

FOOD BANK OF NORTHEAST LOUISIANA, INC.

*Financial Statements
For the Years Ended December 31, 2015 and 2014*



FOOD BANK OF NORTHEAST LOUISIANA, INC.
FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

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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 December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years 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 is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2016, 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.
STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<i>For the Years Ended December 31,</i>	
			2015	2014
Current Assets:				
Cash and Cash Equivalents	\$ 405,466	\$ -	\$ 405,466	\$ 344,362
Certificates of Deposit	350,418	-	350,418	248,270
Accounts Receivable:	15,294	-	-	-
Agency Receivable	-	7,098	7,098	159,072
USDA Receivable	-	-	-	7,588
Promises to Give - United Way	-	46,032	46,032	46,032
Total Current Assets	771,178	53,130	824,308	805,324
 Property and Equipment:				
Office Equipment	38,254	-	38,254	36,409
Warehouse Equipment	63,505	-	63,505	63,505
Vehicles	387,991	-	387,991	387,991
Leasehold Improvements	403,952	-	403,952	403,952
Accumulated Depreciation	(484,680)	-	(484,680)	(415,041)
Net Property and Equipment	409,022	-	409,022	476,816
TOTAL ASSETS	\$ 1,180,200	\$ 53,130	\$ 1,233,330	\$ 1,282,140
 <u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts Payable	\$ 18,922	\$ -	\$ 18,922	\$ 30,936
Payroll Taxes Payable	4,600	-	4,600	5,616
Total Current Liabilities	23,522	-	23,522	36,552
 Net Assets				
Unrestricted	1,156,678	-	1,156,678	1,191,968
Temporarily Restricted	-	53,130	53,130	53,620
Total Net Assets	1,156,678	53,130	1,209,808	1,245,588
TOTAL LIABILITIES AND NET ASSETS	\$ 1,180,200	\$ 53,130	\$ 1,233,330	\$ 1,282,140

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

FOOD BANK OF NORTHEAST LOUISIANA, INC.
STATEMENTS OF ACTIVITIES

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<i>For the Years Ended December 31,</i>	
			<u>2015</u>	<u>2014</u>
<u>Support and Revenue:</u>				
Shared Maintenance and Handling Fees	\$ 119,352	-	\$ 119,352	\$ 121,900
Contributions	546,714	-	546,714	603,877
Contributions - Adopt-a-Senior	-	5,115	5,115	-
Contributions - Back Pack Program	-	22,265	22,265	19,023
Contributions - SNAP	-	38,812	38,812	26,235
USDA Reimbursements	-	124,005	124,005	137,807
United Way Funding	-	114,570	114,570	141,769
State Funded Reimbursements	-	-	-	96,675
Grants	45,071	48,665	93,736	121,000
Interest Income	1,645	-	1,645	1,444
Net Assets Released from Restrictions	353,922	(353,922)	-	-
Total Support and Revenue	<u>1,066,704</u>	<u>(490)</u>	<u>1,066,214</u>	<u>1,269,730</u>
<u>Expenses:</u>				
Programs:				
Agency	277,715	-	277,715	312,103
Adopt-a-Senior	203,277	-	203,277	391,687
Backpack	225,996	-	225,996	199,660
Snap	94,847	-	94,847	81,717
Kid's Cabinet	18,566	-	18,566	-
Disaster	205	-	205	-
Total Programs	<u>820,606</u>	<u>-</u>	<u>820,606</u>	<u>985,167</u>
Administration	119,266	-	119,266	164,714
Fundraising	162,118	-	162,118	137,951
Total Expenses	<u>1,101,990</u>	<u>-</u>	<u>1,101,990</u>	<u>1,287,832</u>
<u>Changes in Net Assets</u>	(35,286)	(490)	(35,776)	(18,102)
<u>Net Assets at Beginning of Year</u>	<u>1,191,964</u>	<u>53,620</u>	<u>1,245,584</u>	<u>1,263,690</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 1,156,678</u>	<u>\$ 53,130</u>	<u>\$ 1,209,808</u>	<u>\$ 1,245,588</u>

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

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

	Program Services			
	Agency Program	Senior Program	Backpack Program	Snap Program
Advertising	\$ 41	\$ 41	\$ 43	\$ -
Auto and Truck Expense	2,810	1,175	39	1,825
Bank Charges	-	-	-	-
Computer Expense	3,116	3,116	3,113	3,627
Contract Labor	20,735	20,936	5,594	656
Depreciation	26,650	22,189	9,381	9,032
Donor Development	-	-	-	-
Dues and Subscriptions	1,720	1,720	1,720	1,720
Education and Training	240	240	240	240
Emergency Boxes	3,429	-	-	-
Employee Benefits	-	-	-	-
Exterminating	1,112	1,112	1,112	1,111
Food Purchases	-	(21,149)	126,443	-
Fundraising Expense	1,204	1,204	1,204	1,221
Grant Expense	-	-	-	-
Insurance	22,898	16,673	7,715	8,837
Meals	566	1,172	20	-
Miscellaneous	432	746	227	292
Office Supplies	1,152	1,094	1,001	1,522
Payroll Taxes	1,092	931	259	1,206
Postage and Printing	2,071	2,273	522	559
PPO/VAP Fees	-	-	-	-
Professional Fees	1,855	1,855	1,855	1,855
Rent	43,771	33,670	28,058	1,122
Repairs and Maintenance	3,069	1,601	457	66
Salaries	74,842	64,757	25,995	52,726
Supplies	169	9,289	169	169
Telephone	2,196	2,196	2,287	3,412
Travel	183	184	184	184
Trucking	55,239	13,962	4,408	-
Utilities	2,950	2,950	2,858	2,858
Volunteer Appreciation	607	607	607	607
Warehouse Expense	3,566	18,733	485	-
Total Expenses, year ended December 31, 2015	\$ 277,715	\$ 203,277	\$ 225,996	\$ 94,847

	Kids Cabinet	Disaster	Management and General	Fundraising	For the Years Ended December 31,	
					2015	2014
	-	-	\$ 375	-	\$ 500	\$ 294
	-	-	353	-	6,202	14,513
	-	-	2,048	-	2,048	3,147
	49	-	3,073	-	16,094	10,730
	-	-	5,624	-	53,545	65,027
	-	-	2,383	-	69,635	71,476
	-	-	-	106,519	106,519	106,148
	-	-	1,750	-	8,630	12,962
	-	-	240	-	1,200	4,252
	-	-	-	-	3,429	1,975
	-	-	6,432	-	6,432	30,715
	-	-	1,112	-	5,559	5,406
	8,410	-	-	-	113,704	186,996
	-	-	1,329	-	6,162	2,621
	-	-	750	9,550	10,300	9,250
	-	-	7,100	-	63,223	32,910
	-	-	196	-	1,954	4,877
	-	-	566	11	2,274	8,714
	6	-	1,049	-	5,824	12,787
	-	87	20,543	470	24,588	26,391
	-	-	2,276	-	7,701	12,592
	1,600	-	-	-	1,600	12,672
	-	9	1,855	9	9,293	9,908
	-	-	5,611	-	112,232	106,592
	7,611	-	66	35,664	48,534	75,519
	-	109	46,725	9,895	275,049	314,258
	-	-	169	-	9,965	9,102
	66	-	2,196	-	12,353	11,476
	-	-	184	-	919	-
	824	-	1,695	-	76,128	91,906
	-	-	2,950	-	14,566	13,336
	-	-	611	-	3,039	2,389
	-	-	5	-	22,789	16,892
	<u>\$ 18,566</u>	<u>\$ 205</u>	<u>\$ 119,266</u>	<u>\$ 162,118</u>	<u>\$ 1,101,990</u>	<u>\$ 1,287,833</u>

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

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

	<i>For the Years Ended</i>	
	<i>December 31,</i>	
	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ (35,776)	\$ (18,102)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	69,635	71,476
(Increase) Decrease in:		
Accounts Receivable	144,271	(105,482)
Promises to Give	-	(4,574)
Increase (Decrease) in:		
Accounts Payable	(14,553)	(167,487)
Accrued Expenses	(1,016)	4,603
Deferred Grant Revenue	2,538	-
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>165,099</u>	<u>(219,566)</u>
 Cash Flows from Investing Activities:		
(Increase) Decrease in Certificates of Deposit	(1,538)	98,909
Purchase of Fixed Assets	(1,843)	(175,715)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>(3,381)</u>	<u>(76,806)</u>
 <u>Increase (Decrease) in Cash and Cash Equivalents</u>	 161,718	 (296,372)
 <u>Cash and Cash Equivalents, Beginning of Year</u>	 <u>243,748</u>	 <u>640,734</u>
 <u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	 <u>\$ 405,466</u>	 <u>\$ 344,362</u>

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

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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

Nature of Activity

Food Bank of Northeast Louisiana, Inc. is a nonprofit organization that is based in Monroe, Louisiana. The Organization's operations consist of coordinating food deliveries to the poor. All income received by the Food Bank is derived from food sales and individual contributions.

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

FASB Accounting Standards Codification (ASC) section 958-205 *Not-for-Profit Entities, Presentation of Financial Statements* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. ASC section 958-605 *Not-for-Profit Entities, Revenue Recognition* requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of Food Bank of Northeast Louisiana, Inc. and/or passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by Food Bank of Northeast Louisiana, Inc. Generally, the donors of these assets permit Food Bank of Northeast Louisiana, Inc. to use all of, or part of, the income earned on the related investments for general or specific purposes. As of December 31, 2015 and 2014, there were no permanently restricted net assets.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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.

Grants Receivable

Grants receivable represent amounts that have been expensed for grant purposes and are to be reimbursed in full by the grantor and have been promised over the next twelve months.

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.

Grant income is deferred until the revenue is received. Unreimbursed expenses are recorded as income and as grants receivable when requests for reimbursement are submitted to the grants.

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.

Promises to Give

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.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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

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 - Cash and Cash Equivalents

Food Bank of Northeast Louisiana, Inc. maintains its cash balances in two local financial institutions. The bank balances of \$425,727 are covered by Federal Deposit Insurance Corporation up to \$250,000 at each bank, but the Food Bank of Northeast Louisiana has \$88,510 of its bank balance that exceed the Federal Deposit Insurance Corporation's limits. Total cash on hand at December 31, 2015 and 2014 was \$405,466 and \$243,748, respectively.

Food Bank of Northeast Louisiana, Inc. also has three certificates of deposit. The certificates of deposits had a fair value of \$350,418 and \$348,880 at December 31, 2015 and 2014, respectively and were not considered cash equivalents. All of the certificates of deposit are covered by FDIC insurance.

Note 3 - 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 years ended December 31, 2015 and 2014. The earliest income tax year that is subject to examination is 2012.

Note 4 - Property and Equipment

A summary of land, buildings, equipment and accumulated depreciation at December 31, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Office Equipment	38,254	36,409
Warehouse Equipment	63,505	63,505
Vehicles	387,991	387,991
Leasehold Improvements	403,952	403,952
Accumulated Depreciation	<u>(484,680)</u>	<u>(415,041)</u>
Net Property and Equipment	<u>\$ 409,022</u>	<u>\$ 476,816</u>

Depreciation expense for the years ended December 31, 2015 and 2014 was \$69,635 and \$71,476, respectively.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 5 - Temporarily Restricted Net Assets

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

Periods after December 31,	<u>2015</u>	<u>2014</u>
USDA Reimbursements	\$ 7,098	\$ 7,588
United Way of Northeast Louisiana	<u>46,032</u>	<u>46,032</u>
Total Temporarily Restricted Assets	<u>\$ 53,130</u>	<u>\$ 53,620</u>

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

	<u>2015</u>	<u>2014</u>
Time Restrictions Expired:		
United Way of Northeast Louisiana	\$ 114,570	\$ 137,195
Purpose Restrictions Fulfilled:		
Contributions – Back Pack Program	22,565	20,533
Contributions – SNAP	38,812	26,235
USDA Reimbursements	124,005	149,340
Grants	48,665	109,248
Senior	<u>5,115</u>	<u>0</u>
Total Restriction Released	<u>\$ 353,072</u>	<u>\$ 442,551</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 6 - Promises to Give

Unconditional promises to give consist of the following:

	<u>2015</u>	<u>2014</u>
United Way of Northeast Louisiana	\$ 46,032	\$ 46,032

Note 7 - Food Distributions

During 2015, the Food Bank distributed 2,823,313 pounds of food to the community valued at \$1.70 per pound, totaling \$4,799,632. The Food Bank also distributed 1,385,842 pounds of commodities through USDA valued at fair market values established by USDA and totaled \$706,779.

During 2014, the Food Bank distributed 3,332,524 pounds of food to the community valued at \$1.72 per pound, totaling \$5,731,941. The Food Bank also distributed 1,595,964 pounds of commodities through USDA valued at fair market values established by USDA and totaled \$750,103. This resulted in a net

distribution of \$5,506,411 and \$6,360,144, for the years ended December 31, 2015 and 2014, calculated as follows:

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Note 7 - <u>Food Distributions (continued)</u>		
Contribution	\$5,506,411	\$ 6,482,044
Less: Food Sales	<u>(119,352)</u>	<u>(121,900)</u>
Net Contribution	<u>\$5,387,059</u>	<u>\$ 6,360,144</u>

Note 8 - Commodity Inventory

The Food Bank receives commodities from two primary sources and various unsolicited donations. During 2015 and 2014 approximately 3,962,957 pounds and 5,130,719 pounds of commodities were received, respectively, from the following sources:

	<u>2015</u>	<u>2014</u>
USDA	1,403,997	1,573,077
Feeding America	2,059,138	2,650,095
Purchased Food	136,170	233,716
Other Donations	<u>363,651</u>	<u>673,831</u>
Total	<u>3,962,956</u>	<u>5,130,719</u>

As of December 31, 2015 and 2014, the Food Bank had approximately 455,130 pounds and 684,251 pounds of food on hand valued at \$1.70 and \$1.72 per pound and the commodities through USDA market values, totaling \$773,721 and \$1,176,912 respectively.

Note 9 - In-Kind Contributions

In-kind contributions for funds receiving government grants consist of time donated by volunteer workers established by state and federal regulatory agencies providing the grant funds; also, donated food, advertising, and other items valued at estimated fair market value. The volunteer hours and donated food and clothing are not recorded in the financial statements.

Note 10 - Commitments and Contingencies

Economic Dependence

The Organization receives a substantial amount of its support from federal and state government grants 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.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Note 11 - **Subsequent Events**

Subsequent events have been evaluated through June 23, 2016, 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.

Note 12 - **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.

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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 December 31, 2015 and 2014, 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 June 23, 2016.

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
June 23, 2016

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

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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 December 31, 2015 and 2014. 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 audits provide a reasonable basis for our opinion on compliance for each major federal program. However, our audits do 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 years ended December 31, 2015 and 2014.

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, Hirsch & Company (APAC)

West Monroe, Louisiana
June 23, 2016

FOOD BANK OF NORTHEAST LOUISIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 December 31, 2015, and have issued our report thereon dated June 23, 2016. 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 December 31, 2015, 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 their 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 Assistance Program
 (Food Commodities)**

CFDA Number(s) **10.569**

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 DECEMBER 31, 2015 (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 DECEMBER 31, 2015

<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	\$ 124,005
Pass-through program from State Department of Agriculture and Forestry Reimbursement	10.569	N/A	<u>705,541</u> *
 <u>TOTAL</u>			 <u>\$ 829,546</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 DECEMBER 31, 2015

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 December 31, 2015, the organization had food commodities totaling \$48,877 in inventory.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015

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
DECEMBER 31, 2015

Agency Heads	Richard King	Dana Taylor	Jean Toth
Dates Employed	1/1/15 - 3/27/15	3/28/15 - 9/20/15	9/21/15 - 12/31/15
Title	<u>Executive Director</u>	<u>Interim Executive Director</u>	<u>Executive Director</u>
Purpose			
Salary	\$ 20,587	\$ -	\$ 20,769
Benefits - Payroll Taxes	2,127	-	1,789
Cell Phone	373	-	189
Insurance (Health and Life)	1,000	-	1,002
Moving Expenses	-	-	6,432
Total Compensation, Benefits and Other Payments	<u>\$ 24,087</u>	<u>\$ -</u>	<u>\$ 30,181</u>