

Feeding Louisiana
Baton Rouge, Louisiana

AUDITED FINANCIAL STATEMENTS
June 30, 2019



TWRU
CPAs & Financial Advisors

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Feeding Louisiana
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Feeding Louisiana (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2019, 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 Feeding Louisiana as of June 30, 2019, 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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the Organization adopted Accounting Standards Update (ASU) 2016-14, Not for Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities, during the current fiscal year. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2019, on our consideration of Feeding Louisiana'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 Feeding Louisiana'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 Feeding Louisiana's internal control over financial reporting and compliance.

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CPAs & Financial Advisors
Baton Rouge, Louisiana
December 11, 2019

Feeding Louisiana
Baton Rouge, Louisiana

Statement of Financial Position
June 30, 2019

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	193,731	
Receivable from Government Program		139,867	
Grant Receivable		55,000	
TOTAL CURRENT ASSETS			\$ 388,598

PROPERTY AND EQUIPMENT

Property and Equipment		3,500	
Less Accumulated Depreciation		(1,400)	
TOTAL PROPERTY AND EQUIPMENT			2,100

TOTAL ASSETS

\$ 390,698

LIABILITIES AND NET ASSETS

LIABILITIES:

Payable to Member Foodbanks	\$	170,316	
Payroll Liability		5,376	
Other Current Liabilities		5,409	
TOTAL LIABILITIES (ALL CURRENT)			\$ 181,101

NET ASSETS:

Without Donor Restrictions		209,597	
TOTAL NET ASSETS			209,597

TOTAL LIABILITIES AND NET ASSETS

\$ 390,698

See accompanying notes to financial statements



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Feeding Louisiana
Baton Rouge, Louisiana

Statement of Activities
For the Year Ended June 30, 2019

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Revenues and Releases from Restrictions:

Member Dues	\$ 30,000	
Private Grants and Contributions	57,420	
LA Income Tax Revenue	45,323	
SNAP Revenue	488,634	
Miscellaneous Revenue	250	
Total Unrestricted Revenues	<u>621,627</u>	
Net Assets Released from Donor Restrictions	<u>100,000</u>	
Total Revenues Without Donor Restrictions and Releases from Restrictions		\$ 721,627

Expenses

Program Expense	622,358	
Management and General	<u>91,826</u>	
Total Expenses		<u>714,184</u>

Change in Net Assets Without Donor Restrictions

7,443

Net Assets Without Donor Restrictions, Beginning of Year

202,154

Net Assets Without Donor Restrictions, End of Year

\$ 209,597

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:

Restricted Revenues:	\$ 100,000	
Released from Restrictions	<u>(100,000)</u>	

Change in Net Assets With Donor Restrictions

\$ -

Net Assets With Donor Restrictions, Beginning of Year

-

Net Assets With Donor Restrictions, End of Year

\$ -

See accompanying notes to financial statements

Feeding Louisiana
Baton Rouge, Louisiana

Statement of Functional Expenses
For the Year Ended June 30, 2019

	Program Expenses	Management and General	Total
Benefits Expense	\$ 2,717	\$ 4,075	\$ 6,792
Depreciation Expense	234	-	234
Insurance	-	1,681	1,681
Marketing	16,250	-	16,250
Membership Dues	-	190	190
Miscellaneous	-	1,113	1,113
Office Supplies	-	152	152
Payments to Member Foodbanks	100,000	-	100,000
Printing	-	457	457
Professional Fees	3,800	5,700	9,500
Salaries and Payroll Taxes	48,423	72,635	121,058
SNAP Reimbursement Expense	437,565	-	437,565
Travel and Conference Expense	13,369	5,635	19,004
Website Maintenance	-	188	188
TOTAL EXPENSES	\$ 622,358	\$ 91,826	\$ 714,184

See accompanying notes to financial statements

Feeding Louisiana
Baton Rouge, Louisiana

Statement of Cash Flows
For the Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$	7,443
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation		234
Decrease (Increase) in Assets:		
Receivables from Government Programs		(84,214)
Grant Receivables		(3,500)
Increase (Decrease) in Liabilities:		
Accounts Payable		102,653
Payroll Liabilities		1,519
Other Current Liabilities		5,303
		<u> </u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	<u>29,438</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		29,438
BEGINNING CASH AND CASH EQUIVALENTS		<u>164,293</u>
ENDING CASH AND CASH EQUIVALENTS	\$	<u><u>193,731</u></u>

See accompanying notes to financial statements

Feeding Louisiana
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-1-
June 30, 2019

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Feeding Louisiana (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 – Financial statement presentation follows the guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under ASC 958, non profit organizations are required to report information regarding the financial position and activities according to two classes of net assets:

1. *Net Assets Without Donor Restrictions* are net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.
2. *Net Assets With Donor Restrictions* are net assets subject to donor imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenue Recognition – Contributions are recognized when the donor makes an unconditional promise to give. All contributions are reported as increases in net assets with donor restrictions or net assets without donor restrictions, depending on the existence of any donor restrictions. When a restriction expires, that is when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from 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 all 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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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.

Feeding Louisiana
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-2-
June 30, 2019

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

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, 40% to program and 60% to management and general, unless they have been determined to be fully program or fully management and general.

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, 2019, the Organization had not received the April, May and June reimbursements for the food banks. The total for the year ended is \$139,867 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 net assets with donor restrictions consist of the following for the year ended June 30, 2019:

	<u>6/30/18</u>	<u>Additions</u>	<u>Releases</u>	<u>6/30/19</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 for the year ended June 30, 2019.

The Organization reimburses food banks in Louisiana for food purchases with funds collected from government programs. As of June 30, 2019, the Organization had reimbursed \$437,565 to the member food banks.

The Organization also made grant reimbursements to food banks for nutritional education in the amount of \$100,000 per the restrictions specified by the donor for the year ended June 30, 2019.

Feeding Louisiana
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-3-
June 30, 2019

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, 2019, 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, 2019. Generally, the tax years before 2016 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, 2019, the Organization owed the other food banks \$170,316. This amount is included in accounts payable.

NOTE 7: CONCENTRATION OF REVENUES

During the year ended June 30, 2019, the Organization received approximately 79% of its total revenue from state or federal sources.

NOTE 8: EMPLOYEE BENEFIT PLAN

The Organization provides an employee benefit plan to employees. Employees may elect to contribute a portion of their base salary on a pre-tax basis and the organization matches those contributions. The Organization contributed \$1,811 to the plan for the year ended June 30, 2019.

NOTE 9: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organizations' financial assets as of the statement of financial position date, reduced by any amounts not available for general use within one year of the statement of financial position date because of the contractual or donor-imposed restrictions or internal designations:

	<u>6/30/19</u>
Current Assets, excluding nonfinancial assets	\$ 388,598
Less those unavailable for general expenditures within one year:	
Donor restrictions for a specific purpose	<u> -</u>
Financial Assets available to meet cash needs for general expenditures within one year	<u>\$ 388,598</u>

Feeding Louisiana
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-4-
June 30, 2019

NOTE 10: CHANGE IN ACCOUNTING PRINCIPLE

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, Not for Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has presented the financial statements accordingly. Due to the change in accounting principle, net assets that were previously classified as temporarily restricted were reclassified as net assets without donor restrictions. This change was retroactively applied to beginning net assets in the amount of \$55,470.

NOTE 11: SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through December 11, 2019, the date the financial statements were available to be issued.



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Feeding Louisiana
Baton Rouge, LouisianaSCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER
For the Year Ended June 30, 2019Agency Head: Korey Patty, Executive Director

<u>PURPOSE</u>	<u>Totals</u>
Salary	\$ 78,345
Benefits	3,622
Travel Reimbursements	<u>1,700</u>
TOTAL PAYMENTS TO AGENCY HEAD	<u>\$ 83,667</u>

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





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
Feeding Louisiana
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 Feeding Louisiana (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2019, 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 December 11, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Feeding Louisiana'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 Feeding Louisiana'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 Feeding Louisiana'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.

CPAs & Financial Advisors
Baton Rouge, Louisiana
December 11, 2019

Feeding Louisiana
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2019

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, 2019.

Prior Year Findings

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



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Feeding Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Feeding Louisiana (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **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.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **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).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-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)

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

Exception: The entity did not have any of the policies listed above at year end, but the board has since adopted acceptable policies and procedures for the next fiscal year.

Management's Response/ Corrective Action: One of the member food banks has shared their policies which were then revised to fit the needs of Feeding Louisiana and adopted for use.

Board or Finance Committee

- 2. 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:

- a) Observe that 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 Exceptions Noted.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-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.

No Exceptions Noted.

- c) 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.

Bank Reconciliations

- 3. Obtain a listing of client 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 selected each account, and observe that:

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

No Exceptions Noted.

- b) Bank reconciliations include evidence that a member of management/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

Exception: There was no evidence that management or a board member had reviewed the bank reconciliation.

Management's Response/Corrective Action: We will have the Treasurer of the Board sign off on financial reports going forward.

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

Not Applicable.

Collections (excluding EFTs)

4. 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.

5. 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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

No Exceptions Noted.

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

Exception: The Executive Director is responsible for both collections and preparing/making deposits.

Management's Response/Corrective Action: The Executive Director is the only employee in the office and is the only employee with access to mail/checks.

- c) Each employee responsible for collecting cash is not 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.

No Exceptions Noted.

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

No Exceptions Noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No Exceptions Noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). Alternately, 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:

- a) Observe that receipts are sequentially pre-numbered.

Not Applicable.

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

Exception: No collection documentation present.

Management's Response/Corrective Action: The date of receipt will be added to the check stubs before scanning.

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

No Exceptions Noted.

- d) 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).

Exception: No collection documentation present to compare to deposit date.

Management's Response/Corrective Action: See response to part B.

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

No Exceptions Noted.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. 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).

No Exceptions Noted.

9. For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

No Exceptions Noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No Exceptions Noted.

- c) 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.

No Exceptions Noted.

- d) 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.

No Exceptions Noted.

10. For each location selected under #8 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) Observe that the disbursement matched the related original invoice/billing statement.

No Exceptions Noted.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No Exceptions Noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

No Exceptions Noted.

12. 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:

a) Observe that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Exception: There was no evidence that the monthly statement was reviewed and approved in writing by someone other than the authorized card holder.

Management's Response/Corrective Action: The statement will be sent to the Treasurer or President of the Board in the future for signature approval.

b) Observe that finance charges and late fees were not assessed on the selected statements.

No Exceptions Noted.

13. Using the monthly statements or combined statements selected under #12 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 (i.e. each card should have 10 transactions subject to testing). 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 note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No Exceptions Noted.

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

14. 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, 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:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Not Applicable.

- b) 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.

- c) 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 policy (procedure #1h).

No Exceptions Noted.

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

No Exceptions Noted.

Payroll and Personnel

15. 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.

No Exceptions Noted.

16. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Exception: Employees do not document daily attendance and leave.

Management's Response/Corrective Action: Employees are salaried and do not receive sick or leave time, therefore they are not required to document daily attendance.

17. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Not Applicable.

18. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No Exceptions Noted.

Other

19. 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.

No Exceptions Noted.

20. 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.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
December 11, 2019