purposes, this fund has been reported as an asset of the Organization in conformity with accounting principles generally accepted in the United States of America. In the statement of financial position, the portion of the assets transferred to the Foundation with the donor restrictions is presented under the permanently restricted category and the portion of the assets transferred by the decision of Board of trustees of the Organization is presented as unrestricted funds. The beneficial interest in assets held by the Foundation is valued Level 3 measurements. This asset is comprised of the following transfers as of June 30:

	2016	2015
Transfer of permanently restricted contributions	\$ 921,262	\$ 921,262
Transfer of unrestricted contributions and appreciated value	230,707	343,163
Total assets	<u>\$ 1,151,969</u>	<u>\$ 1,264,425</u>

FOOD SHARE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

**NOTE 7 – BENEFICIAL INTEREST IN ASSETS HELD BY VENTURA COUNTY
COMMUNITY FOUNDATION - Continued**

The following table presents a roll-forward of activity for assets held at Foundation at fair value using significant unobservable inputs (Level 3) for the year ended June 30:

	Fair value measurement using significant unobservable inputs (Level 3) 2016	Fair value measurement using significant unobservable inputs (Level 3) 2015
Beginning balances	\$ 1,264,425	\$ 1,305,840
Total gains (realized/unrealized) included in changes in net assets	(47,279)	5,130
Interest and Dividends	13,617	30,223
Advisory Fees	(18,845)	(19,319)
Distributions	(59,949)	(57,449)
Ending balances	<u>\$ 1,151,969</u>	<u>\$ 1,264,425</u>

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Organization must hold either in perpetuity or for a donor-specified period of time. Under this policy, as approved by the Board, the asset are to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions to support the Organization.

NOTE 8 – LINE OF CREDIT

The Organization has a line of credit with City National Bank. This line of credit has a principal borrowing limit of \$500,000 and is secured by real estate owned by the Organization. This line carries an interest rate of prime rate plus 0.50%. At June 30, 2016 and 2015, no balance was outstanding. The terms of the line of credit are valid through January 2019.

NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2016 and 2015, are restricted for the following purposes:

	2016	2015
Food Assistance Program	\$ 560,151	\$ 260,963
For Future Periods	-	300,000
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 560,151</u>	<u>\$ 560,963</u>

FOOD SHARE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 10 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consisted of funds transferred to the Ventura Community Foundation to establish an endowment fund (see Note 7).

NOTE 11 – RETIREMENT PLAN

The Organization has a tax deferred 403(b) annuity plan. Full time employees are eligible to participate in the plan and may contribute up to the maximum allowable by the Internal Revenue Code. The Organization contributes up to 3% of salary for the eligible employees. The Organization contributed \$35,253 and \$19,517 to the plan during years ended June 30, 2016 and 2015, respectively.

NOTE 12 – CONTINGENT LIABILITIES

The Organization received a number of grants from various governmental agencies. These grants are subject to audit by the granting agencies as to allowable costs paid with governmental funds. The Organization would be liable for up to the full amount of government funds expended should costs charged to the grants be disallowed.

NOTE 13 – CONCENTRATIONS OF CREDIT RISK

The Organization regularly maintains a balance in excess of federally insured limits with its financial institutions. The organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk related to cash.

A significant portion of the Organization's revenues comes from federal, state, and local grants and contracts.

Individual donors are primarily from Ventura County, as are the clients of the Organization.

NOTE 14 – COMMITMENTS

During the year ended June 30, 2015, the Organization was awarded \$303,600 from Community Development Block Grant funds for the installation of solar panels. This grant is conditional; the Organization must pay for the installation and then apply for reimbursement of the expenditures. As of June 30, 2016, the Organization has recognized income of \$23,240 and construction in-progress totaling \$23,293 related to this project.

The Organization contracted with a software developer to design, produce and implement a media campaign to inform and inspire audience engagement with food insecurity actions. The total estimated cost of the project is \$500,000. As of June 30, 2016, the Organization has included \$193,749 in construction in-progress.

SUPPLEMENTARY SCHEDULE

FOOD SHARE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

Federal Grantor/ Pass-through Grantor <u>Program Title</u>	Federal CFDA <u>Number</u>	Disbursements/ <u>Expenditures</u>
<u>U. S. DEPARTMENT OF AGRICULTURE</u>		
California Association of Food Banks		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 50,656
State of California, Department of Social Services		
Emergency Food Assistance Program (Food Commodities)	10.569	1,454,980
Emergency Food Assistance Program (Administrative Costs)	10.568	120,736
Subtotal U. S. Department of Agriculture		<u>1,626,372</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
City of San Buenaventura		
Special Programs for the Aging_title III, Part C_Nutrition Services	93.045	15,489
Subtotal U. S. Department of Health and Human Services		<u>15,489</u>
<u>U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT</u>		
County of Ventura		
Community Development Block Grants/Entitlement grants	14.218	23,240
Subtotal U. S. Department of Housing and Urban Development		<u>23,240</u>
Total Federal Awards		<u>\$ 1,665,101</u>

Note 1: This schedule is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts in this schedule may differ from amounts presented in the basic financial statements.

Note 2: The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Value of Food Distribution Program is based upon most recent information from the California Department of Social Services, Emergency Food Assistance Program. Nonmonetary assistance is reported in the accompanying schedule based on values per U.S.D.A. valuation. At June 30, 2016, the Organization had U.S.D.A. commodities inventory of \$205,179. For financial statement purposes the Organization recognizes commodities inventory per Feeding America guidelines. At June 30, 2016 U.S.D.A. the Organization valued U.S.D.A. commodities inventory at \$560,151.

Soares, Sandall, Bernacchi & Petrovich, LLP

CERTIFIED PUBLIC ACCOUNTANTS

FRANK J. SOARES (1908-1991)
THOMAS W. PETROVICH (1937-2013)
DEBRA N. DETTENMAYER (1955-2014)

PARTNERS
BILLIE JO RODRIGUEZ, C.P.A. RICK C. HELDWEIN, C.P.A.
JUAN M. SOTO, C.P.A. SHARON I. ROBERTS, C.P.A.
PRAJESH (RAJ) ACHARYA, C.P.A.

CONSULTANTS
RICK B. SMITH, C.P.A. KENNETH R. MERIDETH, C.P.A.
BERNARD D. BERNACCHI GEORGE E. SANDALL, C.P.A.

Board of Directors
FOOD Share, Inc.
Oxnard, California

Independent Auditors' 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*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of FOOD Share, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered FOOD Share, 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 FOOD Share'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. 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 weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FOOD Share, Inc.'s financial statements are free from 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*.

We noted certain matters that we reported to management of FOOD Share, Inc. in a separate letter dated March 31, 2017.

Purpose of this Report

This 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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Governmental Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Soares, Sandall, Bernacchi & Petrovich, LLP

SOARES, SANDALL, BERNACCHI & PETROVICH, LLP
Certified Public Accountants
Oxnard, CA

March 31, 2017

Soares, Sandall, Bernacchi & Petrovich, LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

BILLIE JO RODRIGUEZ, C.P.A.

RICK C. HELDWEIN, C.P.A.

JUAN M. SOTO, C.P.A.

SHARON I. ROBERTS, C.P.A.

PRAJESH (RAJ) ACHARYA, C.P.A.

FRANK J. SOARES (1908-1991)

THOMAS W. PETROVICH (1937-2013)

DEBRA N. DETTENMAYER (1955-2014)

Board of Directors

FOOD Share, Inc.

Oxnard, California

CONSULTANTS

RICK B. SMITH, C.P.A.

KENNETH R. MERIDETH, C.P.A.

BERNARD D. BERNACCHI

GEORGE E. SANDALL, C.P.A.

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited FOOD Share, 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 FOOD Share, Inc.'s major federal programs for the year ended June 30, 2016. FOOD Share, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management of FOOD Share, Inc. is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of FOOD Share, Inc.'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 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 FOOD Share'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 FOOD Share, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, FOOD Share, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of FOOD Share, 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 FOOD Share, Inc.'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 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 FOOD Share, 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 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 the 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 weakness. However, material weaknesses may exist that have not been identified.

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.

Soares, Sandall, Bernacchi & Petrovich, LLP

SOARES, SANDALL, BERNACCHI & PETROVICH, LLP
Certified Public Accountants
Oxnard, CA

March 31, 2017

FOOD SHARE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified	
<u>Internal control over financial reporting:</u>		
Material weakness(es) identified?	_____ yes	<u> X </u> no
Significant deficiency(s) not considered to be material weaknesses reported	_____ yes	<u> X </u> none
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

Internal Control over programs:

Material weakness(es) identified?	_____ yes	<u> X </u> no
Significant deficiency(s) not considered to be material weaknesses reported?	_____ yes	<u> X </u> none
Type of auditor's report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	_____ yes	<u> X </u> no

Identification of major programs:

U.S. Department of Agriculture	
Emergency Food Assistance Program (Food Commodities)	10.569
Emergency Food Assistance Program (Administrative costs)	10.568

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

FOOD SHARE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

Section II – Financial Statement Findings:

There were no financial statements finding for the year ended June 30, 2016.

Section III – Federal Award Findings and Questioned Costs:

There were no federal awards finding and question costs for the year ended June 30, 2016.

FOOD SHARE, INC.
SCHEDULE OF PRIOR YEARS FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

Financial Statement Findings:

There were no financial statements finding for the year ended June 30, 2015.

Federal Award Findings and Questioned Costs

There were no federal awards finding and question costs for the year ended June 30, 2015.