

Feeding Louisiana
Baton Rouge, Louisiana

AUDITED FINANCIAL STATEMENTS
June 30, 2022



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Feeding Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Feeding Louisiana (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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.

Auditor's 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 standards applicable to financial audits contained in *Governmental 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 Feeding Louisiana as of June 30, 2022, 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

Report on Supplementary Information

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, as required by Louisiana Revised Statute 24:513(A)(3), 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 22, 2022, 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.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
December 22, 2022

Feeding Louisiana
Baton Rouge, Louisiana

Statement of Financial Position
June 30, 2022

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,659,077	
Receivable from Government Program	261,031	
Other Receivable	39,200	
Other Current Assets	153	
TOTAL CURRENT ASSETS	<u> </u>	\$ 1,959,461

PROPERTY AND EQUIPMENT

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

TOTAL ASSETS

\$ 1,960,861

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts Payable	\$ 299,795	
Payroll Liability	4,458	
Deferred Revenue	195,000	
Other Current Liabilities	<u>795</u>	
TOTAL CURRENT LIABILITIES		\$ 500,048

NET ASSETS:

Without Donor Restrictions	1,460,813	
TOTAL NET ASSETS		<u>1,460,813</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 1,960,861

See accompanying notes to financial statements



Feeding Louisiana
Baton Rouge, Louisiana

Statement of Activities
For the Year Ended June 30, 2022

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Revenues and Releases from Restrictions:

Private Grants and Contributions of cash and financial assets	\$ 691,031
LA Income Tax Revenue	82,364
SNAP Revenue	519,040
FANO Collaborative Campaign	358,000
Member Dues	30,000
PPP Loan Forgiveness	31,090
Miscellaneous Revenue	<u>418</u>

Total Revenues Without Donor Restrictions and Releases from Restrictions \$ 1,711,943

Expenses

Program Expense	1,174,717
Management and General	<u>203,671</u>
Total Expenses	<u>1,378,388</u>

Change in Net Assets Without Donor Restrictions 333,555

Net Assets Without Donor Restrictions, Beginning of Year 1,083,549

Prior Period Adjustment, See Note 13 43,709

Net Assets Without Donor Restrictions, Beginning of Year (As Restated) 1,127,258

Net Assets Without Donor Restrictions, End of Year \$ 1,460,813

Feeding Louisiana
Baton Rouge, Louisiana

Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Expenses	Management and General	Total
Benefits Expense	\$ 7,303	\$ 10,955	\$ 18,258
Consulting Fees	161,898	-	161,898
Depreciation Expense	233	-	233
Insurance	716	1,073	1,789
Marketing	32,605	-	32,605
Miscellaneous	2,400	4,870	7,270
Office Rent	1,700	2,550	4,250
Office Supplies	1,538	2,308	3,846
Payments to Member Foodbanks	361,813	-	361,813
Printing	72	108	180
Professional Fees	11,020	16,530	27,550
Salaries and Payroll Taxes	106,704	160,055	266,759
SNAP Reimbursement Expense	483,234	-	483,234
Travel and Conference Expense	3,106	4,660	7,766
Website Maintenance	375	562	937
TOTAL EXPENSES	\$ 1,174,717	\$ 203,671	\$ 1,378,388

See accompanying notes to financial statements

Feeding Louisiana
Baton Rouge, Louisiana

Statement of Cash Flows
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ 333,555
Adjustments to Reconcile Increase in Net Assets to Net Cash	
Provided by Operating Activities:	
PPP Loan Forgiveness	(31,090)
Depreciation	233
Decrease (Increase) in Assets:	
Receivables from Government Programs	(166,469)
Employee Receivable	64
Increase (Decrease) in Liabilities:	
Accounts Payable	(21,105)
Payable to Member Foodbanks	200,684
Payroll Liabilities	(3,144)
Deferred Revenue	(78,000)
Other Current Liabilities	(172)
	(172)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 234,556
NET INCREASE IN CASH AND CASH EQUIVALENTS	234,556
BEGINNING CASH AND CASH EQUIVALENTS	1,424,521
ENDING CASH AND CASH EQUIVALENTS	\$ 1,659,077

See accompanying notes to financial statements

Feeding Louisiana
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-1-
June 30, 2022

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. As of June 30, 2022, there were not any restrictions on net assets.

Revenue Recognition – Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. 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

Feeding Louisiana
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-2-
June 30, 2022

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

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

Advertising Costs – Advertising costs are charged to expenses when incurred. The costs of advertising for the year ended June 30, 2022, is \$32,605.

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: CONCENTRATION OF CREDIT RISK

The Organization has a concentration of credit risk for cash by maintaining deposits in a financial institution in Baton Rouge, Louisiana. This risk is mitigated by the Federal Deposit Insurance Corporation coverage of deposits in insured banks. As of June 30, 2022, the Organization has deposits in excess of insurance coverage of \$1,409,077.

NOTE 3: DUE FROM GOVERNMENT PROGRAMS

The Organization participates in two Supplemental Nutrition Assistance Program (SNAP), SNAP Outreach and SNAP Education programs. The programs are federal governmental programs run by the USDA and are 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, 2022, the Organization had not received the January through June reimbursements for the food banks. The total for the year ended is \$261,031 and is shown as a receivable on the statement of financial position.

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, 2022.

The Organization reimburses food banks in Louisiana for food purchases with funds collected from government programs. As of June 30, 2022, the Organization had reimbursed \$483,234 to the member food banks.

The Organization also made grant reimbursements to food banks for nutritional education in the amount of \$361,813 per the restrictions specified by the donor for the year ended June 30, 2022.

Feeding Louisiana
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-3-
June 30, 2022

NOTE 5: NOTES PAYABLE

Feeding Louisiana was granted a loan (the "Loan") in the aggregate amount of \$31,090 pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Loan, which was in the form of a note dated March 25, 2021, issued by the Borrower, bears interest at a rate of 1% per annum for a term of 24 months. The note may be prepaid by the borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before 24 weeks after the initial funding date. Feeding Louisiana used the entire loan amount for qualifying expenses. Therefore, the loan was forgiven during the fiscal year.

NOTE 6: 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, 2022, 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, 2022. Generally, the tax years before 2018 are no longer subject to examination by federal, state, or local taxing authorities.

NOTE 7: COMMITMENTS

The Organization was allocated funding from two SNAP programs. A portion of this revenue is allocated to five-member food banks in Louisiana. As of June 30, 2022, the Organization owed the other food banks \$299,795.

NOTE 8: CONCENTRATION OF REVENUES

During the year ended June 30, 2022, the Organization received approximately 43% of its total revenue from individual and business owners.

NOTE 9: DEFERRED REVENUE

Deferred revenue represents payments received prior to the end of the fiscal year but before the grant term begins. The Organization received \$195,000 for a grant that begins in July 2022 and will be recognized as revenue during the next fiscal year.

NOTE 10: 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 \$4,576 to the plan for the year ended June 30, 2022.

NOTE 11: OPERATING LEASE

The Organization leases office space from a third party on a month-to-month basis. Rent expense for June 30, 2022, is \$4,250.

Feeding Louisiana
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-4-
June 30, 2022

NOTE 12: 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>6/30/22</u>
Current Assets, excluding nonfinancial assets	\$ 1,959,308
Less those unavailable for general expenditures within one year:	
Donor restrictions for a specific purpose	-
 Financial Assets available to meet cash needs for general expenditures within one year	 \$ 1,959,308

NOTE 13: PRIOR PERIOD ADJUSTMENT

After the release of the 2021 financial statements, the amount expected to be received from governmental entities resulted in a decrease in accounts payable to other food banks, an increase in accounts receivable, and a decrease in net assets. The amount of the increase in net assets totaled \$4,509. The Organization filed amended payroll tax returns for the first and second quarter of 2021 to receive the employee retention credit. The organization recorded a receivable for \$39,200 and an increase in net assets for the amount due from the employee retention credit.

NOTE 14: SUBSEQUENT EVENTS

In preparing these financial statements, Feeding Louisiana has evaluated events and transactions for potential recognition or disclosure through December 22, 2022, the date the financial statements were available to be issued.

Feeding Louisiana
Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER
For the Year Ended June 30, 2022

Agency Head: Korey Patty, Executive Director

<u>PURPOSE</u>	<u>Totals</u>
Salary	\$ 67,486
Benefits	11,348
Travel Reimbursements	<u>445</u>
TOTAL PAYMENTS TO AGENCY HEAD	<u>\$ 79,279</u>

The Executive Director left during the year. Amount totalled through May of 2022.

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 nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2022.

Report on 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) 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 Feeding Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Feeding Louisiana'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 or significant deficiencies may exist that were not identified.

Report on 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 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 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.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
December 22, 2022

Feeding Louisiana
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2022

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, 2022.

Prior Year Findings

There were no findings for the year ended June 30, 2021.