

FOOD BANK OF NORTHEAST LOUISIANA, INC

*Financial Statements
For the Years Ended December 31 2010 and 2009*

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and where appropriate at the office of the parish clerk of court.

Release Date **NOV 02 2011**



FOOD BANK OF NORTHEAST LOUISIANA, INC
FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2010 and 2009

INDEX

	<u>Page</u>
Independent Auditors Report -- - - - -	1 2
Statements of Financial Position - - - - -	3
Statements of Activities - - - - -	4
Statements of Functional Expenses - - - - -	5
Statements 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 Auditor s Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 --- - - - -	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

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INDEPENDENT AUDITORS REPORT

Board of Directors of
Food Bank of Northeast Louisiana Inc

We have audited the accompanying statements of financial position of Food Bank of Northeast Louisiana Inc as of December 31 2010 and 2009 and the related statements of activities functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Food Bank of Northeast Louisiana Inc's management. 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* we have also issued our report dated June 7 2011 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* and important for assessing the results of our audits.

Board of Directors of
Food Bank of Northeast Louisiana Inc
Page 2

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of Food Bank of Northeast Louisiana Inc taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the US Office of Management and Budget Circular A-133 *Audits of States Local Governments and Non Profit Organizations* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cameron Huesi Hartt (APAC)

West Monroe Louisiana
June 7 2011

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>December 31</u>	
			<u>2010</u>	<u>2009</u>
<u>ASSETS</u>				
Current Assets				
Cash and Cash Equivalents	\$ 306 626	\$	\$ 306 626	\$ 273 219
Certificates of Deposit	331 449		331 449	329 614
Accounts Receivable				
Agency Receivable	4 485		4 485	12 245
USDA Receivable		20 649	20 649	62 444
Promises to Give One Year or Less		39 603	39 603	52 194
Total Current Assets	<u>642 560</u>	<u>60 252</u>	<u>702 812</u>	<u>729 716</u>
Promises to Give Greater than One Year		75 502	75 502	23 515
Property and Equipment				
Office Equipment	44 581		44 581	44 580
Warehouse Equipment	60 505	-	60 505	60 505
Vehicles	155 641	-	155 641	126 183
Leasehold Improvements	164 434		164 434	73 090
Accumulated Depreciation	<u>(204 735)</u>		<u>(204 735)</u>	<u>(164 868)</u>
Net Property and Equipment	<u>220 426</u>		<u>220 426</u>	<u>139 490</u>
<u>TOTAL ASSETS</u>	<u>\$ 862 986</u>	<u>\$ 135 754</u>	<u>\$ 998 740</u>	<u>\$ 892 721</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities				
Accounts Payable	\$ 7 519	\$	\$ 7 519	\$ 15 519
Payroll Taxes Payable	3 556		3 556	2 533
Deferred Grant Revenue	71 746		71 746	53 294
Total Current Liabilities	<u>82 821</u>		<u>82 821</u>	<u>71 346</u>
Net Assets				
Unrestricted	780 165		780 165	683 222
Temporarily Restricted		135 754	135 754	138 153
Total Net Assets	<u>780 165</u>	<u>135 754</u>	<u>915 919</u>	<u>821 375</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 862 986</u>	<u>\$ 135 754</u>	<u>\$ 998 740</u>	<u>\$ 892 721</u>

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>2010</u>	<u>2009</u>
<u>Support and Revenue</u>				
Sales	\$ 159 410	\$	\$ 159 410	\$ 128 031
Contributions	289 774		289 774	269 497
Contributions Adopt-a Senior \		101 790	101 790	140 212
Contributions Back Pack Program		4 006	4 006	2 215
USDA Reimbursements		220 978	220 978	223 790
United Way Funding		80 324	80 324	59 914
Grants	64 500	50 849	115 349	147 367
Interest Income	3 422		3 422	9 514
Net Assets Released from Restrictions	460 346	(460 346)		-
Total Support and Revenue	<u>977 452</u>	<u>(2 399)</u>	<u>975 053</u>	<u>980 540</u>
<u>Expenses</u>				
Programs				
Agency	281 785		281 785	243 961
Adopt a Senior	307 220		307 220	261 008
Backpack	95 787		95 787	158 522
Total Programs	<u>684 792</u>		<u>684 792</u>	<u>663 491</u>
Administration	<u>195 717</u>		<u>195 717</u>	<u>211 238</u>
Total Expenses	<u>880 509</u>		<u>880 509</u>	<u>874 729</u>
<u>Changes in Net Assets</u>	96 943	(2 399)	94 544	104 310
<u>Net Assets at Beginning of Year</u>	<u>683 222</u>	<u>138 153</u>	<u>821 375</u>	<u>717 065</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 780 165</u>	<u>\$ 135 754</u>	<u>\$ 915 919</u>	<u>\$ 821 375</u>

The accompanying notes are an integral part of these financial statements

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

	<u>Program Services</u>			<u>Management and General</u>
	<u>Agency Program</u>	<u>Senior Program</u>	<u>Backpack Program</u>	
	\$	\$	\$	\$
Advertising				655
Auto and Truck Expense	8 176	4 031	1 025	2 283
Bank Charges				1 866
Computer Expense	5 964	311	311	633
Contract Labor	3 002	2 534	633	1 486
Depreciation	22 708	11 055	4 617	89 357
Donor Development				3 294
Dues and Subscriptions	1 183	1 916	461	
Education and Training	3 288	3 637	359	
Emergency Boxes	5 458			
Employee Benefits	10 748	10 748	4 109	756
Exterminating	516	350	9	
Food Purchases	353	75 098	25 833	
Fundraising Expense	3 930	3 930	983	1 949
Grant Expense	2 458	2 458	640	614
Hurricane Relief	-			
Insurance	8 737	6 819	1 170	7 387
Meals	2 950	4 105	108	448
Miscellaneous	1 569	1 382	439	1 486
Office Supplies	4 545	18 669	2 438	1 125
Payroll Taxes	5 723	5 723	2 188	9 113
Postage and Printing	3 558	3 005	195	2 533
Professional Fees	3 476	3 476	869	869
Rent	46 627	26 900	11 657	4 483
Repairs and Maintenance	140	95	3	42
Salaries	91 354	88 308	33 369	61 503
Telephone	3 178	2 961	799	794
Trucking	21 983	16 875	1 124	1 855
Utilities	6 823	3 808	1 833	656
Volunteer Appreciation	842	531	405	401
Warehouse Expense	12 496	8 495	210	129
	<u>\$ 281 785</u>	<u>\$ 307 220</u>	<u>\$ 95 787</u>	<u>\$ 195 717</u>

*For the Years Ended
December 31*

<u>2010</u>	<u>2009</u>
\$	\$ 1 358
13 887	13 033
2 283	1 598
8 452	4 865
6 802	6 292
39 866	31 326
89 357	97 914
6 854	7 416
7 284	10 125
5 458	5 908
26 361	
875	840
101 284	137 439
10 792	10 545
6 170	6 403
	533
24 113	38 085
7 611	2 651
4 876	8 485
26 777	26 207
22 747	22 906
9 291	7 617
8 690	7 000
89 667	80 096
280	327
274,534	272 077
7 732	6 794
41 837	29 700
13 120	12 917
2 179	1 348
21 330	22 924
<u>\$ 880 509</u>	<u>\$ 874 729</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>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Changes in Net Assets	\$ 94 544	\$ 104 310
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities		
Depreciation	39 866	31 326
(Increase) Decrease in		
Accounts Receivable	49 552	(49 728)
Promises to Give	(39 396)	8 037
Increase (Decrease) in		
Accounts Payable	(6 499)	12 760
Accrued Expenses	1 023	(241)
Deferred Grant Revenue	16 954	(38 121)
<u>Net Cash Provided by Operating Activities</u>	<u>156 044</u>	<u>68 343</u>
Cash Flows from Investing Activities		
Increase in Certificates of Deposit	(1 835)	(6 132)
Withdrawals from Certificates of Deposit		
Purchase of Fixed Assets	(120 802)	(55 972)
<u>Net Cash Used by Investing Activities</u>	<u>(122 637)</u>	<u>(62 104)</u>
<u>Increase in Cash and Cash Equivalents</u>	<u>33 407</u>	<u>6 239</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>273 219</u>	<u>266 980</u>
<u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	<u>\$ 306 626</u>	<u>\$ 273 219</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, 2010 AND 2009

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, 2010 and 2009, there were no permanently restricted net assets.

FOOD BANK OF NORTHEAST LOUISIANA, INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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, 2010 AND 2009

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**

Cash and certificates of deposit are presented in the financial statements at fair market value based on quoted prices in active markets of the securities on a recurring basis at December 31, 2010 and 2009.

Food Bank of Northeast Louisiana, Inc. maintains its cash balances in three local financial institutions. The bank balances of \$306,626 are covered by Federal Deposit Insurance Corporation coverage. Accounts at the financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Total cash on hand at December 31, 2010 and 2009 was \$306,626 and \$273,219, respectively.

Food Bank of Northeast Louisiana, Inc. also has four certificates of deposit. The certificates of deposits had a fair value of \$331,449 and \$329,614 at December 31, 2010 and 2009, 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, 2010 and 2009. The earliest income tax year that is subject to examination is 2007.

Note 4 **Property and Equipment**

A summary of land, buildings, equipment and accumulated depreciation at December 31, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Office Equipment	\$ 44,581	\$ 44,580
Warehouse Equipment	60,505	60,505
Vehicles	155,641	126,183
Leasehold Improvements	164,434	73,090
Accumulated Depreciation	<u>(204,735)</u>	<u>(164,868)</u>
Net Property and Equipment	<u>\$ 220,426</u>	<u>\$ 139,490</u>

Depreciation expense for the years ended December 31, 2010 and 2009 was \$39,866 and \$31,326, respectively.

FOOD BANK OF NORTHEAST LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 5 **Temporarily Restricted Net Assets**

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

Periods after December 31	<u>2010</u>	<u>2009</u>
USDA Reimbursements	\$ 20,649	\$ 62,444
United Way of Northeast Louisiana	<u>115,105</u>	<u>75,709</u>
Total Temporarily Restricted Assets	<u>\$ 135,754</u>	<u>\$ 138,153</u>

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

	<u>2010</u>	<u>2009</u>
Time Restrictions Expired		
United Way of Northeast Louisiana	\$ 53,248	\$ 67,951
Purpose Restrictions Fulfilled		
Contributions – Adopt a-Senior	101,790	140,212
Contributions – Back Pack Program	4,006	2,215
USDA Reimbursements	220,978	179,876
Grants	<u>80,324</u>	<u>86,350</u>
Total Restriction Released	<u>\$ 460,346</u>	<u>\$ 476,604</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>2010</u>	<u>2009</u>
United Way of Northeast Louisiana	\$ 116,222	\$ 76,452
Less Unamortized Discount	<u>(1,117)</u>	<u>(743)</u>
Net Unconditional Promises to Give	<u>\$ 115,105</u>	<u>\$ 75,709</u>
Amounts Due In		
Less Than One Year	\$ 75,502	\$ 52,194
Greater Than One Year	<u>39,603</u>	<u>23,515</u>
Total	<u>\$ 115,105</u>	<u>\$ 75,709</u>

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 2.52%

Note 7 - **Food Contributions**

During 2010 the Food Bank contributed 1,610,710 pounds of food to the community valued at \$1.69 per pound totaling \$2,722,100. The Food Bank also contributed 1,855,522 pounds of commodities through USDA valued at fair market values established by USDA and totaled \$1,077,081. During 2009 the Food Bank contributed 1,869,040 pounds of food to the community valued at

FOOD BANK OF NORTHEAST LOUISIANA, INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 7 **Food Contributions (Continued)**

\$1.69 per pound totaling \$3,158,678. The Food Bank also contributed 2,043,542 pounds of commodities through USDA valued at fair market values established by USDA and totaled \$1,219,028. This resulted in a net contribution of \$3,639,840 and \$4,240,267 for the years ended December 31, 2010 and 2009 calculated as follows:

	<u>2010</u>	<u>2009</u>
Contribution	\$ 3,799,181	\$ 4,377,706
Less Food Sales	<u>(159,341)</u>	<u>(137,439)</u>
Net Contribution	<u>\$ 3,639,840</u>	<u>\$ 4,240,267</u>

Note 8 - **Commodity Inventory**

The Food Bank receives commodities from two primary sources and various unsolicited donations. During 2010 and 2009 approximately 3,503,566 pounds and 4,262,873 pounds of commodities were received respectively from the following sources:

	<u>2010</u>	<u>2009</u>
USDA	1,931,118	2,299,208
Feeding America	653,501	465,098
Other Donations	<u>918,947</u>	<u>1,498,567</u>
Total	<u>3,503,566</u>	<u>4,262,873</u>

As of December 31, 2010 and 2009, the Food Bank had approximately 1,016,108 pounds and 1,154,893 pounds of food on hand valued at \$1.69 per pound and the commodities through USDA market values totaling \$1,145,856 and \$1,415,139 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, clothing, medical facilities, 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, 2010 AND 2009

Note 11 - Subsequent Events

Subsequent events have been evaluated through June 7 2011 which is the day the financial statements were available to be issued and it has been determined that no significant events have occurred for disclosure.

CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

Certified Public Accountants

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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
Food Bank of Northeast Louisiana Inc

We have audited the financial statements of Food Bank of Northeast Louisiana Inc as of and for the years ended December 31 2010 and 2009 and have issued our report thereon dated June 7 2011 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

Internal Control Over Financial Reporting

In planning and performing our audit we considered Food Bank of Northeast Louisiana Inc's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting Accordingly we do not express an opinion on the effectiveness of Food Bank of Northeast Louisiana Inc's internal control over financial reporting

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 reasonable possibility that a material misstatement of the organization's financial statements will not be prevented or detected and corrected on a timely basis

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 over financial reporting that might be deficiencies significant deficiencies or material weaknesses We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above However we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as items 10.1 & 10.2 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

Board of Directors
Food Bank of Northeast Louisiana Inc
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Food Bank of Northeast Louisiana Inc's financial statements are free of material misstatement we performed tests of its compliance with certain provisions of laws regulations contracts and grant agreements noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However providing an opinion on compliance with those provisions was not an objective of our audits and accordingly we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Food Bank of Northeast Louisiana Inc's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Food Bank of Northeast Louisiana Inc's response and accordingly we express no opinion on it.

This report is intended solely for the information and use of management the Federal Audit Clearinghouse the Board of Directors and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cameron, Hines & Hartt (APAC)

West Monroe Louisiana
June 7 2011

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A 133

Board of Directors
Food Bank of Northeast Louisiana Inc

Compliance

We have audited the compliance of Food Bank of Northeast Louisiana Inc with the types of compliance requirements described in the *U S Office of Management and Budget (OMB) Circular A 133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31 2010 and 2009 Food Bank of Northeast Louisiana Inc s major federal programs are identified in the Summary of Auditor s Results section of the accompanying Schedule of Findings and Questioned Costs Compliance with the requirements of laws regulations contracts and grants applicable to each of its major federal programs is the responsibility of Food Bank of Northeast Louisiana Inc s management Our responsibility is to express an opinion on Food Bank of Northeast Louisiana Inc s compliance based on our audits

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 OMB Circular A-133 *Audits of States Local Governments and Non-Profit Organizations* Those standards and OMB Circular A 133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred An audit includes examining on a test basis evidence about 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 opinions Our audits do not provide a legal determination of Food Bank of Northeast Louisiana Inc s compliance with those requirements

In our opinion Food Bank of Northeast Louisiana Inc complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31 2010 and 2009

Internal Control Over Compliance

The management of Food Bank of Northeast Louisiana Inc is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws regulations contracts and grants applicable to federal programs In planning and performing our audits we considered Food Bank of Northeast Louisiana Inc s internal control over compliance with the requirements that could have a material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinions on compliance and to test and report on internal control over compliance in accordance with OMB Circular A 133 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance

Board of Directors
Food Bank of Northeast Louisiana Inc
Page 2

Accordingly we do not express an opinion on the effectiveness of the 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 noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis

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 deficiencies significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of management the Federal Audit Clearinghouse the Board of Directors and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cameron, Hines & Haritt (APAC)

West Monroe Louisiana
June 7 2011

FOOD BANK OF NORTHEAST LOUISIANA INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010 and have issued our report thereon dated June 7 2011 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 2010 resulted in an unqualified opinion

SECTION I Summary of Auditors' Results

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

Internal Control

Material Weakness yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

B Federal Awards

Material Weakness Identified yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Type of Opinion on Compliance for Major Programs

Unqualified Qualified

Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A 133 Section 510 (a)? 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 \$300 000

Is the auditee a "low risk" auditee as defined by OMB Circular A 133? No

FOOD BANK OF NORTHEAST LOUISIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010 (CONTINUED)

Section II Financial Statement Findings

10.1 Theft by Fraud

Condition

The Food Bank determined approximately \$4,000 was stolen by the former bookkeeper through fraudulent credit card charges and reimbursements. Although there are effective controls in place to prevent this from happening, the controls were not properly followed. This was discovered after the involved employee had resigned her position.

Recommendation

The Food Bank should review and properly execute all controls over cash disbursements and reimbursements thoroughly and without exception.

Response

We agree with the content of the finding. In addition to the controls that were in place at the time of the loss, we have added other controls and policies that will give us better control of credit card transactions, bank transactions, and disbursements of all kinds regarding the financial assets of the Food Bank.

10-2 Internal Control over Cash Disbursements

Condition

During the course of cash disbursement testwork, it was noted that a small sample of cleared checks did not possess the dual signatures required by Food Bank's internal controls. All checks were signed only by authorized signers; however, not all checks were signed by more than one (1) authorized check signer.

Recommendation

Food Bank should properly execute control of cash disbursements by diligently assuring there are always dual signatures present on every check written.

Response

We agree with the content of the finding. We have added a third and final check to be sure that all checks have the required two signatures.

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, 2010

<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	\$ 220 978
Pass-through program from State Department of Agriculture and Forestry Reimbursement	10 569	N/A	<u>494,961*</u>
<u>TOTAL</u>			<u>\$ 715 939</u>

* Denotes Major Federal Assistance program

See accompanying Notes to Schedule of Expenditures and Federal Awards

FOOD BANK OF NORTHEAST LOUISIANA, INC
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 OMB Circular A-133 *Audits of States, Local Governments and Non Profit Organizations*. 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, 2010, the organization had food commodities totaling \$309,913 in inventory.

FOOD BANK OF NORTHEAST LOUISIANA, INC
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

Internal Control and Compliance Material to the Financial Statements

This section not applicable

Internal Control and Compliance Material to Federal Awards

This section not applicable

Management Letter

No management letter was issued