
THE GREATER BATON ROUGE FOOD BANK
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022



THE GREATER BATON ROUGE FOOD BANK

CONSOLIDATED FINANCIAL STATEMENTS

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TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1 - 3
<u>Consolidated Financial Statements</u>	
Consolidated Statements of Financial Position	4 - 5
Consolidated Statements of Activities and Changes in Net Assets	6 - 7
Consolidated Statements of Functional Expenses by Nature and Class	8 - 9
Consolidated Statements of Cash Flows	10
Notes to Consolidated Financial Statements	11 - 27
<u>Supplemental Information</u>	
Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer	28



INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Greater Baton Rouge Food Bank
Baton Rouge, Louisiana

Opinion

We have audited the accompanying consolidated financial statements of The Greater Baton Rouge Food Bank (a not-for-profit Organization) which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, functional expenses by nature and class, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Greater Baton Rouge Food Bank as of December 31, 2022 and 2021, and the respective 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of The Greater Baton Rouge Food Bank and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Greater Baton Rouge Food Bank's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Greater Baton Rouge Food Bank's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Greater Baton Rouge Food Bank's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Correction of an Error

As discussed in Note 15, to the consolidated financial statements, an error resulting in an overstatement of amounts previously reported for depreciation expense and accumulated depreciation as of December 31, 2021, were discovered by management of the Food Bank during the current year. Accordingly, amounts reported for depreciation expense and accumulated depreciation have been restated in the 2021 financial statements now presented, and an adjustment has been made to net assets as of December 31, 2021, to correct the error. Our opinion is not modified with respect to that matter.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of compensation, benefits and other payments to Chief Executive Officer included on page 28 is presented for purpose of additional analysis and is not a required part of the basic consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Other Reports Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report, dated September 26, 2023, on our consideration of the Organization's internal control over financial reporting and 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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 26, 2023

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u> (restated)
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 615,190	\$ 337,371
Accrued expenses and other liabilities	214,759	172,957
Accrued interest payable	1,396	1,853
Deferred revenue	626,261	26,261
Note payable - current portion	193,500	188,850
Lease obligation - current portion	220,947	97,937
Total current liabilities	<u>1,872,053</u>	<u>825,229</u>
<u>LONG-TERM LIABILITIES</u>		
Note payable - less current portion	509,160	702,660
Lease obligation	36,275	138,202
Total long-term liabilities	<u>545,435</u>	<u>840,862</u>
Total liabilities	<u>2,417,488</u>	<u>1,666,091</u>
<u>NET ASSETS</u>		
Without donor restrictions:		
Programming and general operations	16,490,451	17,876,878
Board designated	13,458,706	10,002,000
Total net assets without donor restrictions	<u>29,949,157</u>	<u>27,878,878</u>
With donor restriction	3,262,516	3,356,347
Total net assets	<u>33,211,673</u>	<u>31,235,225</u>
Total liabilities and net assets	<u>\$ 35,629,161</u>	<u>\$ 32,901,316</u>

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND OTHER SUPPORT</u>			
Contributions	\$ 7,727,991	\$ 650,572	\$ 8,378,563
United Way	-	-	-
Emergency Food and Shelter Grant (FEMA)	115,823	-	115,823
Contributed nonfinancial assets	74,627	-	74,627
Grant revenues - other	156,250	913,979	1,070,229
Local government support	56,309	-	56,309
SNAP Outreach	11,013	-	11,013
SNAP Ed	110,641	-	110,641
USDA commodities reimbursements	871,561	-	871,561
Investment income (loss), net	(754,843)	-	(754,843)
Food donations received	11,094,913	-	11,094,913
Purchased food program	2,765,099	-	2,765,099
Commodities received	6,019,377	-	6,019,377
Special Events	28,048	-	28,048
Other	473,607	-	473,607
Total revenues and other support	28,750,416	1,564,551	30,314,967
Net assets released from restrictions			
Satisfaction of restrictions	1,658,382	(1,658,382)	-
Total revenues	30,408,798	(93,831)	30,314,967
<u>EXPENSES</u>			
Program - food distribution	26,113,423	-	26,113,423
Supporting services			
Management and general	897,899	-	897,899
Fundraising	1,327,197	-	1,327,197
Total supporting services	2,225,096	-	2,225,096
Total expenses	28,338,519	-	28,338,519
<u>CHANGE IN NET ASSETS</u>	2,070,279	(93,831)	1,976,448
Net assets - beginning of period, as restated	27,878,878	3,356,347	31,235,225
Net assets - end of period	\$ 29,949,157	\$ 3,262,516	\$ 33,211,673

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

2021		
(restated)		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 5,930,755	\$ 905,292	\$ 6,836,047
38,896	60,000	98,896
54,830	-	54,830
68,098	-	68,098
90,454	1,342,479	1,432,933
55,810	-	55,810
20,068	-	20,068
132,112	-	132,112
699,739	-	699,739
441,501	-	441,501
21,425,246	-	21,425,246
53,165	-	53,165
5,585,937	-	5,585,937
-	-	-
234,382	25,000	259,382
<u>34,830,993</u>	<u>2,332,771</u>	<u>37,163,764</u>
2,947,297	(2,947,297)	-
<u>37,778,290</u>	<u>(614,526)</u>	<u>37,163,764</u>
31,513,010	-	31,513,010
891,821	-	891,821
1,176,856	-	1,176,856
<u>2,068,677</u>	<u>-</u>	<u>2,068,677</u>
<u>33,581,687</u>	<u>-</u>	<u>33,581,687</u>
4,196,603	(614,526)	3,582,077
<u>23,682,275</u>	<u>3,970,873</u>	<u>27,653,148</u>
<u>\$ 27,878,878</u>	<u>\$ 3,356,347</u>	<u>\$ 31,235,225</u>

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES BY NATURE AND CLASS
YEARS ENDED DECEMBER 31, 2022 AND 2021

2022

	Program Expense - Food Distribution	Supporting Services		Total
		Management and General	Fundraising	
Accounting and professional fees	\$ -	\$ 65,229	\$ 65,229	\$ 130,458
Advertising	-	-	8,216	8,216
Bad debt	-	-	-	-
Computer upgrade	97,977	86,780	95,178	279,935
Conferences	1,298	115,529	12,981	129,808
Contract labor	85,619	13,938	-	99,557
Depreciation	593,649	18,946	18,946	631,541
Direct mail expense	-	-	460,465	460,465
Distribution of commodities	6,242,793	-	-	6,242,793
Distribution of food	15,777,559	-	-	15,777,559
Dues	9,239	11,479	7,279	27,997
Food purchases with FEMA revenue	115,823	-	-	115,823
Fuel and mileage	76,999	778	-	77,777
Gain/loss on disposal	-	-	-	-
Contributed nonfinancial assets	3,874	36,805	7,748	48,427
Insurance	156,216	50,605	13,201	220,022
Interest expense	19,324	403	403	20,130
Bank fees	-	79,316	-	79,316
Equipment	114,143	2,403	3,605	120,151
Miscellaneous expense	32,987	2,932	733	36,652
Payroll taxes	129,713	24,090	31,502	185,305
Postage	914	4,266	25,293	30,473
Printing and publication	2,961	592	55,657	59,210
Repairs and maintenance	189,900	3,956	3,956	197,812
Lease expense	103,569	-	-	103,569
Retirement and employee benefits	223,135	37,189	49,586	309,910
Salaries	1,712,722	313,597	385,965	2,412,284
Service contracts	-	5,829	24,848	30,677
Special event expense	-	-	6,428	6,428
Supplies	260,477	2,831	19,819	283,127
Telephone	27,371	4,692	7,038	39,101
Transportation	20,709	-	-	20,709
Utilities	86,449	14,820	22,230	123,499
Waste disposal	28,003	894	891	29,788
	<u>\$ 26,113,423</u>	<u>\$ 897,899</u>	<u>\$ 1,327,197</u>	<u>\$ 28,338,519</u>

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

2021			
(restated)			
Program Expense - Food Distribution	Supporting Services		Total
	Management and General	Fundraising	
\$ -	\$ 50,694	\$ 50,694	\$ 101,388
-	-	6,354	6,354
-	127,504	-	127,504
73,526	65,123	71,425	210,074
640	56,876	6,391	63,907
99,764	16,241	-	116,005
580,772	18,535	18,535	617,842
-	-	369,633	369,633
5,377,650	-	-	5,377,650
22,096,601	-	-	22,096,601
8,529	10,597	6,720	25,846
54,830	-	-	54,830
87,683	886	-	88,569
-	-	-	-
2,888	27,434	5,776	36,098
157,328	50,965	13,295	221,588
44,891	935	935	46,761
-	73,087	-	73,087
142,043	2,990	4,486	149,519
51,944	4,617	1,154	57,715
119,344	22,164	28,983	170,491
1,030	4,807	28,500	34,337
4,491	898	84,426	89,815
206,046	4,293	4,293	214,632
126,503	-	-	126,503
213,955	35,659	47,546	297,160
1,590,188	291,161	358,352	2,239,701
-	5,794	24,703	30,497
-	-	-	-
240,075	2,610	18,267	260,952
24,661	4,228	6,341	35,230
100,205	-	-	100,205
73,783	12,649	18,973	105,405
33,640	1,074	1,074	35,788
<u>\$ 31,513,010</u>	<u>\$ 891,821</u>	<u>\$ 1,176,856</u>	<u>\$ 33,581,687</u>

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		(restated)
Change in net assets	\$ 1,976,448	\$ 3,582,077
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	-	127,504
Endowment contributions	(142,000)	(258,910)
Depreciation	631,541	617,842
Unrealized depreciation (appreciation) of investments	788,223	(348,215)
Food inventory - donated	874,069	(1,589,685)
Net change in:		
Other receivables	(20,504)	395,612
Deferred revenue	600,000	-
Unconditional promises to give	(8,882)	1,636,706
Prepaid expenses	(13,818)	(7,179)
Food inventory - commodities	223,416	(208,287)
Food inventory - purchased	(289,556)	(140,821)
Accrued interest payable	(457)	(1,210)
Accounts payable	277,819	19,131
Accrued expenses and other liabilities	41,802	7,818
Net cash provided by operating activities	4,938,101	3,832,383
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Property and equipment purchases	(1,008,590)	(636,368)
Purchase of investments	(14,000,000)	(97,647)
Net cash used in investing activities	(15,008,590)	(734,015)
 <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Endowment contributions	142,000	258,910
Principal payments on notes payable	(188,850)	(168,891)
Principal payments on capital lease obligations	(109,887)	(94,103)
Net cash used in financing activities	(156,737)	(4,084)
 Net change in cash and cash equivalents	(10,227,226)	3,094,284
 Cash and cash equivalents at beginning of year	13,263,190	10,168,906
 Cash and cash equivalents at end of year	\$ 3,035,964	\$ 13,263,190
 <u>Supplemental disclosure:</u>		
Interest paid	\$ 19,672	\$ 47,971
 Assets acquired through capital lease	\$ 130,970	\$ -

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

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Greater Baton Rouge Food Bank (the Food Bank or the Organization) is a not-for-profit organization that gathers, stores, and redistributes food to charitable organizations and churches that serve the needy. Food sources include donations from individuals, corporations, and the U.S. Department of Agriculture (USDA) Commodities program. The Food Bank also receives food from the Federal Emergency Management Agency (FEMA) during times of natural disasters and global pandemics.

On November 29, 2021, the Food Bank formed a new entity known as GBRFB Mission Support (Mission Support). The GBRFB Mission Support exists to support and further the mission and purposes of The Greater Baton Rouge Food Bank, Inc. The Greater Baton Rouge Food Bank, Inc. exists to service emergency, short term, and on-going unmet food needs of individuals in its service area through existing social service providers, congregations and other organizations. This mission is accomplished by supporting or providing services, such as food collection and distribution and education programs.

Consolidation

The consolidated financial statements of the Food Bank include the accounts of Mission Support and the Greater Baton Rouge Food Bank, Inc. for which the Food Bank is the sole member. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The consolidated financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Food Bank is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Food Bank. These net assets may be used at the discretion of the Food Bank's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Food Bank or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates have been applied in the determination of donated food values and depreciation of property and equipment in the preparation of the accompanying consolidated financial statements.

Property and Equipment

Property and equipment are stated at cost. Additions, renewals, and betterments that extend the useful life of the assets are capitalized. Maintenance and repair expenditures are expensed as incurred. Provisions for depreciation and amortization are computed using the straight-line method over the assets' useful lives, which range from 3 to 39 years.

Revenue Recognition and Promises to Give

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional contributions are not recognized until the conditions on which they depend have been substantially met and are recorded as deferred revenue.

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Grants receive the same accounting treatment as contributions if the grant activity is to be planned and carried out by the Organization and the Organization has the right to the benefits of carrying out the activity.

Management has evaluated Promises to Give and has determined that an allowance of \$5,000 is necessary for both years ending December 31, 2022 and 2021.

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. The Organization had unrelated business taxable income of \$14,000 and \$26,000 related to rental income for the years ended December 31, 2022 and 2021, respectively. The Organization filed Form 990T in relation to this business income, however, no material amount of income tax was paid due to the related expenses that were deductible from the income. Accordingly, no provision for income taxes on related income has been included in the consolidated financial statements for December 31, 2022 or 2021. In Management's judgment, the Food Bank does not have any tax positions that would result in a loss contingency considering the facts, circumstances, and information available at the reporting date.

Food Inventory - Donated and Purchased

Food inventory, predominately donated, including food received, distributed and undistributed, is valued using the estimated fair value as determined by the Feeding America Product Valuation Survey prepared on an annual basis. The report provides the average wholesale value of products donated to the network and is considered to be a reasonable basis upon which to estimate these amounts. Feeding America Product Valuation Survey for the average wholesale value of \$1.93 at December 31, 2022. Due to economic conditions in 2021 and the impact of inflation to the cost of food, management concluded that a one-time adjustment to the December 31, 2020 Feeding America valuation survey, prepared by RSM US LLP, was deemed necessary for the year ended December 31, 2021. The adjustment was determined utilizing the May 2022 Consumer price index for Food and its unadjusted twelve-month percent change of 10%. The fair value used for the years ended December 31, 2021, was \$1.97.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. In response to the pandemic, the government implemented the Coronavirus Food Assistance Program (CFAP) which involved creating boxes that included both donated food and USDA product and distributing the boxes to the surrounding parishes of Louisiana to assist those in need. The boxes varied based on the food in inventory each day. The CFAP boxes are valued using the estimated fair value as determined by Feeding America Product Valuation Survey, which is one year in arrears, prepared by RSM US LLP for the average wholesale value excluding non-food items of \$1.70 at December 31, 2020. Due to the economic conditions at year end and the impact of inflation to the cost of food, management concluded that a one-time adjustment to the December 31, 2020 Feeding America valuation was deemed necessary for the year ended December 31, 2021. The adjustment was determined utilizing the May 2022 Consumer price index for Food and its unadjusted twelve-month percent change of 10%. The fair value used for the years ended December 31, 2021, was \$1.87. There were approximately 2,316,000 pounds distributed as part of this program during 2021. The CFAP program did not operate in 2022.

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Food Inventory - Commodities

The Food Bank records commodities inventory as determined by the commodities price listing produced by the Louisiana Department of Agriculture and Forestry. Commodities inventory received is recorded as net assets without donor restrictions at an amount equal to the determined value in accordance with the aforementioned guidelines. During the years ended December 31, 2022 and 2021, the food product prices averaged \$1.15 per pound and \$1.05 per pound, respectively.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment income/(loss) is reported in the consolidated statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investments held in BRAF are carried at net asset value (NAV) of units held by the Food Bank at year end. The change in fair value is recognized as a component of investment income.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturities of less than three months. Restricted cash represents amounts held by the Organization with donor-imposed restrictions.

Other Receivables

The Food Bank determines past-due accounts based on contractual terms and does not charge interest on the accounts. Receivables consist primarily of amounts due from various grants. The Food Bank charges off receivables if management considers the collection of the outstanding balance to be doubtful. Management does not believe an allowance is necessary at December 31, 2022 or 2021.

Donated Services and Materials

A significant portion of the Food Bank's functions are conducted by unpaid volunteers. The value of the contributed time is not reflected in the consolidated financial statements since the services do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

Donated materials and supplies are reflected as donated services and gifts in kind on the accompanying consolidated statement of activities and changes in net assets at their estimated fair market values at the date of receipt. Various materials were donated to the Food Bank to help aid in their mission. These materials and supplies were valued at \$74,627 and \$68,098 for the years ended December 31, 2022 and 2021, respectively. The amount at December 31, 2022 and 2021 consisted mainly of donated professional services of \$32,850 and \$32,450, respectively.

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Pronouncements – Adopted

Leases

Through December 31, 2021 rent expense was recognized on a straight-line basis over the term of the lease.

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases, to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. The Food Bank adopted the standard and recognized and measured leases existing at, or entered into after January 1, 2022, using the modified retrospective approach, with certain practical expedients available. The adoption of ASC 842 did not result in any adjustments to net assets or changes in the timing or amounts of lease costs. Comparable periods continue to be presented under the guidance of the previous standard.

The Food Bank determines if an arrangement is a lease at the inception of the contract. For leases with terms greater than twelve months, ROU assets and lease liabilities are recognized at the contract commencement date based on the present value of lease payments over the lease term. ROU assets represent the Food Bank's right to use the underlying asset for the lease term. Lease liabilities present the Food Bank's obligation to make lease payments arising from these contracts. The Food Bank used the contract borrowing rate at January 1, 2022, in determining the present value of lease payments.

Lease terms may include options to extend or terminate the lease when it is reasonably certain that such options will be exercised. The estimated useful life of ROU assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. The Food Bank's lease agreements generally do not contain any material residual value guarantees, restrictions or covenants.

The Food Bank has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this practical expedient to all relevant asset classes. Additionally, the Food Bank elected the package of transition provisions available which allowed the carryforward of the Food Bank's historical assessments of whether contracts contain leases, the lease classification, and the treatment of initial direct costs.

The Food Bank has elected to apply the short-term lease exemption to all classes of assets where leases that have a term of 12 months or less are excluded from the measurement of the right-of-use asset and lease liability. There were no short-term lease costs during 2022.

Contributed Nonfinancial Assets

Effective January 1, 2022, the Food Bank adopted FASB issued Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting non-profit gifts-in-kind. The ASU requires the new standard to be applied retrospectively.

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. AVAILABILITY AND LIQUIDITY

The following represents the Food Bank's financial assets at December 31, 2022 and 2021:

Financial assets at year end:	2022	2021
Cash and cash equivalents	\$ 3,035,964	\$ 13,263,190
Other receivables	115,923	95,419
Unconditional promises to give, net	144,212	144,562
Promise to give - United Way	-	30,000
Investments- Mission Support	13,456,706	-
Endowment Investments	2,344,530	2,589,459
Total financial assets	19,097,335	16,122,630
Less amounts not available to be used within one year:		
Endowment fund - donor restricted	1,299,685	1,299,685
Financial assets available to meet general expenditures over the next twelve months	\$ 17,797,650	\$ 14,822,945

The Food Bank's cash flows have seasonal variations during the year attributable to a concentration of contributions received during holidays and at calendar year-end. To manage liquidity, the Food Bank maintains certain cash and cash equivalents, as noted above, that could meet any operating cash flow needs for an extended period as well as any major maintenance and repairs needed on their facility. The cash and cash equivalents balance does include approximately \$13,500,000 and \$10,000,000 of board designated funds for the years ended December 31, 2022 and 2021, respectively.

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. NET ASSETS

Net assets with donor restrictions were as follows at December 31:

	2022	2021
Specific Purpose		
Bucks for Trucks Program	\$ 26,563	\$ 11,563
Back Pack Program	62,703	24,399
Estate of Elizabeth Ferro – Garden	5,136	12,500
Senior Grocery	271,278	85,746
Mobile Pantry	9,772	336,947
Feeding America Strategic Capacity Building Services	155,187	232,270
Food Purchases	789,442	938,926
Service Insights	117,235	-
Farm Fresh	-	17,842
Other	-	12,956
	1,437,316	1,673,149
Endowment Fund		
Endowment Fund (principal unexpendable; earnings can be used for general mission statement of Food Bank)	1,825,200	1,683,198
Total net assets with donor restrictions	\$ 3,262,516	\$ 3,356,347

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by the donors of the various programs. The funds released from net assets with donor restrictions during the year ended December 31, 2022 were program food expenditures of \$1,262,468, Hurricane Ida relief food expenditures of \$311,331, Feeding America Strategic Capacity Building expenditures of \$77,083 and non-food related expenditures of \$7,500. The funds released from net assets with donor restrictions during the year ended December 31, 2021 were program food expenditures of \$539,432, Hurricane Ida relief food expenditures of \$886,454, Covid-19 food expenditures of \$1,416,947 and non-food related expenditures of \$104,464.

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. NET ASSETS (continued)

Net assets without donor restrictions for the years ended December 31, 2022 and 2021, were comprised of undesignated and Board designated amounts:

	<u>2022</u>	<u>2021</u>
Undesignated:		
Programming and general operations	\$ 15,445,606	\$ 16,344,467
Accumulated earnings on endowed net assets	1,044,845	1,289,744
Board designated	<u>13,458,706</u>	<u>10,002,000</u>
	<u>\$ 29,949,157</u>	<u>\$ 27,878,878</u>

The Board of Directors authorized the establishment of designated funds for an investment portfolio with the objective to seek growth of income and capital appreciation consistent with long term objectives to meet future obligations of The Food Bank. The investments will be held by GBRFB Mission Support and the purpose of the investments will be to provide financial stability and resources for growth. Such investments will be available for future cash-flow shortfalls and major capital expenditures as well as unforeseen contingencies.

4. USDA COMMODITIES

The Food Bank participated in the USDA Commodities program during the years ended December 31, 2022 and 2021. The objective of the program is to provide U.S. Department of Agriculture (USDA) donated commodities to low-income households through eligible organizations for home consumption. Commodities received are recorded in the accompanying consolidated financial statements as unrestricted revenue at their estimated fair value.

Activity of commodities is summarized as follows:

	<u>2022</u>	<u>2021</u>
Commodity inventory at beginning of year	\$ 1,566,069	\$ 1,357,782
Food commodities received	6,019,377	5,585,937
Distributed, discarded, and adjustment	<u>(6,242,793)</u>	<u>(5,377,650)</u>
Commodity inventory at end of year	<u>\$ 1,342,653</u>	<u>\$ 1,566,069</u>

5. NOTES PAYABLE

On May 25, 2021, the Food Bank signed a promissory note to refinance the debt that was due August 5, 2021. The new terms and payments commenced on July 5, 2021.

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. NOTES PAYABLE (continued)

A summary of long-term debt as of December 31st is as follows:

	2022	2021
Loan with Bancorp South: 60 monthly payments of \$17,580 at 2.75% interest; due June 5, 2026; secured by the building	\$ 702,660	\$ 891,510
Subtotal	702,660	891,510
Less: current portion	(193,500)	(188,850)
Long term debt- net of maturities	\$ 509,160	\$ 702,660

The note is expected to mature as follows:

Year ending December 31 st	Amount
2023	\$ 193,500
2024	199,274
2025	204,938
2026	104,948
	\$ 702,660

6. INVESTMENTS-MISSION SUPPORT

Investments- Mission Support consists of investments in marketable securities which consisted of the following at December 31, 2022:

	2022
Cash equivalents	\$ 421,929
Stocks, options & ETFs	3,857,817
Fixed income securities:	
Corporate bonds	1,750,290
Government bonds	5,600,610
Government asset backed/CMO securities	786,938
Taxable municipal bonds	1,039,122
Total fixed income securities	9,176,960
Total investments- Mission Support	\$ 13,456,706

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. INVESTMENTS-MISSION SUPPORT (continued)

Investment income (loss) on investments- Mission Support was comprised of the following:

	2022
Net unrealized (loss) gains	\$ (756,654)
Dividend and interest	243,052
	\$ (513,602)

7. VEHICLE LEASES

The Food Bank leases delivery trucks for food distribution.

On January 3, 2017, the Food Bank entered into five financing lease agreements each with a term of 84 months. The trucks were put into service on dates ranging from May 2017 to July 2017. The leases are to be paid in monthly installments ranging from \$1,740 to \$1,840 per month. In January 2022, the Food Bank entered into a financing lease agreement with a term of 84 months for a truck with a monthly payment of \$2,378.

Payments made under the Food Bank's lease arrangements may be fixed or variable, and variable lease payments, such as mileage, are primarily based on output of the underlying leased assets. Lease costs associated with fixed and variables payments on the Food Bank's leases were \$109,887 and \$94,103 for the years ended December 31, 2022 and 2021, respectively.

The following tables shows ROU assets and lease liabilities, and the associated financial statement line items, as of December 31, 2022 and 2021:

Lease-related Assets and Liabilities	Financial statement line items	2022	2021
Right-of-use assets:			
Finance leases	Property and equipment, net	\$ 178,163	\$ 201,104
Total right-of-use assets		\$ 178,163	\$ 201,104
Lease liabilities:			
Finance leases	Current liabilities	\$ 220,947	\$ 97,937
	Long-term liabilities	36,275	138,202
Total lease liabilities		\$ 257,222	\$ 236,139

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. VEHICLE LEASES (continued)

Lease liability maturities as of December 31, 2022, are as follows:

2023	\$ 134,138
2024	65,140
2025	28,538
2026	28,538
2027	28,538
2028	<u>28,893</u>
Total undiscounted liabilities	313,785
Less: imputed interest	<u>(56,563)</u>
Total lease liabilities	<u>\$ 257,222</u>

The weighted-average remaining lease term related to the Food Bank's lease liabilities as of December 31, 2022 and 2021 was 1.4 years and 2.4 years, respectively.

The discount rate related to the Food Bank's lease liabilities as of December 31, 2022 and 2021 was 8.14% and 4%, respectively. The discount rates are based on the Food Bank's incremental borrowing rate.

8. RETIREMENT PLAN

The Food Bank has a qualified Internal Revenue Code Section 403(b) annuity plan. The Plan covers all employees who have completed at least three months of service. The Food Bank is obligated to match up to 50% of an employee's deferred amount, up to 10% of their pay. The Food Bank has the option to match up to 100% in any one year. The Food Bank contributed \$41,852 and \$43,218 to this Plan during the years ended December 31, 2022 and 2021, respectively.

9. FUNCTIONAL ALLOCATION OF EXPENSES BY NATURE AND CLASS

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and functional expenses by nature and class. Accordingly, certain costs have been allocated by management among the programs and supporting services benefited. The method of allocation for depreciation, interest expense, waste disposal and other miscellaneous expenses including pest control and security is based on square footage. The method of allocation for insurance, retirement and employee benefits, supplies, telephone and utilities is based on full time equivalents.

10. COMMITMENTS AND CONTINGENCIES

The Food Bank is, from time to time, involved in lawsuits arising in the ordinary course of its business that, in the opinion of management, will not have a material effect on the Food Bank's results of operations.

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. PROMISES TO GIVE

Unconditional Promises to Give

Promises to give are dedicated by the donors for operating purposes and represent a promise by the donors to pay after the year end. The total promises to give outstanding as of December 31, 2022 and 2021 is \$319,792 and \$280,910, respectively.

Unconditional promises to give, other than United Way, at December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 144,212	\$ 144,562
Receivable in one to five years	<u>175,580</u>	<u>136,348</u>
Total unconditional promises to give	<u>\$ 319,792</u>	<u>\$ 280,910</u>

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting principles generally accepted in the United States of America (GAAP) provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement, determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Stocks, options and fixed income securities: Valued at fair value by using quoted prices for identical securities.

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Exchange Traded Funds (“ETFs”) – Valued at the daily closing price. ETFs are investment companies whose shares are traded intraday on stock exchanges at market-determined prices, which may be greater or less than NAV. Plans may buy or sell ETF shares through a broker or in a brokerage account just as they would the shares of any publicly traded company. ETFs are registered with the SEC, and generally, are structured as open-ended investment companies (open-ended funds) or unit investment trusts.

Money market and pooled funds: Valued at the net asset value (NAV) of units held in BRAF by the Food Bank at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Food Bank’s management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair Value of Assets Measured on a Recurring Basis

The following table presents, for each of the fair-value hierarchy levels, the Food Bank’s financial assets that are measured at fair value on a recurring basis at December 31:

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 421,929	\$ -	\$ -	\$ 421,929
Stocks, options & ETFs	3,857,817	-	-	3,857,817
Fixed income securities:				
Corporate bonds	-	1,750,290	-	1,750,290
Government bonds	5,600,610	-	-	5,600,610
Government asset backed/CMO securities	786,938	-	-	786,938
Taxable municipal bonds	1,039,122	-	-	1,039,122
Total assets in fair value hierarchy	<u>\$ 11,706,416</u>	<u>\$ 1,750,290</u>	<u>\$ -</u>	<u>\$ 13,456,706</u>
Pooled investments	<u>\$ -</u>	<u>\$ 2,344,530</u>	<u>\$ -</u>	<u>\$ 2,344,530</u>

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pooled investments	<u>\$ -</u>	<u>\$ 2,589,459</u>	<u>\$ -</u>	<u>\$ 2,589,459</u>

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. ENDOWMENT NET ASSETS

The primary objective of the Food Bank's investment and spending policies for its endowed net assets is for the investment of donor contributions made in memory of individuals. These donations are used to meet the mission statement of the Food Bank. Its endowment includes donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Food Bank has interpreted the Louisiana State Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. This Act was effective July 1, 2010.

Upon implementation, the Food Bank classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donations, to be used to meet the mission statement of the Food Bank, can be solicited for this fund. Interest, dividends, capital gains or other earnings of the Fund are to be utilized at the discretion of the Board of Directors, and in compliance with the policies and procedures of the Board designated holder of the endowment. This policy, with the exception of the inviolate nature of the endowment that may not be altered, may only be changed by a two-thirds majority vote of the elected, voting members of the Board of Directors. The corpus of the assets of this fund is considered to be permanently restricted.

Investments of the Endowment Fund consist solely of amounts invested in the Baton Rouge Area Foundation Investment Pool (BRAAF). To satisfy its long-term rate-of-return objectives, the Food Bank relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The carrying amount of the investments of \$2,344,530 and \$2,589,459 as of December 31, 2022 and 2021, respectively, are recorded at their fair value which is based on the net asset value of units held by the Food Bank of BRAAF's investment pool.

As of December 31, 2022 and 2021, all interest and dividend income and unrealized gains were classified as without donor restriction.

The endowment net asset composition by type of fund was as follows as of December 31, 2022 and 2021:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor-Restricted Endowment as of December 31, 2022	<u>\$ 1,044,845</u>	<u>\$ 1,299,685</u>	<u>\$ 2,344,530</u>
Donor-Restricted Endowment as of December 31, 2021	<u>\$ 1,289,774</u>	<u>\$ 1,299,685</u>	<u>\$ 2,589,459</u>

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. ENDOWMENT NET ASSETS (continued)

Changes in endowment funds by net asset category were as follows for the year ended December 31, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, December 31, 2021	\$ 1,289,774	\$ 1,299,685	\$ 2,589,459
Investment Return:			
Unrealized loss	(301,754)	-	(301,754)
Investment income	79,073	-	79,073
Investment expenses	<u>(22,248)</u>	<u>-</u>	<u>(22,248)</u>
Endowment net assets, December 31, 2022	<u>\$ 1,044,845</u>	<u>\$ 1,299,685</u>	<u>\$ 2,344,530</u>

Changes in endowment funds by net asset category were as follows for the year ended December 31, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, December 31, 2020	\$ 901,790	\$ 1,241,807	\$ 2,143,597
Contributions	-	57,878	57,878
Investment Return:			
Unrealized gain	61,224	-	61,224
Investment income	348,215	-	348,215
Investment expenses	<u>(21,455)</u>	<u>-</u>	<u>(21,455)</u>
Endowment net assets, December 31, 2021	<u>\$ 1,289,774</u>	<u>\$ 1,299,685</u>	<u>\$ 2,589,459</u>

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. RESTATEMENT

During the year ended December 31, 2022, the Food Bank discovered that the depreciation expense and related accumulated depreciation in the amount of \$242,667 had not been properly calculated during the year ending December 31, 2021. Accordingly, an adjustment of \$242,667 was made to decrease the 2021 depreciation expense in the consolidated statements of activities, which increased the change in net assets for the year ended December 31, 2021.

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>CHANGE IN NET ASSETS, as previously reported</u>	\$ 3,953,936	\$ (614,526)	\$ 3,339,410
Correction of an error	242,667	-	242,667
<u>CHANGE IN NET ASSETS, as restated</u>	4,196,603	(614,526)	3,582,077
<u>Net assets - beginning of period, as previously reported</u>	\$ 27,636,211	\$ 3,356,347	\$ 30,992,558
Correction of an error	242,667	-	242,667
<u>Net assets - end of period, as restated</u>	\$ 27,878,878	\$ 3,356,347	\$ 31,235,225
		2021	
<u>Depreciation expense, as previously reported</u>		\$ 860,510	
Correction of an error		(242,667)	
<u>Depreciation expense, as restated</u>		\$ 617,843	
<u>Accumulated depreciation, as previously reported</u>		\$ 5,869,495	
Correction of an error		(242,667)	
<u>Accumulated depreciation, as restated</u>		\$ 5,626,828	

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the consolidated financial statements consolidated were available to be issued, September 26, 2023, and determined that there were no events that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

SUPPLEMENTAL INFORMATION

GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2022

Chief Executive Officer: Michael G. Manning

Purpose	Amount
Salary, including incentive and bonus	\$ -
Benefits-insurance	-
Benefits-retirement	-
Deferred compensation	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other (including payments made by other parties on behalf of the agency head)	-
Total	\$ -

R.S. 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session which clarified that nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer paid from public funds.

This organization is not required to report the total compensation, reimbursements, and benefits paid to the chief executive officer as these costs are supported by private funds.

THE GREATER BATON ROUGE FOOD BANK

**REPORTS ON INTERNAL CONTROL AND ON
COMPLIANCE AND OTHER MATTERS**

DECEMBER 31, 2022



TABLE OF CONTENTS

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 <i>Government Auditing Standards</i>	Exhibit A
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	Exhibit B
Schedule of Expenditures of Federal Awards	Exhibit C
Schedule of Findings and Questioned Costs	Exhibit D
Summary Schedule of Prior Year Audit Findings	Exhibit E

EXHIBIT A
Page 1 of 2

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

The Board of Directors
The Greater Baton Rouge Food Bank
Baton Rouge, Louisiana

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 The Greater Baton Rouge Food Bank (the Food Bank), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses by nature and class, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 26, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Greater Baton Rouge Food Bank's internal control over financial reporting (internal control) as a basis for designing 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 The Greater Baton Rouge Food Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of The Greater Baton Rouge Food Bank'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 the entity'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 was for the limited purposes 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We have identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Greater Baton Rouge Food Bank'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-002.

The Food Bank's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Food Bank's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Food Bank's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 26, 2023

EXHIBIT B
Page 1 of 3

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

The Board of Directors
The Greater Baton Rouge Food Bank
Baton Rouge, Louisiana

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited The Greater Baton Rouge Food Bank's compliance with the types of compliance requirements identified as subject to audit in the described in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Greater Baton Rouge Food Bank's major federal programs for the year ended December 31, 2022. The Greater Baton Rouge Food Bank's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Greater Baton Rouge Food Bank complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis of Opinion on Major Federal Program

We conducted our audit 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Greater Baton Rouge Food Bank and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Greater Baton Rouge Food Bank's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts and grants applicable to The Greater Baton Rouge Food Bank's federal programs.

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Greater Baton Rouge Food Bank's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Greater Baton Rouge Food Bank's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Greater Baton Rouge Food Bank's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Greater Baton Rouge Food Bank's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 The Greater Baton Rouge Food Bank's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, as discussed on the following page, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.



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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Food Bank's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Food Bank's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

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.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 26, 2023

THE GREATER BATON ROUGE FOOD BANK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Program Name</u>	<u>Federal Assistance Listing</u>	<u>Grant Numbers</u>	<u>Expenditures</u>	<u>Amount Provided to Sub-Recipients</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<u>Federal Agency Food and Nutrition Service, passed through from Louisiana Department of Agriculture & Forestry</u>				
Emergency Food Assistance Program (administrative costs) ¹	10.568	61a81012	\$ 871,561	\$ -
Emergency Food Assistance Program (food commodities) ¹	10.569	61a400812	6,019,377	6,019,377
<u>Passed through Louisiana Department of Children and Family Services</u>				
Supplemental Nutrition Assistance Program	10.561	LA 420142 FY 2018	110,641	110,641
Supplemental Nutrition Assistance Program Education	10.561	6L4001102 FY 2019	11,013	11,013
Total U.S. Department of Agriculture			<u>7,012,592</u>	<u>6,141,031</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
<u>Passed through Capital Area United Way</u>				
Emergency Food and Shelter National Board Program	97.024	not available	115,823	115,823
Total Department of Homeland Security			<u>115,823</u>	<u>115,823</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 7,128,415</u>	<u>\$ 6,256,854</u>

¹ Food Distribution Cluster \$ 6,890,938

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

THE GREATER BATON ROUGE FOOD BANK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Greater Baton Rouge Food Bank (Food Bank) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the estimated cost of the commodities disbursed. At December 31, 2022, the organization had USDA commodities valued at \$1,342,653 in inventory. The Organization received \$6,019,377 and distributed \$6,242,793 of commodities for the year ended December 31, 2022.

NOTE C – SUB-RECIPIENTS

All of the commodities and disaster relief meals distributed were done so to eligible recipient agencies considered to be sub-recipients of the Food Bank.

NOTE D – RECONCILIATION OF EXPENSES TO FEDERAL EXPENDITURES

Program expenses	\$ 26,113,423
Non-cash adjustments – donated food	(15,777,559)
Non-cash adjustments – depreciation	(593,649)
Non-federal expenditures	<u>(2,613,800)</u>
Total Federal Expenditures	<u>\$ 7,128,415</u>

NOTE E – DE MINIMIS INDIRECT COST RATE

The Food Bank did not elect to use the 10% de minimis indirect cost rate for the year ended December 31, 2022.

THE GREATER BATON ROUGE FOOD BANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are Not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements Noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are Not considered to be material weaknesses? Yes None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No

Identification of major program:

Assistance Listing Number

Name of Federal Program or Cluster

10.568 and 10.569

Food Distribution Cluster:
Emergency Food Assistance Program

- The threshold for distinguishing types A and B programs was \$750,000.
- The Greater Baton Rouge Food Bank did qualify as a low-risk auditee.

THE GREATER BATON ROUGE FOOD BANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Findings– Financial Statements

2022-001) Accounting and Financial Reporting

Criteria: The Food Bank should have systems of internal accounting control which ensures the financial statements are presented in accordance with U.S. generally accepted accounting principles (“US GAAP”) on a timely basis.

Condition: As part of the review process, we assist management in drafting the financial statements and related notes as of year-end. We noted, as part of the process, adjustments necessary to adjust investments, inventory and net assets. We also noted that a restatement was required for depreciation expense due to incorrect formulas in the excel listing. Because our involvement is so key to that process, there is an indication that the internal controls over year-end GAAP financial statements of the Food Bank is not sufficient.

Cause: The Food Bank had an inventory system conversion effective October 1, 2022 which required all inventory items to be assigned a new item number, the location descriptions changed and all items were converted to cases. The new inventory system (AGI or WMS) was meant to interact directly with the accounting system (NetSuite). However, due to the changes made to the inventory data to convert to the new system, there were discrepancies between the inventory system (AGI) and the accounting system (NetSuite) upon the initial upload. These inconsistencies continued through February 2023, where the accounting system was adjusted to the inventory system based on physical inventory counts. The schedules and pricing to convert the pounds/cases to dollars had not been completed at year end and required additional analysis to calculate the year-to-date entries for receipts, distributions and year end inventory. The financial statement close out process was further delayed due to the resignation of the CFO in April 2023.

Effect: In order to present the financial statements in accordance with US GAAP, a number of material adjustments were required and recorded significantly after year-end.

Recommendation: The Food Bank should continue to develop and implement policies, procedures, and related controls over year end accruals, monthly reconciliation of the inventory system to the accounting system, and preparation of the financial statements. This process should include timely review of account reconciliations and analysis of accounts by someone other than the preparer to verify that there are no errors or significant unidentified variances or accruals that would need to be recorded. Adjustments identified as a result of these account reconciliations and reviews should be recorded on a timely basis.

Management response: *Management agrees with the finding*

THE GREATER BATON ROUGE FOOD BANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Findings– Financial Statements

2022-002) Non-compliance with State Audit Law

Criteria: In accordance with R.S. 24:513, the Food Bank must have their financial statements audited in a timely manner. The due date of the audited financial statements is six months after the Food Bank’s fiscal year end.

Condition: The Food Bank was required to have an audit completed by the filing deadline of June 30, 2023 (six months after its fiscal year end) and the Food Bank did not meet this filing deadline.

Cause: The Food Bank had an inventory system conversion effective October 1, 2022 which required all inventory items to be assigned a new item number, the location descriptions changed and all items were converted to cases. The new inventory system (AGI or WMS) was meant to interact directly with the accounting system (NetSuite). However, due to the changes made to the inventory data to convert to the new system, there were discrepancies between the inventory system (AGI) and the accounting system (NetSuite) upon the initial upload. These inconsistencies continued through February 2023, where the accounting system was adjusted to the inventory system based on physical inventory counts. The schedules and pricing to convert the pounds/cases to dollars had not been completed at year end and required additional analysis to calculate the year-to-date entries for receipts, distributions and year end inventory. The financial statement close out process was further delayed due to the resignation of the CFO in April 2023.

Effect: As of the date of this report, the Food Bank was granted an extension until September 30, 2023 to file by the Louisiana Legislative Auditor. Noncompliance with state audit law could result in the withholding of grant funding.

Recommendation: The Food Bank should ensure that all financial reporting has been completed in an accurate and timely manner to allow sufficient time for the auditor to complete their procedures in accordance with State Law and meet future deadlines.

Management response: *Management agrees with the finding*

THE GREATER BATON ROUGE FOOD BANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Findings and Questioned Costs – Major Federal Awards Programs

2022-003) Accountability for USDA-Donated Foods

Assistance Listing Numbers

Name of Federal Program or Cluster

10.568 and 10.569

Food Distribution Cluster: Emergency Food Assistance Program
Questioned Costs: N/A

Criteria:

As noted in the compliance supplement, Distributing and subdistributing agencies (as defined at 7 CFR section 250.3) must maintain accurate and complete records with respect to the receipt, distribution, and inventory of USDA-donated foods including end products processed from donated foods.

Universe/

Population Size:

USDA-donated foods receipts and disbursements inventory system reports for the period January 1, 2022 to December 31, 2022

Sample size:

A sample of 20 receipts and 20 distributions were haphazardly selected for testing. This sample is not a statistically valid sample.

Condition:

As part of our testing of controls and compliance over the accountability for USDA-donated foods we noted the following:

- The order sheet utilized to record items distributed was not maintained by the Food Bank or the receiving agency evidencing the agencies acknowledgement of receipt of goods for two of the distributions selected.
- The order sheet utilized to record items distributed was not signed by the receiving agency evidencing the agencies acknowledgement of receipt of goods for three of the distributions selected for testing.

Cause:

The Food Bank experienced staffing turnover in the inventory warehouse which resulted in policies and procedures for order sheets not being consistently followed.

THE GREATER BATON ROUGE FOOD BANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Findings and Questioned Costs – Major Federal Awards Programs (continued)

2022-003) Accountability for USDA-Donated Foods (continued)

Assistance Listing Numbers

Name of Federal Program or Cluster

10.568 and 10.569

Food Distribution Cluster: Emergency Food Assistance Program

Effect:

Evidence of supporting documentation for the receipts and distribution of USDA-donated foods, including end products processed from donated food, was not available

Recommendation:

The Food Bank should continue to train new employees on the policies, procedures, and related controls over maintaining supporting documentation for receipts and distributions of USDA-donated foods.

Management response:

Management agrees with the finding

THE GREATER BATON ROUGE FOOD BANK
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Findings– Financial Statements

- None

Findings and Questioned Costs – Major Federal Awards Programs

- None



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Michael G. Manning

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September 26, 2023

Postlethwaite and Netterville

Findings and Questioned Costs -2022-001 - Accounting and Financial Reporting

View of Responsible Official: CFO

Corrective action plan:

The accounting team will take the necessary actions and implement policies to address the deficiencies presented. Account reconciliations will be the responsibility of the Sr. Accountant and review/approval by the CFO. There will also be an inventory roll forward review each month in collaboration with the Operations team.

The objectives of the Finance Department are two-fold:

1. To prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner.
2. To provide adequate financial information to aid management in decision-making.

A monthly set of financial statements shall be prepared, usually by the 15th business day of the subsequent month.

Findings and Questioned Costs -2022-002 Non-Compliance with State Audit Law

View of Responsible Official: CFO

Corrective action plan:

The accounting team will establish hard deadlines for completion of items for audits going forward. The CFO shall document, in detail, any obstacles that may occur to account for any delays. This tracking will allow for an ample amount of time to address any issues.

- **Planning** – The CFO is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the historical list of requested schedules and information maintained by the finance department.
- **Involvement** – Finance department staff will do as much work as possible to assist the auditors.
- **Interim Procedures** – By performing significant portions of audit work as of an interim date, the work required after year-end is reduced. The finance department staff will

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provide requested schedules and documents and otherwise assist the auditors during any interim audit fieldwork that is performed.

- Streamlined Processes – The organization implemented a new warehouse management system in Q4 2022 in order to streamline reporting that required manual calculations that routinely pushed the organization’s timelines behind schedule. Example: No longer will the CFO have to manually value each item in inventory by hand via spreadsheets.

Throughout the audit process, it shall be the policy of the Organization to make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

FEDERAL PROGRAM: Findings and Questioned Costs -2023-003 – Accountability for USDA-Donated Foods

View of Responsible Official: COO/CFO

Corrective action plan:

The organization implemented a new warehouse management system fully integrated with financials in Q4 2022 to resolve these known weaknesses. These new procedures will account for all documentation issues as the new system allows for ease of storage via electronic logs and filing. Retraining will be held annually to ensure all are fully trained in the expectations of best practices regarding documentation.

It will be the responsibility of the logistics team to collect and file all pertinent documentation regarding distributions and receipts, this will be monitored and reported on monthly by the Sr. Logistics Manager and any discrepancies reported, documented, and corrected by the COO.

GREATER BATON ROUGE FOOD BANK

REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL
AREAS

FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1
Schedule A: Agreed-Upon Procedures Performed and Associated Findings	2 - 15
Schedule B: Management's Response and Corrective Action Plan	16

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Greater Baton Rouge Food Bank and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. Greater Baton Rouge Food Bank's management is responsible for those C/C areas identified in the SAUPs.

Greater Baton Rouge Food Bank has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by Greater Baton Rouge Food Bank to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Greater Baton Rouge Food Bank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 26, 2023

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

- ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

The Entity does have a written policy for Purchasing, but it does not contain procedures relating to ensuring compliance with public bid law or the documentation required to be maintained for all bids and price quotes (attributes 4 and 5 above).

- iii. ***Disbursements***, including processing, reviewing, and approving

No exceptions noted.

- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions noted.

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The Entity does not have a written policy for contracting.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions noted.

- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions noted.

- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Not applicable.

- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Entity does not have a written policy for debt service.

- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We performed the procedure and discussed the results with management.

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Not applicable.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Not applicable.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Not applicable.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of 3 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

From the listing provided, we selected the 3 bank accounts (Operating, Capital Campaign, and Mission Support Cash Operating) and obtained the bank reconciliations for the month ending December 31, 2022, resulting in 3 bank reconciliations obtained and subjected to the below procedures.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

For all 3 of the bank reconciliations tested, the Entity could not provide the date the reconciliations were prepared; therefore, this procedure could not be performed.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

No exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

No exceptions noted.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;

No exceptions noted.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected two deposit dates from the operating bank account noted in procedure #3 (No cash deposits are made to the Capital Campaign Cash Account or the Mission Support Cash Account). We obtained supporting documentation for each of the two deposits in the operating account and performed the procedures below.

- i. Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions noted.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

5) *Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

From the listing provided, we randomly selected the only location and performed the procedures below.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exceptions noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

Both employees responsible for processing payments have the ability of adding/modifying vendor files.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Both employees responsible for processing payments have the ability of adding/modifying vendor files.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

A listing of non-payroll electronic disbursements for each payment processing location selected in procedures #3 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

From each of the listings provided, we randomly selected 5 disbursements and performed the specified procedures. No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

From the listing provided, we randomly selected 5 cards (4 credit cards and 1 fuel card) used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exceptions noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

We randomly selected all of the transactions for 4 of the 5 cards selected (1 fuel cards excluded) (noting all had less than 10 transactions each) which resulted in a total of 20 transactions and performed the specified procedures.

One of the transactions is recurring; therefore, there is no itemized receipt available.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by “Written Policies and Procedures”, procedure #1A(vii); and

No exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

8) Contracts – This step is not applicable.

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

All contracts are for professional services, which are not subject to bid law.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

This step is not applicable.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

This step is not applicable.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

This step is not applicable.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

This step is not applicable.

9) Payroll and Personnel

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials.

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

One out of the five employee selected was terminated during the year; therefore, their information was not available in the Food Bank's systems.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

A listing of employees/officials receiving termination payments during the fiscal period was provided. We randomly selected two employees and performed the procedures noting no exceptions.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

10) Ethics – This step is not applicable.

A. Using the 5 randomly selected employees/officials from procedure “Payroll and Personnel” procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

This step is not applicable.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

This step is not applicable.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

This step is not applicable.

11) Debt Service – This step is not applicable.

A. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

The Food Bank does not have any bonds/notes outstanding at 12/31/2022. Therefore, these attributes are not applicable.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

While the Food Bank does have debt owed to BancorpSouth, the Food Bank does not have any bonds at 12/31/2022. Therefore, these attributes are not applicable.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management asserted that here were no misappropriations during 2022.

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

No exceptions noted.

GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2022

Schedule A

14) Prevention of Sexual Harassment – This step is not applicable.

- A. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

This step is not applicable.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

This step is not applicable.

- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

This step is not applicable.

- ii. Number of sexual harassment complaints received by the agency;

This step is not applicable.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

This step is not applicable.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

This step is not applicable.

- v. Amount of time it took to resolve each complaint.

This step is not applicable.

**GREATER BATON ROUGE FOOD BANK
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS
DECEMBER 31, 2022**

Schedule B

See attached.



Greater Baton Rouge Food Bank
Responses to Statewide Agreed Upon Procedures
Fore period ending December 31, 2022

Management Responses

1Aii. Purchasing – The Food Bank requires 3 bids for any contractual or significant purchases (>\$5,000 items).

1Avi. Contracting – The Food Bank will make efforts to document the organization’s policy and procedure.

1Ax. Debt Services – The Food Bank will make efforts to document the organization’s policy and procedure.

1Axi. Information Technology – The Food Bank will make efforts to document the organization’s policy and procedure.

3Ai. Bank Reconciliations – The Food Bank will print the reconciliations, sign, and date to document dates completed.

5Biii & 5Cii. Non-payroll Disbursements – Due to the size of the organization, segregation of duties is limited but internal controls seem to be adequate. All non-payroll disbursements must have supporting invoices approved by their immediate supervisor prior to payment. Once entered in the accounting system by the accounting clerk, it is then approved again by the CFO or the COO.

6C. Credit Cards/Fuel Cards – The Food Bank will make efforts to have all receipts, including recurring transactions, on-hand for proper records.

9Bi. Payroll and Personnel – The Food Bank will make efforts to have all terminated employees’ records printed and stored for documentation purposes.

Mindy Bartholomew Smith
Signature

August 3, 2023
Date