
THE GREATER BATON ROUGE FOOD BANK

FINANCIAL STATEMENTS

DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9.1.04



THE GREATER BATON ROUGE FOOD BANK

FINANCIAL STATEMENTS

DECEMBER 31, 2003



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INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Greater Baton Rouge Food Bank
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of The Greater Baton Rouge Food Bank (a not-for-profit organization) as of December 31, 2003 and 2002, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of The Greater Baton Rouge Food Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of The Greater Baton Rouge Food Bank as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2004, on our consideration of The Greater Baton Rouge Food Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Baton Rouge, Louisiana
May 17, 2004

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2003 AND 2002

ASSETS

	<u>2003</u>	<u>2002</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 462,229	\$ 925,121
Accounts receivable	8,115	17,798
Unconditional promises to give, less allowances for uncollectible accounts of \$- and \$100, respectively	-	4,650
Prepaid expenses	17,424	949
Food inventory - donated and purchased	329,726	421,812
Food inventory - commodities	55,549	147,037
Total current assets	<u>873,043</u>	<u>1,517,367</u>
<u>PROPERTY AND EQUIPMENT</u>		
Land	60,000	60,000
Building and building improvements	1,313,853	397,361
Vehicles	180,588	135,951
Furniture, fixtures, and equipment	187,952	208,647
	<u>1,742,393</u>	<u>801,959</u>
Less: Accumulated depreciation	(401,824)	(332,049)
	<u>1,340,569</u>	<u>469,910</u>
<u>OTHER ASSETS</u>		
Assets limited as to use	395,629	297,636
Investments (certificates of deposit - one year maturity)	200,000	200,000
	<u>595,629</u>	<u>497,636</u>
 Total assets	 <u>\$ 2,809,241</u>	 <u>\$ 2,484,913</u>

The accompanying notes are an integral part of these statements.



LIABILITIES AND NET ASSETS

	<u>2003</u>	<u>2002</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 51,881	\$ 19,145
Accrued expenses and other liabilities	1,979	1,888
Total current liabilities	<u>53,860</u>	<u>21,033</u>
<u>NET ASSETS</u>		
Unrestricted	2,322,356	1,609,498
Temporarily restricted	114,553	558,356
Permanently restricted	318,472	296,026
Total net assets	<u>2,755,381</u>	<u>2,463,880</u>
Total liabilities and net assets	<u>\$ 2,809,241</u>	<u>\$ 2,484,913</u>



THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions	\$ 187,171	\$ 28,045	\$ 22,446	\$ 237,662
Capital campaign	-	426,076	-	426,076
United Way	196,200	-	-	196,200
Special events	36,390	-	-	36,390
FEMA	-	49,813	-	49,813
Donated assets	-	-	-	-
Grant revenues	-	91,493	-	91,493
Local government support	27,420	-	-	27,420
State government support	99,229	-	-	99,229
USDA commodities reimbursements	242,687	-	-	242,687
Investment income	89,873	-	-	89,873
Food donations received	5,971,137	-	-	5,971,137
Commodities received	1,507,869	-	-	1,507,869
Other	9,572	-	-	9,572
Total revenues	8,367,548	595,427	22,446	8,985,421
Net assets released from restrictions				
Satisfaction of purpose of restrictions	1,039,230	(1,039,230)	-	-
Total revenues	9,406,778	(443,803)	22,446	8,985,421
EXPENSES				
Program	8,528,923	-	-	8,528,923
Administration	88,067	-	-	88,067
Fund-raising	76,930	-	-	76,930
Total expenses	8,693,920	-	-	8,693,920
CHANGE IN NET ASSETS	712,858	(443,803)	22,446	291,501
Net assets at beginning of year	1,609,498	558,356	296,026	2,463,880
Net assets, end of period	\$ 2,322,356	\$ 114,553	\$ 318,472	\$ 2,755,381

The accompanying notes are an integral part of these statements.



2002

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 149,084	\$ 33,872	\$ 10,464	\$ 193,420
-	284,527	-	284,527
180,000	-	-	180,000
49,412	-	-	49,412
-	53,698	-	53,698
28,000	-	-	28,000
8,292	45,877	-	54,169
26,420	-	-	26,420
150,000	-	-	150,000
308,558	-	-	308,558
(28,486)	-	-	(28,486)
5,785,920	-	-	5,785,920
1,842,547	-	-	1,842,547
14,571	-	-	14,571
<u>8,514,318</u>	<u>417,974</u>	<u>10,464</u>	<u>8,942,756</u>
195,948	(195,948)	-	-
<u>8,710,266</u>	<u>222,026</u>	<u>10,464</u>	<u>8,942,756</u>
8,275,286	-	-	8,275,286
93,491	-	-	93,491
128,577	-	-	128,577
<u>8,497,354</u>	<u>-</u>	<u>-</u>	<u>8,497,354</u>
212,912	222,026	10,464	445,402
1,396,586	336,330	285,562	2,018,478
<u>\$ 1,609,498</u>	<u>\$ 558,356</u>	<u>\$ 296,026</u>	<u>\$ 2,463,880</u>



THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003			
	Program	Administration	Fundraising	Total
Accounting and professional fees	\$ -	\$ 6,000	\$ -	\$ 6,000
Advertising	13,468	-	-	13,468
Bad debt expense	4,650	-	-	4,650
Capital Campaign	6,724	-	-	6,724
Cold storage	3,220	-	-	3,220
Conferences	-	5,106	-	5,106
Depreciation	96,460	-	-	96,460
Distribution of commodities	1,599,357	-	-	1,599,357
Distribution of donated food	6,104,327	-	-	6,104,327
Dues	12,331	-	-	12,331
Fuel and mileage	14,593	-	-	14,593
Insurance	102,288	-	-	102,288
Interest expense	-	-	-	-
Investment fees and expenses	6,326	-	-	6,326
Loss on disposal of assets	5,966	-	-	5,966
Miscellaneous expense	34,974	-	-	34,974
Payroll taxes	28,875	5,270	5,063	39,208
Postage	-	-	18,799	18,799
Printing and publication	-	-	27,770	27,770
Project gumbo	864	-	-	864
Repairs and maintenance	29,375	-	-	29,375
Retirement	1,927	2,800	1,000	5,727
Salaries	356,491	68,891	24,298	449,680
Supplies	9,493	-	-	9,493
Telephone	5,857	-	-	5,857
Training	-	-	-	-
Transportation	56,078	-	-	56,078
Utilities	22,693	-	-	22,693
Volunteer program	6,867	-	-	6,867
Waste disposal	5,719	-	-	5,719
	\$ 8,528,923	\$ 88,067	\$ 76,930	\$ 8,693,920

The accompanying notes are an integral part of these statements.



2002

<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
\$ -	\$ 5,500	\$ -	\$ 5,500
15,413	-	-	15,413
100	-	-	100
-	-	-	-
24,821	-	-	24,821
-	16,018	-	16,018
95,746	-	-	95,746
1,925,693	-	-	1,925,693
5,624,002	-	-	5,624,002
7,188	-	-	7,188
11,720	-	-	11,720
78,180	-	-	78,180
290	-	-	290
5,948	-	-	5,948
-	-	-	-
56,088	-	-	56,088
23,516	5,009	6,082	34,607
-	-	19,293	19,293
-	-	22,733	22,733
3,558	-	-	3,558
36,527	-	-	36,527
5,940	1,493	960	8,393
288,910	65,471	79,509	433,890
9,221	-	-	9,221
5,832	-	-	5,832
570	-	-	570
23,189	-	-	23,189
16,868	-	-	16,868
8,939	-	-	8,939
7,027	-	-	7,027
<u>\$ 8,275,286</u>	<u>\$ 93,491</u>	<u>\$ 128,577</u>	<u>\$ 8,497,354</u>



THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 291,501	\$ 445,402
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	96,460	95,746
Loss on disposal of equipment	5,966	-
Depreciation (appreciation) of investments	(72,496)	48,706
Donated assets	(5,971,137)	(5,813,920)
Net change in:		
Accounts receivable	9,683	(1,291)
Unconditional promises to give	4,650	15,635
Prepaid expenses	(16,475)	-
Food inventory	6,063,223	5,568,979
Commodities inventory	91,488	83,146
Other current assets	-	7,151
Accounts payable	32,736	8,641
Accrued expenses and other liabilities	91	(1,711)
Net cash provided by operating activities	<u>535,690</u>	<u>456,484</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Expenditures for property and equipment	(975,285)	(15,602)
Proceeds from sale of equipment	2,200	-
Purchase of investments	(25,497)	(213,418)
Net cash used in investing activities	<u>(998,582)</u>	<u>(229,020)</u>
 <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Principal payments on capital leases	-	(3,983)
Net cash used in financing activities	<u>-</u>	<u>(3,983)</u>
 Change in cash and cash equivalents	(462,892)	223,481
 Cash and cash equivalents at beginning of year	<u>925,121</u>	<u>701,640</u>
 Cash and cash equivalents at end of year	<u>\$ 462,229</u>	<u>\$ 925,121</u>
 <u>Supplemental disclosure of non-cash investing and financing activities:</u>		
Interest portion of lease obligation	<u>\$ -</u>	<u>\$ 290</u>

The accompanying notes are an integral part of these statements.



THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Greater Baton Rouge Food Bank (Food Bank) is a not-for-profit organization that gathers, stores, and redistributes food to charitable organizations and churches that serve the needy. Food sources include donations from individuals, corporations, and organizations; purchased food; and the USDA Commodities program.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Food Bank is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of 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. Significant estimates have been applied in the determination of donated food values and depreciation in preparation of the accompanying financial statements.

Property and Equipment

Property and equipment are stated at cost. Additions, renewals, and betterments that extend the useful life of the assets are capitalized. Maintenance and repair expenditures are expensed as incurred. Provisions for depreciation and amortization are computed using the straight-line method over the assets' useful lives, which range from 3 to 20 years.

Revenue Recognition and Promises to Give

Contributions are recognized when the donor makes a promise to give to the Food Bank that is, in substance, unconditional. Contributions which are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the same year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The amounts shown as unconditional promises to give at December 31, 2002 were written off in 2003.



THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code.

Food Inventory - Donated and Purchased

Food inventory, predominately donated, is reported at fair value as determined by pricing guidelines produced by the National Food Bank, *America's Second Harvest*. Donated food inventory received is recorded as unrestricted revenue at an amount equal to the determined value in accordance with the aforementioned guidelines.

Food Inventory - Commodities

Commodities inventory is reported at fair value as determined by the commodities price listing produced by the Louisiana Department of Agriculture and Forestry. Commodities inventory received is recorded as unrestricted revenue at an amount equal to the determined value in accordance with the aforementioned guidelines.

Investments

Investments are carried at fair value. The change in fair value is recognized as a component of investment income. Accrued interest on investments is recognized as a component of accounts receivable.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturities of less than three months.

At various times during the fiscal year, the Food Bank's cash in bank balances exceeded the Federally insured limits. At December 31, 2003, the Food Bank's uninsured cash balances totaled approximately \$399,000.

Accounts Receivable

The Organization provides credit, in the normal course of business, to customers located throughout the United States of America. The Organization generally does not require collateral with the extension of credit. The Organization maintains an allowance for doubtful accounts based on management's assessment of collectibility, current economic conditions, and prior experience.



THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Accounts Receivable (continued)

The Organization determines past-due accounts based on contractual terms and does not charge interest on the accounts. The Organization charges off receivables if management considers the collection of the outstanding balance to be doubtful.

2. **TEMPORARILY RESTRICTED NET ASSETS**

Net assets were temporarily restricted for the following purposes at December 31:

	2003	2002
Warehouse	\$ -	\$ 4,252
Retirement	26,260	-
Initiatives	-	5,870
Miscellaneous	64,589	23,906
Cooler/freezer purchase	10,121	10,121
Capital Campaign	13,583	514,207
	\$ 114,553	\$ 558,356

3. **PERMANENTLY RESTRICTED NET ASSETS**

Net assets were permanently restricted for the following purposes at December 31:

	2003	2002
Endowment Fund; (principal unexpendable; interest can be used for general mission statement of Food Bank)	\$ 317,672	\$ 296,026

THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

4. DONATED FOOD AND SERVICES

The Food Bank's operations consist primarily of receiving, storing, and redistributing donated and purchased food to the needy through eligible organizations. Donated food is recorded in the accompanying financial statements as unrestricted revenue at its estimated value. Also, volunteers assist in the operations of the Food Bank. The cost of volunteered services is not reflected in the accompanying financial statements.

Activity of the donated food inventory is summarized as follows:

	<u>2003</u>	<u>2002</u>
Food inventory, beginning of year	\$ 421,812	\$ 204,871
Food donations received	5,971,137	5,785,920
Food purchases	41,104	55,023
Distributed, discarded, and adjustment	(6,104,327)	(5,624,002)
Food inventory, end of year	<u>\$ 329,726</u>	<u>\$ 421,812</u>

5. USDA COMMODITIES

The Food Bank participated in the USDA Commodities program during the years ended December 31, 2003 and 2002. The objective of the program is to provide U.S. Department of Agriculture (USDA) donated commodities to low-income households through eligible organizations for home consumption. Commodities received are recorded in the accompanying financial statements as unrestricted revenue at its estimated cost.

The commodities were as follows:

	<u>2003</u>	<u>2002</u>
Commodity inventory, beginning of year	\$ 147,037	\$ 230,183
Food commodities received	1,507,869	1,842,547
Distributed, discarded, and adjustment	(1,599,357)	(1,925,693)
Commodity inventory, end of year	<u>\$ 55,549</u>	<u>\$ 147,037</u>



THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

6. RETIREMENT PLAN

The Food Bank adopted a qualified Internal Revenue Code Section 403(b) annuity plan. The Plan covers all full time employees who have at least three months service. The Food Bank is obligated to match up to 50% of an employee's deferred amount, which cannot exceed 10% of their pay. The Food Bank has the option to match up to 100% in any one year. The Food Bank contributed \$5,727 and \$8,393 to this Plan during the years ended December 31, 2003 and 2002, respectively.

7. INVESTMENT INCOME

The Greater Baton Rouge Food Bank Endowment Fund (the Fund) was created as an inviolate endowment. Donations, to be used to meet the mission statement of the Food Bank, can be solicited for this fund. Interest, dividends, capital gains or other earnings of the Fund are to be utilized at the discretion of the Board of Directors and in compliance with the policies and procedures of the Board designated holder of the endowment. This policy, with the exception of the inviolate nature of the endowment that may not be altered, may only be changed by a two-thirds majority vote of the elected, voting members of the Board of Directors. The corpus of the assets of this fund is considered to be permanently restricted.

Investments of the Endowment Fund consist solely of amounts invested in the Baton Rouge Foundation Investment Pool. The carrying amount of the investments of \$395,629 and \$297,636 as of December 31, 2003 and 2002, respectively, is its fair value. Approximately 70% of the investment pool is held in stocks, 30% in bonds, and a small percentage in mutual funds.

The Food Bank has cash in money market accounts and certificates of deposit that pay interest.

Investment income (loss) on investments was comprised of the following:

	<u>2003</u>	<u>2002</u>
Net unrealized gains (losses) on endowment fund	\$ 72,496	(\$ 48,706)
Dividend and interest (endowment fund)	9,017	7,741
Interest (money market and certificates of deposit)	8,360	12,479
	<u>\$ 89,873</u>	<u>(\$ 28,486)</u>

8. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated by management discretion among the programs and supporting services benefited.



THE GREATER BATON ROUGE FOOD BANK
(A NOT-FOR-PROFIT ORGANIZATION)
BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

9. COMMITMENTS AND CONTINGENCIES

The Company is, from time to time, involved in lawsuits arising in the ordinary course of its business that, in the opinion of management, will not have a material effect on the Company's results of operations.



THE GREATER BATON ROUGE FOOD BANK
REPORTS ON COMPLIANCE AND INTERNAL CONTROL
DECEMBER 31, 2003



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EXHIBIT A

**Report on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

The Board of Directors
The Greater Baton Rouge Food Bank
Baton Rouge, Louisiana

We have audited the financial statements of The Greater Baton Rouge Food Bank (a not-for-profit organization) as of and for the year ended December 31, 2003, and have issued our report thereon dated May 17, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether The Greater Baton Rouge Food Bank's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Greater Baton Rouge Food Bank's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management of the Greater Baton Rouge Food Bank, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under revised statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Robert D. & Michael

Baton Rouge, Louisiana

May 17, 2004





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EXHIBIT B

**Report on Compliance with Requirements Applicable to
Each Major Program and on Internal Control Over Compliance
in Accordance With OMB Circular A-133**

The Board of Directors
The Greater Baton Rouge Food Bank
Baton Rouge, Louisiana

Compliance

We have audited the compliance of the Greater Baton Rouge Food Bank with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2003. The Greater Baton Rouge Food Bank's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Greater Baton Rouge Food Bank's management. Our responsibility is to express an opinion on the Greater Baton Rouge Food Bank's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Greater Baton Rouge Food Bank's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Greater Baton Rouge Food Bank's compliance with those requirements.

In our opinion, the Greater Baton Rouge Food Bank complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the Greater Baton Rouge Food Bank is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Greater Baton Rouge Food Bank's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the Greater Baton Rouge Food Bank as of and for the year ended December 31, 2003, and have issued our report thereon dated May 17, 2004. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the board of directors, management of the Greater Baton Rouge Food Bank, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under revised statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Baton Rouge, Louisiana
May 17, 2004



THE GREATER BATON ROUGE FOOD BANK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED DECEMBER 31, 2003

U.S. DEPARTMENT OF AGRICULTURE

<u>PROGRAM NAME</u>	<u>FEDERAL CFDA NUMBER</u>	<u>EXPENDITURES</u>
EMERGENCY FOOD ASSISTANCE PROGRAM	10.568 and 10.569	<u>1,842,044</u>
TOTAL DEPARTMENT OF AGRICULTURE		<u>1,842,044</u>

FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION (FEMA)

<u>PROGRAM NAME</u>	<u>FEDERAL CFDA NUMBER</u>	<u>EXPENDITURES</u>
EMERGENCY FOOD AND SHELTER PROGRAM	83.523	<u>49,813</u>
TOTAL FEMA		<u>49,813</u>

TOTAL EXPENDITURES OF FEDERAL AWARDS 1,891,857

See the accompanying notes to the schedule of expenditures of federal awards.



THE GREATER BATON ROUGE FOOD BANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2003

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unqualified

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are
not considered to be material weaknesses? yes none reported

Noncompliance material to financial
statements noted?

yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are
not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with section 510(a)
of Circular A-133?

yes no



THE GREATER BATON ROUGE FOOD BANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2003

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.568 and 10.569	Emergency Food Assistance Program

- The threshold for distinguishing types A and B programs was \$300,000.
- The Greater Baton Rouge Food Bank does qualify as being a low-risk auditee. In order to be determined a low-risk auditee, single audits must have been performed for each of the preceding two years and the audit opinion on the financial statements and the schedule of expenditures of Federal awards must have been unqualified for the preceding two years. The Greater Baton Rouge Food Bank began the commodities program during 2000. Therefore, single audits have been performed for the preceding two years. Also, unqualified opinions have been issued for the preceding two years.

B. Findings – Financial Statement Audit

- None

C. Findings and Questioned Costs – Major Federal Awards Programs

- None



THE GREATER BATON ROUGE FOOD BANK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2003

Findings and Questioned Costs – Major Federal Awards Programs

- None



THE GREATER BATON ROUGE FOOD BANK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Greater Baton Rouge Food Bank (Food Bank) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the estimated cost of the commodities disbursed. At December 31, 2003, the organization had USDA commodities valued at \$55,549 in inventory.

NOTE C – SUB-RECIPIENTS

All of the commodities distributed were done so to eligible recipient agencies considered to be sub-recipients of the Food Bank.

