

**BLUE RIDGE AREA
FOOD BANK**

a member of
**FEEDING[®]
AMERICA**

BLUE RIDGE AREA FOOD BANK, INC.

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2015



BLUE RIDGE AREA FOOD BANK, INC.
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position.....	3
Statement of Activities.....	4-5
Statement of Functional Expenses	6-7
Statement of Cash Flows	8
Notes to Financial Statements	9-17
SUPPLEMENTARY INFORMATION	
Schedule of Food Donated, Purchased and Distributed	18
COMPLIANCE	
Independent Auditors' Report on Compliance over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19-20
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	21-22
Schedule of Expenditures of Federal Awards	23
Schedule of Findings and Questioned Costs	24

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

INDEPENDENT AUDITORS' REPORT

**TO THE BOARD OF DIRECTORS
BLUE RIDGE AREA FOOD BANK, INC.
VERONA, VIRGINIA**

Report on the Financial Statements

We have audited the accompanying financial statements of Blue Ridge Area Food Bank, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 auditors' 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 Blue Ridge Area Food Bank, Inc. as of June 30, 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 schedule of food donated, purchased, and distributed is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also 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.

Report on Summarized Comparative Information

We have previously audited Blue Ridge Area Food Bank, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 3, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2015, on our consideration of Blue Ridge Area Food Bank, 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 Blue Ridge Area Food Bank, Inc.'s internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Staunton, Virginia
September 30, 2015

FINANCIAL STATEMENTS

BLUE RIDGE AREA FOOD BANK, INC.

**Statement of Financial Position
June 30, 2015
With Comparative Totals as of 2014**

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 799,543	\$ 624,169
Accounts receivable, less allowance for doubtful accounts	217,941	217,406
Pledges receivable, current portion	83,415	-
Inventory	1,593,204	1,468,541
Investments - designated for future capital needs	1,180,000	2,700,000
Investments - other	1,371,241	1,510,381
Prepaid expenses	63,635	49,996
Deposits	11,832	6,048
Gift cards	337	3,555
Total current assets	<u>\$ 5,321,148</u>	<u>\$ 6,580,096</u>
Noncurrent assets:		
Investments in marketable securities	\$ 1,559,446	\$ 1,526,184
Pledges receivable, net of current portion	21,089	-
Depreciable fixed assets, net of accumulated depreciation	1,217,820	1,297,676
Non-depreciable fixed assets	2,673,128	164,086
Total noncurrent assets	<u>\$ 5,471,483</u>	<u>\$ 2,987,946</u>
Total assets	<u>\$ 10,792,631</u>	<u>\$ 9,568,042</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 431,234	\$ 200,427
Accrued payroll and related liabilities	111,942	91,441
Compensated absences	100,685	95,547
Total liabilities	<u>\$ 643,861</u>	<u>\$ 387,415</u>
Net assets:		
Unrestricted:		
Undesignated	\$ 6,899,358	\$ 4,532,216
Designated - Funds held for long-term investment	1,559,446	1,526,184
Designated - Funds held for future capital needs	1,180,000	2,700,000
Total unrestricted	\$ 9,638,804	\$ 8,758,400
Temporarily restricted	<u>509,966</u>	<u>422,227</u>
Total net assets	<u>\$ 10,148,770</u>	<u>\$ 9,180,627</u>
Total liabilities and net assets	<u>\$ 10,792,631</u>	<u>\$ 9,568,042</u>

The accompanying notes to financial statements are an integral part of this statement.

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BLUE RIDGE AREA FOOD BANK, INC.

**Statement of Activities
Year Ended June 30, 2015
With Comparative Totals for 2014**

	2015		
	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:			
Contributions	\$ 4,733,023	\$ 617,359	\$ 5,350,382
Capital donations - renovation project	-	393,501	393,501
Handling and delivery fees	1,636,867	-	1,636,867
Outreach program reimbursements	424,125	-	424,125
Member fees	11,125	-	11,125
Interest and dividends	46,251	-	46,251
Gain (Loss) on disposal of fixed assets	(109,089)	-	(109,089)
Net realized and unrealized gains (loss) on investments	(15,946)	(97)	(16,043)
Other income	6,854	-	6,854
Net assets released from restrictions	923,024	(923,024)	-
Total revenues, gains, and other support	<u>\$ 7,656,234</u>	<u>\$ 87,739</u>	<u>\$ 7,743,973</u>
Expenses:			
Program services	\$ 5,028,209	\$ -	\$ 5,028,209
Supporting services:			
Management and general	666,477	-	666,477
Fundraising	1,189,891	-	1,189,891
Total expenses	<u>\$ 6,884,577</u>	<u>\$ -</u>	<u>\$ 6,884,577</u>
Change in net assets before donated food activity	<u>\$ 771,657</u>	<u>\$ 87,739</u>	<u>\$ 859,396</u>
Donated Food Activity:			
Donated food received	\$ 39,446,870	\$ -	\$ 39,446,870
Donated food distributed and disposed	(39,338,123)	-	(39,338,123)
Net donated food activity	<u>\$ 108,747</u>	<u>\$ -</u>	<u>\$ 108,747</u>
Change in net assets	\$ 880,404	\$ 87,739	\$ 968,143
Net assets at beginning of year	<u>8,758,400</u>	<u>422,227</u>	<u>9,180,627</u>
Net assets at end of year	<u><u>\$ 9,638,804</u></u>	<u><u>\$ 509,966</u></u>	<u><u>\$ 10,148,770</u></u>

The accompanying notes to financial statements are an integral part of this statement.

2014		
Unrestricted	Temporarily Restricted	Total
\$ 4,720,789	\$ 511,818	\$ 5,232,607
-	-	-
1,525,502	-	1,525,502
322,818	-	322,818
11,138	-	11,138
57,215	-	57,215
(4,881)	-	(4,881)
290,820	-	290,820
40,567	-	40,567
462,677	(462,677)	-
<u>\$ 7,426,645</u>	<u>\$ 49,141</u>	<u>\$ 7,475,786</u>
\$ 4,593,956	\$ -	\$ 4,593,956
662,044	-	662,044
1,026,750	-	1,026,750
<u>\$ 6,282,750</u>	<u>\$ -</u>	<u>\$ 6,282,750</u>
\$ 1,143,895	\$ 49,141	\$ 1,193,036
\$ 38,194,518	\$ -	\$ 38,194,518
(39,033,510)	-	(39,033,510)
<u>\$ (838,992)</u>	<u>\$ -</u>	<u>\$ (838,992)</u>
\$ 304,903	\$ 49,141	\$ 354,044
8,453,497	373,086	8,826,583
<u>\$ 8,758,400</u>	<u>\$ 422,227</u>	<u>\$ 9,180,627</u>

BLUE RIDGE AREA FOOD BANK, INC.

**Statement of Functional Expenses
Year Ended June 30, 2015
With Comparative Totals for 2014**

	2015	2014	2015	2014
	Program Services	Program Services	Management and General	Management and General
PERSONNEL				
Salaries	\$ 1,200,568	\$ 1,175,963	\$ 467,176	\$ 451,851
Contract services	36,937	11,477	-	-
Payroll taxes	87,846	90,191	33,878	32,173
Employee benefits	196,390	201,372	21,613	29,987
Retirement expense	26,675	60,154	12,179	26,940
Insurance	12,848	11,273	3,212	2,461
Personnel recruitment	1,234	1,614	-	-
Volunteer expense	3,197	3,968	-	-
Total personnel	\$ 1,565,695	\$ 1,556,012	\$ 538,058	\$ 543,412
TRANSPORTATION				
Depreciation	\$ 125,693	\$ 120,732	\$ 3,455	\$ 5,089
Fuel	75,487	94,517	2,769	4,402
Insurance	29,205	27,804	1,243	1,183
Licenses	12,219	11,137	79	80
Repairs and maintenance	54,642	40,578	2,097	1,565
Freight	214,631	184,740	-	-
Travel and mileage	6,588	1,677	(3,322)	(4,161)
Total transportation	\$ 518,465	\$ 481,185	\$ 6,321	\$ 8,158
OCCUPANCY				
Rent	\$ 233,700	\$ 206,678	\$ 21,967	\$ 6,306
Depreciation	26,864	45,363	1,297	1,766
Repairs and maintenance	18,244	11,955	1,901	1,026
Rubbish and pest control	10,239	7,119	121	791
Utilities and telephone	122,170	101,536	8,724	16,227
Insurance and miscellaneous	30,007	22,902	7,205	5,470
Total occupancy	\$ 441,224	\$ 395,553	\$ 41,215	\$ 31,586
OTHER OPERATING AND ADMINISTRATIVE				
Food purchase and packaging	\$ 2,129,800	\$ 1,856,198	\$ -	\$ -
Professional fees	-	-	-	-
Depreciation	80,450	72,234	3,407	2,683
Supplies and equipment rental	56,283	56,763	10,486	8,626
Agency assistance - pass through	58,014	21,450	-	-
Postage	1,864	2,079	1,269	1,256
Repairs and maintenance	42,466	48,674	334	115
Systems support and maintenance	42,611	33,371	10,855	10,600
Printing and Production	-	1,364	-	-
Dues, subscriptions, fees, and licenses	22,771	23,696	31,209	33,474
Marketing and promotion	50	2,797	-	-
Meetings and training expense	3,287	2,550	2,961	1,721
Board governance	-	-	13,850	13,400
Miscellaneous	65,229	40,030	6,512	7,013
Total other operating and administrative	\$ 2,502,825	\$ 2,161,206	\$ 80,883	\$ 78,888
Total expenses	\$ 5,028,209	\$ 4,593,956	\$ 666,477	\$ 662,044

The accompanying notes to financial statements are an integral part of this statement.

2015		2014	
Fundraising	Fundraising	Total	Total
\$ 477,426	\$ 333,517	\$ 2,145,170	\$ 1,961,331
-	-	36,937	11,477
34,766	23,350	156,490	145,714
51,098	36,301	269,101	267,660
13,001	17,646	51,855	104,740
4,015	2,461	20,075	16,195
-	3,362	1,234	4,976
1,691	325	4,888	4,293
<u>\$ 581,997</u>	<u>\$ 416,962</u>	<u>\$ 2,685,750</u>	<u>\$ 2,516,386</u>
\$ 76	\$ 2,915	\$ 129,224	\$ 128,736
2,107	2,123	80,363	101,042
621	592	31,069	29,579
81	68	12,379	11,285
890	329	57,629	42,472
-	-	214,631	184,740
5,239	821	8,505	(1,663)
<u>\$ 9,014</u>	<u>\$ 6,848</u>	<u>\$ 533,800</u>	<u>\$ 496,191</u>
\$ 16,627	\$ 5,731	\$ 272,294	\$ 218,715
1,222	589	29,383	47,718
1,171	754	21,316	13,735
84	769	10,444	8,679
12,086	18,818	142,980	136,581
7,456	5,323	44,668	33,695
<u>\$ 38,646</u>	<u>\$ 31,984</u>	<u>\$ 521,085</u>	<u>\$ 459,123</u>
\$ -	\$ -	\$ 2,129,800	\$ 1,856,198
15,000	12,000	15,000	12,000
5,082	3,373	88,939	78,290
12,424	22,387	79,193	87,776
-	-	58,014	21,450
108,446	100,570	111,579	103,905
452	291	43,252	49,080
10,157	12,476	63,623	56,447
334,454	301,475	334,454	302,839
21,017	15,737	74,997	72,907
39,736	88,699	39,786	91,496
4,599	1,211	10,847	5,482
-	-	13,850	13,400
8,867	12,737	80,608	59,780
<u>\$ 560,234</u>	<u>\$ 570,956</u>	<u>\$ 3,143,942</u>	<u>\$ 2,811,050</u>
<u>\$ 1,189,891</u>	<u>\$ 1,026,750</u>	<u>\$ 6,884,577</u>	<u>\$ 6,282,750</u>

BLUE RIDGE AREA FOOD BANK, INC.

**Statement of Cash Flows
Year Ended June 30, 2015
With Comparative Totals for 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets before donated food activity	\$ 859,396	\$ 1,193,036
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	247,546	254,744
(Gain) Loss on disposal of fixed assets	109,089	4,881
Unrealized and realized (gain) loss on investments	16,044	(290,820)
Non-cash donation of fixed assets	(25,058)	-
(Increase) decrease in operating assets:		
Accounts receivable	(535)	782
Pledges receivable	(104,504)	-
Inventory - purchased food	(15,916)	(104,579)
Prepaid expenses	(13,639)	(10,248)
Deposits	(5,784)	7,214
Gift Cards	3,218	(3,555)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	230,807	80,846
Accrued payroll and related liabilities	20,501	16,753
Compensated absences	5,138	33,216
Net cash provided by (used for) operating activities	\$ 1,326,303	\$ 1,182,270
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	\$ (408,899)	\$ (6,423,137)
Proceeds on sale of investments	2,018,733	5,192,339
Proceeds on sale of fixed assets	2,000	-
Purchase of fixed assets	(2,762,763)	(265,328)
Net cash provided by (used for) investing activities	\$ (1,150,929)	\$ (1,496,126)
Net increase (decrease) in cash and cash equivalents	\$ 175,374	\$ (313,856)
Beginning cash and cash equivalents	624,169	938,025
Ending cash and cash equivalents	\$ 799,543	\$ 624,169
SCHEDULE OF NON-CASH OPERATING ACTIVITIES:		
Donated food received	\$ 39,446,870	\$ 38,194,518
Donated food distributed and disposed	\$ 39,338,123	\$ 39,033,510

The accompanying notes to financial statements are an integral part of this statement.

BLUE RIDGE AREA FOOD BANK, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – NATURE OF ORGANIZATION:

Blue Ridge Area Food Bank, Inc. (Food Bank) is a non-profit corporation established to collect, warehouse, and distribute salvageable food. The Food Bank operates from locations in Verona, Winchester, Charlottesville and Lynchburg, Virginia, and distributes food to qualified churches and 501(c)(3) nonprofit organizations. Its service area includes nine cities and twenty-five counties in central and western Virginia. The Food Bank is affiliated with Feeding America which is a national hunger relief organization.

Blue Ridge Area Food Bank, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Blue Ridge Area Food Bank, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The statements are prepared on the accrual basis of accounting.

Financial Statement Presentation

The accompanying financial statements present information regarding the Food Bank's financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The three classes are differentiated based on the existence or absence of donor-imposed restrictions, as described below:

- **Unrestricted** net assets are free of donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Revenues, gains, and losses that are not temporarily or permanently restricted by donors are included in this classification. Expenses are reported as decreases in this classification. The Food Bank had \$9,638,804 in unrestricted net assets at June 30, 2015.
- **Temporarily restricted** net assets are limited in use by donor-imposed stipulations that expire either by the passage of time or that can be fulfilled by action of the Food Bank pursuant to those stipulations. The Food Bank had \$509,966 in temporarily restricted net assets at June 30, 2015.
- **Permanently restricted** net assets are amounts required by donors to be held in perpetuity; however, generally, the income on these assets is available to meet various restricted and other operating needs. The Food Bank had no permanently restricted net assets at June 30, 2015.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BLUE RIDGE AREA FOOD BANK, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 (continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Cash and cash equivalents

The Food Bank considers all highly liquid investments that can be readily converted to cash or with a maturity of three months or less when purchased, to be cash equivalents. Cash equivalents are stated at cost, which approximates market value. Cash held for long-term investment is classified as investments. Accounts in the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, deposits exceed federally insured limits.

Investments –other

Investments are stated at fair value and consist of certificates of deposit with original maturities of more than three months, but not more than twelve months. Certificates of deposit are held at various banks and are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Investments in marketable securities

Investments are stated at fair value as determined by quoted market prices. Fair value is 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. See Note 9 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the statements of activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Inventory

Purchased inventory is recorded at the lower of cost or market on a first-in-first-out basis. Donated inventories are stated at the nationally calculated average price per pound of \$1.70 as of June 30, 2015 and \$1.72 as of June 30, 2014. This average value per pound is based on an independent study commissioned by Feeding America.

Accounts receivable

Accounts receivable, consisting of handling fees charged to member agencies to help offset food storage and distribution costs and partial cost reimbursement of purchased food, as well as governmental program reimbursements, are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a valuation allowance based on its assessment of the current status of individual receivables. Balances outstanding after management has applied reasonable collection efforts are written off.

BLUE RIDGE AREA FOOD BANK, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 (continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Contributions

Contributions, including unconditional promises to give or contributions receivable, are recognized as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions in the period the donor's commitment is received. Unrestricted, unconditional promises to give for future operations are recognized as temporarily restricted revenues unless the donor explicitly stipulates its use to support current period activities.

Non-cash contributions consist primarily of food donated by producers, manufacturers, the United States Department of Agriculture (USDA), and the general public. Contributed food is recorded as income and placed in inventory at the time of the gift.

The Food Bank receives volunteer services through a program funded by the Senior Community Service Employment Program. The value of such services is recorded as contribution with an offsetting expense based on the federal minimum wage rate in effect at the time of service. Other volunteer services are generally not recorded.

Handling and Delivery fees

As specified in its membership agreement with agencies, the Food Bank charges a modest handling fee for some donated food items, to help offset the cost of receiving, storing and distributing donated food. The average fee per pound distributed was 6 cents in 2015 and 7 cents in 2014. In addition, the Food Bank also charges a cost reimbursement fee to help offset a portion of the purchase cost to acquire more nutritious food, as well as better varieties of food, which is highly desirable by our member agencies. That cost reimbursement fee averaged 39 cents per pound distributed in 2015 and 37 cents per pound in 2014. Also, when member agencies request product deliveries, the Food Bank charges a flat delivery fee based on the distance from its warehouses. The average delivery fee charged was \$33 in 2015 and \$32 in 2014.

The Food Bank does not charge a handling fee for the USDA commodities that it distributes. This particular distribution cost is partially reimbursed by the Federal Government, subject to funding availability and is recorded as revenue when Federal commodities are received. The Food Bank sometimes receives these administrative funds from the USDA subsequent to the end of the fiscal year. Amounts received are based on funds available at the Federal level and normally cannot be reasonably estimated. Consequently, the Food Bank records these amounts as revenue when received.

Compensated absences

The Food Bank policy for compensated absences combines vacation leave with PTO (Paid Time Off). Under the policy, employees accrue leave each pay period. PTO is paid upon termination, thus a liability is accrued as of June 30, for the calendar year PTO time not taken, up to a maximum of four weeks. The balance of compensated absences at June 30, 2015 totaled \$100,685.

BLUE RIDGE AREA FOOD BANK, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 (continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Property and Equipment

Property and equipment are stated at cost when purchased or at fair market value if donated, less accumulated depreciation. The Food Bank capitalizes assets that benefit future periods with a cost of \$1,000 or greater. The straight-line method of depreciation is used over the following ranges of estimated useful lives.

Land improvements	20 years
Buildings and improvements	15-40 years
Leasehold improvements	5-10 years
Furniture and equipment	3-10 years
Warehouse equipment	5-15 years
Motor vehicles	5-10 years
Demonstration equipment	5 years

Income tax

The Food Bank is tax-exempt under Section 501 (c)(3) of the Internal Revenue Code (IRS). In addition, the Food Bank has been determined to not be a “private foundation” within the meaning of Section 509(a) of the IRC and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). The Food Bank did not conduct unrelated business activities and therefore, has made no provision for federal income taxes in the accompanying financial statements.

The federal information returns of the Food Bank for 2012, 2013, and 2014 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

Advertisement costs

The Food Bank utilizes many forms of self-promotion and advertising as part of its fundraising activities. All costs are expensed as incurred.

Functional allocation of expenses

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

BLUE RIDGE AREA FOOD BANK, INC.**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 (continued)**

NOTE 3 – CASH AND CASH EQUIVALENTS:

Cash and cash equivalents consist of the following:

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents - general	\$ 289,577	\$ 201,942
Cash and cash equivalents - restricted	509,966	422,227
Certificates of deposit	-	-
Total	<u>\$ 799,543</u>	<u>\$ 624,169</u>

NOTE 4 – INVESTMENTS-OTHER:

Investments-other consists of certificates of deposit with original maturity dates greater than 90 days, but less than 365 days, from their original issue date. These investments consist of the following:

	<u>2015</u>	<u>2014</u>
Investments - designated for future capital needs	\$ 1,180,000	\$ 2,700,000
Investments - other	1,371,241	1,510,381
Total	<u>\$ 2,551,241</u>	<u>\$ 4,210,381</u>

NOTE 5 – ACCOUNTS RECEIVABLE:

Accounts receivable consist of the following:

	<u>2015</u>	<u>2014</u>
Due from member agencies	\$ 98,208	\$ 101,473
Other	129,733	119,433
Subtotal	<u>\$ 227,941</u>	<u>\$ 220,906</u>
Less allowance for doubtful accounts	10,000	3,500
Total	<u>\$ 217,941</u>	<u>\$ 217,406</u>

NOTE 6 – PLEDGES RECEIVABLE:

Pledges receivable in future periods have been discounted to net present value at an effective interest rate of 4.25% and are due as follows:

	<u>2015</u>	<u>2014</u>
Pledges receivable at June 30	\$ 108,884	\$ -
Less discount on pledges receivable	(4,380)	-
Present value of pledges receivable	\$ 104,504	\$ -
Less current portion	(83,415)	-
Noncurrent pledges receivable	<u>\$ 21,089</u>	<u>\$ -</u>

BLUE RIDGE AREA FOOD BANK, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 (continued)**

NOTE 7 – INVENTORY:

Inventory consists of the following:

	<u>2015</u>	<u>2014</u>
Purchased	\$ 333,070	\$ 317,154
Donated	<u>1,260,134</u>	<u>1,151,387</u>
Total	<u>\$ 1,593,204</u>	<u>\$ 1,468,541</u>

NOTE 8 – PROPERTY AND EQUIPMENT:

Property and Equipment consist of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 66,652	\$ 66,652
Land improvements	2,758	98,584
Building and improvements	663,293	1,050,748
Leasehold improvements	261,144	158,565
Furniture and equipment	166,872	185,846
Warehouse equipment	1,000,002	945,524
Motor vehicles	1,187,357	1,207,580
Construction in progress	<u>2,606,476</u>	<u>97,434</u>
Subtotal	\$ 5,954,554	\$ 3,810,933
Accumulated Depreciation	<u>2,063,606</u>	<u>2,349,171</u>
Net Property and Equipment	<u>\$ 3,890,948</u>	<u>\$ 1,461,762</u>

Depreciation expense for the year ended June 30, 2015 totaled \$247,546.

NOTE 9 – INVESTMENTS IN MARKETABLE SECURITIES AND FAIR VALUE MEASUREMENTS:

Investments are summarized as follows:

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equity securities	\$ 191,138	\$ 197,631	\$ 161,282	\$ 168,082
U.S. Treasury Bonds	274,231	278,188	249,994	252,028
Corporate bonds	918,263	909,147	916,627	926,304
Preferred stock	59,897	59,029	51,901	52,162
Cash and cash equivalents	<u>115,451</u>	<u>115,451</u>	<u>127,608</u>	<u>127,608</u>
Total	<u>\$ 1,558,980</u>	<u>\$ 1,559,446</u>	<u>\$ 1,507,412</u>	<u>\$ 1,526,184</u>

BLUE RIDGE AREA FOOD BANK, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 (continued)**

**NOTE 9 – INVESTMENTS IN MARKETABLE SECURITIES AND FAIR VALUE MEASUREMENTS:
(CONTINUED)**

The Food Bank incurred \$9,261 and \$13,961 of investment advisory fees in 2015 and 2014, respectively. These expenses are included in dues, subscriptions, licenses, and fees on the statements of functional expenses.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities and have the lowest priority. The Food Bank uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. As all of the investments consist of holdings that are publicly traded, management has classified all investments using Level 1 inputs.

NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of donor restricted funds for the following programs:

	<u>2015</u>	<u>2014</u>
Back Pack Program	\$ 330,715	\$ 277,594
Renovation Project, present value of pledges receivable	104,504	-
Mobile Food Pantry	12,272	-
Fresh Produce and other food	44,166	52,868
Produce Cooler	-	65,000
School Pantry/Family Program	-	16,690
Other	<u>18,309</u>	<u>10,075</u>
Total	<u>\$ 509,966</u>	<u>\$ 422,227</u>

NOTE 11– CONTRIBUTIONS:

Contributions are summarized as follows:

	<u>2015</u>	<u>2014</u>
General	\$ 5,335,086	\$ 5,137,916
Rent	1,806	21,428
Volunteer services	-	957
Other services	<u>13,490</u>	<u>72,306</u>
Total	<u>\$ 5,350,382</u>	<u>\$ 5,232,607</u>
Capital donations - renovation project	<u>\$ 393,501</u>	<u>\$ -</u>

BLUE RIDGE AREA FOOD BANK, INC.**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 (continued)****NOTE 12 – HANDLING AND DELIVERY FEES:**

Handling fees are summarized as follows:

	2015			2014		
	Member Agencies	Outreach and Direct Service	Total	Member Agencies	Outreach and Direct Service	Total
Handling fees-donated food	\$ 335,352	\$ 69,722	\$ 405,074	\$ 424,504	\$ 83,737	\$ 508,241
Cost reimbursement fees-purchased food	897,140	679,162	1,576,302	702,228	621,145	1,323,373
Delivery fees	<u>35,954</u>	<u>-</u>	<u>35,954</u>	<u>33,880</u>	<u>-</u>	<u>33,880</u>
Gross fees	\$ 1,268,446	\$ 748,884	\$ 2,017,330	\$ 1,160,612	\$ 704,882	\$ 1,865,494
Discounts	<u>-</u>	<u>(748,884)</u>	<u>(748,884)</u>	<u>-</u>	<u>(704,882)</u>	<u>(704,882)</u>
Net fees	\$ <u>1,268,446</u>	\$ <u>-</u>	\$ 1,268,446	\$ <u>1,160,612</u>	\$ <u>-</u>	\$ 1,160,612
Handling fees-USDA			<u>368,421</u>			<u>364,890</u>
Total Handling and delivery fees			\$ <u>1,636,867</u>			\$ <u>1,525,502</u>

NOTE 13 – RETIREMENT PLAN:

The Food Bank has a 401(k) and Profit Sharing Plan under which all employees who have attained the age of 18 and have satisfied a 30-day service requirement are eligible to make elective deferrals, up to the maximum allowed by law. Employer discretionary match contributions of 100% up to 3% of compensation are available for all employees making elective deferrals. Also, an additional employer discretionary contribution may be made to all employees who have satisfied the plan's eligibility requirements and is based on a percentage of participant compensation.

Retirement expense for 2015 and 2014 totaled \$51,855 and \$104,740, respectively. In, 2014, the Food Bank made an additional 3% discretionary contribution to the plan in the amount of \$57,377.

NOTE 14- OPERATING LEASE COMMITMENTS:

The Food Bank conducts business from several locations, including branch facilities in Charlottesville, Winchester and Lynchburg, which are leased under operating leases. It also leases office space in Charlottesville and temporary office space in Staunton, to house various personnel during the renovation of its headquarters facility in Verona. Lease terms expire from September 30, 2015 to June 30, 2019 and generally provide for optional lease periods at negotiated rates.

As part of the Winchester lease, the lessor agrees to remit an annual amount of at least \$12,897 to the Food Bank as long as the lessor is entitled to an income tax credit allowed by the Commonwealth of Virginia under the Neighborhood Assistance Act.

BLUE RIDGE AREA FOOD BANK, INC.**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 (continued)**

NOTE 14- OPERATING LEASE COMMITMENTS: (CONTINUED)

Future minimum lease payments for the succeeding four years are as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Winchester Branch	\$ 44,268	\$ -	\$ -	\$ -
Lynchburg Branch	75,840	31,600	-	-
Charlottesville Branch	84,000	84,000	84,000	84,000
Staunton Office	7,500	-	-	-
	<u>\$ 211,608</u>	<u>\$ 115,600</u>	<u>\$ 84,000</u>	<u>\$ 84,000</u>

NOTE 15 – FACILITIES DEVELOPMENT:

Several of the Food Bank's facilities were significantly renovated during the past fiscal year. In that regard, the Board of Directors had previously set aside \$2,700,000 as a reserve to help finance the cost of these renovations. During the 2015 fiscal year, \$1,520,000 of this reserve was used to make construction payments, leaving a balance of \$1,180,000 at June 30, 2015.

On June 20, 2014, the Food Bank executed a contract with Nielson Builders, Inc. in the amount of \$3,027,536 to renovate its facilities in Verona. The work primarily consisted of expanding the capacity of its main warehouse, adding a new salvage area to accommodate more volunteers sorting salvage, building a "clean room" for repackaging bulk food quantities, constructing a large commercial produce cooler and building a new office complex. In addition to the construction contract, the Food Bank anticipated additional soft costs to approximate \$600,000. The total project cost was originally estimated to be about \$3,600,000. Through June 30, 2015, the construction contract increased to \$3,084,500, due to approved project change orders and payments to Nielsen Builders totaled \$2,197,238, with an additional \$272,363 included in current liabilities at June 30, 2015. The renovation project was mostly completed in September 2015, with administrative and support staff relocating back to the new facility. Including soft costs, now estimated to be about \$300,000, the total renovation project is currently anticipated to cost approximately \$3,400,000.

On July 1, 2014 the Food Bank entered into a five year lease agreement with its current landlord at 1207 Harris Street in Charlottesville. The annual lease payments will amount to \$84,000. The new lease provided the Food Bank with an additional 3,000 square feet of space. The renovation project was undertaken to enhance the appearance, flow and condition of the existing warehouse, as well as construct offices for administrative staff previously located in rented space in downtown Charlottesville. The total cost of the improvements was approximately \$130,000, with a portion of the cost coming from in-kind donations. The lease for the temporary office space in Charlottesville was terminated on March 31, 2015.

NOTE 16 – SUBSEQUENT EVENTS:

In preparing these financial statements, management of the organization has evaluated events and transactions for potential disclosure through September 30, 2015, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

BLUE RIDGE AREA FOOD BANK, INC.

**Schedule of Food Donated, Purchased, and Distributed
Year Ended June 30, 2015
With Comparative Totals for 2014**

	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>Pounds</u>	<u>Pounds</u>	<u>Dollars</u>	<u>Dollars</u>
Beginning inventory	1,280,234	1,515,600	\$ 1,468,541	\$ 2,202,954
Donated food received	23,204,041	22,206,115	39,446,870	38,194,518
Purchased food	<u>3,077,164</u>	<u>2,958,314</u>	<u>1,841,080</u>	<u>1,683,613</u>
Total food available	<u>27,561,439</u>	<u>26,680,029</u>	<u>\$ 42,756,491</u>	<u>\$ 42,081,085</u>
Less:				
Food distributed to member agencies	24,826,015	24,191,874	\$ 38,769,678	\$ 38,540,322
Food distributed to other food banks	1,383,136	1,191,099	2,351,331	2,048,690
Disposals and inventory adjustments	<u>30,659</u>	<u>16,822</u>	<u>42,278</u>	<u>23,532</u>
Total food distributed and disposed	<u>26,239,810</u>	<u>25,399,795</u>	<u>\$ 41,163,287</u>	<u>\$ 40,612,544</u>
Ending inventory	<u><u>1,321,629</u></u>	<u><u>1,280,234</u></u>	<u><u>\$ 1,593,204</u></u>	<u><u>\$ 1,468,541</u></u>

COMPLIANCE

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

**TO THE BOARD OF DIRECTORS
BLUE RIDGE AREA FOOD BANK, INC.
VERONA, VIRGINIA**

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, the financial statements of Blue Ridge Area Food Bank, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Blue Ridge Area 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Blue Ridge Area Food Bank, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Blue Ridge Area 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 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 weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Blue Ridge Area 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Staunton, Virginia
September 30, 2015

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

**TO THE BOARD OF DIRECTORS
BLUE RIDGE AREA FOOD BANK, INC.
VERONA VIRGINIA**

Report on Compliance for Each Major Federal Program

We have audited Blue Ridge Area Food Bank, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Blue Ridge Area Food Bank, Inc.'s major federal programs for the year ended June 30, 2015. Blue Ridge Area Food Bank, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Blue Ridge Area Food Bank, 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Blue Ridge Area Food Bank, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Blue Ridge Area Food Bank, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Blue Ridge Area Food Bank, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Blue Ridge Area 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 Blue Ridge Area Food Bank, 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 OMB Circular A-133, 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 Blue Ridge Area 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 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Staunton, Virginia
September 30, 2015

BLUE RIDGE AREA FOOD BANK, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Identifying Number	Federal Expenditures
<u>Department of Agriculture</u>			
Passed through Virginia Department of Agriculture and Consumer Services:			
Food Distribution Cluster:			
Emergency Food Assistance Program - Food Commodities	10.569	Not Available	\$ 2,294,343
Emergency Food Assistance Program - Administrative Costs	10.568	Not Available	368,421
Food Distribution - Summer Food Service Program For Children	10.559	Not Available	4,366
Passed through Virginia Department of Health:			
Summer Food Service Program For Children	10.559	N/A	208,635
Subtotal Summer Food Service Program for Children			<u>\$ 213,001</u>
Child and Adult Care Food Program	10.558	N/A	<u>\$ 215,490</u>
Total Department of Agriculture			<u>\$ 3,091,255</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,091,255</u></u>

Notes to Schedule of Expenditures of Federal Awards

Note A-Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Blue Ridge Area Food Bank, Inc. under programs of the federal government for the year ended June 30, 2015. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Blue Ridge Area Food Bank, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Blue Ridge Area Food Bank, Inc.

Note B-Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note C-Food Donation

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. At June 30, 2015, the Food Bank had food commodities totaling \$129,841 in inventory.

BLUE RIDGE AREA FOOD BANK, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Type of auditors' report issued on compliance for major programs unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes x no

Identification of major programs:

CFDA # **NAME OF FEDERAL PROGRAM OR CLUSTER**

Food Distribution Cluster

10.568 Emergency Food Assistance Program-Administrative Cost

10.569 Emergency Food Assistance Program-Food Commodities

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee? x yes no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

Section IV-Summary Schedule of Prior Audit Findings

None