

Feeding Louisiana  
Baton Rouge, Louisiana

AUDITED FINANCIAL STATEMENTS  
June 30, 2019



**TWRU**

*CPAs & Financial Advisors*

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CPAs & Financial Advisors

## 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	<u>388,598</u>	\$ 388,598

## PROPERTY AND EQUIPMENT

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

## 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)	<u>181,101</u>	\$ 181,101

## NET ASSETS:

Without Donor Restrictions	<u>209,597</u>	
TOTAL NET ASSETS		<u>209,597</u>

## TOTAL LIABILITIES AND NET ASSETS

\$ 390,698

See accompanying notes to financial statements



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
<b>TOTAL EXPENSES</b>	<b>\$ 622,358</b>	<b>\$ 91,826</b>	<b>\$ 714,184</b>

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
		<hr/>
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-I-  
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	-
Financial Assets available to meet cash needs for general expenditures within one year	\$ 388,598

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.

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, 2019

Agency Head: Korey Patty, Executive Director

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

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.

TWRU

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.