

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

*Financial Statements  
For the Years Ended December 31, 2017 and 2016*



**FOOD BANK OF NORTHEAST LOUISIANA, INC.**  
**FINANCIAL REPORT**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016**

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# CAMERON, HINES & COMPANY

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors of  
Food Bank of Northeast Louisiana, Inc.

### **Report on the Financial Statements**

We have audited the accompanying statements of Food Bank of Northeast Louisiana, Inc., (a non profit organization), which comprise the statement of financial position as of December 31, 2017 and 2016, 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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018, on our consideration of Food Bank of Northeast Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Food Bank of Northeast Louisiana's internal control over financial reporting and compliance.

*Cameron, Hines & Company (APAC)*

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<i>For the Years Ended December 31,</i>	
			<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 510,129	-	\$ 510,129	\$ 559,702
Certificates of Deposit	352,736	-	352,736	351,276
Accounts Receivable:	-	-	-	-
Agency Receivable	14,838	-	14,838	14,464
USDA Receivable	30,775	-	30,775	16,228
Promises to Give - United Way	-	49,032	49,032	49,000
Inventory	620,324	-	620,324	895,803
<b>Total Current Assets</b>	<u>1,528,802</u>	<u>49,032</u>	<u>1,577,834</u>	<u>1,886,473</u>
 <b>Property and Equipment:</b>				
Office Equipment	38,254	-	38,254	38,254
Warehouse Equipment	116,576	-	116,576	116,576
Vehicles	321,940	-	321,940	323,384
Leasehold Improvements	442,833	-	442,833	442,833
Accumulated Depreciation	(543,003)	-	(543,003)	(485,013)
<b>Net Property and Equipment</b>	<u>376,600</u>	<u>-</u>	<u>376,600</u>	<u>436,034</u>
 <b><u>TOTAL ASSETS</u></b>	 <u>\$ 1,905,402</u>	 <u>\$ 49,032</u>	 <u>\$ 1,954,434</u>	 <u>\$ 2,322,507</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 37,609	\$ -	\$ 37,609	\$ 22,924
Payroll Taxes Payable	59	-	59	4,314
<b>Total Current Liabilities</b>	<u>37,668</u>	<u>-</u>	<u>37,668</u>	<u>27,238</u>
 <b>Net Assets</b>				
Unrestricted	1,867,734	-	1,867,734	2,230,041
Temporarily Restricted	-	49,032	49,032	65,228
<b>Total Net Assets</b>	<u>1,867,734</u>	<u>49,032</u>	<u>1,916,766</u>	<u>2,295,269</u>
 <b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	 <u>\$ 1,905,402</u>	 <u>\$ 49,032</u>	 <u>\$ 1,954,434</u>	 <u>\$ 2,322,507</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>2017</u>	<u>2016</u>
<b><u>Support and Revenue:</u></b>				
Shared Maintenance and Handling Fees	\$ 77,934	\$ -	\$ 77,934	\$ 84,809
Contributions	640,355	-	640,355	702,008
Contributions - Adopt-a-Senior	-	2,000	2,000	2,170
Contributions - Various Programs	-	200	200	111,320
Contributions - Donated Product	4,484,749	-	4,484,749	5,069,463
USDA Reimbursements	-	193,540	193,540	153,018
SNAP Reimbursements	24,564	-	24,564	57,435
United Way Funding	-	110,218	110,218	107,016
USDA Commodities Received	1,020,158	-	1,020,158	1,948,927
Grants	8,278	141,704	149,982	258,626
Interest Income	1,546	-	1,546	2,009
Net Assets Released from Restrictions	463,858	(463,858)	-	-
Total Support and Revenue	<u>6,721,442</u>	<u>(16,196)</u>	<u>6,705,246</u>	<u>8,496,801</u>
<b><u>Expenses:</u></b>				
Programs:				
Agency	6,118,152	-	6,118,152	7,025,618
Adopt-a-Senior	230,354	-	230,354	190,017
Backpack	304,625	-	304,625	220,719
Snap	93,141	-	93,141	92,548
Kid's Cabinet	87,381	-	87,381	68,930
Disaster	4,206	-	4,206	4,121
Total Programs	<u>6,837,859</u>	<u>-</u>	<u>6,837,859</u>	<u>7,601,953</u>
Administration	158,216	-	158,216	258,478
Fundraising	87,674	-	87,674	134,859
Total Expenses	<u>7,083,749</u>	<u>-</u>	<u>7,083,749</u>	<u>7,995,290</u>
<b><u>Changes in Net Assets</u></b>	<b>(362,307)</b>	<b>(16,196)</b>	<b>(378,503)</b>	<b>501,511</b>
<b><u>Net Assets at Beginning of Year (Restated)</u></b>	<b><u>2,230,041</u></b>	<b><u>65,228</u></b>	<b><u>2,295,269</u></b>	<b><u>1,793,758</u></b>
<b><u>NET ASSETS AT END OF YEAR</u></b>	<b><u>\$ 1,867,734</u></b>	<b><u>\$ 49,032</u></b>	<b><u>\$ 1,916,766</u></b>	<b><u>\$ 2,295,269</u></b>

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	\$ 694	\$ 555	\$ 555	\$ 3,996
Auto and Truck Expense	-	-	-	-
Bank Charges	-	-	-	-
Christmas Gifts	1,197	956	957	237
Computer Expense	2,468	2,218	2,218	2,492
Contract Labor	6,994	4,424	3,619	344
Depreciation	24,995	11,110	6,440	793
Disaster Relief Expense	-	-	-	-
Donated Product Distributed	4,505,526	-	-	-
Donor Development	-	14,002	13,788	16
Dues and Subscriptions	1,697	1,697	1,696	1,144
Education and Training	-	-	-	-
Emergency Boxes	-	-	-	-
Employee Benefits	-	-	-	-
Events	-	-	-	-
Exterminating	1,185	1,185	1,185	1,185
Food Purchases	-	-	-	-
Fundraising Expense	276	207	276	69
Grant Expense	1,275	1,275	1,275	637
Insurance	19,117	13,467	12,891	11,530
LAFB				
Meals	88	142	78	4
Miscellaneous	27	1,134	1,830	25
Office Supplies	2,713	990	967	745
Outreach Expense	-	-	-	644
Payroll Taxes	8,889	3,776	2,460	3,267
Postage and Printing	3,044	2,900	924	1,039
PPO/VAP Fees	10,196	2,996	224	-
Professional Fees	4,625	4,615	4,441	3,790
Purchased Food Distributed	107,915	-	168,305	-
Rent	45,369	22,455	16,843	11,231
Repairs and Maintenance	1,188	119	119	119
Safety/First Aid	38	38	38	38
Salaries	117,429	39,098	33,089	44,404
Shared Maintenance	-	30,018	-	-
Staff Appreciation	115	115	115	128
Supplies	12	704	827	7
Telephone	1,784	1,083	909	1,313
Travel	861	861	861	1,662
Trucking	55,483	19,511	185	-
USDA Commodities Distributed	1,164,595	-	-	-
Utilities	5,487	2,771	2,085	2,122
Van Expense/Operation	837	188	580	-
Volunteer Appreciation	480	799	639	160
Volunteer Expense	8,246	27,254	19,241	-
Warehouse Expense	13,307	17,691	4,965	-
<b>Total Expenses, year ended December 31, 2017</b>	<b>\$ 6,118,152</b>	<b>\$ 230,354</b>	<b>\$ 304,625</b>	<b>\$ 93,141</b>

Kids Cabinet	Disaster	Management and General	Fundraising	For the Years Ended December 31,	
				2017	2016
416	-	\$ (4,203)	-	\$ 2,013	\$ 5,177
-	-	-	-	-	2,653
-	-	2,068	-	2,068	2,203
717	-	666	-	4,730	7,540
1,343	-	1,968	-	12,707	15,338
905	-	905	-	17,191	3,975
869	-	30,590	-	74,797	64,953
-	-	-	-	-	76,490
-	-	-	-	4,505,526	5,084,976
4,596	-	13,763	48,119	94,284	106,178
625	-	1,704	-	8,563	6,130
-	-	-	-	-	-
-	-	-	-	-	39
-	-	-	-	-	-
-	-	2,271	-	2,271	453
296	-	889	-	5,925	5,796
-	-	-	-	-	138,807
78	-	207	1,656	2,769	678
412	-	319	956	6,149	750
8,660	-	12,064	-	77,729	68,164
-	-	2,722	-	2,722	-
3	-	35	-	350	1,081
22	-	(276)	1	2,763	1,647
268	-	926	-	6,609	3,698
-	-	-	-	644	-
1,358	286	5,064	2,494	27,594	31,879
139	-	2,144	1,196	11,386	11,590
447	-	212	-	14,075	2,730
3,035	20	4,598	20	25,144	24,617
18,680	-	-	-	294,900	-
5,616	-	6,079	-	107,593	112,233
56	-	119	-	1,720	14,883
18	-	38	-	208	-
29,647	3,900	68,028	33,232	368,827	391,269
3,202	-	-	-	33,220	36,417
48	-	124	-	645	272
2	-	7	-	1,559	9,698
319	-	1,362	-	6,770	8,472
560	-	862	-	5,667	3,642
4,404	-	922	-	80,505	41,062
-	-	-	-	1,164,595	1,664,013
-	-	811	-	13,276	14,037
19	-	-	-	1,624	1,684
320	-	479	-	2,877	4,102
-	-	-	-	54,741	-
301	-	749	-	37,013	25,964
<u>\$ 87,381</u>	<u>\$ 4,206</u>	<u>\$ 158,216</u>	<u>\$ 87,674</u>	<u>\$ 7,083,749</u>	<u>\$ 7,995,290</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>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ (378,504)	\$ 501,511
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	74,797	64,953
(Increase) Decrease in:		
Accounts Receivable	(14,921)	(8,300)
Promises to Give	(32)	(2,968)
Inventory	275,480	(311,853)
Increase (Decrease) in:		
Accounts Payable	14,685	6,541
Accrued Expenses	(4,255)	(286)
Deferred Grant Revenue	-	(2,538)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>(32,750)</u>	<u>247,060</u>
Cash Flows from Investing Activities:		
(Increase) Decrease in Certificates of Deposit	(1,460)	(858)
Purchase of Fixed Assets	(15,363)	(91,966)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>(16,823)</u>	<u>(92,824)</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	(49,573)	154,236
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>559,702</u>	<u>405,466</u>
<u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	<u>\$ 510,129</u>	<u>\$ 559,702</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, 2017 AND 2016**

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

Nature of Activity

The Food Bank of Northeast Louisiana, Inc. is a nonprofit organization that is located in Monroe, Louisiana and serves 12 northeast parishes (Caldwell, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, and West Carroll). The Food Bank procures, sorts, inventories, and provides food and products to our partner agencies for distribution into their local communities. In addition, the Food Bank operates programs that directly provide food and support to those in need. Together, with our hunger-relief network, we serve over 43,000 people annually.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The financial statements of Food Bank of Northeast Louisiana, Inc. have been prepared on the accrual basis and, accordingly, reflect all significant receivables and payables.

Basis of Presentation

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

**FOOD BANK OF NORTHEAST LOUISIANA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

related investments for general or specific purposes. As of December 31, 2017 and 2016, there were no permanently restricted net assets.

Cash and Cash Equivalents

Food Bank of Northeast Louisiana, Inc. considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable represent amounts that have been expensed for food distribution purposes and are to be reimbursed in full by the USDA and have been promised over the next twelve months. Accounts receivable also represent handling fees from participating agencies that will be received over the next twelve months.

Inventory

Inventory consists of donated, USDA, and purchased food. Donated food is valued using a valuation published by Feeding America each year. USDA food is valued using fair market values established by the USDA. Purchased food is valued using the actual cost of the product.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets using the straight-line method:

	<u>Years</u>
Improvements	7-40
Vehicles	5
Furniture, Fixtures and Equipment	5-7

Public Support and Revenue

Annual contributions are recorded as revenue when received and are generally available for unrestricted use unless specifically restricted by the donor.

Unreimbursed expenses are recorded as income and as accounts receivable when requests for reimbursement are submitted to the USDA.

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values.

**FOOD BANK OF NORTHEAST LOUISIANA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

Promises to Give

Certain contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Functional Allocation of Expenses

The cost of providing the various programs and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 2 - Cash and Cash Equivalents

Food Bank of Northeast Louisiana, Inc. maintains its cash balances in two local financial institutions. The bank balances of \$510,365 are covered by Federal Deposit Insurance Corporation up to \$250,000 at each bank, but the Food Bank of Northeast Louisiana has \$172,236 of its bank balance that exceed the Federal Deposit Insurance Corporation's limits. Total cash on hand at December 31, 2017 and 2016 was \$510,129 and \$559,702, respectively.

Food Bank of Northeast Louisiana, Inc. also has three certificates of deposit. The certificates of deposits had a fair value of \$352,736 and \$351,276 at December 31, 2017 and 2016, 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, 2017 and 2016. The earliest income tax year that is subject to examination is 2014.

**FOOD BANK OF NORTHEAST LOUISIANA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

Note 4 - Property and Equipment

A summary of land, buildings, equipment and accumulated depreciation at December 31, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
Office Equipment	\$ 38,254	\$ 38,254
Warehouse Equipment	116,576	116,576
Vehicles	321,940	323,384
Leasehold Improvements	442,833	442,833
Accumulated Depreciation	<u>(543,003)</u>	<u>(485,013)</u>
Net Property and Equipment	<u>\$ 376,600</u>	<u>\$ 436,034</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$74,797 and \$64,953, respectively.

Note 5 - Temporarily Restricted Net Assets

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

Periods after December 31,	<u>2017</u>	<u>2016</u>
United Way of Northeast Louisiana	<u>49,032</u>	<u>49,000</u>
Total Temporarily Restricted Assets	<u>\$ 49,032</u>	<u>\$ 49,000</u>

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

	<u>2017</u>	<u>2016</u>
Time Restrictions Expired:		
United Way of Northeast Louisiana	\$ 110,186	\$ 104,048
Purpose Restrictions Fulfilled:		
Contributions – Various Programs	300	111,320
Contributions – SNAP	24,564	57,435
USDA Reimbursements	179,300	143,888
Grants	<u>149,982</u>	<u>135,306</u>
Total Restriction Released	<u>\$ 463,858</u>	<u>\$ 551,997</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>2017</u>	<u>2016</u>
United Way of Northeast Louisiana	\$ 49,032	\$ 49,000

**FOOD BANK OF NORTHEAST LOUISIANA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

Note 7 - **Food Distributions**

During 2017, the Food Bank distributed 2,604,350 pounds of food to the community valued at \$1.73 per pound, totaling \$4,505,526. The Food Bank also distributed 2,189,312 pounds of commodities through USDA valued at fair market values established by USDA and totaled \$1,164,595.

During 2016, the Food Bank distributed 3,044,976 pounds of food to the community valued at \$1.67 per pound, totaling \$5,084,976. The Food Bank also distributed 1,899,025 pounds of commodities through USDA valued at fair market values established by USDA and totaled \$1,664,013. This resulted in a net distribution of \$5,592,187 and \$6,664,180, for the years ended December 31, 2017 and 2016, calculated as follows:

	<u>2017</u>	<u>2016</u>
Distribution	\$ 5,670,121	\$ 6,748,989
Less: Shared Maintenance & Handling Fees	<u>(77,934)</u>	<u>(84,809)</u>
Net Distribution	<u>\$ 5,592,187</u>	<u>\$ 6,664,180</u>

Note 8 - **Inventory**

The Food Bank receives products from USDA donations, food purchases, and various unsolicited donations. During 2017 and 2016 approximately 5,162,603 pounds and 5,242,160 pounds of products were received, respectively, from the following sources:

	<u>2017</u>	<u>2016</u>
USDA	2,275,923	2,236,716
Donated Food	2,750,823	2,747,137
Purchased Food	<u>135,856</u>	<u>258,307</u>
Total	<u>5,162,603</u>	<u>5,242,160</u>

As of December 31, 2017 and 2016, the Food Bank had approximately 615,715 pounds and 901,119 pounds of food on hand valued at \$1.73 and \$1.67 per pound and the commodities through USDA market values, totaling \$620,324 and \$895,803 respectively.

Note 9 - **In-Kind Contributions**

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

**FOOD BANK OF NORTHEAST LOUISIANA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

Note 10 - Commitments and Contingencies

Economic Dependence

The Organization receives a substantial amount of its support from federal and state government reimbursements and from the United Way. A significant reduction in the level of this support, if this were to occur, may have an effect on the organization's programs and activities.

Note 11 - 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 12 - Restatement of Net Position

During the year ended December 31, 2016, the Food Bank began recording donated inventory. The Food Bank took a physical count as of December 31, 2015 to establish a starting point for the 2016 year. Consequently, the beginning net position was restated to reflect the proper beginning inventory amount.

Net Position at December 31, 2015	\$ 1,209,808
Restatement due to Beginning Inventory	<u>583,950</u>
Net Position at December 31, 2015 (Restated)	<u>\$1,793,758</u>

Note 13 - Subsequent Events

Subsequent events have been evaluated through June 28, 2018, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

# CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

*Certified Public Accountants*

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors of  
Food Bank of Northeast Louisiana, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Food Bank of Northeast Louisiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, 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 28, 2018.

### **Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered Food Bank of Northeast Louisiana, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Food Bank of Northeast Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Food Bank of Northeast Louisiana, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Food Bank of Northeast Louisiana, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Food Bank of Northeast Louisiana, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Food Bank of Northeast Louisiana, Inc.'s internal control and compliance. Accordingly, the communication is not suitable for any other purpose.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
June 28, 2018

# CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

*Certified Public Accountants*

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

Board of Directors of  
Food Bank of Northeast Louisiana, Inc.

### **Report on Compliance for Each Major Federal Program**

We have audited Food Bank of Northeast Louisiana, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Food Bank of Northeast Louisiana, Inc.'s major federal programs for the years ended December 31, 2017 and 2016. Food Bank of Northeast Louisiana, Inc.'s major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Food Bank of Northeast Louisiana, Inc.'s major federal programs based on our audits of the types of compliance requirements referred to above. We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Food Bank of Northeast Louisiana, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audits provide a reasonable basis for our opinion on compliance for each major federal program. However, our audits do not provide a legal determination on Food Bank of Northeast Louisiana, Inc.'s compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, Food Bank of Northeast Louisiana, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the years ended December 31, 2017 and 2016.

***Internal Control Over Compliance***

Management of Food Bank of Northeast Louisiana, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audits of compliance, we considered Food Bank of Northeast Louisiana, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Food Bank of Northeast Louisiana, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
June 28, 2018

**FOOD BANK OF NORTHEAST LOUISIANA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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, 2017, and have issued our report thereon dated June 28, 2018. 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, 2017, 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  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

Unmodified  Modified

Disclaimer  Adverse

Are their findings required to be reported in accordance with Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart F? No

C. Identification of Major Programs:

Name of Federal Program (or cluster) USDA – Emergency Food Assistance Program  
(Food Commodities)

CFDA Number(s) 10.569

Dollar threshold used to distinguish between Type A and Type B Programs. \$750,000

Is the auditee a “low-risk” auditee, as defined by Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart F? Yes

**FOOD BANK OF NORTHEAST LOUISIANA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017 (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, 2016**

<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	\$153,018
Pass-through program from State Department of Agriculture and Forestry Reimbursement	10.569	N/A	<u>1,948,927*</u>
 <b><u>TOTAL</u></b>			 <b><u>\$ 2,101,945</u></b>

\* 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, 2017**

1. **General**

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Food Bank of Northeast Louisiana, Inc. The reporting entity is defined in Note 1 to Food Bank of Northeast Louisiana, Inc.'s financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

2. **Basis of Accounting**

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to Food Bank of Northeast Louisiana, Inc.'s financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. **Food Distribution**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At December 31, 2017, the organization had food commodities totaling \$140,284 in inventory.

**FOOD BANK OF NORTHEAST LOUISIANA, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

This section is not applicable.

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

This section not applicable.

**Management Letter**

No management letter was issued.



**FOOD BANK OF NORTHEAST LOUISIANA, INC.**  
**SCHEDULE OF COMPENSATION, BENEFITS,**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**DECEMBER 31, 2017**

<b>Agency Head</b>	<b>Jean Toth</b>	
Title	<u>Executive Director</u>	
<b>Purpose</b>		
Salary	\$	-
Benefits - Payroll Taxes		-
Cell Phone		-
Insurance (Health and Life)		-
Moving Expenses		-
Total Compensation, Benefits and Other Payments	<u>\$</u>	<u>-</u>

The Food Bank of Northeast Louisiana, Inc. is a nongovernmental entity that receives public funds. However, no public funds are used to pay for the compensation, benefits, or other payments to the agency head.