

EISNERAMPER

THE GREATER BATON ROUGE FOOD BANK

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023



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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of the Greater Baton Rouge Food Bank (a not-for-profit Organization) which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses by nature and class, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated 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, 2023 and the respective changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Greater Baton Rouge Food Bank and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Greater Baton Rouge Food Bank for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on September 26, 2023.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Greater Baton Rouge Food Bank's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Greater Baton Rouge Food Bank's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of compensation, benefits and other payments to Chief Executive Officer included on page 29 is presented for purpose of additional analysis and is not a required part of the basic consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.



Other Reports Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report, dated June 28, 2024, on our consideration of the Organization's internal control over financial reporting and 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 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 over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 28, 2024

EISNERAMPER
LLP



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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 799,942	\$ 1,454,442
Cash and cash equivalents - Mission Support	2,000	2,000
Restricted cash	1,407,806	1,579,522
Total cash	<u>2,209,748</u>	<u>3,035,964</u>
Investments - Mission Support	13,724,345	13,456,706
Other receivables	112,157	115,923
Grant receivable - FEMA	56,188	56,188
Unconditional promises to give, net	59,919	144,212
Food inventory - donated and purchased	1,228,380	2,540,979
Food inventory - commodities	527,751	1,342,653
Prepaid expenses	181,902	177,624
Total current assets	<u>18,100,390</u>	<u>20,870,249</u>
 <u>PROPERTY AND EQUIPMENT</u>		
Land	500,000	500,000
Building and building improvements	14,012,149	13,554,680
Vehicles	948,548	943,658
Furniture, fixtures, and equipment	3,162,906	2,896,708
Construction in process	876,603	423,963
Less: Accumulated depreciation	<u>(6,991,067)</u>	<u>(6,258,370)</u>
Total property and equipment, net	<u>12,509,139</u>	<u>12,060,639</u>
 <u>OTHER ASSETS</u>		
Endowment investments (footnote 13)	3,233,779	2,344,530
Right of use asset	359,102	178,163
Long-term portion of unconditional promises to give	69,178	175,580
Total other assets	<u>3,662,059</u>	<u>2,698,273</u>
 Total assets	 <u>\$ 34,271,588</u>	 <u>\$ 35,629,161</u>

The accompanying notes are an integral part of these consolidated statements.

LIABILITIES AND NET ASSETS

	<u>2023</u>	<u>2022</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 532,802	\$ 615,190
Accrued expenses and other liabilities	235,653	214,759
Accrued interest payable	1,396	1,396
Deferred revenue	457,436	626,261
Note payable - current portion	199,273	193,500
Lease obligation - current portion	89,099	220,947
Total current liabilities	<u>1,515,659</u>	<u>1,872,053</u>
<u>LONG-TERM LIABILITIES</u>		
Note payable - less current portion	309,887	509,160
Lease obligation	206,007	36,275
Total long-term liabilities	<u>515,894</u>	<u>545,435</u>
Total liabilities	<u>2,031,553</u>	<u>2,417,488</u>
<u>NET ASSETS</u>		
Without donor restrictions:		
Programming and general operations	14,364,214	16,490,451
Board designated	13,726,345	13,458,706
Total net assets without donor restrictions	<u>28,090,559</u>	<u>29,949,157</u>
With donor restriction	4,149,476	3,262,516
Total net assets	<u>32,240,035</u>	<u>33,211,673</u>
Total liabilities and net assets	<u>\$ 34,271,588</u>	<u>\$ 35,629,161</u>

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

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND OTHER SUPPORT</u>			
Contributions	\$ 6,146,791	\$ 344,432	\$ 6,491,223
United Way	5,447	-	5,447
Emergency Food and Shelter Grant (FEMA)	159,183	-	159,183
Contributed nonfinancial assets	29,300	-	29,300
Grant revenues - other	354,230	1,507,037	1,861,267
Local government support	32,535	-	32,535
SNAP Outreach	18,771	-	18,771
SNAP Ed	155,700	-	155,700
USDA commodities reimbursements	621,693	-	621,693
Investment income (loss), net	1,468,337	-	1,468,337
Food donations received	13,338,893	-	13,338,893
Purchased food program	253,743	-	253,743
Commodities received	6,418,618	-	6,418,618
Special Events	-	-	-
Other	47,931	-	47,931
Total revenues and other support	<u>29,051,172</u>	<u>1,851,469</u>	<u>30,902,641</u>
Net assets released from restrictions			
Satisfaction of restrictions	964,509	(964,509)	-
Total revenues	<u>30,015,681</u>	<u>886,960</u>	<u>30,902,641</u>
<u>EXPENSES</u>			
Program - food distribution	29,263,946	-	29,263,946
Supporting services			
Management and general	1,197,116	-	1,197,116
Fundraising	1,413,217	-	1,413,217
Total supporting services	<u>2,610,333</u>	<u>-</u>	<u>2,610,333</u>
Total expenses	<u>31,874,279</u>	<u>-</u>	<u>31,874,279</u>
<u>CHANGE IN NET ASSETS</u>	(1,858,598)	886,960	(971,638)
Net assets - beginning of period	<u>29,949,157</u>	<u>3,262,516</u>	<u>33,211,673</u>
Net assets - end of period	<u>\$ 28,090,559</u>	<u>\$ 4,149,476</u>	<u>\$ 32,240,035</u>

The accompanying notes are an integral part of these consolidated statements.

2022		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 7,727,991	\$ 650,572	\$ 8,378,563
-	-	-
115,823	-	115,823
74,627	-	74,627
156,250	913,979	1,070,229
56,309	-	56,309
11,013	-	11,013
110,641	-	110,641
871,561	-	871,561
(754,843)	-	(754,843)
11,094,913	-	11,094,913
2,765,099	-	2,765,099
6,019,377	-	6,019,377
28,048	-	28,048
473,607	-	473,607
<u>28,750,416</u>	<u>1,564,551</u>	<u>30,314,967</u>
1,658,382	(1,658,382)	-
<u>30,408,798</u>	<u>(93,831)</u>	<u>30,314,967</u>
26,113,423	-	26,113,423
897,899	-	897,899
1,327,197	-	1,327,197
<u>2,225,096</u>	<u>-</u>	<u>2,225,096</u>
<u>28,338,519</u>	<u>-</u>	<u>28,338,519</u>
2,070,279	(93,831)	1,976,448
<u>27,878,878</u>	<u>3,356,347</u>	<u>31,235,225</u>
<u>\$ 29,949,157</u>	<u>\$ 3,262,516</u>	<u>\$ 33,211,673</u>

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

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES BY NATURE AND CLASS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			
	Program Expense - Food Distribution	Supporting Services		Total
		Management and General	Fundraising	
Accounting and professional fees	\$ -	\$ 110,255	\$ 110,254	\$ 220,509
Advertising	-	-	13,464	13,464
Bad debt	-	95,000	-	95,000
Computer upgrade	108,461	195,229	130,152	433,842
Conferences	1,212	107,895	12,123	121,230
Contract labor	53,386	-	-	53,386
Depreciation	685,580	21,880	21,880	729,340
Direct mail expense	-	-	474,017	474,017
Distribution of commodities	7,233,520	-	-	7,233,520
Distribution of food	17,255,939	-	-	17,255,939
Dues	6,418	7,973	5,056	19,447
Food purchases with FEMA revenue	159,183	-	-	159,183
Fuel and mileage	84,272	1,720	-	85,992
Contributed nonfinancial assets	1,284	12,198	2,568	16,050
Insurance	180,579	58,498	15,260	254,337
Interest expense	18,881	393	394	19,668
Bank fees	-	140,567	-	140,567
Equipment	36,924	777	1,166	38,867
Miscellaneous expense	53,987	4,799	1,201	59,987
Payroll taxes	151,311	28,101	36,746	216,158
Postage	1,455	5,820	21,823	29,098
Printing and publication	3,620	724	68,061	72,405
Repairs and maintenance	167,159	3,482	3,483	174,124
Lease expense	117,764	-	-	117,764
Retirement and employee benefits	233,570	38,928	51,905	324,403
Salaries	2,129,609	336,254	336,254	2,802,117
Service contracts	-	812	26,239	27,051
Special event expense	-	-	17,812	17,812
Supplies	423,055	4,598	32,189	459,842
Telephone	34,878	5,979	8,968	49,825
Utilities	81,304	13,938	20,907	116,149
Waste disposal	40,595	1,296	1,295	43,186
	<u>\$ 29,263,946</u>	<u>\$ 1,197,116</u>	<u>\$ 1,413,217</u>	<u>\$ 31,874,279</u>

The accompanying notes are an integral part of these consolidated statements.

2022			
Program Expense - Food Distribution	Supporting Services		Total
	Management and General	Fundraising	
\$ -	\$ 65,229	\$ 65,229	\$ 130,458
-	-	8,216	8,216
-	-	-	-
97,977	86,780	95,178	279,935
1,298	115,529	12,981	129,808
85,619	13,938	-	99,557
593,649	18,946	18,946	631,541
-	-	460,465	460,465
6,242,793	-	-	6,242,793
15,777,559	-	-	15,777,559
9,239	11,479	7,279	27,997
115,823	-	-	115,823
97,708	778	-	98,486
3,874	36,805	7,748	48,427
156,216	50,605	13,201	220,022
19,324	403	403	20,130
-	79,316	-	79,316
114,143	2,403	3,605	120,151
32,987	2,932	733	36,652
129,713	24,090	31,502	185,305
914	4,266	25,293	30,473
2,961	592	55,657	59,210
189,900	3,956	3,956	197,812
103,569	-	-	103,569
223,135	37,189	49,586	309,910
1,712,722	313,597	385,965	2,412,284
-	5,829	24,848	30,677
-	-	6,428	6,428
260,477	2,831	19,819	283,127
27,371	4,692	7,038	39,101
86,449	14,820	22,230	123,499
28,003	894	891	29,788
<u>\$ 26,113,423</u>	<u>\$ 897,899</u>	<u>\$ 1,327,197</u>	<u>\$ 28,338,519</u>

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (971,638)	\$ 1,976,448
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	95,000	-
Endowment contributions	(106,185)	(142,000)
Depreciation	729,340	631,541
Realized (gain) loss on investments	(40,825)	-
Unrealized depreciation (appreciation) of investments	(1,642,177)	788,223
Food inventory - donated, net	1,338,084	874,069
Net change in:		
Other receivables	3,766	(20,504)
Deferred revenue	(168,825)	600,000
Unconditional promises to give	95,695	(8,882)
Prepaid expenses	(4,278)	(13,818)
Food inventory - commodities	814,902	223,416
Food inventory - purchased	(25,485)	(289,556)
Accrued interest payable	-	(457)
Accounts payable	(82,388)	277,819
Accrued expenses and other liabilities	20,894	41,802
Net cash provided by operating activities	<u>55,880</u>	<u>4,938,101</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Property and equipment purchases	(1,358,779)	(1,008,590)
Purchase/ sale of investments	526,114	(14,000,000)
Net cash used in investing activities	<u>(832,665)</u>	<u>(15,008,590)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Endowment contributions	106,185	142,000
Principal payments on notes payable	(193,500)	(188,850)
Principal payments on capital lease obligations	37,884	(109,887)
Net cash used in financing activities	<u>(49,431)</u>	<u>(156,737)</u>
Net change in cash and cash equivalents	(826,216)	(10,227,226)
Cash and cash equivalents at beginning of year	<u>3,035,964</u>	<u>13,263,190</u>
Cash and cash equivalents at end of year	<u>\$ 2,209,748</u>	<u>\$ 3,035,964</u>
<u>Supplemental disclosure:</u>		
Interest paid	<u>\$ 19,668</u>	<u>\$ 19,672</u>
Assets acquired through financing lease	<u>\$ 180,939</u>	<u>\$ 130,970</u>

The accompanying notes are an integral part of these consolidated statements.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Greater Baton Rouge Food Bank (the Food Bank or the Organization) 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 the U.S. Department of Agriculture (USDA) Commodities program. The Food Bank also receives food from the Federal Emergency Management Agency (FEMA) during times of natural disasters and global pandemics.

On November 29, 2021, the Food Bank formed a new entity known as GBRFB Mission Support (Mission Support). The GBRFB Mission Support exists to support and further the mission and purposes of the Greater Baton Rouge Food Bank, Inc. The Greater Baton Rouge Food Bank, Inc. exists to service emergency, short term, and on-going unmet food needs of individuals in its service area through existing social service providers, congregations and other organizations. This mission is accomplished by supporting or providing services, such as food collection and distribution and education programs.

Consolidation

The consolidated financial statements of the Food Bank include the accounts of Mission Support and the Greater Baton Rouge Food Bank, Inc. for which the Food Bank is the sole member. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The consolidated financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Food Bank is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Food Bank. These net assets may be used at the discretion of the Food Bank's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Food Bank or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Use of Estimates

The preparation of consolidated 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 consolidated 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 of property and equipment in the preparation of the accompanying consolidated 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 39 years.

Revenue Recognition and Promises to Give

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional contributions are not recognized until the conditions on which they depend have been substantially met and are recorded as deferred revenue.

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Grants receive the same accounting treatment as contributions if the grant activity is to be planned and carried out by the Organization and the Organization has the right to the benefits of carrying out the activity.

Management has evaluated Promises to Give and has determined that an allowance of \$95,000 and \$5,000 is necessary for both years ending December 31, 2023 and 2022.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Income Taxes

The Organization has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. The Organization had unrelated business taxable income of \$0 and \$14,000 related to rental income for the years ended December 31, 2023 and 2022, respectively. The Organization filed Form 990T in relation to this business income, however, no material amount of income tax was paid due to the related expenses that were deductible from the income. Accordingly, no provision for income taxes on related income has been included in the consolidated financial statements for December 31, 2023 or 2022. In Management's judgment, the Food Bank does not have any tax positions that would result in a loss contingency considering the facts, circumstances, and information available at the reporting date.

Food Inventory - Donated and Purchased

Food inventory, predominately donated, including food received, distributed and undistributed, is valued using the estimated fair value as determined by the Feeding America Product Valuation Survey prepared on an annual basis. The report, which is one year in arrears, provides the average wholesale value of products donated to the network and is considered to be a reasonable basis upon which to estimate these amounts. The average value of one pound of donated product will vary from year-to-year based on the mix of product items donated and the current value of the product. Feeding America Product Valuation Survey for the average wholesale value of \$1.93 at December 31, 2022. The 2023 valuation was not available prior to the issuance of the audited financial statements, therefore management used the fair value of \$1.93 from the 2022 valuation for the year ended December 31, 2023.

Food Inventory - Commodities

The Food Bank records commodities inventory as determined by the commodities price listing produced by the Louisiana Department of Agriculture and Forestry. Commodities inventory received is recorded as net assets without donor restrictions at an amount equal to the determined value in accordance with the aforementioned guidelines. During the years ended December 31, 2023 and 2022, the food product prices averaged \$1.28 per pound and \$1.15 per pound, respectively.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment income/(loss) is reported in the consolidated statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investments held in Baton Rouge Area Foundation Investment Pool (BRAFI) are carried at net asset value (NAV) of units held by the Food Bank at year end. The change in fair value is recognized as a component of investment income.

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. Restricted cash represents amounts held by the Organization with donor-imposed restrictions.

Other Receivables

The Food Bank determines past-due accounts based on contractual terms and does not charge interest on the accounts. Receivables consist primarily of amounts due from various grants. The Food Bank charges off receivables if management considers the collection of the outstanding balance to be doubtful. Management does not believe an allowance is necessary at December 31, 2023 or 2022.

Donated Services and Materials

A significant portion of the Food Bank's functions are conducted by unpaid volunteers. The value of the contributed time is not reflected in the consolidated financial statements since the services do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

Donated materials and supplies are reflected as donated services and gifts in kind on the accompanying consolidated statement of activities and changes in net assets at their estimated fair market values at the date of receipt. Various materials were donated to the Food Bank to help aid in their mission. These materials and supplies were valued at \$29,300 and \$74,627 for the years ended December 31, 2023 and 2022, respectively. The amount at December 31, 2023 and 2022 consisted mainly of donated professional services of \$16,050 and \$32,850, respectively.

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BATON ROUGE, LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

In January 2022, the Food Bank adopted Accounting Standards Update (ASU) 2016-02, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases.

The Food Bank determines if an arrangement is a lease at the inception of the contract. For leases with terms greater than twelve months, ROU assets and lease liabilities are recognized at the contract commencement date based on the present value of lease payments over the lease term. ROU assets represent the Food Bank's right to use the underlying asset for the lease term. Lease liabilities present the Food Bank's obligation to make lease payments arising from these contracts. The Food Bank uses the contract borrowing rate in determining the present value of lease payments.

Lease terms may include options to extend or terminate the lease when it is reasonably certain that such options will be exercised. The estimated useful life of ROU assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. The Food Bank's lease agreements generally do not contain any material residual value guarantees, restrictions or covenants.

The Food Bank has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this practical expedient to all relevant asset classes. Additionally, the Food Bank elected the package of transition provisions available which allowed the carryforward of the Food Bank's historical assessments of whether contracts contain leases, the lease classification, and the treatment of initial direct costs.

The Food Bank has elected to apply the short-term lease exemption to all classes of assets where leases that have a term of 12 months or less are excluded from the measurement of the right-of-use asset and lease liability. There were no short-term lease costs during 2023 or 2022.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. AVAILABILITY AND LIQUIDITY

The following represents the Food Bank's financial assets at December 31, 2023 and 2022:

Financial assets at year end:	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,209,748	\$ 3,035,964
Other receivables	112,157	115,923
Unconditional promises to give, net	59,919	144,212
Investments - Mission Support	13,724,345	13,456,706
Endowment investments	<u>3,233,779</u>	<u>2,344,530</u>
 Total financial assets	 19,339,948	 19,097,335
 Less amounts not available to be used within one year:		
Endowment investments - donor restricted	1,907,046	1,299,685
Net assets with donor restrictions - note 3	<u>2,218,091</u>	<u>1,437,316</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 15,214,811</u>	 <u>\$ 16,360,334</u>

The Food Bank's cash flows have seasonal variations during the year attributable to a concentration of contributions received during holidays and at calendar year-end. To manage liquidity, the Food Bank maintains certain cash and cash equivalents, as noted above, that could meet any operating cash flow needs for an extended period as well as any major maintenance and repairs needed on their facility.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. NET ASSETS

Net assets with donor restrictions were as follows at December 31:

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by the donors of the various programs. The funds released from net assets with donor restrictions during the year ended December 31, 2023 were program food expenditures of \$914,434, Hurricane Ida relief food expenditures of \$47,575 and non-food related expenditures of \$2,500. The funds released from net assets with donor restrictions during the year ended December 31, 2022 were program food expenditures of \$1,262,468, Hurricane Ida relief food expenditures of \$311,331, Feeding America Strategic Capacity Building expenditures of \$77,083 and non-food related expenditures of \$7,500.

	<u>2023</u>	<u>2022</u>
Specific Purpose		
Bucks for Trucks Program	\$ 26,563	\$ 26,563
Back Pack Program	13,678	62,703
Estate of Elizabeth Ferro – Garden	2,636	5,136
Senior Grocery	296,946	271,278
Mobile Pantry	4,217	9,772
Feeding America Strategic Capacity Building Service	1,155,187	155,187
Food Purchases	520,840	789,442
Service Insights	117,235	117,235
Farm Fresh	80,789	-
	<u>2,218,091</u>	<u>1,437,316</u>
Endowment Fund		
Endowment Fund (principal unexpendable; earnings can be used for general mission statement of Food Bank)	<u>1,931,385</u>	<u>1,825,200</u>
Total net assets with donor restrictions	<u>\$4,149,476</u>	<u>\$3,262,516</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. NET ASSETS (continued)

Net assets without donor restrictions for the years ended December 31, 2023 and 2022, were comprised of undesignated and Board designated amounts:

	<u>2023</u>	<u>2022</u>
Undesignated:		
Programming and general operations	\$ 13,037,481	\$ 15,445,606
Accumulated earnings on endowed net assets	1,326,733	1,044,845
Board designated	<u>13,726,345</u>	<u>13,458,706</u>
	<u>\$ 28,090,559</u>	<u>\$ 29,949,157</u>

The Board of Directors authorized the establishment of designated funds for an investment portfolio with the objective to seek growth of income and capital appreciation consistent with long term objectives to meet future obligations of The Food Bank. The investments will be held by GBRFB Mission Support and the purpose of the investments will be to provide financial stability and resources for growth. Such investments will be available for future cash-flow shortfalls and major capital expenditures as well as unforeseen contingencies.

4. USDA COMMODITIES

The Food Bank participated in the USDA Commodities program during the years ended December 31, 2023 and 2022. 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 consolidated financial statements as unrestricted revenue at their estimated fair value.

Activity of commodities is summarized as follows:

	<u>2023</u>	<u>2022</u>
Commodity inventory at beginning of year	\$ 1,342,653	\$ 1,566,069
Food commodities received	6,418,618	6,019,377
Distributed, discarded, and adjustment	<u>(7,233,520)</u>	<u>(6,242,793)</u>
Commodity inventory at end of year	<u>\$ 527,751</u>	<u>\$ 1,342,653</u>

5. NOTES PAYABLE

On May 25, 2021, the Food Bank signed a promissory note to refinance the debt that was due August 5, 2021. The new terms and payments commenced on July 5, 2021.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. **NOTES PAYABLE** (continued)

A summary of long-term debt as of December 31st is as follows:

	<u>2023</u>	<u>2022</u>
Loan with Bancorp South: 60 monthly payments of \$17,580 at 2.75% interest; due June 5, 2026; secured by the building	\$ <u>509,160</u>	\$ <u>702,660</u>
Subtotal	509,160	702,660
Less: current portion	<u>(199,273)</u>	<u>(193,500)</u>
Long term debt- net of maturities	<u>\$ 309,887</u>	<u>\$ 509,160</u>

The note is expected to mature as follows:

<u>Year ending</u> <u>December 31st</u>	<u>Amount</u>
2024	\$199,273
2025	204,938
2026	<u>104,949</u>
	<u>\$ 509,160</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. INVESTMENTS-MISSION SUPPORT

Investments- Mission Support consists of investments in marketable securities which consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Cash equivalents	\$ 70,277	\$ 421,929
Stocks, options & ETFs	4,630,300	3,857,817
Fixed income securities:		
Corporate bonds	2,222,829	1,750,290
Government bonds	3,531,852	5,600,610
Government asset backed/CMO securities	928,413	786,938
Corp. mortgage/asset backed securities	130,747	-
Taxable municipal bonds	1,086,847	1,039,122
Certificates of Deposit	<u>499,410</u>	<u>-</u>
Total fixed income securities	8,400,098	9,176,960
Mutual funds	<u>623,670</u>	<u>-</u>
Total investments- Mission Support	<u>\$ 13,724,345</u>	<u>\$ 13,456,706</u>

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

	<u>2023</u>	<u>2022</u>
Mission Support:		
Net unrealized gains (loss)	793,754	\$ (756,654)
Dividend and interest	<u>391,165</u>	<u>243,052</u>
	<u>\$ 1,184,919</u>	<u>\$ (513,602)</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. VEHICLE LEASES

The Food Bank leases delivery trucks for food distribution.

On January 3, 2017, the Food Bank entered into five financing lease agreements each with a term of 84 months. The trucks were put into service on dates ranging from May 2017 to July 2017. The leases are to be paid in monthly installments ranging from \$1,740 to \$1,840 per month. In January 2022, the Food Bank entered into a financing lease agreement with a term of 84 months for a truck with a monthly payment of \$2,378. In September 2023, the Food Bank entered into a financing lease agreement with a term of 84 months for a truck with a monthly payment of \$2,802.

Payments made under the Food Bank's lease arrangements may be fixed or variable, and variable lease payments, such as mileage, are primarily based on output of the underlying leased assets. Lease costs associated with fixed and variables payments on the Food Bank's leases were \$117,764 and \$103,569 for the years ended December 31, 2023 and 2022, respectively.

The following tables shows ROU assets and lease liabilities as of December 31:

Lease-related Assets and Liabilities	2023	2022
Right-of-use assets:		
Finance leases	<u>\$ 359,102</u>	<u>\$ 178,163</u>
Total right-of-use assets	<u>\$ 359,102</u>	<u>\$ 178,163</u>
Lease liabilities:		
Finance leases		
Current	\$ 89,099	\$ 220,947
Long-term	<u>206,007</u>	<u>36,275</u>
Total lease liabilities	<u>\$ 295,106</u>	<u>\$ 257,222</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. **VEHICLE LEASES** (continued)

Lease liability maturities as of December 31, 2023, are as follows:

2024	\$ 89,099
2025	62,162
2026	62,162
2027	62,162
2028	62,162
Thereafter	45,497
Total undiscounted liabilities	<u>383,244</u>
Less: imputed interest	<u>(88,138)</u>
Total lease liabilities	<u>\$ 295,106</u>

The weighted-average remaining lease term related to the Food Bank's lease liabilities as of December 31, 2023 and 2022 was 5.0 years and 1.4 years, respectively.

The discount rate related to the Food Bank's lease liabilities as of December 31, 2023 and 2022 was 9.07% and 8.14%, respectively. The discounts rates are based on the Food Bank's incremental borrowing rate.

8. **RETIREMENT PLAN**

The Food Bank has a qualified Internal Revenue Code Section 403(b) annuity plan. The Plan covers all employees who have completed at least three months of service. The Food Bank is obligated to match up to 50% of an employee's deferred amount, up to 10% of their pay. The Food Bank has the option to match up to 100% in any one year. The Food Bank contributed \$44,617 and \$41,852 to this Plan during the years ended December 31, 2023 and 2022, respectively.

9. **FUNCTIONAL ALLOCATION OF EXPENSES BY NATURE AND CLASS**

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and functional expenses by nature and class. Accordingly, certain costs have been allocated by management among the programs and supporting services benefited. The method of allocation for depreciation, interest expense, waste disposal and other miscellaneous expenses including pest control and security is based on square footage. The method of allocation for insurance, retirement and employee benefits, supplies, telephone and utilities is based on full time equivalents.

10. **COMMITMENTS AND CONTINGENCIES**

The Food Bank 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 Food Bank's results of operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. PROMISES TO GIVE

Unconditional Promises to Give

Promises to give are dedicated by the donors for operating purposes and represent a promise by the donors to pay after the year end. The total promises to give outstanding as of December 31, 2023 and 2022 is \$129,097 and \$319,792, respectively.

Unconditional promises to give, other than United Way, at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 59,919	\$ 144,212
Receivable in one to five years	69,178	175,580
Total unconditional promises to give	<u>\$ 129,097</u>	<u>\$ 319,792</u>

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting principles generally accepted in the United States of America (GAAP) provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement, determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The asset fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

Stocks, options, and mutual funds: Valued at fair value by using quoted prices for identical securities.

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12. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fixed income securities: Valued at fair value by using a yield-based matrix system to arrive at estimated market value.

Exchange Traded Funds (“ETFs”) - Valued at the daily closing price. ETFs are investment companies whose shares are traded intraday on stock exchanges at market-determined prices, which may be greater or less than NAV. Plans may buy or sell ETF shares through a broker or in a brokerage account just as they would the shares of any publicly traded company. ETFs are registered with the SEC, and generally, are structured as open-ended investment companies (open-ended funds) or unit investment trusts.

Money market and pooled funds: Valued at the net asset value (NAV) of units held in BRAF by the Food Bank at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Food Bank’s management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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12. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair Value of Assets Measured on a Recurring Basis

The following table presents, for each of the fair-value hierarchy levels, the Food Bank's financial assets that are measured at fair value on a recurring basis at December 31:

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 70,277	\$ -	\$ -	\$ 70,277
Stocks, options & ETFs	4,630,300	-	-	4,630,300
Fixed income securities:				
Corporate bonds	-	2,222,829	-	2,222,829
Government bonds	-	3,531,852	-	3,531,852
Government asset backed/CMO securit	-	928,413	-	928,413
Corp. Mortgage/Asset Backed Securitie	-	130,747	-	130,747
Taxable municipal bonds	-	1,086,847	-	1,086,847
Certificates of deposit	-	499,410	-	499,410
Mutual funds	623,670	-	-	623,670
Total assets in fair value hierarchy	<u>\$ 5,324,247</u>	<u>\$ 8,400,098</u>	<u>\$ -</u>	<u>\$ 13,724,345</u>
Pooled investments	<u>\$ -</u>	<u>\$ 3,233,779</u>	<u>\$ -</u>	<u>\$ 3,233,779</u>

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents	\$ 421,929	\$ -	\$ -	\$ 421,929
Stocks, options & ETFs	3,857,817	-	-	3,857,817
Fixed income securities:				
Corporate bonds	-	1,750,290	-	1,750,290
Government bonds	-	5,600,610	-	5,600,610
Government asset backed/CMO securit	-	786,938	-	786,938
Taxable municipal bonds	-	1,039,122	-	1,039,122
Total assets in fair value hierarchy	<u>\$ 4,279,746</u>	<u>\$ 9,176,960</u>	<u>\$ -</u>	<u>\$ 13,456,706</u>
Pooled investments	<u>\$ -</u>	<u>\$ 2,344,530</u>	<u>\$ -</u>	<u>\$ 2,344,530</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. ENDOWMENT NET ASSETS

The primary objective of the Food Bank's investment and spending policies for its endowed net assets is for the investment of donor contributions made in memory of individuals. These donations are used to meet the mission statement of the Food Bank. Its endowment includes donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Food Bank has interpreted the Louisiana State Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. This Act was effective July 1, 2010.

Upon implementation, the Food Bank classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. 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 BRAF. To satisfy its long-term rate-of-return objectives, the Food Bank relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The carrying amount of the investments of \$3,233,779 and \$2,344,530 as of December 31, 2023 and 2022, respectively, are recorded at their fair value which is based on the net asset value of units held by the Food Bank of BRAF's investment pool.

As of December 31, 2023 and 2022, all interest and dividend income and unrealized gains were classified as without donor restriction.

The endowment net asset composition by type of fund was as follows as of December 31, 2023 and 2022:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor-Restricted Endowment as of December 31, 2023	<u>\$ 1,326,733</u>	<u>\$ 1,907,046</u>	<u>\$ 3,233,779</u>
Donor-Restricted Endowment as of December 31, 2022	<u>\$ 1,044,845</u>	<u>\$ 1,299,685</u>	<u>\$ 2,344,530</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. ENDOWMENT NET ASSETS (continued)

Changes in endowment funds by net asset category were as follows for the year ended December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2022	\$ 1,044,845	\$ 1,299,685	\$ 2,344,530
Contributions/ Transfers to BRAF	-	607,361	607,361
Investment Return:	-	-	-
Unrealized gain	216,830	-	216,830
Investment income	92,695	-	92,695
Investment expenses	(27,637)	-	(27,637)
	<u>\$ 1,326,733</u>	<u>\$ 1,907,046</u>	<u>\$ 3,233,779</u>
Endowment net assets, December 31, 2023	<u>\$ 1,326,733</u>	<u>\$ 1,907,046</u>	<u>\$ 3,233,779</u>

Changes in endowment funds by net asset category were as follows for the year ended December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2021	\$ 1,289,774	\$ 1,299,685	\$ 2,589,459
Investment Return:			
Unrealized loss	(301,754)	-	(301,754)
Investment income	79,073	-	79,073
Investment expenses	(22,248)	-	(22,248)
	<u>\$ 1,044,845</u>	<u>\$ 1,299,685</u>	<u>\$ 2,344,530</u>
Endowment net assets, December 31, 2022	<u>\$ 1,044,845</u>	<u>\$ 1,299,685</u>	<u>\$ 2,344,530</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the consolidated financial statements consolidated were available to be issued, June 28, 2024, and determined that there were no events that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

SUPPLEMENTAL INFORMATION

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

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2023

Chief Executive Officer: Michael G. Manning

Purpose	Amount
Salary, including incentive and bonus	\$ -
Benefits-insurance	-
Benefits-retirement	-
Deferred compensation	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other (including payments made by other parties on behalf of the agency head)	-
Total	\$ -

R.S. 24:513 (A) (3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer. This law was further amended by Act 462 of the 2015 Regular Session which clarified that nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer paid from public funds.

This organization is not required to report the total compensation, reimbursements, and benefits paid to the chief executive officer as these costs are supported by private funds.