

Louisiana Food Bank Association
Baton Rouge, Louisiana

AUDITED FINANCIAL STATEMENTS
June 30, 2018



TWRU

CPAs & Financial Advisors

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Louisiana Food Bank Association
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana Food Bank Association (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Food Bank Association as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplemental Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer is required by Louisiana Revised Statute 24:513(A)(3) and is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2018, on our consideration of Louisiana Food Bank Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Louisiana Food Bank Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Food Bank Association's internal control over financial reporting and compliance.



CPAs & Financial Advisors
Baton Rouge, Louisiana
November 9, 2018



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Louisiana Food Bank Association
Baton Rouge, Louisiana

Statement of Financial Position
June 30, 2018

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 164,293	
Receivable from Government Program	55,653	
Grant Receivable	<u>51,500</u>	
TOTAL CURRENT ASSETS		\$ 271,446

PROPERTY AND EQUIPMENT

Property and Equipment	3,500	
Less Accumulated Depreciation	<u>(1,166)</u>	
TOTAL PROPERTY AND EQUIPMENT		<u>2,334</u>

TOTAL ASSETS

\$ 273,780

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts Payable	\$ 67,769	
Payroll Tax Liability	<u>3,857</u>	
TOTAL LIABILITIES (ALL CURRENT)		\$ 71,626

NET ASSETS:

Unrestricted	146,684	
Temporarily Restricted	<u>55,470</u>	
TOTAL NET ASSETS		<u>202,154</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 273,780

See accompanying notes to financial statements



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Louisiana Food Bank Association
Baton Rouge, Louisiana

Statement of Activities
For the Year Ended June 30, 2018

CHANGES IN UNRESTRICTED NET ASSETS:

Revenues and Releases from Restrictions:

Member Dues	\$ 30,000	
Mazon Grant Income	51,500	
LA Income Tax Revenue	43,902	
SNAP Revenue	221,809	
Other Contributions	5,678	
Miscellaneous Revenue	198	
Total Unrestricted Revenues	<u>353,087</u>	
Net Assets Released from Restrictions	-	
Total Unrestricted Revenues and Other Releases from Restrictions		\$ 353,087

Expenses

Program Expense	259,055	
Management and General	<u>59,038</u>	
Total Expenses		<u>318,093</u>

Change in Unrestricted Net Assets 34,994

Unrestricted Net Assets, Beginning of Year 111,690

Unrestricted Net Assets, End of Year \$ 146,684

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

Revenues and Releases from Restrictions:

Net Assets Released from Restrictions \$ -

Change in Temporarily Restricted Net Assets \$ -

Temporarily Restricted Net Assets, Beginning of Year 55,470

Temporarily Restricted Net Assets, End of Year \$ 55,470

See accompanying notes to financial statements



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Louisiana Food Bank Association
Baton Rouge, Louisiana

Statement of Functional Expenses
For the Year Ended June 30, 2018

	Program Expenses	Management and General	Total
Depreciation Expense	\$ 93	\$ 140	\$ 233
Insurance	500	1,168	1,668
Marketing	13,814	-	13,814
Membership Dues	250	-	250
Miscellaneous	155	272	427
Office Supplies	-	53	53
Payments to Member Foodbanks	1,350	-	1,350
Printing	35	53	88
Professional Fees	3,180	4,770	7,950
Salaries and Payroll Taxes	32,159	48,239	80,398
SNAP Reimbursement Expense	204,623	-	204,623
Travel Expense	2,662	3,992	6,654
Website Maintenance	234	351	585
TOTAL EXPENSES	\$ 259,055	\$ 59,038	\$ 318,093

See accompanying notes to financial statements



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Louisiana Food Bank Association
Baton Rouge, Louisiana

Statement of Cash Flows
For the Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$	34,994
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation		233
Decrease (Increase) in Assets:		
Receivables from Government Programs		(20,366)
Grant Receivables		(51,500)
Increase (Decrease) in Liabilities:		
Accounts Payable		34,513
Payroll Liabilities		528
		<hr/>
NET CASH USED BY OPERATING ACTIVITIES	\$	<u>(1,598)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,598)
BEGINNING CASH AND CASH EQUIVALENTS		<u>165,891</u>
ENDING CASH AND CASH EQUIVALENTS	\$	<u><u>164,293</u></u>

See accompanying notes to financial statements



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Louisiana Food Bank Association
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-1-
June 30, 2018

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Louisiana Food Bank Association (the Organization) is a not-for-profit entity that was organized for the purpose of providing financial support and consulting to food banks within Louisiana. The Organization is supported primarily through grants. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Service.

Program and Supporting Services – The Organization participates in the Supplemental Nutrition Assistance Program (SNAP) funded by the United States Department of Agriculture.

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation – The Organization is required to report information regarding its financial position and activities according to three classes of net assets unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purpose specified in its corporate documents and its application for tax exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Temporarily Restricted Net Assets are resources that are subject to donor imposed stipulations that will be met by actions of the Organization and/or the passage of time. When a donor stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets are resources whose use is limited to donor-imposed restrictions that neither expires by passage of time by being used in accordance with a donor's restriction. The organization does not have any permanently restricted net assets at year end.

Revenue Recognition – Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Cash and Cash Equivalents – For purposes of reporting cash flows, the Organization considers all highly liquid investment purchases with maturity of three months or less to be cash equivalents.

Receivables – The Organization believes the amounts owed from governmental entities and grants receivable to be collectable in full. Receivable balances are stated at the amounts management expects to collect. Therefore no allowance for doubtful accounts is recorded or necessary.

Property and Equipment – Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful life of the asset. Betterments and major renewals are capitalized while maintenance and repairs are charged against earnings when incurred. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any resulting gain or loss is reflected in current period earnings. The estimated useful lives for significant property and equipment categories are as follows:

Property and Equipment	5 to 15 years
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Louisiana Food Bank Association
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-2-
June 30, 2018

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services – No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. Some Board Members volunteer their time and perform a variety of tasks that assist with administrative programs.

Expense Allocation – The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated, by management, among the programs and supporting services benefited.

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

NOTE 2: DUE FROM GOVERNMENT PROGRAMS

In May 2011, the Organization began participating in the Supplemental Nutrition Assistance Program (SNAP). This program is a federal governmental program run by the USDA and is administered by the Louisiana Department of Children and Family Services. Reimbursements are based on actual expenses incurred by the food banks in Louisiana. Currently, five food banks are participating in this program. Reimbursement requests are submitted by the Organization. Once the Organization receives the reimbursement, it disperses the appropriate amounts according to the affiliated food bank's requests. As of June 30, 2018, the Organization had not received the April, May and June reimbursements for the food banks. The total for the year ended is \$55,653 and is shown as a receivable on the balance sheet.

NOTE 3: RESTRICTIONS ON NET ASSETS

The Association's board of directors has not chosen to place any limitations on unrestricted net assets.

Changes in temporarily restricted net assets consist of the following for the year ended June 30, 2018:

	<u>6/30/17</u>	<u>Additions</u>	<u>Releases</u>	<u>6/30/18</u>
Walmart Grant	\$ 41,163	\$ -	\$ -	\$ 41,163
Allstate Grant	14,307	-	-	14,307
Total Temporarily Restricted Net Assets	<u>\$ 55,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,470</u>

NOTE 4: RELATED PARTY TRANSACTIONS

The Organization receives dues from other food banks in Louisiana. Member dues of \$30,000 had been collected at year end.

The Organization reimburses food banks in Louisiana for food purchases with funds collected from grants and government programs. As of June 30, 2018, the Organization had reimbursed \$204,616 to food banks.

The Organization also made grant reimbursements to the other food banks in the amount of \$1,350 for the year ended June 30, 2018.



Louisiana Food Bank Association
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-3-
June 30, 2018

NOTE 5: INCOME TAXES

The Organization follows FASB Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in an organization's financial statements. The guidance prescribes a recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. As of June 30, 2018, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. No interest and penalties were recorded during the year ended June 30, 2018. Generally, the tax years before 2015 are no longer subject to examination by federal, state, or local taxing authorities.

NOTE 6: COMMITMENTS

Beginning May 2011, the Organization was allocated funding from the SNAP program. A portion of this revenue is allocated to five member food banks in Louisiana. As of June 30, 2018, the Organization owed the other food banks \$67,663. This amount is included in accounts payable.

NOTE 7: CONCENTRATION OF REVENUES

During the year ended June 30, 2018, the Organization received approximately 77% of its total revenue from two sources.

NOTE 8: SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through November 9, 2018, the date the financial statements were available to be issued.



Louisiana Food Bank Association
Baton Rouge, Louisiana

SUPPLEMENTAL SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER
For the Year Ended June 30, 2018

Agency Head: Korey Patty, Executive Director

	<u>Totals</u>
<u>PURPOSE</u>	
Salary	\$ 74,685
Conference Travel	351
Local Travel	-
TOTAL PAYMENTS TO AGENCY HEAD	<u>\$ 75,036</u>

Board Members were not paid in non-employee or employee compensation for attending board meetings.





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

Board of Directors
Louisiana Food Bank Association
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 Louisiana Food Bank Association (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Food Bank Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Food Bank Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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.

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CPAs & Financial Advisors
Baton Rouge, Louisiana
November 9, 2018

Louisiana Food Bank Association
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2018

Finding Relating to the Financial Statements Required to be Reported in Accordance with Government Auditing Standards

Current Year Findings

There were no findings for the year ended June 30, 2018.

Prior Year Findings

There were no findings for the year ended June 30, 2017.

