

NORTHSHORE FOOD BANK

Financial Statements with Supplemental Information

December 31, 2024

(With Independent Auditor's Report Thereon)

NORTHSHORE FOOD BANK

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Independent Auditor's Report

**To the Board of Directors of
Northshore Food Bank
Covington, Louisiana**

Opinion

We have audited the accompanying financial statements of Northshore Food Bank (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northshore Food Bank as of December 31, 2024, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northshore Food Bank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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 and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northshore Food Bank's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Northshore Food Bank's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northshore Food Bank's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head or chief executive officer on page 15 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 supplemental 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 June 19, 2025 on our consideration of Northshore Food Bank's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Northshore 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 Northshore Food Bank's internal control over financial reporting and compliance.

Griffin & Furman, LLC

June 19, 2025

Covington, Louisiana

NORTHSHORE FOOD BANK

Statement of Financial Position

December 31, 2024

Assets

Current assets:

Cash and cash equivalents	\$	2,852,681
Investments		1,479,462
Grants receivable		200,000
Accrued interest receivable		24,759
Inventory		165,794
Prepaid insurance		<u>48,394</u>

Total current assets 4,771,090

Property and equipment, net 2,790,636

Total assets \$ 7,561,726

Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued expenses	\$	24,810
Security deposits		2,900
Deferred rental income		2,900
Deferred grant revenue		<u>200,000</u>

Total current liabilities 230,610

Total liabilities 230,610

Net assets:

Without donor restrictions	7,281,178
With donor restrictions	<u>49,938</u>

Total net assets 7,331,116

Total liabilities and net assets \$ 7,561,726

See accompanying notes to the financial statements.

NORTHSHORE FOOD BANK

Statement of Activities

For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenues:			
Food bank:			
In-kind donations	\$ 790,304	-	790,304
Donations	777,756	-	777,756
Grants	258,275	195,006	453,281
Investment income, net	100,242	-	100,242
Resale shop:			
In-kind donations	505,148	-	505,148
Sales	490,941	-	490,941
Donations	6,372	-	6,372
Rental income	39,900	-	39,900
Fundraising income	269,401	-	269,401
Other income	53,597	-	53,597
Net assets released from donor restrictions	<u>190,068</u>	<u>(190,068)</u>	<u>-</u>
Total support and revenues	<u>3,482,004</u>	<u>4,938</u>	<u>3,486,942</u>
Expenses:			
Program services:			
Food bank	1,933,453	-	1,933,453
Resale shop	796,781	-	796,781
Emergency assistance	1,591	-	1,591
Support services:			
General and administrative	92,856	-	92,856
Fundraising	<u>46,490</u>	<u>-</u>	<u>46,490</u>
Total expenses	<u>2,871,171</u>	<u>-</u>	<u>2,871,171</u>
Change in net assets	610,833	4,938	615,771
Net assets - beginning of year	<u>6,670,345</u>	<u>45,000</u>	<u>6,715,345</u>
Net assets - end of year	<u>\$ 7,281,178</u>	<u>49,938</u>	<u>7,331,116</u>

See accompanying notes to the financial statements.

NORTHSHORE FOOD BANK

Statement of Functional Expenses

For the Year Ended December 31, 2024

	Program Services				Support Services			
	<u>Food Bank</u>	<u>Resale Shop</u>	<u>Emergency Assistance</u>	<u>Program Total</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Support Total</u>	<u>Total</u>
Advertising	\$ 182	36	-	218	-	-	-	218
Cost of goods sold	-	487,754	-	487,754	-	-	-	487,754
Depreciation	15,880	18,374	-	34,254	74,294	-	74,294	108,548
Food	1,295,558	-	-	1,295,558	-	-	-	1,295,558
Insurance	61,770	14,841	-	76,611	6,728	-	6,728	83,339
Maintenance	13,929	5,023	-	18,952	5,941	-	5,941	24,893
Miscellaneous	48,370	3,765	1,591	53,726	-	-	-	53,726
Operating expenses	80,240	18,496	-	98,736	4,140	-	4,140	102,876
Payroll taxes	25,757	17,747	-	43,504	-	-	-	43,504
Professional fees	13,971	42	-	14,013	-	-	-	14,013
Salaries	352,227	217,085	-	569,312	-	-	-	569,312
Special events	-	-	-	-	-	46,490	46,490	46,490
Supplies	2,911	1,963	-	4,874	-	-	-	4,874
Utilities	22,658	11,655	-	34,313	1,753	-	1,753	36,066
Total expenses	\$ <u>1,933,453</u>	<u>796,781</u>	<u>1,591</u>	<u>2,731,825</u>	<u>92,856</u>	<u>46,490</u>	<u>139,346</u>	<u>2,871,171</u>

See accompanying notes to the financial statements.

NORTHSHORE FOOD BANK

Statement of Cash Flows

For the Year Ended December 31, 2024

Cash flows from operating activities:		
Change in net assets	\$	615,771
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		108,548
Unrealized gains on investments		(49,461)
Realized losses on investments		9,267
(Increases) decreases in assets:		
Grants receivable		(175,002)
Inventory		(2,627)
Prepaid insurance		(937)
Increases (decreases) in liabilities:		
Accounts payable and accrued expenses		(23,290)
Deferred grant revenue		<u>200,000</u>
 Net cash provided by operating activities		 682,269
 Cash flows from investing activities:		
Purchases of investments		(1,224,649)
Proceeds from sale of investments		960,370
Purchases of property and equipment		<u>(1,083)</u>
 Net cash used by investing activities		 <u>(265,362)</u>
 Net increase in cash and cash equivalents		 416,907
 Cash and cash equivalents, beginning of year		 <u>2,435,774</u>
 Cash and cash equivalents, end of year	\$	 <u><u>2,852,681</u></u>

See accompanying notes to the financial statements.

NORTHSHORE FOOD BANK

Notes to the Financial Statements

December 31, 2024

(1) Nature of Business

Northshore Food Bank (“the Organization”) is a not-for-profit organization located in Covington, Louisiana, whose purpose is to identify and address the needs of the poor in the Parish of St. Tammany. The Organization includes the following programs:

1. The Food Bank provides perishable and non-perishable food items to single and multi-member households three times a week and for the holidays.
2. The Resale Shop offers a variety of clothing and household items at reduced prices.
3. The Emergency Assistance Program helps individuals who are facing financial difficulties due to unforeseen circumstances with such expenses as utilities, rent, or pharmacy bills.

(2) Summary of Significant Accounting Policies

(a) Financial Statement Presentation

The financial statement presentation follows the recommendations of the FASB Accounting Standard Codification (ASC) section 958, *Not-for-Profit Entities*. Under FASB ASC section 958, net assets, revenues and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization are classified as net assets with or without donor restrictions as follows:

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 objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

(b) 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 support and revenues and expenses during the period. Actual results could differ from those estimates.

(c) Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

NORTHSHORE FOOD BANK

Notes to the Financial Statements

December 31, 2024

(d) Cash and Cash Equivalents

The Organization's management considers all unrestricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

(e) Fair Values of Financial Instruments

Investments are recorded at fair market value based on market quotations and consist of certificate of deposits, equities, and bonds. Gains and losses on investments are reported on the statement of activities as increases or decreases in net assets without donor restrictions. Dividend, interest and other investment income are reported in the period earned in the statement of activities as increases in net assets without donor restrictions. Investment return is presented net of investment fees. The Organization discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. Investments are recorded at fair value on a recurring basis. Nonrecurring fair value adjustments, if any, would typically involve donated property and equipment. There were no material nonrecurring fair value adjustments in 2024. The three levels of the fair value hierarchy are described below:

Level 1 lies at the top of the hierarchy. Inputs are quoted prices in active markets.

Level 2 inputs are in the middle of the hierarchy, where data is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.

Level 3 inputs are unobservable and require the entity to develop its own assumptions.

For assets that are measured at fair value on a recurring basis in periods after initial recognition, there were no transfers between levels 1 and 2, or transfers into and out of level 3 in 2024. If such transfers were to occur, they would be recognized as of the actual date of the event.

No level 2 or level 3 inputs were used by the Organization during 2024.

The Organization's measurements of fair value are made on a recurring basis, and their valuation techniques (no changes in 2024) for assets and liabilities recorded at fair value are as follows:

Equities – Valued at the net asset value of shares on the last trading day of the fiscal year, which is the basis of transactions at that date.

(f) Inventory

Resale Shop inventories are stated at the fair value at date of donation.

Food Bank inventory is comprised of donated food and purchased food. Donated food inventory, including food received, distributed and undistributed, is valued using the estimated fair value as determined by management. The average value used for the year ended December 31, 2024 was \$1.15 per pound. Purchased food inventory is recorded at cost.

NORTHSHORE FOOD BANK

Notes to the Financial Statements

December 31, 2024

(g) Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives as follows:

<u>Asset</u>	<u>Years</u>
Buildings	39
Vehicles	5
Equipment	7
Furniture and fixtures	5

Additions and betterments of \$5,000 or more are capitalized, while maintenance and repairs that do not extend the useful lives of the respective assets are expensed in the current year. The Organization reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the year ended December 31, 2024.

(h) Compensated Absences

The Organization allows regular full-time employees with a minimum of three months or 90 days of employment to receive compensated absences. Employees are eligible to carry over to the following year up to 1 week of unused compensated absences. As of December 31, 2024, the liability for compensated absences was \$6,224. Compensated absences are included in the accrued expenses in the statement of financial position.

(i) In-Kind Donations

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. No amounts have been reflected in the statements for donated services because they did not meet the criteria for recognition under generally accepted accounting principles.

(j) Economic Dependency

The Organization relies heavily on a few key revenue sources, including donations and grants. Together, these sources represent a significant portion of total revenue and are essential to funding the Organization's programs.

Donations and grants accounted for the majority of revenue in 2024. As such, the Organization is economically dependent on continued donor and grantor support. Management actively monitors funding sources and maintains reserves to manage fluctuations.

(k) Revenue Recognition and Receivables

The Organization recognizes revenue when it is earned and realizable, in accordance with GAAP for not-for-profit entities.

NORTHSHORE FOOD BANK

Notes to the Financial Statements

December 31, 2024

- Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.
- Sales are derived from the Resale Store. Sales are recognized when the exchange transaction occurs. Charges for service are recognized when the procedure is complete.
- The Organization considers contracts for rental income a single performance obligation that is satisfied over time. Payment is also due over time in installments. Rental income is recognized in the month it is earned. Rental payments received in advance are deferred until earned. All leases between the Company and the tenants of the property are operating leases.
- Fundraising income primarily generated from the annual golf tournament and gala, which are held in May and November, respectively. A portion of this revenue is recognized as a contribution and in part as an exchange transaction for the event when it occurs.

Receivables are recorded at net realizable value. Based on historical experience, no allowance for uncollectible accounts was considered necessary as of December 31, 2024.

(l) Advertising Costs

The Organization expenses advertising cost as incurred. Advertising expense charged to operations for the years ended December 31, 2024 was \$218.

(m) Income Taxes

The Organization is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provisions for federal and state income taxes have been recorded in the accompanying financial statements. The Organization Form 990, Return of Organization Exempt from Income Tax, for the years 2021, 2022, and 2023 are subject to examination by the IRS, generally for three years after they were filed. The 2024 Form 990 has not been filed as of the date of these financial statements.

(3) Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of December 31, 2024 reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

**Financial assets available within one year and free
of donor or legal restrictions:**

Cash and cash equivalents - unrestricted	\$ 2,852,681
Investments	1,479,462
Grants receivable	<u>200,000</u>

Available without restrictions within one year	<u>4,532,143</u>
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Total financial assets	\$ <u>4,532,143</u>
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NORTHSHORE FOOD BANK

Notes to the Financial Statements

December 31, 2024

(4) Investments

Level 1 investments consisted of the following as of December 31, 2024:

Corporate bonds	\$ 156,939
Certificate of deposits	1,141,148
Equities	<u>181,375</u>
Total investments at fair value	\$ <u>1,479,462</u>

Investment income consisted of the following for the year ended December 31, 2024:

Interest/dividend income	\$ 62,217
Realized losses	(9,267)
Unrealized gains	49,461
Investment fees	<u>(2,169)</u>
Total investment income, net	\$ <u>100,242</u>

(5) Inventory

Inventory consisted of the following as of December 31, 2024:

Donated and purchased food	\$ 113,263
Donated resale store items	<u>52,531</u>
Total inventory	\$ <u>165,794</u>

(6) Property and Equipment

Property and equipment consisted of the following as of December 31, 2024:

Buildings	\$ 3,006,491
Land	256,846
Vehicles	126,747
Equipment	119,563
Furniture and fixtures	<u>40,244</u>
	3,549,891
Less: accumulated depreciation	<u>(759,255)</u>
Property and equipment, net	\$ <u>2,790,636</u>

Depreciation expense amounted to \$108,548 in 2024.

(7) Net Assets with Donor Restrictions

Grants

As of December 31, 2024, the Organization had net assets with donor restrictions associated with grants and contributions amounting to \$49,938. These net assets with donor restrictions are for the purpose of the Kids Weekend Food Program.

NORTHSHORE FOOD BANK

Notes to the Financial Statements

December 31, 2024

(8) Net Assets Released from Donor Restrictions

At the beginning of the year, the Organization had \$45,000 of net assets with donor restrictions. During 2024, the Organization received additional net assets with donor restrictions totaling \$195,006. Restrictions were met for \$190,068 of these funds during the year.

(9) Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and receivables. The Organization's policy is to not require receivables to be collateralized. The Organization maintains its cash and cash equivalents in several local financial institutions in Louisiana. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2024, cash deposits in excess of the insured limits totaled \$22,291. The Organization maintains cash and investment balances with investment brokerage firms. The Securities Investor Protection Corporation (SIPC) insures accounts at each institution up to \$500,000. The balances of cash and investments held by investment brokerage firms did not exceed SIPC insurance at December 31, 2024. The Organization has not experienced any losses in these accounts and management believes they are not exposed to any significant credit risk.

(10) Leases

Effective March 2021, the Organization, as lessor, leased office space for a term of 60 months, through March 2026. The required monthly payment is \$2,900 from the effective date through March 2024 after which the monthly rental payment increases to \$3,100 through the end of the term.

The following is the schedule of the Organization's future minimum lease collections based on the lease agreement as of December 31, 2024:

2025	\$	36,800
2026		<u>6,200</u>
Total	\$	<u>43,000</u>

(11) In-Kind Donations

In-kind donations for the years ended December 31, 2024 included in the financial statements were as follows:

Food Bank:	
Donated food	\$ 790,304
Resale Shop:	
Thrift store inventory	<u>505,148</u>
Total in-kind donations	\$ <u>1,295,452</u>

The Resale Shop received donated goods ranging from clothes to home furniture from the public. The assets are determined at fair market value based on the cost or by the sale of comparable items. The value of the food commodities is determined at fair market value indicated by applying an average price per pound of food donated. The value of all other services and items donated is determined at fair market value indicated by the donor. These

NORTHSHORE FOOD BANK

Notes to the Financial Statements

December 31, 2024

amounts are recorded as contributed nonfinancial asset revenues and program service expenses on the accompanying statement of activities.

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

All contributed nonfinancial assets received by the Organization for the years ended December 31, 2024 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

(12) Related Party Transactions

The Organization's management and Board of Directors have reviewed all transactions for the year ended December 31, 2024 and determined that there were no related party transactions or relationships requiring disclosure under generally accepted accounting principles.

(13) Commitments and Contingencies

As of December 31, 2024, the Organization had no known material commitments under noncancelable contracts and no known legal contingencies. The Organization is not currently a party to any litigation, claims, or assessments that would have a material impact on its financial position or operations.

(14) Evaluation of Subsequent Events

The Organization has evaluated subsequent events through June 19, 2025, the date that the financial statements were available to be issued.

NORTHSHORE FOOD BANK

**Schedule of Compensation, Benefits, and Other
Payments to Agency Head or Chief Executive Officer**

For the Year Ended December 31, 2024

Agency Head Name: Yvette Roussel, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ <u>-</u>
	<u>-</u>

There were no payments for the benefit of the Chief Executive Officer that were derived from the public funds that the Organization receives.



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**Independent Auditor's 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***

**To the Board of Directors of
Northshore Food Bank
Covington, 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 Northshore Food Bank (a non-profit corporation), which comprise the statement of financial position as of December 31, 2024 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 June 19, 2025.

Report on Internal Control over Financial Reporting

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

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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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 statement. 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.

Griffin & Furman, LLC

June 19, 2025

Covington, Louisiana

NORTHSHORE FOOD BANK

Schedule of Findings

Year Ended December 31, 2024

Section I – Summary of Auditor’s Results

Financial Statements:

- a. Type of auditor’s report issued - unmodified**
- b. Internal Control Over Financial Reporting**
 - Material weaknesses identified - None**
 - Significant deficiencies identified that are not considered material weaknesses - None**
- c. Non-Compliance Material to Financial Statements - None**

Federal Awards

Not applicable.

Section II – Financial Statement Findings

No matters reported.

Section III – Federal Award Findings and Questioned Costs

Not applicable.

NORTHSHORE FOOD BANK

Status of Prior Audit Findings

Year Ended December 31, 2024

Finding 2023-1:

Criteria:

Improper revenue recognition.

Condition & Cause:

The Organization adjusted grant revenue and cash to reflect an amount received from a grantor not spent during the year as of year-end. The Organization historically expends all grant monies received during the year and was unfamiliar with the proper recording procedures for unspent grant monies.

Effect:

Grant revenue and cash are understated.

Recommendation:

The Organization should record grant revenue in accordance with the accrual basis of accounting.

Management Corrective Action:

Northshore Food Bank misunderstood the application for recording unearned grant revenues. We are now aware and will record according with the accrual basis of accounting.

Status:

Resolved.

Finding 2023-2:

Criteria:

R.S. 24:513 provides that any state auditee must submit an audit report within six months of their fiscal year end.

Condition & Cause:

The Organization did not submit their financial report within the six-month deadline for the December 31, 2023 fiscal year end.

Effect:

The Organization is not in compliance with R.S. 24:513.

Recommendation:

We recommend the Organization submit their financial report within six months of its year end.

Management Corrective Action:

Northshore Food Bank was unaware of this filing requirement. We will take the proper actions to ensure we file timely in the future.

Status:

Resolved.