

Feeding Louisiana
Baton Rouge, Louisiana

AUDITED FINANCIAL STATEMENTS
June 30, 2022



TWRU

CPAs & Financial Advisors

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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.

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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		\$ 1,959,461

PROPERTY AND EQUIPMENT

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

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	795	
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

See accompanying notes to financial statements



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)
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 234,556
NET INCREASE IN CASH AND CASH EQUIVALENTS	<hr/> 234,556
BEGINNING CASH AND CASH EQUIVALENTS	<hr/> 1,424,521
ENDING CASH AND CASH EQUIVALENTS	<hr/> <hr/> \$ 1,659,077

See accompanying notes to financial statements



Feeding Louisiana
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS-I-
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	<u>\$ 1,959,308</u>

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.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021, through June 30, 2022. Feeding Louisiana (the Organization) management is responsible for those C/C areas identified in the SAUPs.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021, through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics

violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Finding:

With regards to items "b", "f", and "k" above, the Organization does not appear to have these policies within the Policies and Procedures Manual.

With regards to item "l" above, the policy neither mentions the annual employee training requirements nor the annual reporting requirements.

Management's Response:

Management will update our Policies and Procedures to include these discrepancies.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue fund. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - m) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions noted.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged).

Finding:

For the monthly reconciliation reviewed, it was not reconciled within 2 months after the end of the month.

Management's Response:

Feeding Louisiana has hired a new inside bookkeeper and outside CPA. Going forward, reconciliations will be completed monthly by the inside bookkeeper, reviewed by the outside CPA, and approved by a member of management.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Finding:

The monthly reconciliation reviewed did not show evidence of review by management/board member.

Management's Response:

Feeding Louisiana has hired a new inside bookkeeper and outside CPA. Going forward, reconciliations will be completed monthly by the inside bookkeeper, reviewed by the outside CPA, and approved by a member of management.

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

No exceptions noted

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

No exceptions noted.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Finding:

Feeding Louisiana's insurance coverage does not include theft by employees.

Management's Response:

Feeding Louisiana's insurance policy beginning in fiscal year 2023 includes coverage of theft by employees.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Finding:

In regard to item "d" above, the deposits reviewed were deposited more than 1 business day after receipt. No other exceptions noted.

Management's Response:

While most deposits are received via wire/transfer, deposits will be deposited as soon as practicable moving forward.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5). *No exceptions noted.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions noted.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

No exceptions noted.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Finding:

No documentation was provided for this test as it could not be located from the prior management.

Management's Response:

Management will ensure that documentation is retained moving forward.

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

Finding:

No documentation was provided for this test as it could not be located from the prior management..

Management's Response:

Management will ensure that documentation is retained moving forward.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Finding:

No documentation was provided for this test as it could not be located from the prior management.

Management's Response:

Management will ensure that documentation is retained moving forward.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding:

With regards to items "b" and "c" above, two of the five reimbursements reviewed did not contain original receipts or other necessary documentation of expenses claimed for reimbursement.

With regards to item "d" above, one of the five reimbursements reviewed had no documentation of review and approval by someone other than the employee seeking reimbursement.

Management's Response:

Management will be sure that all reimbursements have the proper documentation for support going forward.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe whether the contract was approved by the governing body/board, if required by policy or law.
- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

N/A – no contracts initiated during fiscal period.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Finding:

With regard to items "a", "b" and "c" above, Feeding Louisiana does not track employee time, leave, or leave used.

Management's Response:

Management will investigate tracking or certifying employee time and leave.

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

N/A – no terminations during fiscal period.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

N/A – Non-profits are excluded from this testing.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

N/A – no debt service.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

N/A – no debt service.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No exceptions noted.

24. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Finding:

Feeding Louisiana does not appear to have posted this information on the organization's website.

Management's Response:

Management has already posted the notice on the website in fiscal year 2023.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Finding:

Feeding Louisiana does not appear to back-up information on their IT systems. Documentation could not be provided regarding backups or verification of restoration testing. Antivirus software could not be observed as employee locations are not centralized and some out of state.

Management’s Response:

Management will review IT systems and investigate ways to make improvements..

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Finding:

Of the five employee records tested, none of them contained documentation of annual sexual harassment training from management.

Management’s Response:

The Organization has scheduled sexual harassment training to be conducted in 2023 and will continue this required training in the coming years.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

Finding:

The Organization does not appear to have posted their sexual harassment policy on the website.

Management’s Response:

The policy will be posted to the website in the coming year.

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements.

- b) Number of sexual harassment complaints received by the agency.
- c) Number of complaints which resulted in a finding that sexual harassment occurred.
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Finding:

The Organization did not submit the required annual sexual harassment report.

Management's Response:

Management will file the annual report next year.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

TWRU

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