

FOOD BANK OF NORTHEAST LOUISIANA, INC.

*Financial Statements
For the Year Ended June 30, 2020*



FOOD BANK OF NORTHEAST LOUISIANA, INC.
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

INDEX

	<u>Page</u>
Independent Auditors' Report -----	1-2
Statement of Financial Position -----	3
Statement of Activities -----	4
Statement of Functional Expenses -----	5
Statement of Cash Flows -----	6
Notes to Financial Statements -----	7-12

Supplemental Information

Report on Internal Control 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> -----	13-14
Independent Auditors' Report on Compliance For Each Major Program and On Internal Control Over Compliance Required by the Uniform Guidance -----	15-16
Schedule of Findings and Questioned Costs -----	17-18
Schedule of Expenditures of Federal Awards -----	19
Notes to Schedule of Expenditures of Federal Awards -----	20
Summary Schedule of Prior Audit Findings -----	21
Schedule of Compensation, Benefits, and Other Payments to Agency Head -----	22

CAMERON, HINES & COMPANY

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INDEPENDENT AUDITORS' REPORT

Board of Directors of
Food Bank of Northeast Louisiana, Inc.

Report on the Financial Statements

We have audited the accompanying statements of Food Bank of Northeast Louisiana, Inc., (a non profit organization), which comprise the statement of financial position as of June 30, 2020 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 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain 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 Food Bank of Northeast Louisiana, Inc., as of June 30, 2020, 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*, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 February 19, 2021, on our consideration of Food Bank of Northeast Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Food Bank of Northeast Louisiana's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

FOOD BANK OF NORTHEAST LOUISIANA, INC.
STATEMENT OF FINANCIAL POSITION

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<i>For the Year Ended June 30, <u>2020</u></i>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,130,503	\$ 829,138	\$ 1,959,641
Certificates of Deposit	50,062	-	50,062
Money Market Accounts	295,012	-	295,012
Agency Receivable	13,195	-	13,195
USDA Receivable	86,955	-	86,955
Promises to Give - United Way	-	33,652	33,652
Inventory	843,481	-	843,481
Total Current Assets	2,419,208	862,790	3,281,998
Property and Equipment:			
Office Equipment	44,305	-	44,305
Warehouse Equipment	214,946	-	214,946
Vehicles	321,940	-	321,940
Leasehold Improvements	447,734	-	447,734
Accumulated Depreciation	(697,080)	-	(697,080)
Net Property and Equipment	331,845	-	331,845
TOTAL ASSETS	\$ 2,751,053	\$ 862,790	\$ 3,613,843
<u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities:			
Accounts Payable	\$ 10,844	\$ -	\$ 10,844
Accrued Expenses	18,396	-	18,396
Payroll Taxes Payable	4,095	-	4,095
Total Current Liabilities	33,335	-	33,335
Long-Term Liabilities:			
Note Payable - PPP	104,591	-	104,591
Net Assets			
Without Donor Restrictions			
Undesignated	2,281,282	-	2,281,282
Net Investment in Property and Equipment	331,845	-	331,845
With Donor Restrictions			
Purpose Restrictions	-	20,000	20,000
Time Restrictions	-	842,790	842,790
Total Net Assets	2,613,127	862,790	3,475,917
TOTAL LIABILITIES AND NET ASSETS	\$ 2,751,053	\$ 862,790	\$ 3,613,843

FOOD BANK OF NORTHEAST LOUISIANA, INC.
STATEMENT OF ACTIVITIES

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>For the Year Ended June 30, 2020</u>
<u>Support and Revenue:</u>			
Shared Maintenance and Handling Fees	\$ 25,870	\$ -	\$ 25,870
Contributions	990,774	-	990,774
Contributions - Adopt-a-Senior	4,250	-	4,250
Contributions - Various Programs	29,040	-	29,040
Contributions - Donated Product	3,132,816	-	3,132,816
USDA Administrative Costs	358,277	-	358,277
SNAP Reimbursements	29,112	-	29,112
United Way Funding	29,592	67,258	96,850
USDA Commodities Received	3,939,225	-	3,939,225
Grants	514,733	1,105,603	1,620,336
Fundraising	421,863	-	421,863
Interest Income	3,770	-	3,770
Net Assets Released from Restrictions	79,758	(343,723)	(263,965)
Total Support and Revenue	9,559,080	829,138	10,388,218
<u>Expenses:</u>			
Programs:			
Agency	7,024,966	-	7,024,966
Adopt-a-Senior	1,092,832	-	1,092,832
Backpack	306,645	-	306,645
Snap	79,580	-	79,580
Volunteer	27,965	-	27,965
Disaster	76,142	-	76,142
Total Programs	8,608,130	-	8,608,130
Administration	88,309	-	88,309
Fundraising	79,089	-	79,089
Total Expenses	8,775,528	-	8,775,528
<u>Changes in Net Assets</u>	783,552	829,138	1,612,690
<u>Net Assets at Beginning of Year</u>	1,829,575	33,652	1,863,227
<u>NET ASSETS AT END OF YEAR</u>	\$ 2,613,127	\$ 862,790	\$ 3,475,917

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

FOOD BANK OF NORTHEAST LOUISIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES

	Program Services				Volunteer
	Agency Program	Senior Program	Backpack Program	Snap Program	
Advertising	\$ 748	\$ 416	\$ 443	\$ -	\$ -
Bank Charges	-	-	-	-	-
Computer Expense	4,551	2,995	2,440	555	-
Depreciation	26,919	17,228	13,998	3,230	-
Donated Product Distributed	2,952,288	212,712	-	-	-
Donor Development	41,998	21,861	21,817	-	-
Dues and Subscriptions	3,798	2,385	1,956	428	-
Employee Benefits	29,862	11,499	7,687	7,499	1,767
Fleet	2,968	2,347	2,347	-	-
Freight	35,575	12,986	745	-	-
Fundraising Expense	2,824	1,804	1,804	-	-
In Kind Expenses	-	-	-	-	-
Insurance	12,413	8,185	6,649	1,535	-
Miscellaneous	38	23	15	-	-
Office Supplies	2,571	1,025	717	617	-
Postage and Printing	6,037	5,533	1,690	1,449	-
PPO/VAP Fees	15,944	5,933	371	-	-
Professional Fees	23,822	15,903	12,823	4,052	-
Program Expense	12,734	32,648	2,560	1,822	-
Public Awareness	807	528	529	93	-
Purchased Food Distributed	69,944	-	129,433	-	-
Rent	68,161	44,572	36,714	8,359	-
Repairs and Maintenance	9,225	5,271	4,283	988	-
Salaries	193,436	79,847	52,419	48,867	26,198
Travel	697	478	411	86	-
USDA Commodities Distributed	3,498,246	600,844	-	-	-
Warehouse Expense	9,360	5,809	4,794	-	-
Total Expenses, year ended June 30, 2020	<u>\$ 7,024,966</u>	<u>\$ 1,092,832</u>	<u>\$ 306,645</u>	<u>\$ 79,580</u>	<u>\$ 27,965</u>

Disaster	Management and General	Fundraising	<i>For the Year Ended</i>
			<i>June 30,</i> 2020
-	\$ -	507	2,114
-	5,097	-	5,097
780	555	-	11,876
-	3,230	-	64,605
-	-	-	3,165,000
-	-	15,117	100,793
-	-	-	8,567
717	7,812	7,272	74,115
-	1,138	-	8,800
4,535	-	-	53,841
-	366	360	7,158
-	-	-	-
-	1,925	-	30,707
-	28	-	104
2,694	1,237	-	8,861
-	1,058	-	15,767
-	-	-	22,248
4,500	2,977	-	64,077
26,214	-	-	75,978
-	-	-	1,957
-	-	-	199,377
-	-	-	157,806
-	-	-	19,767
4,371	62,362	55,833	523,333
-	86	-	1,758
-	-	-	4,099,090
32,331	438	-	52,732
\$ 76,142	\$ 88,309	\$ 79,089	\$ 8,775,528

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

FOOD BANK OF NORTHEAST LOUISIANA, INC.
STATEMENT OF CASH FLOWS

	<i>For the Year Ended</i> <i>June 30,</i> <hr/> 2020 <hr/>
Cash Flows from Operating Activities:	
Changes in Net Assets	\$ 1,612,690
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation	64,604
(Increase) Decrease in:	
Money Market Accounts	(2,427)
Accounts Receivable	(61,365)
Inventory	(14,337)
Increase (Decrease) in:	
Accounts Payable	(6,664)
Payroll Taxes Payable	2,571
Accrued Expenses	18,396
<u>Net Cash Provided (Used) by Operating Activities</u>	<hr/> 1,613,468
Cash Flows from Investing Activities:	
(Increase) Decrease in Certificates of Deposit	
Fixed Asset Acquisitions	(119,572)
Certificates of Deposit	(1,105)
<u>Net Cash Provided (Used) by Investing Activities</u>	<hr/> (120,677)
Cash Flows from Financing Activities:	
Increase (Decrease) in Notes Payable	104,591
<u>Net Cash Provided (Used) by Financing Activities</u>	<hr/> 104,591
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	1,597,382
<u>Cash and Cash Equivalents, Beginning of Year</u>	<hr/> 362,259
<u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	<hr/> <hr/> \$ 1,959,641

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

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activity

The Food Bank of Northeast Louisiana, Inc. is a nonprofit organization that is located in Monroe, Louisiana and serves 12 northeast parishes (Caldwell, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, and West Carroll). The Food Bank procures, sorts, inventories, and provides food and products to our partner agencies for distribution into their local communities. In addition, the Food Bank operates programs that directly provide food and support to those in need. Together, with our hunger-relief network, we serve over 30,000 people monthly.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The financial statements of Food Bank of Northeast Louisiana, Inc. have been prepared on the accrual basis and, accordingly, reflect all significant receivables and payables.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions- Net assets available for use in general operations and not subject to donor or grantor restrictions.

Net Assets With Donor Restrictions- Net assets subject to donor or grantor – imposed restrictions. Some restrictions are temporary in nature, such as those that will be met with the passage of time or occurrence of other events. Other donor – imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. Donor – imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2020, the Food Bank of Northeast Louisiana does not have any restrictions that are perpetual in nature.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Food Bank of Northeast Louisiana, Inc. considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable represent amounts that have been expensed for food distribution purposes and are to be reimbursed in full by the USDA and have been promised over the next twelve months. Accounts receivable also represent handling fees from participating agencies that will be received over the next twelve months.

Inventory

Inventory consists of donated, USDA, and purchased food. Donated food is valued using a valuation published by Feeding America each year. USDA food is valued using fair market values established by the USDA. Purchased food is valued using the actual cost of the product.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets using the straight-line method:

	<u>Years</u>
Improvements	7-40
Vehicles	5
Furniture, Fixtures and Equipment	5-7

Public Support and Revenue

Annual contributions are recorded as revenue when received and are generally available for unrestricted use unless specifically restricted by the donor.

Administrative costs are recorded as income and as accounts receivable when requests for reimbursement are submitted to the USDA.

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (continued)

Promises to Give

Certain contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Functional Allocation of Expenses

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

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$1,959,641
Current value of certificates of deposit maturing within one year	50,062
Money market accounts	295,012
Accounts receivable	100,150
Promises to give with temporary restrictions that will expire	<u>33,652</u>
 Total Liquid and Available Assets	 \$ <u>2,438,517</u>

Note 3 - Cash and Cash Equivalents

Food Bank of Northeast Louisiana, Inc. maintains its cash balances in two local financial institutions. The bank balances of \$2,120,447 are covered by Federal Deposit Insurance Corporation up to \$250,000 at each bank, but the Food Bank of Northeast Louisiana has \$1,768,814 of its bank balance that exceed the Federal Deposit Insurance Corporation's limits. Total cash on hand at June 30, 2020 was \$1,959,641.

Food Bank of Northeast Louisiana, Inc. also has one certificate of deposit. The certificate of deposit had a fair value of \$50,062 at June 30, 2020 and was not considered cash equivalents. The certificate of deposit is covered by FDIC insurance.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Note 4 - **Income Taxes**

Food Bank of Northeast Louisiana, Inc. is a nonprofit corporation exempted from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should the organization engage in activities unrelated to its exempt purpose, taxable income could result. The organization had no material unrelated business income for the six months ended June 30, 2020. The earliest income tax year that is subject to examination is 2017.

Note 5 - **Property and Equipment**

A summary of land, buildings, equipment and accumulated depreciation at June 30, 2020 is as follows:

	<u>2020</u>
Office Equipment	\$ 44,305
Warehouse Equipment	214,946
Vehicles	321,940
Leasehold Improvements	447,734
Accumulated Depreciation	<u>(697,080)</u>
Net Property and Equipment	<u>\$ 331,845</u>

Depreciation expense for the year ended June 30, 2020 was \$64,604.

Note 6 - **Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes or periods:

Advertisement acknowledgment per grant requirements	
Entergy Grant	\$ 20,000
Five months after June 30,	<u>2020</u>
Feeding America Census Grant	\$ 12,500
Six months after June 30,	<u>2020</u>
United Way of Northeast Louisiana	\$ 33,652
Feeding America COVID-19 Relief	225,443
Humana Foundation COVID-19 Relief	41,132
April 30,	<u>2023</u>
Feeding America Louisiana Anti-Hunger Collaboration	<u>530,063</u>
Total Temporarily Restricted Assets	<u>\$ 862,790</u>

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2020</u>
Time Restrictions Expired:	
United Way of Northeast Louisiana	\$ 67,258
Feeding America COVID-19 Relief	260,059
Humana Foundation COVID-19 Relief	969
Feeding America Census Grant	12,500
Feeding America Louisiana Anti-Hunger Collaboration	2,937
Total Restriction Released	<u>\$ 343,723</u>

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Note 7 - Promises to Give

Unconditional promises to give consist of the following:

	<u>2020</u>
United Way of Northeast Louisiana	\$ 33,652

Note 8 - Food Distributions

During fiscal year 2020, the Food Bank distributed 1,953,704 pounds of food to the community valued at \$1.62 per pound, totaling \$3,165,000. The Food Bank also distributed 4,232,695 pounds of commodities through USDA valued at fair market values established by USDA and totaled \$4,099,090. Lastly, the Food Bank distributed 182,086 pounds of purchased food valued at purchase prices totaling \$199,377. This resulted in a gross distribution of \$7,463,467, for the year ended June 30, 2020.

Note 9 - Inventory

The Food Bank receives products from USDA donations, food purchases, and various unsolicited donations. During fiscal year 2020 approximately 6,368,485 pounds of products were received, from the following sources:

	<u>2020</u>
USDA	4,232,695
Donated Food	1,953,704
Purchased Food	<u>182,086</u>
Total	6,368,485

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

As of June 30, 2020, the Food Bank had approximately 884,649 pounds of food on hand valued at \$1.62 per pound and the commodities through USDA market values, totaling \$843,481.

Note 10 - Paycheck Protection Program

During April of 2020, the Food Bank received a loan of \$104,591 through the Paycheck Protection Program (PPP). This loan was used to help pay salaries and benefits to employees during the COVID-19 global pandemic. Management has reviewed the terms of this loan and believes the loan will be forgiven during the 2020-21 fiscal year.

If that forgiveness were to not occur, the loan would accrue interest of 1% per year from the date of the loan was received and would be payable in 24 months.

Note 11 - In-Kind Contributions

Unpaid volunteers have made significant contributions of their time to the Food Bank. The value of the contributed time is not reflected in these statements since it is not susceptible to an objective measurement.

Note 12 - Commitments and Contingencies

Economic Dependence

The Organization receives a substantial amount of its support from federal and state government reimbursements and from the United Way. A significant reduction in the level of this support, if this were to occur, may have an effect on the organization's programs and activities.

Note 13 - Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Note 14 - Subsequent Events

Subsequent events have been evaluated through February 19, 2021, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

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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

Board of Directors of
Food Bank of Northeast Louisiana, Inc.

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 Food Bank of Northeast Louisiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020, and the related statement 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 February 19, 2021.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Food Bank of Northeast Louisiana, Inc.'s internal control over financial reporting 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 Bank of Northeast Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Food Bank of Northeast Louisiana, 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 Food Bank of Northeast Louisiana, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 Food Bank of Northeast Louisiana, 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 audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under the *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 Food Bank of Northeast Louisiana, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Food Bank of Northeast Louisiana, Inc.'s internal control and compliance. Accordingly, the communication is not suitable for any other purpose.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
February 19, 2021

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors of
Food Bank of Northeast Louisiana, Inc.

Report on Compliance for Each Major Federal Program

We have audited Food Bank of Northeast Louisiana, 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 Bank of Northeast Louisiana, Inc.'s major federal programs for the years ended June 30, 2020. Food Bank of Northeast Louisiana, 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Food Bank of Northeast Louisiana, Inc.'s major federal programs based on our audits of the types of compliance requirements referred to above. We conducted our audits 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Food Bank of Northeast Louisiana, 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 on Food Bank of Northeast Louisiana, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Food Bank of Northeast Louisiana, 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 the major federal programs for the year ended June 30, 2020.

Internal Control Over Compliance

Management of Food Bank of Northeast Louisiana, 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 audits of compliance, we considered Food Bank of Northeast Louisiana, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Food Bank of Northeast Louisiana, 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 significant deficiencies or material weaknesses. 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cameron, Hiner & Company (APAC)

West Monroe, Louisiana
February 19, 2021

FOOD BANK OF NORTHEAST LOUISIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

To The Board of Directors
 Food Bank of Northeast Louisiana, Inc.
 Monroe, Louisiana

We have audited the financial statements of Food Bank of Northeast Louisiana, Inc. as of and for the year ended June 30, 2020, and have issued our report thereon dated February 19, 2021. 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. Our audit of the financial statements as of June 30, 2020, resulted in an unmodified opinion.

SECTION I - Summary of Auditors' Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards

Material Weakness Identified ___ yes X no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes X no

Type of Opinion on Compliance for Major Programs

Unmodified X Modified _____

Disclaimer _____ Adverse _____

Are there findings required to be reported in accordance with Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart F? No

C. Identification of Major Programs:

Name of Federal Program (or cluster) USDA – Emergency Food Distribution program (Food Commodities)

CFDA Number(s) 10.568

Dollar threshold used to distinguish between Type A and Type B Programs. \$750,000

Is the auditee a “low-risk” auditee, as defined by Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart F? Yes

FOOD BANK OF NORTHEAST LOUISIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020 (CONTINUED)

Section II - **Financial Statement Findings**

There were no findings in this section.

Section III - **Federal Award Findings and Questioned Costs**

There were no findings in this section.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture:			
Pass-through program from State Department of Agriculture and Forestry Food Distribution	10.568	N/A	\$4,099,090*
Pass-through program from State Department of Agriculture and Forestry Administrative Costs	10.569	N/A	<u>358,277</u>
 <u>TOTAL</u>			 <u>\$ 4,457,367</u>

* Denotes Major Federal Assistance program.

See accompanying Notes to Schedule of Expenditures of Federal Awards

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Food Bank of Northeast Louisiana, Inc. The reporting entity is defined in Note 1 to Food Bank of Northeast Louisiana, Inc.'s financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to Food Bank of Northeast Louisiana, Inc.'s financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2020, the organization had food commodities totaling \$484,534 in inventory.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

Internal Control and Compliance Material to the Financial Statements

This section is not applicable.

Internal Control and Compliance Material to Federal Awards

This section not applicable.

Management Letter

No management letter was issued.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2020

Agency Head Title	<u>Jean Toth Executive Director</u>
Purpose	
Salary	\$ -
Benefits - Payroll Taxes	-
Cell Phone	-
Insurance (Health and Life)	-
Moving Expenses	-
Total Compensation, Benefits and Other Payments	<u>\$ -</u>

The Food Bank of Northeast Louisiana, Inc. is a nongovernmental entity that receives public funds. However, no public funds are used to pay for the compensation, benefits, or other payments to the agency head.