

**FOOD BANK OF NORTHEAST LOUISIANA, INC.**

*Financial Statements  
For the Years Ended December 31, 2013 and 2012*



FOOD BANK OF NORTHEAST LOUISIANA, INC.  
FINANCIAL REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2013 and 2012

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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 financial position of Food Bank of Northeast Louisiana, Inc., as of December 31, 2013 and 2012, 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, 2013 and 2012, 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is 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 13, 2014, 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 should be considered in assessing the results of our audits.

*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>	
			2013	2012 (Restated)
Current Assets:				
Cash and Cash Equivalents	\$ 639,224	\$ 1,510	\$ 640,734	\$ 792,557
Certificates of Deposit	347,180	-	347,180	146,890
Accounts Receivable:				
Agency Receivable	42,057	-	42,057	3,525
USDA Receivable	-	19,121	19,121	37,619
Promises to Give - United Way	-	41,458	41,458	43,155
Total Current Assets	1,028,461	62,089	1,090,550	1,023,746
Property and Equipment:				
Construction in Progress	56,942	-	56,942	-
Office Equipment	36,409	-	36,409	44,581
Warehouse Equipment	63,505	-	63,505	63,505
Vehicles	387,991	-	387,991	211,108
Leasehold Improvements	171,294	-	171,294	164,434
Accumulated Depreciation	(343,565)	-	(343,565)	(282,309)
Net Property and Equipment	372,576	-	372,576	201,319
<u>TOTAL ASSETS</u>	<u>\$ 1,401,037</u>	<u>\$ 62,089</u>	<u>\$ 1,463,126</u>	<u>\$ 1,225,065</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts Payable	\$ 198,423	\$ -	\$ 198,423	\$ 64,618
Payroll Taxes Payable	1,013	-	1,013	2,196
Total Current Liabilities	199,436	-	199,436	66,814
Net Assets				
Unrestricted	1,201,601	-	1,201,601	1,077,477
Temporarily Restricted	-	62,089	62,089	80,774
Total Net Assets	1,201,601	62,089	1,263,690	1,158,251
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 1,401,037</u>	<u>\$ 62,089</u>	<u>\$ 1,463,126</u>	<u>\$ 1,225,065</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>2013</u>	<u>2012</u>
				(Restated)
<u>Support and Revenue:</u>				
Sales	\$ 167,925	\$ -	\$ 167,925	\$ 150,996
Contributions	710,020	-	710,020	604,693
Contributions - Adopt-a-Senior	-	-	-	500
Contributions - Back Pack Program	-	68,250	68,250	80,826
Contributions - SNAP	-	54,799	54,799	-
USDA Reimbursements	-	95,470	95,470	189,768
United Way Funding	-	100,332	100,332	95,679
State Funded Reimbursements	15,637	-	15,637	99,207
Grants	11,000	108,000	119,000	201,492
Interest Income	1,002	-	1,002	1,478
Net Assets Released from Restrictions	445,536	(445,536)	-	-
Total Support and Revenue	<u>1,351,120</u>	<u>(18,685)</u>	<u>1,332,435</u>	<u>1,424,639</u>
<u>Expenses:</u>				
Programs:				
Agency	335,935	-	335,935	312,908
Adopt-a-Senior	323,621	-	323,621	350,082
Backpack	214,146	-	214,146	169,861
Snap	88,457	-	88,457	-
Total Programs	<u>962,159</u>	<u>-</u>	<u>962,159</u>	<u>832,851</u>
Administration	143,303	-	143,303	132,697
Fundraising	121,534	-	121,534	111,123
Total Expenses	<u>1,226,996</u>	<u>-</u>	<u>1,226,996</u>	<u>1,076,671</u>
<u>Changes in Net Assets</u>	124,124	(18,685)	105,439	347,968
<u>Net Assets at Beginning of Year</u>	<u>1,077,477</u>	<u>80,774</u>	<u>1,158,251</u>	<u>810,283</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 1,201,601</u>	<u>\$ 62,089</u>	<u>\$ 1,263,690</u>	<u>\$ 1,158,251</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	\$ 69	\$ 69	\$ 71	\$ -
Auto and Truck Expense	13,725	6,767	2,035	2,395
Bank Charges	-	-	-	-
Computer Expense	3,200	3,092	3,092	3,384
Contract Labor	18,403	18,403	4,483	118
Depreciation	27,997	23,801	15,512	15,269
Donor Development	-	-	-	-
Dues and Subscriptions	1,338	1,338	1,338	1,338
Education and Training	1,165	1,165	1,165	1,205
Emergency Boxes	2,204	-	-	-
Employee Benefits	10,637	9,901	9,901	9,901
Exterminating	366	366	366	366
Food Purchases	36,029	68,551	101,618	-
Fundraising Expense	-	-	-	-
Grant Expense	-	-	-	-
Insurance	12,563	9,842	1,976	2,176
Meals	1,044	2,153	45	-
Miscellaneous	3,252	1,807	1,807	1,807
Office Supplies	4,097	39,748	4,576	4,791
Payroll Taxes	3	-	-	3
Postage and Printing	3,247	3,618	567	546
Professional Fees	1,700	1,700	1,700	1,700
Rent	34,970	26,900	22,417	897
Repairs and Maintenance	6,167	4,203	173	69
Salaries	87,882	75,770	35,758	37,114
Telephone	2,015	2,015	2,015	2,726
Trucking	53,268	14,376	-	-
Utilities	2,312	2,312	2,312	2,312
Volunteer Appreciation	340	340	340	340
Warehouse Expense	7,942	5,384	879	-
 Total Expenses, year ended December 31, 2013	 <u>\$ 335,935</u>	 <u>\$ 323,621</u>	 <u>\$ 214,146</u>	 <u>\$ 88,457</u>
 Total Expenses, year ended December 31, 2012 (Restated)	 <u>\$ 312,908</u>	 <u>\$ 350,082</u>	 <u>\$ 169,861</u>	 <u>\$ -</u>

Management and General	Fundraising	<i>For the Years Ended</i>	
		<i>December 31,</i>	
		2013	2012
\$ -	\$ -	\$ 209	\$ 940
1,253	-	26,175	27,335
2,501	-	2,501	2,660
3,141	-	15,909	11,474
4,601	-	46,008	26,982
1,756	-	84,335	43,607
-	110,654	110,654	97,295
1,338	-	6,690	6,072
1,165	-	5,865	2,981
-	-	2,204	4,847
10,637	-	50,977	33,274
366	-	1,830	720
1,651	-	207,849	251,828
-	2,430	2,430	7,100
-	8,450	8,450	6,728
2,778	-	29,335	21,162
372	-	3,614	4,369
7,969	-	16,642	15,288
3,819	-	57,031	35,129
24,508	-	24,514	22,861
3,618	-	11,596	11,426
1,700	-	8,500	7,500
4,483	-	89,667	89,667
69	-	10,681	8,955
60,911	-	297,435	257,847
2,015	-	10,786	8,972
-	-	67,644	46,838
2,312	-	11,560	11,564
340	-	1,700	1,905
-	-	14,205	9,345
<u>\$ 143,303</u>	<u>\$ 121,534</u>	<u>\$ 1,226,996</u>	
<u>\$ 132,697</u>	<u>\$ 111,123</u>		<u>\$ 1,076,671</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>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ 105,439	\$ 347,968
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	84,335	43,607
(Increase) Decrease in:		
Accounts Receivable	(20,034)	(30,584)
Promises to Give	1,697	731
Increase (Decrease) in:		
Accounts Payable	133,805	37,759
Accrued Expenses	(1,183)	1,754
Deferred Grant Revenue	-	(5,000)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>304,059</u>	<u>396,235</u>
Cash Flows from Investing Activities:		
(Increase) Decrease in Certificates of Deposit	(200,290)	185,966
Purchase of Fixed Assets	(198,650)	(69,968)
Construction in Progress	(56,942)	-
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>(455,882)</u>	<u>115,998</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	<u>(151,823)</u>	<u>512,233</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>792,557</u>	<u>280,324</u>
<u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	<u>\$ 640,734</u>	<u>\$ 792,557</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, 2013 AND 2012

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, 2013 and 2012, there were no permanently restricted net assets.

FOOD BANK OF NORTHEAST LOUISIANA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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, 2013 AND 2012

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 four local financial institutions. The bank balances of \$740,510 are covered by Federal Deposit Insurance Corporation up to \$250,000 at each bank. At December 31, 2013 \$187,478 were uncovered by Federal Deposit Insurance Corporation. Total cash on hand at December 31, 2013 and 2012 was \$553,798 and \$705,822, respectively.

Food Bank of Northeast Louisiana, Inc. also has three certificates of deposit. The certificates of deposits had a fair value of \$347,180 and \$146,890 at December 31, 2013 and 2012, 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, 2013 and 2012. The earliest income tax year that is subject to examination is 2010.

Note 4 - Property and Equipment

A summary of land, buildings, equipment and accumulated depreciation at December 31, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Construction in Progress	\$ 56,942	\$ -
Office Equipment	36,409	44,581
Warehouse Equipment	63,505	63,505
Vehicles	387,991	211,108
Leasehold Improvements	171,294	164,434
Accumulated Depreciation	<u>(343,565)</u>	<u>(282,309)</u>
Net Property and Equipment	<u>\$ 372,576</u>	<u>\$ 201,319</u>

Depreciation expense for the years ended December 31, 2013 and 2012 was \$84,335 and \$43,607, respectively.

FOOD BANK OF NORTHEAST LOUISIANA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Note 5 - Temporarily Restricted Net Assets

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

Periods after December 31,	<u>2013</u>	<u>2012</u> (Restated)
USDA Reimbursements	\$ 19,121	\$ 37,619
United Way of Northeast Louisiana	<u>41,458</u>	<u>43,155</u>
Total Temporarily Restricted Assets	<u>\$ 60,579</u>	<u>\$ 80,774</u>

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

	<u>2013</u>	<u>2012</u>
Time Restrictions Expired:		
United Way of Northeast Louisiana	\$ 102,029	\$ 96,410
Purpose Restrictions Fulfilled:		
Contributions – Adopt-a-Senior	-	1,321
Contributions – Back Pack Program	66,740	119,196
Contributions – SNAP	54,799	-
USDA Reimbursements	113,968	159,380
Grants	<u>108,000</u>	<u>133,301</u>
Total Restriction Released	<u>\$ 445,536</u>	<u>\$ 509,608</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>2013</u>	<u>2012</u> (Restated)
United Way of Northeast Louisiana	\$ 41,458	\$ 43,155

Note 7 - Food Contributions

During 2013, the Food Bank contributed 3,215,012 pounds of food to the community valued at \$1.69 per pound, totaling \$5,433,370. The Food Bank also contributed 1,691,048 pounds of commodities through USDA valued at fair market values established by USDA and totaled \$862,485.

FOOD BANK OF NORTHEAST LOUISIANA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Note 7 - Food Contributions (continued)

During 2012, the Food Bank contributed 2,210,139 pounds of food to the community valued at \$1.66 per pound, totaling \$3,668,831. The Food Bank also contributed 1,690,073 pounds of commodities through USDA valued at fair market values established by USDA and totaled \$777,434. This resulted in a net contribution of \$6,127,931 and \$4,295,268, for the years ended December 31, 2013 and 2012, calculated as follows:

	<u>2013</u>	<u>2012</u>
Contribution	\$ 6,295,856	\$ 4,466,264
Less: Food Sales	<u>( 167,925)</u>	<u>( 150,996)</u>
Net Contribution	<u>\$ 6,127,931</u>	<u>\$ 4,295,268</u>

Note 8 - Commodity Inventory

The Food Bank receives commodities from two primary sources and various unsolicited donations. During 2013 and 2012 approximately 4,557,540 pounds and 3,800,109 pounds of commodities were received, respectively, from the following sources:

	<u>2013</u>	<u>2012</u>
USDA	1,599,514	1,498,703
Feeding America	770,205	616,423
Second Harvest	1,618,851	-
Other Donations	<u>568,970</u>	<u>1,648,983</u>
Total	<u>4,557,540</u>	<u>3,800,109</u>

As of December 31, 2013 and 2012, the Food Bank had approximately 461,563 pounds and 462,083 pounds of food on hand valued at \$1.69 and \$1.66 per pound and the commodities through USDA market values, totaling \$780,041 and \$767,058 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.

FOOD BANK OF NORTHEAST LOUISIANA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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.

Note 11 - Subsequent Events

Subsequent events have been evaluated through June 13, 2014, 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.

Note 13 - Prior Year Restatement

Management decided to issue the December 31, 2013 financial statements prior to receiving the 2014-2015 agreement from the United Way. During 2012 the 2013-2014 award amounts were recognized in the financial statements and management has decided to restate the prior year financial statements to more accurately reflect the financial position of the Food Bank. The effects on the financial statements are as follows:

	Promises to Give - United Way	Net Assets - Temporarily Restricted
Balance at December 31, 2012, as previously reported	\$ 125,488	\$ 163,107
Restatement	<u>(82,333)</u>	<u>(82,333)</u>
Balance at December 31, 2012 as restated	<u>\$ 43,155</u>	<u>\$ 80,774</u>

Supplemental Information



# 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., which comprise the statement of financial position as of December 31, 2013 and 2012, 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 13, 2014.

### **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 our 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 significant deficiencies or material weaknesses. 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 13, 2014

# CAMERON, HINES & COMPANY

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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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 Circular A-133 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, 2013 and 2012. 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 requirements of laws, regulations, contracts and grants 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 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 opinion on compliance for each material 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, 2013 and 2012.

***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 a 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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
June 13, 2014

FOOD BANK OF NORTHEAST LOUISIANA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013, and have issued our report thereon dated June 13, 2014. 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, 2013, 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 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? Yes

FOOD BANK OF NORTHEAST LOUISIANA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013 (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, 2013

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Expenditures</u>
<b>U.S. Department of Agriculture:</b>			
Pass-through program from State Department of Agriculture and Forestry Food Distribution	10.568	N/A	\$ 95,470
Pass-through program from State Department of Agriculture and Forestry Reimbursement	10.569	N/A	<u>862,485*</u>
 <b><u>TOTAL</u></b>			 <u>\$ 957,955</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, 2013

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, 2013, the organization had food commodities totaling \$41,679 in inventory.



FOOD BANK OF NORTHEAST LOUISIANA, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**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.