

Northwest Louisiana Food Bank
Financial Statements With Auditors' Report
As of and for the Years Ended June 30, 2021 and 2020

Northwest Louisiana Food Bank

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1 – 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	
For the Year Ended June 30, 2021	4
For the Year Ended June 30, 2020	5
Statements of Functional Expenses	
For the Year Ended June 30, 2021	6
For the Year Ended June 30, 2020	7
Statements of Cash Flows	8
Notes to Financial Statements	9 – 16
Schedule of Expenditures of Federal Awards	17
Schedule of Compensation, Benefits, and Other Payments to Agency Head	18
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>	19 – 20
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	21 – 22
Summary Schedule of Prior Audit Findings	23
Schedule of Findings and Questioned Costs	23
Schedule for Louisiana Legislative Auditor:	
Summary Schedule of Prior Audit Findings	24
Summary Schedule of Current Year Audit Findings	24

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Independent Auditors' Report

To the Board of Directors
Northwest Louisiana Food Bank
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Northwest Louisiana Food Bank (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwest Louisiana Food Bank, as of June 30, 2021, and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

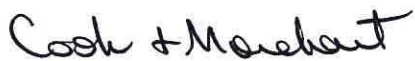
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on page 18, is presented for the purpose of additional analysis and is not a required part of the financial statements of Northwest Louisiana Food Bank. The accompanying schedule of expenditures of federal awards, shown on page 17, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administration 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 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 December 15, 2021, on our consideration of Northwest Louisiana Food Bank'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 Northwest Louisiana Food Bank'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 Northwest Louisiana Food Bank's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 15, 2021

Northwest Louisiana Food Bank
 Statements of Financial Position
 June 30, 2021 and 2020

Assets	2021	2020
Current assets:		
Cash and cash equivalents	\$ 16,021,837	\$ 5,868,141
Investments	137,684	270,621
Accounts receivable - grants	48,553	192,437
Accounts receivable - other	8,997	4,969
Prepaid expenses	8,308	6,642
Inventory - USDA	852,634	617,882
Inventory - Other	938,957	1,185,642
Total current assets	18,016,970	8,146,334
Noncurrent assets:		
Restricted cash		772,664
Depreciable property and equipment, net	7,083,382	849,430
Non-depreciable property and equipment	944,750	4,939,515
Total noncurrent assets	8,028,132	6,561,609
Total Assets	\$ 26,045,102	\$ 14,707,943
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 319,233	\$ 535,692
Accrued liabilities	45,774	32,470
Loan payable		167,500
Total current liabilities	365,007	735,662
Net assets:		
With donor restrictions	926,793	2,408,294
Without donor restrictions	24,753,302	11,563,987
Total net assets	25,680,095	13,972,281
Total Liabilities and Net Assets	\$ 26,045,102	\$ 14,707,943

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

Northwest Louisiana Food Bank
Statement of Activities
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:			
Annual campaign	\$ 523,559	\$	\$ 523,559
Donations - church, corporate, individuals	11,582,947		11,582,947
Grants and contracts			
Government	209,381	64,577	273,958
Foundation	90,918	9,582	100,500
Other	285,275		285,275
United Way	17,438		17,438
Shared maintenance	1,031,464		1,031,464
Adopt a senior program	26,060		26,060
Miscellaneous	141,972		141,972
Rent income	4,500		4,500
Interest income	24,386		24,386
Donated food supplies	18,966,342	234,752	19,201,094
Gain on forgiveness of loan	167,500		167,500
Net assets released from restrictions:			
Satisfaction of restrictions	1,790,412	(1,790,412)	
Total revenues, gains and other support	34,862,154	(1,481,501)	33,380,653
Expenses:			
Program services			
Food Bank	20,610,557		20,610,557
Supporting services			
Management and general	789,371		789,371
Fund Raising	180,621		180,621
Total expenses	21,580,549		21,580,549
Changes in net assets from operations	13,281,605	(1,481,501)	11,800,104
Nonoperating activities			
Investment return, net	26,551		26,551
Loss on disposal of fixed assets	(118,841)		(118,841)
Net nonoperating activities	(92,290)		(92,290)
Change in net assets	13,189,315	(1,481,501)	11,707,814
Net assets, beginning of year	11,563,987	2,408,294	13,972,281
Net assets, end of year	\$ 24,753,302	\$ 926,793	\$ 25,680,095

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

Northwest Louisiana Food Bank
Statement of Activities
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Annual campaign	\$ 447,020	\$	\$ 447,020
Donations - church, corporate, individuals	2,120,404	650,000	2,770,404
Grants and contracts			
Government	627,904	89,393	717,297
Foundation	550,656	159,582	710,238
Other	50,998		50,998
United Way	28,378		28,378
Shared maintenance	590,207		590,207
Adopt a senior program	26,221		26,221
Miscellaneous	110,980		110,980
Rent income	12,375		12,375
Interest income	56,132		56,132
Donated food supplies	17,776,245	219,656	17,995,901
Capital campaign	308,231	772,664	1,080,895
Net assets released from restrictions:			
Satisfaction of restrictions	2,391,327	(2,391,327)	
Total revenues and other support	<u>25,097,078</u>	<u>(500,032)</u>	<u>24,597,046</u>
Expenses:			
Program services			
Food Bank	18,879,961		18,879,961
Supporting services			
Management and general	647,792		647,792
Fund Raising	163,344		163,344
Total expenses	<u>19,691,097</u>		<u>19,691,097</u>
Changes in net assets from operations	5,405,981	(500,032)	4,905,949
Nonoperating activities			
Investment return, net	14,223		14,223
Total nonoperating activities	<u>14,223</u>		<u>14,223</u>
Change in net assets	5,420,204	(500,032)	4,920,172
Net assets, beginning of year	<u>6,143,783</u>	<u>2,908,326</u>	<u>9,052,109</u>
Net assets, end of year	<u>\$ 11,563,987</u>	<u>\$ 2,408,294</u>	<u>\$ 13,972,281</u>

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

Northwest Louisiana Food Bank
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services	Support Services			Total
	Food Bank	Management & General	Fund Raising	Total	
Expenses					
Accounting	\$	\$ 23,596	\$	\$ 23,596	\$ 23,596
Auto	79,757	27		27	79,784
Advertising			53,076	53,076	53,076
Computer expense	12,169	12,251	134	12,385	24,554
Depreciation	165,260	51,860		51,860	217,120
Dues & subscriptions		6,554		6,554	6,554
Food costs	19,523,416				19,523,416
Freight	58,105	1,565		1,565	59,670
Fringe	43,484	177,657	8,178	185,835	229,319
Insurance		88,522		88,522	88,522
Postage	254	2,963	1,246	4,209	4,463
Repairs & maintenance	102,260	74,632		74,632	176,892
Salaries	489,850	239,159	91,698	330,857	820,707
Supplies	121,793	16,796		16,796	138,589
Telephone	4,323	9,820	720	10,540	14,863
Travel	247	3,256		3,256	3,503
Utilities	2,935	56,528		56,528	59,463
Waste disposal	758	5,247		5,247	6,005
Miscellaneous	5,946	18,938	25,569	44,507	50,453
Total Expenses	\$ 20,610,557	\$ 789,371	\$ 180,621	\$ 969,992	\$ 21,580,549

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

Northwest Louisiana Food Bank
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services	Support Services			Total
	Food Bank	Management & General	Fund Raising	Total	
Expenses					
Accounting	\$ 3,200	\$ 15,440	\$	\$ 15,440	\$ 18,640
Auto	153,001	208		208	153,209
Advertising			60,500	60,500	60,500
Computer expense	12,068	9,618	2,506	12,124	24,192
Depreciation	110,873	32,906		32,906	143,779
Dues & subscriptions		15,122	383	15,505	15,505
Food costs	17,873,806		6,750	6,750	17,880,556
Freight	90,138	550		550	90,688
Fringe	43,765	190,838	7,755	198,593	242,358
Insurance		76,612		76,612	76,612
Office supplies	1,306	10,254	304	10,558	11,864
Postage		3,015	701	3,716	3,716
Repairs & maintenance	43,032	13,461		13,461	56,493
Salaries	495,345	223,793	79,042	302,835	798,180
Supplies	5,327				5,327
Telephone	5,727	5,713	660	6,373	12,100
Travel	6,906	5,403	1,194	6,597	13,503
Utilities	3,995	29,123		29,123	33,118
Waste disposal	1,572	3,905		3,905	5,477
Miscellaneous	29,900	11,831	3,549	15,380	45,280
Total Expenses	\$ 18,879,961	\$ 647,792	\$ 163,344	\$ 811,136	\$ 19,691,097

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

Northwest Louisiana Food Bank
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

Operating Activities

	<u>2021</u>	<u>2020</u>
Change in net assets	\$ 11,707,814	\$ 4,920,172
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	217,120	143,779
Gain on forgiveness of loan	(167,500)	
Realized & unrealized (gain) loss on investment	(26,551)	(14,223)
Donation of stock	(6,438)	(32,786)
Loss on disposal of assets	118,841	
(Increase) decrease in operating assets:		
Accounts receivable	139,856	(70,513)
Inventory - USDA	(234,752)	(219,657)
Inventory - other	246,685	(686,970)
Prepaid expenses	(1,666)	(536)
Increase (decrease) in operating liabilities:		
Accounts payable	(216,459)	200,121
Accrued liabilities	13,304	(29,702)
Net cash provided by operating activities	<u>11,790,254</u>	<u>4,209,685</u>

Investing Activities

Purchase of investments		(164,000)
Proceeds from sale of investments	165,926	232,091
Proceeds from sale of assets	384,279	
Payments for property and equipment	(2,959,427)	(2,716,125)
Net cash (used) in investing activities	<u>(2,409,222)</u>	<u>(2,648,034)</u>

Financing Activities

Proceeds from note payable		167,500
Net cash provided by financing activities	<u>167,500</u>	<u>167,500</u>

Net increase in cash	9,381,032	1,729,151
Cash and cash equivalents as of beginning of year	<u>6,640,805</u>	<u>4,911,654</u>
Cash and cash equivalents as of end of year	<u>\$ 16,021,837</u>	<u>\$ 6,640,805</u>
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 16,021,837	\$ 5,868,141
Restricted cash		772,664
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 16,021,837</u>	<u>\$ 6,640,805</u>

Supplemental Cash flow Disclosures:

Noncash Investing Transactions:

Donated stock	<u>\$ 6,438</u>	<u>\$ 32,786</u>
Acquisition of property		
Cost of property and equipment	\$ 3,215,924	\$ 2,971,547
Trade account payable	<u>(256,497)</u>	<u>(255,422)</u>
Cash down payment for property and equipment	<u>\$ 2,959,427</u>	<u>\$ 2,716,125</u>

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

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Northwest Louisiana Food Bank (the Food Bank) was organized in Shreveport during 1996 for the purpose of distributing food and commodities to various group feeding centers and food pantries in the parishes of Caddo, Bossier, Red River, Webster, Desoto, Claiborne, and Bienville in North Louisiana.

The Organization receives United States Department of Agriculture (USDA) donated food commodities for use in feeding needy households under the Food Bank Program. The Organization assumes full responsibility for all matters pertinent to the receipt, handling, storage, protection, accountability, and use of donated food commodities. The Organization also receives funding for administrative costs to support product maintenance.

The Northwest Louisiana Food Bank is the regional certified affiliate of America's Second Harvest, a national food bank organization located in Chicago, Illinois that links over 200 affiliated food banks with donations from over 250 major donors.

The Organization relies heavily on community volunteers or individuals doing community services as a condition of probation. The Organization relies on food donations from Second Harvest and related affiliates as well as donations from the United States Department of Agriculture, churches, benevolent trusts, corporations, and United Way to fund the daily operations.

B. Basis of Accounting

The financial statements of the Food Bank have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

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 objective of the organization. These net assets may be used at the discretion of Food Bank's management and the 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 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 statement of activities. The Food Bank has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

D. Income Tax Status

The Food Bank is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code, and therefore, is not subject to income taxes. However, income from certain activities not directly related to the Food Bank's tax-exempt purpose is subject to taxation as unrelated business income. The Food Bank had no such income for this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2018, 2019, 2020, and 2021 are subject to examination by the IRS, generally three years after they were filed.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Food Bank considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The Federal government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds there from is subject to federal regulations. The Food Bank has adopted a policy to capitalize expenditures for property and equipment with a unit cost of \$5,000 or more.

H. Contributions

Contributions received are recorded as increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (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 statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

I. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and the statement of functional expense. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged to the function they benefit. Indirect or shared costs, including personnel, facility costs, and other are allocated among the programs and support services by a method that best measures the relative degree of benefit, based upon management's estimates.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

J. Investments

Investments in equity securities are presented in the financial statements at fair value using level 1 fair value measures (quoted prices in active markets). For contributed investments, fair value of the gift is determined by the market value at the date of donation. Realized and unrealized gains and losses are included in investment return, along with interest and dividends, in the statement of activities.

K. Fair Value Measurements

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ("Level 1") and the lowest priority to unobservable inputs ("Level 3"). The three levels of the fair value hierarchy are described as follows:

Level 1: quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2: significant other observable inputs than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The asset's or liability's 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.

L. Promises to Give

Conditional promises to give are recognized when the conditions on which they depend are substantially met.

M. Inventory

Purchased inventory is carried at cost, while inventory acquired from the United States Department of Agriculture is valued at fair market value. Donated inventory is based on the average price per pound as determined by the National Office of Feeding America. This price was \$1.70 for 2021 and \$1.74 for 2020.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject the Food Bank to concentrations of credit risk consist principally of temporary cash investments and accounts receivable. Concentrations of credit risk with respect to accounts receivable are limited due to the receivables being small in nature and from several different entities and amounts due from governmental agencies under contractual terms. The Food Bank maintains cash balances at financial institutions and money market accounts held by investment brokers. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000 at financial institutions and investment brokers. Securities Investor Protection Corporation (SIPC) insures funds on deposit with investment brokers up to \$500,000. The Food Bank had uninsured cash balances of \$7,075,994 and \$5,534,895 at June 30, 2021 and 2020, respectively.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

(3) Restricted Assets

Restricted assets at June 30, 2021 and 2020, consisted of cash restricted for building renovations in the amount of \$0 and \$772,664, respectively.

(4) Investments

Investments in equity securities are presented in the financial statements at fair value using level 1 fair value measures (quoted prices in active markets). Investments in certificates of deposits are recorded at cost as of the purchase date then subsequently adjusted to fair value as of the reporting date. The fair value of certificates of deposit is determined by using a discounted cash flow calculation that applies interest rates currently being offered for deposits of similar remaining maturities to a schedule of expected maturities on the certificates. This results in a level 2 fair value measurement. Investments as of June 30, 2021 and 2020 consisted of the following:

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Equities	\$ 137,684	\$ 79,758	\$ 104,695	\$ 70,712
Certificates of deposits			165,926	164,000
	<u>\$ 137,684</u>	<u>\$ 79,758</u>	<u>\$ 270,621</u>	<u>\$ 234,712</u>

For the year ended June 30, 2021, net investment return was \$26,551, which consisted of realized and unrealized gains of \$24,829 and interest and dividends of \$1,722. For the year ended June 30, 2020, net investment return was \$14,223, which consisted of realized and unrealized gains of \$10,810 and interest and dividend of \$3,413.

(5) Accounts Receivable – Grants

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at June 30, 2021 and 2020, but received after those dates.

(6) Property and Equipment

Property and equipment consisted of the following at June 30, 2021 and 2020:

	Estimated Depreciable Life	2021	2020
	Buildings and improvements	7-39 years	\$ 6,473,270
Furniture and equipment	5-10 years	877,100	680,889
Vehicles	5-10 years	955,315	784,195
Land		944,750	901,017
Idle assets			1,076,225
Construction in process			2,962,273
Accumulated depreciation		(1,222,303)	(1,742,861)
Net investment in property and equipment		<u>\$ 8,028,132</u>	<u>\$ 5,788,945</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$217,120 and \$143,779, respectively.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

During the year ended June 30, 2021, the Food Bank entered into a lease agreement for the a refrigerated truck. The lease agreement called for 48 payments of \$2,215, for a total of \$106,320. The Food Bank pre-paid the lease amount of \$106,320. At the conclusion of the lease, the Food Bank has the option to purchase the vehicle for \$1. It is the Food Bank's intention to purchase the lease for \$1 at the conclusion of the lease period.

(7) Accrued Liabilities

Accrued liabilities consisted of the following at June 30, 2021 and 2020:

	2021	2020
Accrued leave payable	\$ 18,795	\$ 18,451
Accrued payroll	25,306	13,828
Payroll taxes and other related benefits payable	1,673	191
	\$ 45,774	\$ 32,470

(8) Retirement Plan

The Food Bank provides for a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) under Section 408(p) of the Internal Revenue Code. The plan covers full-time employees of the Food Bank. The Food Bank contributes a matching contribution equal to the employee's contributions up to a limit of 3% of the employee's compensation for the calendar year. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. The amount contributed by the Food Bank to retirement plans on the employees behalf for the years ended June 30, 2021 and 2020, was \$16,735 and \$14,377, respectively.

(9) Concentrations and Dependence

The Food Bank entered into an agreement with the Louisiana Department of Agriculture and Forestry, Food Distribution Division, for the operation of a Food Distribution Program. The agreement is permanent, unless terminated by the Louisiana Department of Agriculture and Forestry for failing to comply with the provisions, instructions, or procedures outlined in the agreement. Under the terms of the agreement, commodities from the United States Department of Agriculture are passed through the Louisiana Department of Agriculture to the Food Bank for distribution. During the years ended June 30, 2021 and 2020, approximately 29% and 33%, respectively, of the total food donations received by the Food Bank were commodities from the Louisiana Department of Agriculture. During the years ended June 30, 2021 and 2020, approximately 87% and 86%, respectively, of the total shared maintenance received by the Food Bank was from the Louisiana Department of Agriculture.

During the years ended June 30, 2021 and 2020, the Food Bank received contractual revenue from federal, state, and local grants in the amount of \$659,733 and \$1,478,533, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

For the year ended June 30, 2021, contributions from one contributor totaling \$9,000,000 comprised approximately 27% of the total revenues and other support to the Food Bank.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

(10) Net Assets

Net assets at June 30, 2021 and 2020, consisted of the following:

Net Assets Without Donor Restrictions:	<u>2021</u>	<u>2020</u>
Undesignated	\$16,981,667	\$ 5,060,845
Net investment in property and equipment	<u>7,771,635</u>	<u>5,533,523</u>
Total undesignated net assets	<u>24,753,302</u>	<u>10,594,368</u>
Designated for Building Renovations	_____	969,619
Total designated net assets	_____	<u>969,619</u>
Total net assets without donor restrictions	<u>24,753,302</u>	<u>11,563,987</u>
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose –		
Restricted for USDA commodities in inventory	852,634	617,882
Restricted for building renovations		772,664
Restricted for crop box		12,220
Restricted for equipment and equipment repairs	9,582	916,136
Restricted for food purchase	<u>64,577</u>	<u>89,392</u>
Total net assets with donor restrictions	<u>926,793</u>	<u>2,408,294</u>
Total Net Assets	<u>\$ 25,680,095</u>	<u>\$13,972,281</u>

(11) Liquidity and Availability of Financial Assets

The Food Bank monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Food Bank has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

Financial assets at year-end:	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 16,021,837	\$ 5,868,141
Investments	137,684	270,621
Grant receivables	48,553	192,437
Other receivables	8,997	4,969
Cash restricted for building renovations and equipment		<u>772,664</u>
Total financial assets	<u>16,217,071</u>	<u>7,108,832</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions (excluding USDA inventory)	(74,159)	(1,790,412)
Less designated assets which are designated for program use	_____	<u>(969,619)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 16,142,912</u>	<u>\$ 4,348,801</u>

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

As reflected above, certain designated assets are designated for program use. These assets limited to use, as reflected in Note 10, are not available for general expenditures within the next year and are, therefore, deducted from the amounts noted above. However, designated amounts could be made available, if necessary.

In addition to financial assets available to meet general expenditures over the year, the Food Bank operates with a balanced budget and anticipates covering general expenditures using the income generated from contractual agreements with governmental agencies and contributions. The Statement of Cash Flows identifies the sources and uses of the Food Bank's cash and shows positive cash generated by operations of \$11,790,254 and \$4,209,685 for fiscal years ending June 30, 2021 and June 30, 2020, respectively.

(12) Operating Leases

The Food Bank leases vehicles under operating leases. Rental costs for these leases for the years ended June 30, 2021 and 2020 were \$6,426 and \$7,662, respectively. Commitments under lease agreements having initial or remaining non-cancellable terms in excess of one year are as follows:

<u>For the Year Ending June 30,</u> 2022	<u>\$ 1,970</u>
---------------------------------------------	-----------------

(13) Conditional Promise to Give

During the year ended June 30, 2017, the Food Bank received a conditional promise to give in the amount of \$100,000 to be used for its future building renovation. This amount was received in July 2021, upon donor's receipt of certificate of occupancy for the project.

(14) Loan Payable

In April 2020, the Food Bank received loan proceeds in the amount of approximately \$167,500 under the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The loan and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months.

In December 2020, the Food Bank received loan forgiveness in the amount of \$167,500, for the "PPP" loan. The forgiveness is recognized as contributions revenue on the statement of activities for the year ended June 30, 2021.

(15) Designated Net Assets

The Board of Directors designated cash and cash equivalents at June 30, 2021 and 2020 totaling \$0 and \$969,619, respectively to provide for renovations to a new facility.

The above designated cash is included in unrestricted net assets on the Statement of Financial Position.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2021 and 2020
(Continued)

(16) Note Payable

In July 2019, the Food Bank obtained a multiple advance loan in the amount of \$1,000,000 with an interest rate of 4.28%. No amounts were advanced under the loan, and the balance on the loan as of June 30, 2021 and 2020 was \$0 and \$0, respectively. The loan matured on September 19, 2020, and was not renewed.

(17) Accounts Payable

Accounts payable consisted of the following at June 30, 2021 and 2020:

	2021	2020
Accounts payable	\$ 62,736	\$ 300,689
Construction payable	256,497	235,003
Total Accounts payable	\$ 319,233	\$ 535,692

(18) Subsequent Events

Subsequent events have been evaluated through December 15, 2021, the date the financial statements were available to be issued.

(19) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which may negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

(20) New Accounting Pronouncement

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers". This Standard, along with its related amendments, requires organizations to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard was effective for annual reporting periods beginning after December 15, 2019. The adoption of this standard did not have a material effect on the Organization's financial statements and required no adjustment.

Northwest Louisiana Food Bank
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Homeland Security</u>				
Passed through a local governing board Emergency Food and Shelter Program	97.024	Unknown	\$	\$ 91,039
<u>U.S. Department of Agriculture and Forestry</u>				
Passed through the Louisiana Department of Agriculture and Forestry Food Distribution Cluster				
Emergency Food Assistance Program				
Food Commodities	10.569	Unknown	5,310,368	5,310,368
Administrative Costs	10.568	Unknown		901,213
Total Food Distribution Cluster			<u>5,310,368</u>	<u>6,211,581</u>
Passed through the Louisiana Department of Education Child Nutrition Cluster				
Summer Food Service Program				46,122
Total Child Nutrition Cluster	10.559	Unknown		<u>46,122</u>
Passed through the Louisiana Department of Children and Family Services SNAP Cluster				
SNAP Program	10.561	unknown		14,720
Total SNAP Cluster				<u>14,720</u>
Passed through the Louisiana Department of Education Child and Adult Care Food Program	10.558	Unknown		<u>29,297</u>
Total U.S. Department of Agriculture			<u>5,310,368</u>	<u>6,301,720</u>
Total Expenditures of Federal Awards			<u>\$ 5,310,368</u>	<u>\$ 6,392,759</u>

NOTE 1: The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Northwest Louisiana Food Bank, under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Northwest Louisiana Food Bank, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Northwest Louisiana Food Bank.

NOTE 2: Northwest Louisiana Food Bank does not utilize an indirect cost rate.

NOTE 3: Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and distributed. At June 30, 2021, the Food Bank had USDA Food Commodities in inventory totaling \$852,634.

Northwest Louisiana Food Bank
Shreveport, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2021

Agency Head: Martha Marak, Executive Director

The following payments were made from public funds:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 11,038

COOK & MOREHART

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Report on Internal Control Over Financial Reporting and on Compliance
And Other Matters Based on an Audit of Financial Statements Performed
in Accordance With Government Auditing Standards

Independent Auditors' Report

To the Board of Directors
Northwest Louisiana Food Bank

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 Northwest Louisiana Food Bank, (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northwest Louisiana 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 Northwest Louisiana Food Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of Northwest Louisiana 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 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.

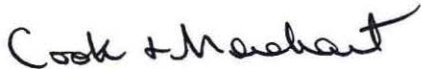
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Northwest Louisiana 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 15, 2021

COOK & MOREHART

Certified Public Accountants

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Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By the Uniform Guidance

Independent Auditors' Report

To the Board of Directors
Northwest Louisiana Food Bank

Report on Compliance for Each Major Federal Program

We have audited Northwest Louisiana Food Bank's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Northwest Louisiana Food Bank's major federal programs for the year ended June 30, 2021. Northwest Louisiana Food Bank's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Northwest Louisiana Food Bank, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Northwest Louisiana Food Bank, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Northwest Louisiana Food Bank's compliance.

Opinion on Each Major Federal Program

In our opinion, Northwest Louisiana 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 each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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



Cook & Morehart
Certified Public Accountants
December 15, 2021

Northwest Louisiana Food Bank
Shreveport, Louisiana
Summary Schedule of Prior Audit Findings
June 30, 2021

There were no findings or questioned costs for the audit for the year ended June 30, 2020.

Schedule of Findings and Questioned Costs
June 30, 2021

A. Summary of Audit Results

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

Material weaknesses identified : _____ yes ✓ no
Significant deficiencies identified : _____ yes ✓ none reported

Noncompliance material to financial statements noted :

_____ yes ✓ no

Federal Awards

Internal control over major programs :

Material weaknesses identified : _____ yes ✓ no
Significant deficiencies identified : _____ yes ✓ none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)

_____ yes ✓ no

Identification of major federal programs :

Food Distribution Cluster
Emergency Food Assistance Program -
Federal Assistance Listing #10.569 and #10.568

Dollar threshold used to distinguish between type A and type B programs : \$750,000

Auditee qualified as low risk : ✓ yes _____ no

B. Findings – Financial Statements Audit: None

C. Findings and Questioned Costs – Major Federal Award Programs Audit: None

Northwest Louisiana Food Bank
Shreveport, Louisiana
Summary Schedule of Prior Year Audit Findings
Schedule for Louisiana Legislative Auditor
June 30, 2021

There were no findings or questioned costs for the prior year audit ended June 30, 2020.

Summary Schedule of Current Year Audit Findings
Schedule for Louisiana Legislative Auditor
June 30, 2021

There are no findings or questioned costs for the current year audit period ended June 30, 2021.