TREASURE COAST AGRICULTURAL RESEARCH FOUNDATION, INC.

FINANCIAL STATEMENTS

June 30, 2014
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Treasure Coast Agricultural Research Foundation, Inc.

We have audited the accompanying financial statements of the Treasure Coast Agricultural Research Foundation, Inc. (the “Foundation” – a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit 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 respective financial position of the Treasure Coast Agricultural Research Foundation, Inc. as of June 30, 2014 and the respective changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2014 on our consideration of the Foundation’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation’s internal control over financial reporting and compliance.

McAlpin, Cavalcanti & Lewis, CPAs
Ft. Pierce, Florida
September 22, 2014
TREASURE COAST AGRICULTURAL
RESEARCH FOUNDATION, INC.
Statement of Financial Position
June 30, 2014

ASSETS

Cash and cash equivalents $218,552
Property and equipment,
net of accumulated depreciation -

Total assets 218,552

NET ASSETS

Net assets
Unrestricted 218,552

Total net assets $218,552

See accompanying notes to financial statements
TREASURE COAST AGRICULTURAL
RESEARCH FOUNDATION, INC.
Statement of Activities
For the year ended June 30, 2014

<table>
<thead>
<tr>
<th>Revenue</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>$ 205</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>205</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal and accounting</td>
<td>2,950</td>
</tr>
<tr>
<td>Meetings</td>
<td>259</td>
</tr>
<tr>
<td>Depreciation</td>
<td>62</td>
</tr>
<tr>
<td>Taxes and licenses</td>
<td>61</td>
</tr>
<tr>
<td>Bank charges</td>
<td>21</td>
</tr>
<tr>
<td>Total expenses</td>
<td>3,353</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in net assets</td>
<td>(3,148)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>221,700</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$ 218,552</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
TREASURE COAST AGRICULTURAL RESEARCH FOUNDATION, INC.
Statement of Cash Flows
For the year ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in net assets</td>
<td>$ (3,148)</td>
</tr>
<tr>
<td>Adjustments to reconcile change to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>62</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>62</td>
</tr>
</tbody>
</table>

DECREASE IN CASH

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in cash</td>
<td>(3,086)</td>
</tr>
</tbody>
</table>

CASH AND CASH EQUIVALENTS, beginning of year                       | 221,638 |

CASH AND CASH EQUIVALENTS, end of year                             | $ 218,552 |

See accompanying notes to financial statements
NOTE 1 - Organization and Summary of Significant Accounting Policies

Organization

The Treasure Coast Agricultural Research Foundation, Inc. (the Foundation) is organized as a not-for-profit organization in the state of Florida and has been certified as a direct support organization of the University of Florida by the Board of Trustees of the University of Florida.

The Foundation was formed to provide research, education, and extension services at the Institute of Food and Agricultural Sciences of the University of Florida.

Basis of Presentation

Financial presentation follows the recommendations of the Financial Accounting Standards Board (FASB) and is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets at June 30 2014.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting and reporting practices promulgated by the American Institute of Certified Public Accountants (AICPA) for not-for-profit organizations.

Donated Goods and Services

The Foundation occupies office space at the University of Florida and is assisted by employees of the University. Additionally, the Foundation receives donated services from the officers and members of the Board of Directors who assist the Foundation in research and education programs. No amounts for these services have been recognized in the accompanying Statement of Activities because the criteria for recognition have not been satisfied.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(5) of the Internal Revenue Code. Accordingly, income taxes are not provided for on the Foundation's financial statements. The Foundation's tax returns are subject to examination by taxing authorities for the years 2012 to 2014. The Foundation is required to determine whether it is more likely than not that a tax position will be sustained upon examination based on the technical merits of the position. A tax position that meets the more likely than not recognition threshold is measured to determine the amount of expense and benefit to recognize in the financial statements. The Foundation has concluded that there are no significant uncertain tax positions requiring recognition in the financial statements.

Property and Equipment

The Foundation capitalizes all property and equipment acquisitions in excess of $500. Purchases of property and equipment are capitalized at cost. Donations of property and equipment are recorded as support at the estimated fair market value at the date of donation. Property and equipment are depreciated using the straight-line method over the estimated useful lives that range from 5 to 15 years.
Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amount 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 these estimates.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through September 22, 2014, the date on which the financial statements were available to be issued.

NOTE 2 – Cash and Cash Equivalents

The Foundation maintains its cash balance at several financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of June 30, 2014, the Foundation’s balances are insured.

NOTE 3 – Leases

The Foundation conducts its operations on approximately 218 acres of land under a sub-lease agreement with the University Of Florida Board Of Trustees. The sub-lease is for a period of ten years with automatic renewals for successive ten year periods up to a maximum of fifty years. The rent for the use of the property is ten dollars per ten year period.
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
Treasure Coast Agricultural Research Foundation, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Treasure Coast Agricultural Research Foundation, Inc. (Foundation), which collectively comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation'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 the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation'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 over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant weaknesses may exist that were not identified. 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 the Foundation'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 Foundation’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 Foundation’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McAlpin, Cavalcanti & Lewis, CPAs
Ft. Pierce, Florida
September 22, 2014