

FOOD BANK OF NORTHEAST LOUISIANA, INC.

*Financial Statements
For the Six Months Ended June 30, 2018*



FOOD BANK OF NORTHEAST LOUISIANA, INC.
FINANCIAL REPORT
FOR THE SIX MONTHS ENDED JUNE 30, 2018

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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, 2018 and the related statements of activities, functional expenses and cash flows for the six months 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Food Bank of Northeast Louisiana, Inc., as of June 30, 2018, and the changes in its net assets, functional expenses, and its cash flows for the six months 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 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 March 25, 2019, 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 Six Months Ended June 30, 2018</i>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 433,676	-	\$ 433,676
Certificates of Deposit	48,176	-	48,176
Money Market Accounts	291,464	-	291,464
Accounts Receivable:	-	-	-
Agency Receivable	15,231	-	15,231
USDA Receivable	18,945	-	18,945
Promises to Give - United Way	-	33,652	33,652
Inventory	753,141	-	753,141
Total Current Assets	1,560,633	33,652	1,594,285
 Property and Equipment:			
Office Equipment	37,005	-	37,005
Warehouse Equipment	107,575	-	107,575
Vehicles	321,940	-	321,940
Leasehold Improvements	442,833	-	442,833
Accumulated Depreciation	(562,496)	-	(562,496)
Net Property and Equipment	346,857	-	346,857
 <u>TOTAL ASSETS</u>	\$ 1,907,490	\$ 33,652	\$ 1,941,142
 <u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities:			
Accounts Payable	\$ 12,095	\$ -	\$ 12,095
Payroll Taxes Payable	1,590	-	1,590
Total Current Liabilities	13,685	-	13,685
 Net Assets			
Without Donor Restrictions			
Undesignated	1,546,948	-	1,546,948
Net Investment in Property and Equipment	346,857	-	346,857
With Donor Restrictions			
Time Restrictions	-	33,652	33,652
Total Net Assets	1,893,805	33,652	1,927,457
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 1,907,490	\$ 33,652	\$ 1,941,142

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

FOOD BANK OF NORTHEAST LOUISIANA, INC.
STATEMENT OF ACTIVITIES

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<i>For the Six Months Ended June 30, 2018</i>
<u>Support and Revenue:</u>			
Shared Maintenance and Handling Fees	\$ 36,292	\$ -	\$ 36,292
Contributions	266,452	-	266,452
Contributions - Donated Product	2,493,180	-	2,493,180
USDA Reimbursements	71,040	-	71,040
SNAP Reimbursements	13,914	-	13,914
United Way Funding	-	61,363	61,363
USDA Commodities Received	599,068	-	599,068
Grants	15,000	-	15,000
Interest Income	654	-	654
Net Assets Released from Restrictions	76,743	(76,743)	-
Total Support and Revenue	3,572,343	(15,380)	3,556,963
<u>Expenses:</u>			
Programs:			
Agency	3,108,863	-	3,108,863
Senior	101,089	-	101,089
Backpack	138,040	-	138,040
Snap	43,278	-	43,278
Kid's Cabinet	27,416	-	27,416
Volunteer	29,673	-	29,673
Disaster	2,108	-	2,108
Total Programs	3,450,467	-	3,450,467
Administration	75,375	-	75,375
Fundraising	20,430	-	20,430
Total Expenses	3,546,272	-	3,546,272
<u>Changes in Net Assets</u>	26,071	(15,380)	10,691
<u>Net Assets at Beginning of Year</u>	1,867,734	49,032	1,916,766
<u>NET ASSETS AT END OF YEAR</u>	\$ 1,893,805	\$ 33,652	\$ 1,927,457

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

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

	Program Services			
	Agency Program	Senior Program	Backpack Program	Snap Program
Advertising	\$ 125	\$ 100	\$ 100	\$ -
Auto and Truck Expense	16	8	3	28
Bank Charges	-	-	-	-
Christmas Gifts	-	-	-	-
Computer Expense	853	764	764	764
Contract Labor	4,600	2,600	2,400	1,000
Depreciation	12,497	5,438	3,220	396
Disaster Relief Expense	-	-	-	-
Donated Product Distributed	2,368,307	-	-	-
Donor Development	-	2,698	2,639	-
Dues and Subscriptions	1,098	668	668	237
Education and Training	-	-	-	-
Emergency Boxes	-	-	-	-
Employee Benefits	-	-	-	-
Events	-	-	-	-
Exterminating	620	620	620	502
Food Purchases	-	-	-	-
Fundraising Expense	1,175	705	1,175	-
Grant Expense	900	900	900	450
Insurance	12,384	8,329	7,694	6,356
LAFB	-	-	-	-
Loss on Disposal of Assets	-	-	-	-
Meals	6	6	6	6
Miscellaneous	28	32	31	25
Office Supplies	455	371	213	51
Outreach Expense	-	-	-	-
Payroll Taxes	5,743	2,198	1,425	1,810
Postage and Printing	1,562	1,645	518	159
PPO/VAP Fees	3,942	1,516	303	-
Professional Fees	2,213	2,213	2,105	1,918
Purchased Food Distributed	-	-	83,270	-
Rent	22,450	11,226	8,421	5,612
Repairs and Maintenance	147	18	18	18
Safety/First Aid	3	3	3	3
Salaries	67,093	26,045	17,220	21,466
Shared Maintenance	3,823	9,343	-	-
Staff Appreciation	56	56	56	56
Supplies	-	4,239	-	-
Telephone	734	445	333	450
Travel	439	439	467	954
Trucking	39,916	14,672	3	-
USDA Commodities Distributed	547,142	-	-	-
Utilities	2,957	1,444	1,084	1,017
Van Expense/Operation	289	81	167	-
Volunteer Appreciation	261	80	56	-
Volunteer Expense	-	-	-	-
Warehouse Expense	7,029	2,186	2,159	-
Total Expenses, for the six months ended June 30, 2018	\$ 3,108,863	\$ 101,089	\$ 138,040	\$ 43,278

						<i>For the Six Months Ended June 30, 2018</i>
Kids Cabinet	Volunteer Program	Disaster	Management and General	Fundraising		
\$ 75	\$ 50	\$ -	\$ 50	\$ -	\$ -	\$ 500
2	-	-	1	-	-	58
-	-	-	721	-	-	721
-	-	-	51	-	-	51
449	224	-	674	-	-	4,492
600	200	-	600	-	-	12,000
435	117	-	13,913	-	-	36,016
-	-	-	-	-	-	-
-	-	-	-	-	-	2,368,307
877	85	-	3,792	7,501	-	17,592
213	178	-	381	-	-	3,443
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	615	-	-	615
284	-	-	474	-	-	3,121
-	-	-	-	-	-	-
470	235	-	235	706	-	4,701
225	225	-	225	675	-	4,500
4,749	2,128	-	6,876	-	-	48,516
-	-	-	-	-	-	-
-	-	-	5,236	-	-	5,236
3	2	-	6	-	-	35
22	8	-	25	-	-	171
82	82	-	223	-	-	1,477
-	-	-	-	-	-	-
773	1,671	158	2,431	837	-	17,046
51	36	-	332	718	-	5,021
303	-	-	-	-	-	6,064
1,704	205	-	2,313	-	-	12,671
-	-	-	-	-	-	83,270
2,807	2,807	-	2,806	-	-	56,129
8	7	-	18	-	-	234
1	1	-	3	-	-	17
9,362	19,734	1,950	30,024	9,993	-	202,887
-	-	-	-	-	-	13,166
26	23	-	56	-	-	329
-	-	-	-	-	-	4,239
131	198	-	582	-	-	2,873
563	-	-	439	-	-	3,301
3,065	-	-	1,911	-	-	59,567
-	-	-	-	-	-	547,142
-	361	-	362	-	-	7,225
12	-	-	-	-	-	549
4	1,096	-	-	-	-	1,497
-	-	-	-	-	-	-
119	-	-	-	-	-	11,493
<u>\$ 27,416</u>	<u>\$ 29,673</u>	<u>\$ 2,108</u>	<u>\$ 75,375</u>	<u>\$ 20,430</u>	<u>\$ -</u>	<u>\$ 3,546,272</u>

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

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

	<u>For the Six Months Ended June 30, 2018</u>
Cash Flows from Operating Activities:	
Changes in Net Assets	\$ 10,691
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation	35,495
(Increase) Decrease in:	
Accounts Receivable	11,438
Promises to Give	15,380
Inventory	(132,816)
Increase (Decrease) in:	
Accounts Payable	(25,513)
Accrued Expenses	1,530
Deferred Grant Revenue	-
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>(83,795)</u>
Cash Flows from Investing Activities:	
(Increase) Decrease in Certificates of Deposit	13,096
Purchase of Fixed Assets	(5,754)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>7,342</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	<u>(76,453)</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>510,129</u>
<u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	<u>\$ 433,676</u>

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

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018

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 43,000 people annually.

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, 2018, 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 SIX MONTHS ENDED JUNE 30, 2018

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.

Unreimbursed expenses 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 SIX MONTHS ENDED JUNE 30, 2018

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	\$ 433,676
Current value of certificates of deposit maturing within one year	48,176
Money market accounts	291,464
Accounts receivable	34,176
Promises to give with temporary restrictions that will expire	<u>33,652</u>
 Total Liquid and Available Assets	 \$ <u>841,144</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 \$444,636 are covered by Federal Deposit Insurance Corporation up to \$250,000 at each bank, but the Food Bank of Northeast Louisiana has \$106,464 of its bank balance that exceeds the Federal Deposit Insurance Corporation's limits. Total cash on hand at June 30, 2018 was \$419,969.

Food Bank of Northeast Louisiana, Inc. also has a certificate of deposit. The certificate of deposit has a fair value of \$48,176 at June 30, 2018 and was not considered to be a cash equivalent. The certificate of deposit is covered by FDIC insurance.

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

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018

Note 4 - Income Taxes (Continued)

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, 2018. The earliest income tax year that is subject to examination is 2015.

Note 5 - Property and Equipment

A summary of land, buildings, equipment and accumulated depreciation at June 30, 2018 is as follows:

	<u>2018</u>
Office Equipment	\$ 37,006
Warehouse Equipment	107,575
Vehicles	321,939
Leasehold Improvements	442,833
Accumulated Depreciation	<u>(562,496)</u>
Net Property and Equipment	<u>\$ 346,857</u>

Depreciation expense for the six months ended June 30, 2018 was \$35,495.

Note 6 - Temporarily Restricted Net Assets

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

	<u>2018</u>
Six Months after June 30,	
United Way of Northeast Louisiana	<u>33,652</u>
Total Temporarily Restricted Assets	<u>\$ 33,652</u>

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

	<u>2018</u>
Time Restrictions Expired:	
United Way of Northeast Louisiana	\$ 76,743
Total Restriction Released	<u>\$ 76,743</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>2018</u>
United Way of Northeast Louisiana	\$ 33,652

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018

Note 8 - Food Distributions

During the first six months of 2018, the Food Bank distributed 1,368,964 pounds of food to the community valued at \$1.73 per pound, totaling \$2,368,307. The Food Bank also distributed 1,089,501 pounds of commodities through USDA valued at fair market values established by USDA and totaled \$547,142. This resulted in a net distribution of \$2,879,158, for the six months ended June 30, 2018, calculated as follows:

	<u>2018</u>
Distribution	\$ 2,915,450
Less: Shared Maintenance & Handling Fees	<u> (36,292)</u>
Net Distribution	<u>\$ 2,879,158</u>

Note 9 - Inventory

The Food Bank receives products from USDA donations, food purchases, and various unsolicited donations. During the first six months of 2018 approximately 2,550,562 pounds of products were received, from the following sources:

	<u>2018</u>
USDA	1,089,501
Donated Food	1,368,964
Purchased Food	<u> 92,097</u>
Total	<u>2,550,562</u>

As of June 30, 2018, the Food Bank had approximately 636,494 pounds of food on hand valued at \$1.73 per pound and the commodities through USDA market values, totaling \$753,141.

Note 10 - 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 11 - 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.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018

Note 12 - Subsequent Events

Subsequent events have been evaluated through March 25, 2019, 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

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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 statement of financial position as of June 30, 2018, and the related statement of activities, functional expenses and cash flows for the six months then ended, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2019.

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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as 2018-001.

Food Bank of Northeast Louisiana, Inc.'s Response to the Findings

Food Bank of Northeast Louisiana, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Food Bank of Northeast Louisiana, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
March 25, 2019

FOOD BANK OF NORTHEAST LOUISIANA, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE SIX MONTHS ENDED JUNE 30, 2018

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 six months ended June 30, 2018, and have issued our report thereon dated March 25, 2019. 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, 2018, 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 X yes _____ no

B. Federal Awards – N/A, Single Audit was not required for this audit.

Material Weakness Identified _____ yes _____ no
Significant Deficiencies not considered to be
Material Weaknesses _____ yes _____ no

Type of Opinion on Compliance for Major Programs

Unmodified _____ 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? N/A

C. Identification of Major Programs:

N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

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? N/A

FOOD BANK OF NORTHEAST LOUISIANA, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE SIX MONTHS ENDED JUNE 30, 2018 (CONTINUED)

Section II - Financial Statement Findings

2018-001 Noncompliance with State Law

Criteria: Louisiana Revised Statute 24:513 requires that the Food Bank of Northeast Louisiana, Inc. (Food Bank) submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year.

Condition: The audited financial statements were not transmitted to the Louisiana Legislative Auditor within the time frame prescribed by law. Therefore the Food Bank was not in compliance with state law.

Cause: The Food Bank changed software systems and this implementation took longer than expected. This delay resulted in the Food Bank not being able to produce financial statements in a timely manner. Therefore, the audited financial statements could not be transmitted to the Louisiana Legislative Auditor within the time frame prescribed by law.

Effect: The Food Bank is in noncompliance with state law.

Recommendation to Prevent Future Occurrences: The delay mentioned above has been determined to be a one-time event. Now that the software system has been implemented, future occurrences of this finding should not occur.

Management's Response: During the six months ended June 30, 2018, we implemented a new software system that required many hours from management and accounting. Also during these six months, we changed our fiscal year which required a quick turnaround for an audit. We believe that these two issues will no longer be a concern and we do not foresee any problems producing financial statements in a timely manner in the future.

Section III -Federal Award Findings and Questioned Costs

N/A

FOOD BANK OF NORTHEAST LOUISIANA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE SIX MONTHS ENDED JUNE 30, 2018

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, 2018

Agency Head	Jean Toth
Title	<u>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.