

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

*Financial Statements  
For the Years Ended December 31, 2011 and 2010*



FOOD BANK OF NORTHEAST LOUISIANA, INC.  
FINANCIAL REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010

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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, 2011 and 2010, 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, 2011 and 2010, 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 5, 2012, 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. 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 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 audits 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
June 5, 2012

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>	
			2011	2010
Current Assets:				
Cash and Cash Equivalents	\$ 280,324	\$ -	\$ 280,324	\$ 306,626
Certificates of Deposit	332,856	-	332,856	331,449
Accounts Receivable:				
Agency Receivable	3,329	-	3,329	4,485
USDA Receivable	-	7,231	7,231	20,649
Promises to Give, One Year or Less	-	83,874	83,874	39,603
Total Current Assets	616,509	91,105	707,614	702,812
Promises to Give, Greater than One Year	-	42,345	42,345	75,502
Property and Equipment:				
Office Equipment	44,581	-	44,581	44,581
Warehouse Equipment	60,505	-	60,505	60,505
Vehicles	155,641	-	155,641	155,641
Leasehold Improvements	164,434	-	164,434	164,434
Accumulated Depreciation	(250,203)	-	(250,203)	(204,735)
Net Property and Equipment	174,958	-	174,958	220,426
 <u>TOTAL ASSETS</u>	 <u>\$ 791,467</u>	 <u>\$ 133,450</u>	 <u>\$ 924,917</u>	 <u>\$ 998,740</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts Payable	\$ 26,859	\$ -	\$ 26,859	\$ 7,519
Payroll Taxes Payable	442	-	442	3,556
Deferred Grant Revenue	5,000	-	5,000	71,746
Total Current Liabilities	32,301	-	32,301	82,821
Net Assets				
Unrestricted	759,166	-	759,166	780,165
Temporarily Restricted	-	133,450	133,450	135,754
Total Net Assets	759,166	133,450	892,616	915,919
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 <u>\$ 791,467</u>	 <u>\$ 133,450</u>	 <u>\$ 924,917</u>	 <u>\$ 998,740</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</i>	
			<i>December 31,</i>	
			<u>2011</u>	<u>2010</u>
<u>Support and Revenue:</u>				
Sales	\$ 150,549	\$ -	\$ 150,549	\$ 159,410
Contributions	419,340	-	419,340	289,774
Contributions - Adopt-a-Senior	-	56,259	56,259	101,790
Contributions - Back Pack Program	-	22,220	22,220	4,006
USDA Reimbursements	-	111,460	111,460	220,978
United Way Funding	-	97,830	97,830	80,324
Grants	10,805	114,484	125,289	115,349
Interest Income	1,902	-	1,902	3,422
Net Assets Released from Restrictions	404,557	(404,557)	-	-
Total Support and Revenue	<u>987,153</u>	<u>(2,304)</u>	<u>984,849</u>	<u>975,053</u>
<u>Expenses:</u>				
Programs:				
Agency	309,720	-	309,720	281,785
Adopt-a-Senior	318,015	-	318,015	307,220
Backpack	150,713	-	150,713	95,787
Total Programs	<u>778,448</u>	<u>-</u>	<u>778,448</u>	<u>684,792</u>
Administration	<u>229,704</u>	<u>-</u>	<u>229,704</u>	<u>195,717</u>
Total Expenses	<u>1,008,152</u>	<u>-</u>	<u>1,008,152</u>	<u>880,509</u>
<u>Changes in Net Assets</u>	(20,999)	(2,304)	(23,303)	94,544
<u>Net Assets at Beginning of Year</u>	<u>780,165</u>	<u>135,754</u>	<u>915,919</u>	<u>821,375</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 759,166</u>	<u>\$ 133,450</u>	<u>\$ 892,616</u>	<u>\$ 915,919</u>

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

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

	Program Services			Management and General
	Agency Program	Senior Program	Backpack Program	
Advertising	\$ 156	\$ 163	\$ 155	\$ 154
Auto and Truck Expense	12,317	7,221	1,316	783
Bank Charges	-	-	-	2,030
Computer Expense	4,090	318	318	2,009
Contract Labor	2,467	2,467	617	617
Depreciation	26,195	16,895	909	1,469
Donor Development	-	-	-	113,230
Dues and Subscriptions	1,694	1,861	744	2,826
Education and Training	1,178	1,167	-	170
Emergency Boxes	6,155			
Employee Benefits	11,191	12,853	4,920	7,519
Exterminating	602	408	10	-
Food Purchases	11,687	66,422	87,728	555
Fundraising Expense	71	54	26	9
Grant Expense	2,715	2,715	679	678
Insurance	8,906	6,843	897	3,310
Meals	6,236	3,173	99	989
Miscellaneous	3,209	2,810	784	3,710
Office Supplies	5,940	13,237	1,462	1,394
Payroll Taxes	1,073	1,073	410	17,452
Postage and Printing	2,623	2,722	109	2,682
Professional Fees	4,120	4,120	1,030	1,030
Rent	46,627	26,900	11,657	4,483
Repairs and Maintenance	9,217	6,263	175	1,386
Salaries	88,588	85,076	32,070	58,095
Telephone	3,686	3,686	921	926
Trucking	30,722	23,487	1,676	1,334
Utilities	6,132	3,538	1,533	590
Volunteer Appreciation	548	274	274	274
Warehouse Expense	11,575	22,269	194	-
Total Expenses, year ended December 31, 2011	<u>\$ 309,720</u>	<u>\$ 318,015</u>	<u>\$ 150,713</u>	<u>\$ 229,704</u>
Total Expenses, year ended December 31, 2010	<u>\$ 281,785</u>	<u>\$ 307,220</u>	<u>\$ 95,787</u>	<u>\$ 195,717</u>

*For the Years Ended  
December 31,*

2011	2010
\$ 628	\$ -
21,637	13,887
2,030	2,283
6,735	8,452
6,168	6,802
45,468	39,866
113,230	89,357
7,125	6,854
2,515	7,284
6,155	5,458
36,483	26,361
1,020	875
166,392	101,284
160	10,792
6,787	6,170
19,956	24,113
10,497	7,611
10,513	4,876
22,033	26,777
20,008	22,747
8,136	9,291
10,300	8,690
89,667	89,667
17,041	280
263,829	274,534
9,219	7,732
57,219	41,837
11,793	13,120
1,370	2,179
34,038	21,330
\$ 1,008,152	
	\$ 880,509

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>2011</u>	<u>2010</u>
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ (23,303)	\$ 94,544
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	45,468	39,866
(Increase) Decrease in:		
Accounts Receivable	14,574	49,552
Promises to Give	(11,114)	(39,396)
Increase (Decrease) in:		
Accounts Payable	19,340	(6,499)
Accrued Expenses	(3,114)	1,023
Deferred Grant Revenue	(66,746)	16,954
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>(24,895)</u>	<u>156,044</u>
Cash Flows from Investing Activities:		
Increase in Certificates of Deposit	(1,407)	(1,835)
Withdrawals from Certificates of Deposit	-	-
Purchase of Fixed Assets	-	(120,802)
<u>Net Cash Used by Investing Activities</u>	<u>(1,407)</u>	<u>(122,637)</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	<u>(26,302)</u>	<u>33,407</u>
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>306,626</u>	<u>273,219</u>
<u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	<u>\$ 280,324</u>	<u>\$ 306,626</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, 2011 AND 2010

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, 2011 and 2010, there were no permanently restricted net assets.

FOOD BANK OF NORTHEAST LOUISIANA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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, 2011 AND 2010

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, 2011 and 2010

Food Bank of Northeast Louisiana, Inc. maintains its cash balances in three local financial institutions. The bank balances of \$280,324 are covered by Federal Deposit Insurance Corporation coverage. Accounts at the financial institution are insured by the Federal Deposit Insurance Corporation up to \$500,000. Total cash on hand and in banks at December 31, 2011 and 2010 was \$280,324 and \$306,626, respectively.

Food Bank of Northeast Louisiana, Inc. also has four certificates of deposit. The certificates of deposits had a fair value of \$332,856 and \$331,449 at December 31, 2011 and 2010, 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, 2011 and 2010. The earliest income tax year that is subject to examination is 2008.

Note 4 - Property and Equipment

A summary of land, buildings, equipment and accumulated depreciation at December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Office Equipment	\$ 44,581	\$ 44,581
Warehouse Equipment	60,505	60,505
Vehicles	155,641	155,641
Leasehold Improvements	164,434	164,434
Accumulated Depreciation	<u>(250,203)</u>	<u>( 204,735)</u>
Net Property and Equipment	\$ <u>174,958</u>	\$ <u>220,426</u>

Depreciation expense for the years ended December 31, 2011 and 2010 was \$45,468 and \$39,866, respectively.

FOOD BANK OF NORTHEAST LOUISIANA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Note 5 - Temporarily Restricted Net Assets

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

Periods after December 31,	<u>2011</u>	<u>2010</u>
USDA Reimbursements	\$ 7,231	\$ 20,649
United Way of Northeast Louisiana	<u>126,219</u>	<u>115,105</u>
Total Temporarily Restricted Assets	<u>\$ 133,450</u>	<u>\$ 135,754</u>

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

	<u>2011</u>	<u>2010</u>
Time Restrictions Expired:		
United Way of Northeast Louisiana	\$ 86,715	\$ 40,928
Purpose Restrictions Fulfilled:		
Contributions – Adopt-a-Senior	85,029	101,790
Contributions – Back Pack Program	103,665	4,006
USDA Reimbursements	124,878	262,773
Grants	<u>4,270</u>	<u>50,849</u>
Total Restriction Released	<u>\$ 404,557</u>	<u>\$ 460,346</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>2011</u>	<u>2010</u>
United Way of Northeast Louisiana	\$ 127,028	\$ 116,222
Less: Unamortized Discount	<u>( 808)</u>	<u>( 1,117)</u>
Net Unconditional Promises to Give	<u>\$ 126,220</u>	<u>\$ 115,105</u>
Amounts Due In:		
Less Than One Year	\$ 83,875	\$ 39,603
Greater Than One Year	<u>42,345</u>	<u>75,502</u>
Total	<u>\$ 126,220</u>	<u>\$ 115,105</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 1.27%.

Note 7 - Food Contributions

During 2011, the Food Bank contributed 1,513,105 pounds of food to the community valued at \$1.69 per pound, totaling \$2,557,147. The Food Bank also contributed 1,930,915 pounds of commodities through USDA valued at fair market values established by USDA and totaled \$858,986.

FOOD BANK OF NORTHEAST LOUISIANA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Note 7 - Food Contributions (continued)

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. This resulted in a net contribution of \$3,315,683 and \$3,639,771, for the years ended December 31, 2011 and 2010, calculated as follows:

	<u>2011</u>	<u>2010</u>
Contribution	\$ 3,466,232	\$ 3,799,181
Less: Food Sales	<u>( 150,549)</u>	<u>( 159,410)</u>
Net Contribution	<u>\$ 3,315,683</u>	<u>\$ 3,639,771</u>

Note 8 - Commodity Inventory

The Food Bank receives commodities from two primary sources and various unsolicited donations. During 2011 and 2010 approximately 3,733,927 pounds and 3,503,566 pounds of commodities were received, respectively, from the following sources:

	<u>2011</u>	<u>2010</u>
USDA	1,757,998	1,931,118
Feeding America	565,839	653,501
Other Donations	<u>1,410,090</u>	<u>918,947</u>
Total	<u>3,733,927</u>	<u>3,503,566</u>

As of December 31, 2011 and 2010, the Food Bank had approximately 1,127,822 pounds and 1,016,108 pounds of food on hand valued at \$1.69 per pound and the commodities through USDA market values, totaling \$1,906,019 and \$1,145,856, 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, 2011 AND 2010

Note 11 - Subsequent Events

Subsequent events have been evaluated through June 5, 2012, 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, 2011 and 2010, and have issued our report thereon dated June 5, 2012. 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

Management of Food Bank of Northeast Louisiana, Inc. is responsible for establishing and maintaining effective 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.



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*.

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 5, 2012

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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 Food Bank of Northeast Louisiana, Inc.'s the compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (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, 2011 and 2010. 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, 2011 and 2010.

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 direct and material effect on a major federal program in order to determine the 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.  
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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 & Hatt (APAC)*

West Monroe, Louisiana  
June 5, 2012

FOOD BANK OF NORTHEAST LOUISIANA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011, and have issued our report thereon dated June 5, 2012. 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, 2011, 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, 2011 (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, 2011

<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	\$ 111,232
Pass-through program from State Department of Agriculture and Forestry Reimbursement	10.569	N/A	<u>817,986*</u>
 <b><u>TOTAL</u></b>			 \$ <u>929,218</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, 2011

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, 2011, the organization had food commodities totaling \$272,936 in inventory.

FOOD BANK OF NORTHEAST LOUISIANA, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2011

**Internal Control and Compliance Material to the Financial Statements**

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.

**Internal Control and Compliance Material to Federal Awards**

This section not applicable.

**Management Letter**

No management letter was issued.