

Northwest Louisiana Food Bank
Financial Statements With Auditors' Report
As of and for the Years Ended June 30, 2011 and 2010

Northwest Louisiana Food Bank

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Independent Auditors' Report

To the Board of Directors
Northwest Louisiana Food Bank
Shreveport, Louisiana

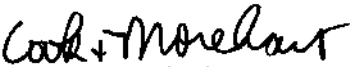
We have audited the accompanying statements of financial position of Northwest Louisiana Food Bank as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Northwest Louisiana 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 audit 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 the 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 Northwest Louisiana Food Bank as of June 30, 2011 and 2010, and the changes in its net assets 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 December 14, 2011, on our consideration of Northwest Louisiana Food Bank'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Northwest Louisiana Food Bank taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Cook & Morehart
Certified Public Accountants
December 14, 2011

Northwest Louisiana Food Bank
 Statements of Financial Position
 June 30, 2011 and 2010

Assets	2011	2010
Current assets:		
Cash	\$ 1,393,893	\$ 946,388
Investments	174,731	222,051
Accounts receivable - grants	36,360	70,368
Accounts receivable - other	32,204	18,118
Inventory - USDA	276,962	510,750
Inventory - Other	883,766	1,193,555
Total current assets	2,797,916	2,961,230
Property and equipment:		
Property and equipment	1,889,598	1,858,248
Accumulated depreciation	(805,016)	(718,858)
Net property and equipment	1,084,582	1,139,390
Total Assets	\$ 3,882,498	\$ 4,100,620
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 40,494	\$ 25,175
Accrued expenses	34,267	29,864
Total current liabilities	74,761	55,039
Net assets:		
Unrestricted:		
Operating	2,360,623	2,346,635
Fixed assets	1,084,582	1,139,390
Total unrestricted net assets	3,445,205	3,486,025
Temporarily restricted	362,532	559,556
Total net assets	3,807,737	4,045,581
Total Liabilities and Net Assets	\$ 3,882,498	\$ 4,100,620

The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Food Bank
Statement of Activities
For the Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Total
Revenues and Other Support:			
Annual campaign	\$ 391,428	\$	\$ 391,428
Donations - church, corporate, individuals	283,763		283,763
Miscellaneous grants	332,875	85,569	418,444
United Way	68,323		68,323
Shared maintenance	393,580		393,580
Adopt a senior program	16,166		16,166
Miscellaneous	108,322		108,322
Rent income	13,500		13,500
Investment income	3,319		3,319
Donated food supplies	4,969,796	276,962	5,246,758
Net assets released from restrictions:			
Satisfaction of restrictions	559,555	(559,555)	
Total revenues and other support	7,140,627	(197,024)	6,943,603
Expenses:			
Program services			
Food Bank	6,585,791		6,585,791
Supporting services			
Management and general	490,006		490,006
Fund Raising	105,650		105,650
Total expenses	7,181,447		7,181,447
Changes in net assets	(40,820)	(197,024)	(237,844)
Net assets, beginning of year	3,486,025	559,556	4,045,581
Net assets, end of year	<u>\$ 3,445,205</u>	<u>\$ 362,532</u>	<u>\$ 3,807,737</u>

The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Food Bank
Statement of Activities
For the Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support:			
Annual campaign	\$ 352,251	\$	\$ 352,251
Donations - church, corporate, individuals	330,608		330,608
Miscellaneous grants	319,415	48,805	368,220
United Way	52,318		52,318
Shared maintenance	442,797		442,797
Adopt a senior program	16,818		16,818
Miscellaneous	30,550		30,550
Rent income	13,500		13,500
Investment return	3,673		3,673
Interest	4,847		4,847
Donated food supplies	4,280,844	510,750	4,791,594
Net assets released from restrictions:			
Satisfaction of restrictions	285,365	(285,365)	
	<u>6,132,986</u>	<u>274,190</u>	<u>6,407,176</u>
Expenses:			
Program services			
Food Bank	5,072,216		5,072,216
Supporting services			
Management and general	407,762		407,762
Fund Raising	134,099		134,099
	<u>5,614,077</u>		<u>5,614,077</u>
Changes in net assets	518,909	274,190	793,099
Net assets, beginning of year	<u>2,967,116</u>	<u>285,366</u>	<u>3,252,482</u>
Net assets, end of year	<u>\$ 3,486,025</u>	<u>\$ 559,556</u>	<u>\$ 4,045,581</u>

The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Food Bank
Statement of Functional Expenses
For the Year Ended June 30, 2011

	Program Services		Support Services		Total
	Food Bank	Management & General	Fund Raising	Total	
Expenses					
Accounting	\$	\$ 19,266	\$	\$ 19,266	\$ 19,266
Auto	57,492	326		326	57,818
Advertising			39,361	39,361	39,361
Bad debt expense	3,575				3,575
Computer expense	369	14,944	3,148	18,092	18,461
Contract labor	9,932	13,500		13,500	23,432
Depreciation		86,158		86,158	86,158
Dues & subscriptions		7,255	30	7,285	7,285
Food costs	6,176,074	9,235	12,266	21,501	6,197,575
Freight	35,175				35,175
Fringe	17,061	76,820	3,257	80,077	97,138
Insurance	77	37,856		37,856	37,933
Meals & entertainment	5,563	1,910	88	1,998	7,561
Mileage	359	1,103	712	1,815	2,174
Office supplies			1,875	1,875	1,875
Postage	7	2,239	1,100	3,339	3,346
Repairs & maintenance	21,378	5,889		5,889	27,267
Salaries	223,510	151,666	39,023	190,689	414,199
Supplies	11,022	7,616		7,616	18,638
Telephone	5,233	4,317	240	4,557	9,790
Training	201	4,720	2,848	7,568	7,769
Travel	2,670	9,738	1,592	11,330	14,000
Utilities	10,082	27,045		27,045	37,127
Waste disposal	1,218	2,375		2,375	3,593
Miscellaneous	4,793	6,028	110	6,138	10,931
Total Expenses	\$ 6,585,791	\$ 490,006	\$ 105,650	\$ 595,656	\$ 7,181,447

The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Food Bank
Statement of Functional Expenses
For the Year Ended June 30, 2010

	Program	Support Services			Total
	Services	Management	Fund	Total	
	Food	& General	Raising		
	Bank				
Expenses					
Accounting	\$	\$ 20,601	\$	\$ 20,601	\$ 20,601
Advertising	175,718				175,718
Auto	24,885	2,316		2,316	27,201
Bad debt expense	90				90
Computer expense	137	10,613	2,803	13,416	13,553
Contract labor	9,268	613	1,898	2,511	11,779
Depreciation		90,914		90,914	90,914
Dues & subscriptions		6,902	70	6,972	6,972
Food costs	4,517,947		82,823	82,823	4,600,770
Fringe	19,990	79,596	3,173	82,769	102,759
Insurance	15,052	42,503		42,503	57,555
Interest	60				60
Legal		1,500		1,500	1,500
Meals & entertainment	3,953	1,867	15	1,882	5,835
Mileage	400	1,226	1,315	2,541	2,941
Office supplies		8,469		8,469	8,469
Postage	204	1,563	2,000	3,563	3,767
Repairs & maintenance	6,344	6,805	88	6,893	13,237
Salaries	257,994	95,140	39,527	134,667	392,661
Supplies	8,460	424	243	667	9,127
Telephone	3,476	8,938		8,938	12,414
Training	2,418	173	15	188	2,606
Travel	6,020	149		149	6,169
Utilities	13,756	19,578		19,578	33,334
Waste disposal	1,463	2,449		2,449	3,912
Miscellaneous	4,581	5,423	129	5,552	10,133
Total Expenses	\$ 5,072,216	\$ 407,762	\$ 134,099	\$ 541,861	\$ 5,614,077

The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Food Bank
 Statements of Cash Flows
 For the Years Ended June 30, 2011 and 2010

Operating Activities

	2010	2009
Change in net assets	\$ (237,844)	\$ 793,099
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	86,158	90,914
Unrealized (gain) loss on investments	(117)	(3,673)
Realized (gain) loss on investments	(8)	
Donated assets	(9,625)	(3,120)
(Increase) decrease in operating assets:		
Accounts receivable	19,922	(12,620)
Inventory - USDA	233,788	(304,463)
Inventory - other	309,789	(150,202)
Prepaid expenses		8,000
Increase (decrease) in operating liabilities:		
Accounts payable	15,319	(9,410)
Accrued liabilities	4,403	(3,247)
Net cash provided (used) by operating activities	421,785	405,278

Investing Activities

Purchase of investments	(150,000)	(200,000)
Sale of investments	200,000	100,311
Donation of stock	(2,555)	
Payments for property and equipment	(21,725)	(35,057)
Net cash used in investing activities	25,720	(134,746)

Net increase (decrease) in cash	447,505	270,532
Cash as of beginning of year	946,388	675,856
Cash as of end of year	\$ 1,393,893	\$ 946,388

Supplemental Cash flow Disclosures:

Noncash Investing Transactions:

Donated property and equipment	\$ 9,625	\$ -
Donated stock	2,555	-
	\$ 12,180	\$ -

The accompanying notes are an integral part of the financial statements.

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2011 and 2010

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Northwest Louisiana Food Bank (the Food Bank) was organized in Shreveport during 1996 for the purpose of distributing food and commodities to various group feeding centers and food pantries in the parishes of Caddo, Bossier, Red River, Webster, Desoto, Claiborne, and Bienville in North Louisiana.

The Organization receives United States Department of Agriculture (USDA) donated food commodities for use in feeding needy households under the Food Bank Program. The Organization assumes full responsibility for all matters pertinent to the receipt, handling, storage, protection, accountability, and use of donated food commodities. The Organization also receives funding for administrative costs to support product maintenance.

Since June, 2003, The Northwest Louisiana Food Bank is the regional certified affiliate of America's Second Harvest, a national food bank organization located in Chicago, Illinois that links over 200 affiliated food banks with donations from over 250 major donors.

The Organization relies heavily on community volunteers or individuals doing community services as a condition of probation. The Organization relies on food donations from Second Harvest and related affiliates as well as donations from the United States Department of Agriculture, churches, benevolent trusts, corporations, and United Way to fund the daily operations.

B. Basis of Accounting

The financial statements of the Food Bank have been prepared on the accrual basis of accounting.

C. 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 Organization 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.

D. Income Tax Status

The Food Bank is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code, and therefore, is not subject to income taxes. However, income from certain activities not directly related to the Food Bank's tax-exempt purpose is subject to taxation as unrelated business income. The Food Bank had no such income for this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2008, 2009, 2010, and 2011 are subject to examination by the IRS, generally three years after they were filed.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2011 and 2010
(Continued)

F. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Food Bank considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The Federal government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds there from is subject to federal regulations. The Food Bank has adopted a policy to capitalize expenditures for property and equipment with a unit cost of \$1,000 or more.

H. Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

I. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

J. Investments

Investments in equity securities with readily determinable fair values are reported at their fair value based on quoted market prices in the statement of financial position. Investments in certificates of deposit are reported at surrender value which approximates fair value. Realized and unrealized gains and losses are included in investment return, along with interest and dividends, in the statement of activities.

K. Fair Value Measurements

FASB ASC 820-10 defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. FASB ASC 820-10 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various other accounting pronouncements.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2011 and 2010
(Continued)

Assets and liabilities measured at fair value are recorded in accordance with FASB ASC 820-10, which clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, FASB ASC 820-10 establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 Inputs – Unadjusted quoted prices in active markets that are assessable at the measurement date for identical assets and liabilities.

Level 2 Inputs – Inputs other than quoted prices in active market that are observable either directly or indirectly.

Level 3 Inputs – Unobservable inputs in which there is little or no market data, which requires management to develop their assumptions.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject the Food Bank to concentrations of credit risk consist principally of temporary cash investments and accounts receivable. Concentrations of credit risk with respect to accounts receivable are limited due to the receivables being small in nature and from several different entities and amounts due from governmental agencies under contractual terms. The Food Bank maintains cash balances at financial institutions and a money market account held by an investment broker. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000 at financial institutions. Securities Investor Protection Corporation (SIPC) insures funds on deposit with the investment broker up to \$500,000. The Food Bank had uninsured cash balances of \$975,675 and \$608,294 at June 30, 2011 and 2010, respectively.

(3) Investments

The investments are presented in the financial statements at fair value using level 1 fair value measures (quoted prices in active markets). Investments as of June 30, 2011 and 2010 consisted of the following:

	2011		2010	
	Fair Value	Cost	Fair Value	Cost
Equities	\$ 24,703	\$ 24,249	\$ 22,031	\$ 21,694
Certificates of deposits	150,028	150,028	200,020	200,020
	\$ 174,731	\$ 174,277	\$ 222,051	\$ 221,714

Investment income for the year ended June 30, 2011 was \$125 and investment gain for year ended June 30, 2010 was \$3,673.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2011 and 2010
(Continued)

(4) Property and Equipment

Property and equipment consisted of the following at June 30, 2011 and 2010:

	Estimated Depreciable Life	2011	2010
Buildings and improvements	7–39 years	\$ 1,066,063	\$ 1,044,338
Furniture and equipment	5–10 years	582,518	551,168
Land		241,017	241,017
Construction in progress		–	21,725
Accumulated depreciation		<u>(805,016)</u>	<u>(718,858)</u>
Net investment in property and equipment		<u>\$ 1,084,582</u>	<u>\$ 1,139,390</u>

Depreciation expense for the years ended June 30, 2011 and 2010 was \$86,158 and \$90,914, respectively.

(5) Accrued Liabilities

Accrued liabilities consisted of the following at June 30, 2011 and 2010:

	2011	2010
Accrued leave payable	\$ 12,306	\$ 12,306
Accrued payroll	15,938	12,339
Payroll taxes payable	6,023	5,219
	<u>\$ 34,267</u>	<u>\$ 29,864</u>

(6) Retirement Plan

During 2002, the Food Bank entered into a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) under Section 408(p) of the Internal Revenue Code. The plan covers full-time employees of the Food Bank. The Food Bank contributes a matching contribution equal to the employee's contributions up to a limit of 3% of the employee's compensation for the calendar year. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. The amount contributed by the Food Bank to retirement plans on the employees behalf for the years ended June 30, 2011 and 2010, was \$4,738 and \$3,250, respectively.

(7) Inventory

Purchased inventory is carried at cost, while inventory acquired from the United States Department of Agriculture is valued at fair market value. Inventory acquired through the Louisiana Nutritional Assistance Program (LANAIP) is valued at cost which approximates market value. Donated inventory is based on the average price per pound as determined by the National Office of Second Harvest. This price was \$1.66 for 2011 and \$1.60 for 2010.

(Continued)

Northwest Louisiana Food Bank
Notes to Financial Statements
June 30, 2011 and 2010
(Continued)

(8) Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2011 and 2010 are available for the following purposes:

	<u>2011</u>	<u>2010</u>
USDA commodities in inventory	\$ 276,962	\$ 510,750
Capital improvements – facility	6,000	24,803
Senior program	–	10,553
Backpack program	18,575	–
Food purchase	<u>60,995</u>	<u>13,450</u>
	<u>\$ 362,532</u>	<u>\$ 559,556</u>

(9) Concentrations and Dependence

The Food Bank entered into an agreement with the Louisiana Department of Agriculture and Forestry, Food Distribution Division, for the operation of a Food Distribution Program. The agreement is permanent, unless terminated by the Louisiana Department of Agriculture and Forestry for failing to comply with the provisions, instructions, or procedures outlined in the agreement. Under the terms of the agreement, commodities from the United States Department of Agriculture are passed through the Louisiana Department of Agriculture to the Food Bank for distribution. During the years ended June 30, 2011 and 2010, approximately 21% and 28%, respectively, of the total food donations received by the Food Bank were commodities from the Louisiana Department of Agriculture.

(10) Subsequent Events

Subsequent events have been evaluated through December 14, 2011, the date the financial statements were available to be issued.

Northwest Louisiana Food Bank
 Shreveport, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2011

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Homeland Security</u>			
Passed through a local governing board Emergency Food and Shelter Program	97.024	Unknown	\$ 4,148
Passed through the Governor's Office of Homeland Security and Emergency Preparedness Disaster Recovery	97.036	Unknown	30,879
<u>U.S. Department of Agriculture and Forestry</u>			
Passed through the Louisiana Department of Agriculture and Forestry Emergency Food Assistance Program Food Commodities Administrative Costs	10.569 10.568	Unknown Unknown	1,339,074 165,008
Passed through the Louisiana Department of Education Child and Adult Care Food Program Summer Food Service Program	10.558 10.559	Unknown Unknown	27,212 43,843
Total Expenditures of Federal Awards			<u>\$ 1,610,164</u>

NOTE 1: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

NOTE 2: Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and distributed.
 At June 30, 2011, the Food Bank had food commodities in inventory totaling \$276,962.

COOK & MOREHART

Certified Public Accountants

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STUART L. REEKS, CPA

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
Northwest Louisiana Food Bank

We have audited the financial statements of Northwest Louisiana Food Bank (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 14, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Northwest Louisiana Food Bank's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northwest Louisiana Food Bank's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify and deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northwest Louisiana Food Bank's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with

those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors 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.



Cook & Morehart
Certified Public Accountants
December 14, 2011

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Independent Auditor's Report on Compliance with Requirements That Could Have A Direct and Material Effect On Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Board of Directors
Northwest Louisiana Food Bank

Compliance

We have audited the compliance of Northwest Louisiana Food Bank (a nonprofit organization) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Northwest Louisiana Food Bank's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Northwest Louisiana Food Bank's management. Our responsibility is to express an opinion on Northwest Louisiana 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 Northwest Louisiana 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 Northwest Louisiana Food Bank's compliance with those requirements.

In our opinion, Northwest Louisiana Food Bank complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

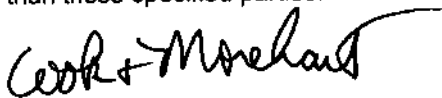
Internal Control Over Compliance

The management of Northwest Louisiana Food Bank is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Northwest Louisiana Food Bank's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Northwest Louisiana Food Bank's internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors 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.



Cook & Morehart
Certified Public Accountants
December 14, 2011

Northwest Louisiana Food Bank
Shreveport, Louisiana
Summary Schedule of Prior Audit Findings
June 30, 2011

There were no findings or questioned costs related to federal awards programs for the audit for the year ended June 30, 2010.

Schedule of Findings and Questioned Costs
June 30, 2011

A. Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of Northwest Louisiana Food Bank, Inc.
2. No significant deficiency is reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Northwest Louisiana Food Bank, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements That Could Have A Direct and Material Effect On Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Northwest Louisiana Food Bank, Inc. expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for Northwest Louisiana Food Bank, Inc. reported in Part C. of this Schedule.
7. The programs tested as major programs included: 1) Emergency Food Assistance Program CFDA 10.569 and 10.568.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Northwest Louisiana Food Bank, Inc. qualifies as a low-risk auditee.

B. Findings – Financial Statements Audit: None

C. Findings and Questioned Costs – Major Federal Award Programs Audit: None

(Continued)

Northwest Louisiana Food Bank
Shreveport, Louisiana
Schedule of Prior Audit Findings For Louisiana Legislative Auditor
June 30, 2011

There was one findings related to the financial statement audit for the prior audit period for the year ended June 30, 2010:

2010-B1 SIGNIFICANT DEFICIENCY

Deficiency: During our audit, we noted that the receptionist prepares a summary sheet of incoming receipts. Receipts are then forwarded to the accountant to be deposited and recorded in the general ledger. In addition, we noted that the agency's development department also receives a copy of all receipts for use in updating the development database. The accountant is responsible for making deposits, recording deposits in the general ledger, and for reconciling the summary sheet and development department database to the general ledger. Thus, there is no review of revenue / receipts posted to the agency's detailed general ledger by someone other than the accountant.

Current Status: Improvement noted.

Schedule of Current Audit Findings For Louisiana Legislative Auditor
June 30, 2011

There are no findings related to the financial statement audit for the current audit period for the year ended June 30, 2011, as disclosed in the accompanying Schedule of Findings and Questioned Costs.