

TOTAL COMMUNITY ACTION, INC.
(a nonprofit organization)

FINANCIAL AND COMPLIANCE REPORT

For the Year Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Total Community Action, Inc.
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Total Community Action, Inc. (TCA) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TCA as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TCA 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Also, the accompanying Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer, Schedule of Expenses – Direct and Indirect Costs and Combining Schedule of Activities are presented for purposes of additional analysis and is not a required part of the financial statements. Such

information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023, on our consideration of TCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TCA's internal control over financial reporting and compliance.

Bruno & Tervalon, LLP

New Orleans, Louisiana
September 25, 2023

TOTAL COMMUNITY ACTION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2021

ASSETS

Cash	\$ 780,181
Grants receivable	1,408,248
Accounts receivable	405,676
Other receivables	266,855
Prepaid expenses	116,695
Investments	3,490,129
Property and equipment, net	5,199,406
Economic interest	<u>433,200</u>
 Total assets	 <u><u>\$ 12,100,390</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 952,248
Deferred revenue	<u>45,482</u>
 Total liabilities	 <u>997,730</u>
 Net Assets	
Without donor restrictions	1,563,437
With donor restrictions	<u>9,539,223</u>
 Total net assets	 <u>11,102,660</u>
 Total liabilities and net assets	 <u><u>\$ 12,100,390</u></u>

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

TOTAL COMMUNITY ACTION, INC.

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUE AND SUPPORT:</u>			
Government grants	\$ 23,419,229	\$ 450,194	\$ 23,869,423
Local grants	1,262,971	3,000	1,265,971
Private foundation grants	26,141	194,859	221,000
Fundraising	1,091	-	1,091
Investment income	3,387	489,892	493,279
Other revenue	595,980	94,727	690,707
Net assets released from restrictions:			
Satisfaction of program restrictions	574,142	(574,142)	-
Total revenue and support	25,882,941	658,530	26,541,471
<u>EXPENSES:</u>			
Program services	24,421,574	-	24,421,574
Supporting services	1,186,502	-	1,186,502
Total expenses	25,608,076	-	25,608,076
Change in net assets	274,865	658,530	933,395
Net assets at beginning of year	1,288,572	8,880,693	10,169,265
Net assets at end of year	\$ 1,563,437	\$ 9,539,223	\$ 11,102,660

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

TOTAL COMMUNITY ACTION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

<u>EXPENSES (SCHEDULE III)</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Salaries and wages	\$ 7,029,702	\$ 349,220	\$ 7,378,922
Fringe benefits	2,180,532	199,530	2,380,062
Travel	18,538	1,371	19,909
Contractual	328,363	22,939	351,302
Professional fees	43,628	-	43,628
Supplies	1,299,262	19,016	1,318,278
Food costs	745,329	4,400	749,729
Subrecipient costs	2,692,656	-	2,692,656
Maintenance and repairs	106,020	-	106,020
Equipment Expense	311,321	19,311	330,632
Insurance	238,748	34,297	273,045
Interest expense	-	1,068	1,068
Assistance to individuals	7,191,049	-	7,191,049
Fundraising expenses	-	3,840	3,840
Telephone	143,641	23,365	167,006
Occupancy	1,059,258	17,440	1,076,698
Vehicle expense	6,937	40	6,977
Postage	19,797	13,077	32,874
Rental	226,917	21,464	248,381
Depreciation	-	337,657	337,657
Other costs	779,876	118,467	898,342
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 24,421,574</u>	<u>\$ 1,186,502</u>	<u>\$ 25,608,076</u>

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

TOTAL COMMUNITY ACTION, INC.

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 933,395
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	337,657
Unrealized gains on investments	(203,576)
Increase in grants receivable	280,696
Increase in accounts receivable	(339,226)
Increase in other receivables	72,972
Increase in prepaid expenses	68,872
Increase in accounts payable and accrued liabilities	(722,452)
Increase in deferred revenue	<u>(562,699)</u>
Net cash used in operating activities	<u>(134,361)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(536,765)
Sale of investments	<u>214,397</u>
Net cash used in investing activities	<u>(322,368)</u>
Net decrease in cash	(456,729)
Cash at beginning of year	<u>1,236,910</u>
Cash at end of year	<u><u>\$ 780,181</u></u>

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

TOTAL COMMUNITY ACTION, INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Note 1 - Organization:

Total Community Action, Inc. (TCA) was organized to promote and develop economic opportunity in the City of New Orleans, to promote the education and welfare of the people and welfare of the people of New Orleans, and to mobilize such human and financial resources as may be available to combat poverty in New Orleans.

Note 2 - Summary of Significant Accounting Policies:

Principles of Accounting

TCA's financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America. 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. Actual results could differ from those times.

Basis of Reporting

Effective January 1, 2018, TCA has implemented the guidance under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which amends the previous standard for external financial reporting by not-for-profit organizations. Under ASU 2016-14, TCA classifies resources for financial accounting and reporting purposes into two net asset categories: without donor restrictions and with donor restrictions. A description of the two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. Grants and contributions without donor restrictions, other income and expenses incurred in conducting the mission of TCA are included in this category.
- Net assets with donor restrictions include grants and contributions for which donor-imposed time and/or purpose restrictions have not been met.

Cash Equivalents

For purposes of the statement of cash flows, TCA considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. TCA had no cash equivalents at December 31, 2021.

TOTAL COMMUNITY ACTION, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

Revenue Recognition

Grants and contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Deferred Revenues

Deferred revenue arises when resources are received by TCA before it has a legal claim to them. In subsequent periods, when TCA has legal claim to the resources, current period revenue is recognized and deferred revenue is reduced.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs, primarily salaries and fringe benefits have been allocated among TCA's programs and supporting services benefitted. The allocation between functions is based on time spent by specific employees as estimated by management. All other costs are charged directly to the appropriate functional category.

Property and Equipment

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. The useful lives range from three to thirty years. It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

Investment Securities

Under FASB ASC 320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains or losses are included in the change in net assets.

TOTAL COMMUNITY ACTION, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

Receivables

TCA's management considers all receivables to be fully collectible, therefore, no allowance for doubtful collection is recorded.

Fair Values of Financial Investments

Cash reported in the statement of financial position approximately fair values because of the short maturities of those investments.

The fair values of investment securities are based upon quoted market prices for those or similar investments.

Income Taxes

TCA is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Therefore, no provision for income taxes has been made in the accompanying financial statements. Should TCA's tax-exempt status be challenged in the future, TCA's 2020 and 2021 tax years are open for examination by the Internal Revenue Service.

Note 3 - Concentration of Credit Risk:

TCA maintains a noninterest-bearing deposit account at a financial institution in New Orleans, Louisiana. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution per depositor. At December 31, 2021, TCA had uninsured deposits totaling \$530,181.

Note 4 - Grants Receivable:

Grants receivable consists of the following as of December 31, 2021:

U.S. Department of Health and Human Services	\$ 987,455
City of New Orleans	323,335
U.S. Department of Agriculture	89,869
State of Louisiana - Louisiana Workforce Commission	<u>7,589</u>
	<u>\$1,408,248</u>

TOTAL COMMUNITY ACTION, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

Note 5 - Property and Equipment:

Property and equipment at December 31, 2021, consists of the following:

Building	\$ 6,932,627
Building improvements	1,817,203
Transportation equipment	<u>29,656</u>
	8,779,486
Less: accumulated depreciation	<u>(3,688,380)</u>
Property and equipment being depreciated	5,091,106
Land	<u>108,300</u>
Property and equipment, net	<u>\$ 5,199,406</u>

TCA follows the practice of not capitalizing furniture, fixtures and equipment acquired with federal and state funds, since the government has a reversionary interest in such assets. These assets total \$1,431,213 at December 31, 2021. Also, the federal government have a financial interest in the buildings and improvements.

Depreciation expense for the year ended December 31, 2021 was \$337,657.

Note 6 - Economic Interest:

On November 2, 1999, TCA cancelled its Note receivable with Economic Development Unit, Inc., totaling \$433,200. In consideration of the cancellation of the Note, TCA received three appointments to the Board of Directors of Economic Development Unit, Inc. The Board of Directors shall consist of between six and nine members. In addition, upon dissolution of Economic Development Unit, Inc. the assets shall be donated and distributed to TCA. The Articles of Incorporation of Economic Development Unit, Inc. has been amended to reflect the change in the Board of Director's composition and the distribution of its assets and property upon dissolution.

TOTAL COMMUNITY ACTION, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

Note 7 - Investment Securities:

Cost and approximate fair value of investment securities at December 31, 2021, consist of the following:

	<u>Cost</u>	<u>Fair Value</u>
Money market accounts	\$ 139,719	\$ 139,719
Government securities	337,338	347,372
Mutual funds	1,234,744	1,823,181
Common stocks	<u>986,367</u>	<u>1,179,857</u>
	<u>\$2,698,168</u>	<u>\$3,490,129</u>

Note 8 - Liquidity and Availability of Financial Assets:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following at December 31, 2021:

Cash	\$ 780,181
Receivables	2,080,778
Investments	3,490,129
Less: amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>(4,715,897)</u>
Total financial assets available to management for general expenditures within one year	<u>\$1,635,191</u>

As part of TCA's liquidity management plan, TCA invests cash in excess of daily need in short-term investments and money market funds.

TOTAL COMMUNITY ACTION, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

Note 9 - Pension Plan:

TCA sponsors a defined contribution employee pension plan covering all employees twenty-one (21) years or older who have worked for the corporation a minimum of three years. TCA decides the amount, if anything, to contribute each year to the individual retirement accounts for the eligible employees based on a percentage of annual compensation. The percentage for the year ended December 31, 2021 was 9.5%. There was no change in the percentage from the prior year.

Note 10 - Commitments:

TCA leases its administrative and program offices. The offices located at Norman Francis Parkway, New Orleans are leased through December 31, 2050. All other offices are leased annually. The rental expense for the year ended December 31, 2021 totaled \$209,975. The aggregate maturities of the long-term lease consist of the following.

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	209,975
2023	209,975
2024	209,975
2025-2029	1,049,875
2030-2034	1,049,875
2035-2039	1,049,875
2040-2044	1,049,875
2045-2049	1,049,875
2050	<u>209,975</u>
	<u>\$6,089,275</u>

Since Hurricane Katrina damaged the facility in August 2005, lease payments were suspended for offices not occupied by TCA. As the administrative and program offices are repaired, lease payments will continue accordingly.

TOTAL COMMUNITY ACTION, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

Note 11 - Donor Restricted Net Assets:

As of December 31, 2021, donor restricted net assets consist of the following.

Assets for Independence Demonstration	\$ 69,999
Returning Citizens Stimulus	41,012
Unemployment	2,829,330
W. K. Kellogg	52,522
Hurricane Katrina	1,408,836
STRIVE Opportunity Center	58,804
Property and Equipment	4,170,666
Child Care Block Grant	713,195
Resilience New Orleans	<u>194,859</u>
	<u>\$ 9,539,223</u>

Note 12 - Unemployment Fund:

TCA is self-insured for employee unemployment compensation claims through the establishment of an unemployment insurance fund.

Transfers of \$436,433 were made from program funds to the unemployment insurance fund for the year ended December 31, 2021, which is accounted for as revenue of the unemployment insurance fund and an expense of the related program. The unemployment insurance fund reimburses the unrestricted fund for all direct costs in administering program and transfers all net interest income earned on unemployment insurance funds to the unrestricted fund.

All known claims as of December 31, 2021 have been recorded in the financial statements.

Note 13 - Related Party Transactions:

The principal premises of TCA are leased from an affiliated non-profit corporation. The lease is a long-term lease expiring December 31, 2050. The rental payments for the year ended December 31, 2021 totaled \$209,975.

Note 14 - Board of Directors:

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

TOTAL COMMUNITY ACTION, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

Note 15 - Insurance - Hurricane Katrina:

During 2006, TCA received insurance proceeds totaling \$1,536,814. Since the premiums were paid with federal and non-federal funds, TCA elected to utilize the non-federal portion first. As of December 31, 2021, the balance of insurance proceeds (\$1,408,838) will be classified to net assets with donor restrictions and will benefit the programs that directly contributed to the end-of-year amounts (Head Start Program).

Note 16 - Economic Dependency:

Approximately 90% of TCA's revenues were earned from funds provided by governmental agencies. The grant amounts are appropriated each year by the federal, state and local governments. If significant budget cuts are affected at the federal, state or local level, the amount of the funds TCA receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds TCA will receive in the next fiscal year.

Note 17 – Accounting Pronouncement Issued But Not Yet In Effect:

In February 2016, the FASB issued ASU 2016-02, *Conforming Amendments Related to Leases (Topic 842)*. This ASU amends the codification regarding leases in order to increase transparency and comparability. The ASU requires companies to recognize lease assets and liabilities on the statement of financial position and disclose key information about leasing arrangements. A lessee would recognize a liability to make lease payments and a right-of-use asset representing its right to use the leased asset for the lease term. The ASU is effective for annual periods beginning after December 15, 2021 with early adoption permitted. TCA is evaluating the impact that implementation of this Update will have on the financial statements.

TOTAL COMMUNITY ACTION, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

Note 18 - Fair Values of Financial Instruments:

FASB ASC 820-10, Fair Value Measurement, requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. Financial instruments are included in the table below.

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts	\$ 139,719	\$-0-	\$-0-
Government securities	347,372	-0-	-0-
Mutual funds	1,823,181	-0-	-0-
Common stocks	<u>1,179,957</u>	<u>-0-</u>	<u>-0-</u>
	<u>\$3,490,129</u>	<u>\$-0-</u>	<u>\$-0-</u>

The assumptions to estimate fair value are as follows:

The fair market value of marketable securities is based on quoted market prices for those or similar investments.

Note 19 - Subsequent Events:

TCA is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. TCA performed such as evaluation through September 25, 2023, the date which the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of financial position date that require recognition or disclosure.

TOTAL COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

SCHEDULE I

Federal Grantor/Program Name	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services				
<i>Direct Programs</i>				
Head Start and Early Head Start Program	93 600	N/A	\$ 2,014,020	\$ 11,560,614
Head Start and Early Head Start Program-COVID	93 600	N/A	-	222,954
Head Start Program-CRRSA	93 600	N/A	-	245,388
Head Start Program-ARP	93 600	N/A	-	531,270
Early Head Start/Child Care Partnership	93 600	N/A	678,636	962,897
			-	-
Subtotal - Direct Awards			<u>2,692,656</u>	<u>13,523,132</u>
<i>Awards from a Pass-Through Entity</i>				
<i>Passed-Through Louisiana Workforce Commission</i>				
Community Services Block Grant	93 569	N/A	-	1,272,450
Community Services Block Grant - CARES	93 569	N/A	-	445,135
<i>Passed-Through Louisiana Housing Corporation</i>				
Low-Income Home Energy Assistance Program	93 568	N/A	-	6,301,308
Low-Income Home Energy Assistance Program - ARP	93 568	N/A	-	8,288
Low-Income Home Energy Assistance Program - CARES	93 568	N/A	-	39,970
Subtotal - Awards from Pass-Through Entities			-	<u>8,067,160</u>
Total U.S. Department of Health and Human Services			<u>2,692,656</u>	<u>21,590,292</u>
U.S. Department of Agriculture				
<i>Awards from a Pass-Through Entity</i>				
<i>Passed-Through State of Louisiana</i>				
Child Care Food Program	19 558	N/A	-	713,522
Total U.S. Department of Agriculture			-	<u>713,522</u>
U.S. Department of Housing and Urban Development				
<i>Awards from a Pass-Through Entity</i>				
<i>Passed-Through City of New Orleans</i>				
Emergency Solutions Grant	14 231	N/A	-	314,866
Emergency Solutions Grant - CARES	14 231	N/A	-	224,317
U.S. Department of Housing and Urban Development			-	<u>539,183</u>
Total Expenditures of Federal Awards			<u>\$ 2,692,656</u>	<u>\$ 22,842,997</u>

NOTE 1: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of TCA under programs of the federal government for the year ended December 31, 2021 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the basic financial statements.

NOTE 2: TCA did not elect to use the 10% de minimis indirect cost rate for the year ended December 31, 2021.

SCHEDULE II

TOTAL COMMUNITY ACTION, INC.

**SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
For the Year Ended December 31, 2021**

Chief Executive Officer Name: Thelma H. French

Purpose

Salary	\$188,409
Benefits - Life Insurance	258
Benefits - LTD	1,685
Benefits - Retirement	17,899
Benefits - Social Security	8,854
Benefits - Medicare	2,732
Benefits - Office Parking	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	5,804
Travel	-0-
Stipends	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-
	<u>\$225,640</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE OF EXPENSES - DIRECT AND INDIRECT COSTS

For the Year Ended December 31, 2021

	<u>Direct Costs</u>	<u>Indirect Cost</u>	<u>Total Costs</u>
Salaries and wages	\$ 7,035,825	\$ 343,097	\$ 7,378,922
Fringe benefits	2,295,550	84,512	2,380,062
Travel	18,716	1,193	19,909
Contractual	329,314	21,988	351,302
Professional feed			43,628
Supplies	1,303,150	15,128	1,318,278
Food costs	749,729	-	749,729
Subrecipient costs	2,692,656	-	2,692,656
Equipment expense			106,020
Maintenance and repairs	311,321	19,311	330,632
Insurance	238,748	34,297	273,045
Interest expense	1,068	-	1,068
Assistance to individuals	1,603,828	-	1,603,828
Fundraising expenses	3,840	-	3,840
Telephone	144,521	22,485	167,006
Occupaney	1,062,861	13,837	1,076,698
Vehicle expense	6,977	-	6,977
Postage	20,005	12,869	32,874
Rental	228,537	19,844	248,381
Depreciation	337,657	-	337,657
Other costs	891,940	6,357	898,297
Total	<u>\$ 19,276,244</u>	<u>\$ 594,918</u>	<u>\$ 20,020,810</u>

TOTAL COMMUNITY ACTION, INC.

SCHEDULE IV

COMBINING SCHEDULE OF ACTIVITIES
For the Year Ended December 31, 2021

	PROGRAM SERVICES								
	Head Start and Early Head Start Grant	Head Start Program Supplemental	COVID Head Start Program Supplemental	COVID Head Start Program Supplemental	COVID Early Head Start/Child Care Partnership Grant	Early Head Start/Child Care Partnership	W.K. Kellogg Foundation	Child Care Food Program	Community Service Block Grant
Revenue and Support									
Government grants	\$ 12,424,363	\$ -	\$ 191,009	\$ 31,945	\$ -	\$ 962,895	\$ -	\$ 713,522	\$ 1,289,524
Local grants	-	-	-	-	-	-	-	-	-
Private foundation grants	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Other revenue	159,649	-	-	-	-	-	-	-	-
Total revenue and support	12,584,012	-	191,009	31,945	-	962,895	-	713,522	1,289,524
Expenses									
Salaries and wages	4,905,744	-	-	-	-	184,977	-	302,110	715,456
Fringe benefits	1,519,235	-	-	-	-	53,945	-	121,539	200,103
Travel	5,823	-	-	-	-	-	500	-	6,953
Contractual	120,506	-	659	-	-	26,406	69,205	-	12,369
Professional fees	43,628	-	-	-	-	-	-	-	-
Supplies	1,054,482	-	131,617	31,945	-	6,862	-	13,751	29,317
Food costs	356,571	-	31,900	-	-	79	-	275,822	12,340
Subrecipient costs	2,014,020	-	-	-	-	678,636	-	-	-
Equipment expense	198,020	-	-	-	-	-	-	-	-
Repairs and maintenance	285,322	-	12,106	-	-	-	-	-	8,396
Insurance	191,376	-	-	-	-	-	10,406	-	34,446
Interest expense	-	-	-	-	-	-	-	-	-
Assistance to individuals	6,336	-	-	-	-	-	-	-	7,557
Fundraising expenses	-	-	-	-	-	-	-	-	-
Telephone	102,325	-	9,090	-	-	-	-	-	18,760
Occupancy	986,628	-	-	-	-	-	-	-	45,577
Vehicle expense	4,899	-	-	-	-	-	-	-	787
Postage	19,391	-	-	-	-	-	-	-	34
Rental	13,528	-	-	-	-	-	-	-	143,094
Depreciation	-	-	-	-	-	-	-	-	-
Other costs	691,447	-	6,624	-	-	11,932	-	-	36,976
Total expenses	12,627,281	-	191,010	31,945	-	962,897	80,111	713,522	1,272,459
Change in net assets	246,731	-	-	-	-	(2)	(80,111)	-	17,065
Transfers in (out)	(246,731)	-	-	-	-	2	-	-	(17,065)
Net assets, beginning of year	-	-	-	-	-	-	132,633	-	-
Net assets, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,522	\$ -	\$ -

See Independent Auditors' Report on Supplementary Information.

TOTAL COMMUNITY ACTION, INC.

SCHEDULE IV

COMBINING SCHEDULE OF ACTIVITIES
For the Year Ended December 31, 2021

	PROGRAM SERVICES							
	City of New Orleans Emergency Solutions Grant	Resilient New Orleans	CNO Emergency Solutions Rapid Re-Housing	Community of Practices	Delgado Child Development	CNO NORD Program TEAM	City of New Orleans Emergency Solutions Grant	City of New Orleans Summer Youth
Revenue and Support								
Government grants	\$ 224,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 314,866	\$ -
Local grants	-	-	-	-	-	17,981	-	-
Private foundation grants	-	200,000	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Other revenue	-	-	-	25,400	-	-	-	-
Total revenue and support	<u>224,317</u>	<u>200,000</u>	<u>-</u>	<u>25,400</u>	<u>-</u>	<u>17,981</u>	<u>314,866</u>	<u>-</u>
Expenses								
Salaries and wages	-	-	-	4,500	-	5,216	24,709	-
Fringe benefits	-	-	-	-	-	1,023	8,828	-
Travel	-	-	-	493	-	-	-	-
Contractual	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-
Supplies	-	-	-	328	-	1,746	-	-
Food costs	-	-	-	172	-	117	-	-
Subrecipient costs	-	-	-	-	-	-	-	-
Equipment expense	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Assistance to individuals	213,676	3,960	-	-	-	10,015	270,650	-
Fundraising expenses	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-
Occupancy	-	1,181	-	-	-	-	-	-
Vehicle expense	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	152	-	-
Rental	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Other costs	10,641	-	-	-	-	-	1,670	-
Total expenses	<u>224,317</u>	<u>5,141</u>	<u>-</u>	<u>5,403</u>	<u>-</u>	<u>18,269</u>	<u>314,866</u>	<u>-</u>
Change in net assets	-	194,850	-	19,907	-	(288)	-	-
Transfers in (out)	-	-	-	-	-	288	-	-
Net assets, beginning of year	-	-	-	-	-	-	-	-
Net assets, end of year	<u>\$ -</u>	<u>\$ 194,850</u>	<u>\$ -</u>	<u>\$ 19,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report on Supplementary Information.

TOTAL COMMUNITY ACTION, INC.

SCHEDULE IV

COMBINING SCHEDULE OF ACTIVITIES
For the Year Ended December 31, 2021

PROGRAM SERVICES

	City of New Orleans STEM	S&WB 2020	Food Distribution Program	Returning Citizen Stimulus (RCS)	Non-Disclosure Contributor Foundations	City of New Orleans Rental Assistance	United Way VITA TAX	Entergy Super Tax Day
Revenue and Support								
Government grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local grants	19,277	45,000	60,400	-	-	1,033,284	24,084	-
Private foundation grants	-	-	-	-	-	-	-	21,000
Fundraising	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Other revenue	1,500	-	-	-	-	-	58,605	-
Total revenue and support	<u>20,777</u>	<u>45,000</u>	<u>60,400</u>	<u>-</u>	<u>-</u>	<u>1,033,284</u>	<u>82,689</u>	<u>21,000</u>
Expenses								
Salaries and wages	8,325	-	-	1,092	-	-	20,020	10,791
Fringe benefits	1,170	6,582	-	387	-	-	3,982	2,041
Travel	-	-	-	-	-	-	-	-
Contractual	-	15,943	-	-	-	-	58,605	3,240
Professional fees	-	-	-	-	-	-	-	-
Supplies	3,956	-	3,984	-	-	-	328	562
Food costs	-	-	69,228	-	-	-	-	-
Subrecipient costs	-	-	-	-	-	-	-	-
Equipment expense	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Assistance to individuals	-	-	-	-	9,742	984,655	-	-
Fundraising expenses	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-
Occupancy	-	475	-	-	-	-	-	-
Vehicle expense	-	-	1,211	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-
Rental	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Other costs	6,191	-	8,220	-	976	49,017	-	2,263
Total expenses	<u>19,651</u>	<u>23,100</u>	<u>82,643</u>	<u>1,479</u>	<u>10,719</u>	<u>1,033,672</u>	<u>82,935</u>	<u>18,857</u>
Change in net assets	1,126	21,900	(16,243)	(1,479)	(10,719)	(388)	(246)	2,163
Transfers in (out)	(1,126)	(21,900)	16,243	-	10,719	388	246	(2,163)
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report on Supplementary Information.

TOTAL COMMUNITY ACTION, INC.

SCHEDULE IV

COMBINING SCHEDULE OF ACTIVITIES
For the Year Ended December 31, 2021

	PROGRAM SERVICES							
	Criminal Justice	Emergency Assistance	Assets For Independence Demonstration	City of New Orleans Workforce	STRIVE Opportunity Center	Tight Ship	Child Care Block Grant	CARES Community Services Block Grant
Revenue and Support								
Government grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,194	\$ 445,690
Local grants	8,270	-	-	-	3,660	-	-	-
Private foundation grants	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total revenue and support	<u>8,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,660</u>	<u>-</u>	<u>450,194</u>	<u>445,690</u>
Expenses								
Salaries and wages	7,225	-	-	-	40,173	179	85,513	238,616
Fringe benefits	1,045	-	-	-	13,774	16	22,110	70,915
Travel	-	-	-	-	-	4,713	-	-
Contractual	-	-	-	401	-	-	-	5,562
Professional fees	-	-	-	-	-	-	-	-
Supplies	1,852	-	-	-	-	326	-	7,310
Food costs	-	-	-	-	-	-	-	-
Subrecipient costs	-	-	-	-	-	-	-	-
Equipment expense	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Assistance to individuals	5,681	13,045	-	-	-	-	-	69,201
Fundraising expenses	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	11,581
Vehicle expense	-	-	-	-	-	-	-	40
Postage	-	-	-	-	-	-	-	50
Rental	-	-	-	-	-	-	-	36,514
Depreciation	-	-	-	-	-	-	-	-
Other costs	-	-	-	-	41	433	-	5,343
Total expenses	<u>15,803</u>	<u>13,045</u>	<u>-</u>	<u>401</u>	<u>53,988</u>	<u>5,667</u>	<u>107,624</u>	<u>445,135</u>
Change in net assets	(7,533)	(13,045)	-	(401)	(50,988)	(5,667)	342,571	555
Transfers in (out)	-	13,045	-	-	-	1,512	-	(555)
Net assets, beginning of year	<u>70,871</u>	<u>-</u>	<u>69,999</u>	<u>27,258</u>	<u>193,152</u>	<u>4,155</u>	<u>370,624</u>	<u>-</u>
Net assets, end of year	<u>\$ 63,338</u>	<u>\$ -</u>	<u>\$ 69,999</u>	<u>\$ 26,857</u>	<u>\$ 142,164</u>	<u>\$ -</u>	<u>\$ 713,195</u>	<u>\$ -</u>

See Independent Auditor's Report on Supplementary Information.

TOTAL COMMUNITY ACTION, INC.

SCHEDULE IV

COMBINING SCHEDULE OF ACTIVITIES
For the Year Ended December 31, 2021

	PROGRAM SERVICES							Sub-total
	Home Energy Assistance Program	CARES Home Energy Assistance Program	CARES Home Energy Assistance Program					
	ARP- ADMIN	ARP- PRO SUPP	Program	Program	Program	Program	Program	
Revenue and Support								
Government grants	\$ 6,891	\$ 1,397	\$ 407,649	\$ 5,860,872	\$ 32,469	\$ 21,213	\$ 16,920	\$ 23,305,736
Local grants	-	-	-	-	-	-	-	1,217,296
Private foundation grants	-	-	-	-	-	-	-	221,000
Fundraising	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	245,154
Total revenue and support	<u>6,891</u>	<u>1,397</u>	<u>407,649</u>	<u>5,860,872</u>	<u>32,469</u>	<u>21,213</u>	<u>16,920</u>	<u>25,079,186</u>
Expenses								
Salaries and wages	4,746	1,965	240,075	179,897	22,624	14,364	12,295	7,629,702
Fringe benefits	1,762	332	51,668	52,962	7,135	5,041	4,625	2,180,532
Travel	-	-	-	56	-	-	-	18,538
Contractual	-	-	15,408	-	-	-	-	328,363
Professional fees	-	-	-	-	-	-	-	43,628
Supplies	-	-	8,137	2,819	-	-	-	1,299,262
Food costs	-	-	-	-	-	-	-	745,329
Subrecipient costs	-	-	-	-	-	-	-	2,692,656
Equipment expense	-	-	-	-	-	-	-	106,020
Repairs and maintenance	-	-	5,599	-	-	-	-	311,321
Insurance	-	-	132	506	51	1,837	-	238,748
Interest expense	-	-	-	-	-	-	-	-
Assistance to individuals	-	-	-	5,587,221	-	-	-	7,191,049
Fundraising expenses	-	-	-	-	-	-	-	-
Telephone	-	-	6,024	6,932	-	-	-	143,691
Occupancy	-	-	3,331	9,444	941	-	-	1,059,258
Vehicle expense	-	-	-	-	-	-	-	6,937
Postage	-	-	179	-	-	-	-	19,707
Rental	-	-	15,267	16,796	1,718	-	-	226,917
Depreciation	-	-	-	-	-	-	-	-
Other costs	393	-	29,603	6,114	174	1,898	-	779,876
Total expenses	<u>6,891</u>	<u>1,397</u>	<u>465,924</u>	<u>5,862,741</u>	<u>32,643</u>	<u>23,050</u>	<u>16,920</u>	<u>24,421,574</u>
Change in net assets	-	-	1,725	(1,869)	(174)	(1,837)	-	657,612
Transfers in (out)	-	-	(1,725)	1,869	174	1,837	-	(244,942)
Net assets, beginning of year	-	-	-	-	-	-	-	911,213
Net assets, end of year	-	-	\$ -	\$ -	\$ -	\$ -	-	\$ 1,323,884

See Independent Auditors' Report on Supplementary Information.

TOTAL COMMUNITY ACTION, INC.

SCHEDULE IV

COMBINING SCHEDULE OF ACTIVITIES
For the Year Ended December 31, 2021

SUPPORTING SERVICES							
	General Fund	Property and Equipment	Indirect Cost Account	Unemployment	Insurance Flood Insurance Proceeds	Sub-total	Grand Total
Revenue and Support							
Government grants	\$ 97,536	\$ -	\$ 376,157	\$ -	\$ -	\$ 473,687	\$ 25,869,423
Local grants	-	-	48,675	-	-	48,675	1,285,971
Private foundation grants	-	-	-	-	-	-	221,006
Fundraising	1,091	-	-	-	-	1,091	1,091
Investment income	3,485	-	-	387,777	102,115	493,277	493,277
Other revenue	350,825	-	-	94,728	-	445,553	699,707
Total revenue and support	<u>452,831</u>	<u>-</u>	<u>424,832</u>	<u>482,506</u>	<u>102,115</u>	<u>1,462,284</u>	<u>26,541,470</u>
Expenses							
Salaries and wages	6,123	-	343,097	-	-	349,220	7,378,922
Fringe benefits	111,668	-	84,512	3,350	-	199,530	2,380,062
Travel	178	-	1,193	-	-	1,371	19,909
Contractual	951	-	21,988	-	-	22,939	351,802
Professional fees	-	-	-	-	-	-	43,628
Supplies	3,888	-	15,128	-	-	19,016	1,318,278
Food costs	4,400	-	-	-	-	4,400	749,729
Subrecipient costs	-	-	-	-	-	-	2,692,656
Equipment expense	-	-	-	-	-	-	106,020
Repairs and maintenance	-	-	19,311	-	-	19,311	330,632
Insurance	-	-	34,297	-	-	34,297	273,045
Interest expense	1,068	-	-	-	-	1,068	1,068
Assistance to individuals	-	-	-	-	-	-	7,191,049
Fundraising expenses	3,840	-	-	-	-	3,840	3,840
Telephone	889	-	22,485	-	-	23,374	167,006
Occupancy	3,603	-	13,837	-	-	17,440	1,076,698
Vehicle expense	46	-	-	-	-	46	6,977
Postage	206	-	12,869	-	-	13,075	32,874
Rental	1,620	-	19,844	-	-	21,464	248,381
Depreciation	-	337,657	-	-	-	337,657	337,657
Other costs	52,252	-	6,357	42,723	17,134	118,467	898,342
Total expenses	<u>199,729</u>	<u>337,657</u>	<u>594,918</u>	<u>46,073</u>	<u>17,134</u>	<u>1,186,502</u>	<u>25,698,976</u>
Change in net assets	262,111	(337,657)	(170,086)	436,433	84,981	275,782	933,394
Transfers in (out)	74,856	-	170,086	-	-	244,942	-
Net assets, beginning of year	<u>4,236</u>	<u>5,567,063</u>	<u>-</u>	<u>2,392,896</u>	<u>1,323,857</u>	<u>9,258,052</u>	<u>10,169,265</u>
Net assets, end of year	<u>\$ 341,203</u>	<u>\$ 5,199,406</u>	<u>\$ -</u>	<u>\$ 2,829,329</u>	<u>\$ 1,408,838</u>	<u>\$ 9,778,776</u>	<u>\$ 11,102,660</u>

See Independent Auditors' Report on Supplementary Information.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
Total Community Action, Inc.
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Total Community Action, Inc. (TCA) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered TCA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TCA's internal control. Accordingly, we do not express an opinion on the effectiveness of TCA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of TCA's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TCA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Response to Finding

TCA's response to the finding identified in our audit is described in a separate corrective action plan prepared by TCA.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TCA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TCA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the use of the Board of Directors, its management, grantor agencies and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon, LLP

New Orleans, Louisiana
September 25, 2023

**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Total Community Action, Inc.
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Total Community Action, Inc.'s (TCA) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of TCA's major federal programs for the year ended December 31, 2021. TCA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, TCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of TCA and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of TCA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to TCA's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on TCA's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about TCA's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 TCA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of TCA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of TCA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-002. Our opinion on each major federal program is not modified with respect to this matter.

TCA is responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. TCA's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given our limitation, during our audit we did not identify any deficiencies in internal control over compliance we consider material weaknesses, as defined above. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

TCA is responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. TCA's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon, LLP

New Orleans, Louisiana
September 25, 2023

TOTAL COMMUNITY ACTION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

Section I - SUMMARY OF AUDITORS' RESULTS

- A. The type of report issued on the financial statements: **Unmodified Opinion.**
- B. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **Yes.** Material weakness: **No.**
- D. Significant deficiencies in internal control over major programs: **Yes.** Material weaknesses: **No.**
- E. The type of report issued on compliance for major programs: **Unmodified Opinion.**
- F. Any audit findings which are required to be reported in accordance with 2 CFR 200.516(a): **Yes.**
- G. Major programs:
 - United States Department of Health and Human Services
 - Head Start and Early Head Start (CFDA No. 93.600)
 - Early Head Start/ Child Care Partnership (CFDA No. 93.600)
- H. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**
- I. Auditee qualified as a low-risk auditee under *the Uniform Guidance*: **No.**
- J. A management letter issued. **No.**

TOTAL COMMUNITY ACTION, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended December 31, 2021**

Section II - FINANCIAL STATEMENT FINDINGS

2021-001 Financial Close-Out and Reporting Process/Submission of Audit Report

Criteria

Management of TCA is responsible for designing, implementing and maintaining proper and relevant control processes to ensure accuracy and completeness in financial reporting, preparation and fair presentations of disclosures.

LSA-RS 24.513 (A)(5)(I) requires audit reports to be completed and submitted to the State of Louisiana Legislative Auditor (LLA) within six (6) months after year end, unless the Louisiana Legislative Auditor Audit Advisory Council approves an extension request of time for submission.

Condition

We noted during our audit that TCA's 2021 fiscal year-end financial close-out and reporting process was not timely completed.

In addition, the December 31, 2021 audited financial statements were not submitted to the Legislative Auditor by the statutory due date, which included approved extensions of time to complete the audit by the LLA for a natural disaster.

Cause

This condition was caused by the effects of the COVID-19 pandemic on the operations of TCA.

Effect

Financial information was not timely and accurately captured for the preparation of the December 31, 2021 financial statements and communicated to management and the Board of Directors for their use. Also, failure to timely submit the required audit report to the Legislative Auditor after the LLA approved extensions to file TCA's reports for a natural disaster (COVID-19) expired, which is a violation of the State audit completion and submission law, and therefore subject to penalty.

TOTAL COMMUNITY ACTION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Year Ended December 31, 2021

Section II - FINANCIAL STATEMENT FINDINGS, CONTINUED

2021-001 Financial Close-Out and Reporting Process/Submission of Audit Report, Continued

Recommendation

We recommend that management establish a well-defined financial close-out and reporting process. The process and its key attributes (e.g., overall timing, format and frequency of analyses) should be formally documented, approved and reviewed on a regular basis.

View of Responsible Official of TCA

The management of TCA agrees with the finding. See accompanying corrective action plan.

TOTAL COMMUNITY ACTION, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended December 31, 2021**

**Section III - FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS**

2021-002 Single Audit Report Submission

Federal Program Information – All Federal Programs

Criteria

According to 2 CFR 200.512, the Uniform Guidance requires that a single audit must be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section must be submitted to the Federal Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day.

Condition

We noted during our audit that TCA's 2021 fiscal year Uniform Guidance required audit and the reporting package were not submitted to the Federal Clearinghouse within nine (9) months of TCA's December 31, 2021 fiscal year end.

Cause

TCA completed its audit nine (9) months after its December 31, 2021 fiscal year end.

Effect

TCA is not in compliance with report submission requirements to the Federal Clearinghouse.

Questioned Costs

None.

Context/Proper Perspective

Not applicable.

TOTAL COMMUNITY ACTION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended December 31, 2021

Section III - FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS, CONTINUED

2021-002 Single Audit Report Submission, Continued

Element of Finding

This finding is not a repeat finding.

Recommendation

We recommend that management establish procedures to ensure the Uniform Guidance required audit is completed in a timely manner so that TCA's audit report and other required items of the reporting package are submitted to the Federal Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.

View of Responsible Official of TCA

The management of TCA agrees with the finding. See accompanying corrective action plan.

TOTAL COMMUNITY ACTION, INC.

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021**

**SECTION I - FINDINGS RELATING TO THE FINANCIAL
STATEMENTS REPORTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

2020-001 Financial Close-Out and Reporting Process/Submission of Audit Report

Condition

We noted during our audit that TCA's 2020 fiscal year-end financial close-out and reporting process was not timely completed.

In addition, the December 31, 2020 audited financial statements were not submitted to the Legislative Auditor by the statutory due date, which included approved extensions of time to complete the audit by the LLA for a natural disaster.

Recommendation

We recommended that management establish a well-defined financial close-out and reporting process. The process and its key attributes (e.g., overall timing, format and frequency of analyses) should be formally documented, approved and reviewed on a regular basis.

Current Status

Unresolved.

TOTAL COMMUNITY ACTION, INC.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS, (CONTINUED)
For the Year Ended December 31, 2020

SECTION II - FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS

2020-002 Single Audit Report Submission

Federal Program Information – All Federal Programs

Condition

We noted during our audit that TCA's 2020 fiscal year Uniform Guidance required audit and the reporting package were not submitted to the Federal Clearinghouse within nine (9) months of TCA's December 31, 2020 fiscal year end.

Recommendation

We recommended that management establish procedures to ensure the Uniform Guidance required audit is completed in a timely manner so that TCA's audit report and other required items of the reporting package are submitted to the Federal Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.

Current Status

Unresolved.



**Response to Schedule of Findings
For the year ended December 31, 2021
CEO Response to TCA Board of Directors
And Detail Corrective Action Plan**

Audit Finding Reference Number

2021-001 Financial Closeout and Reporting Process/Submission of Audit Report

Finding Classification

Finding Type

Significant deficiency

Internal Control

TCA’s 2021 fiscal year-end financial closeout and reporting process was not timely completed.

In addition, the December 31, 2021, audited financial statements were not submitted to Legislative Auditor by statutory due date, which included approved extensions of time to complete the audit by the LLA for a natural disaster.

Cause

This condition was caused by the effects of the COVID-19 pandemic on the operations of TCA.

Management’s Response

TCA has an established administrative timeline that supports timely and accurate completion of financial statements. TCA has continued to experience staffing turnover and shortages in the fiscal team. Currently the fiscal team is operating 80% of staffing allocation.

Corrective Actions to Date:

- (1) Agency under the leadership of the CEO is actively recruiting candidates to address the two vacancies, in order to support the agency’s ability, the agency’s ability to meet all fiscal reporting requirements timely. **Target Completion Date: October 30, 2023.**
- (2) CEO has approved the CFO request to contract with a former employee to support timely preparation of financial statements and other reporting requirements, while new staff build their capacity to address the varied grant programs requirements.
- (3) CEO continues to assume full accountability to ensuring compliance with Board policy for quarterly programmatic and fiscal reviews and ensuring ongoing professional development for staff.

Audit Finding Reference Number



2021-002 Single Audit Report Submission

Finding Classification

Finding Type

Significant deficiency

Internal Control

Management’s Response

The Audit Reports reflects that the TCA agrees with this finding. TCA recognizes that the delinquency related to the submission 2020, and now the 2021 Audit reports have had a domino effect on TCA’s ability to submit the Single Audit report timely. The tardiness of the submission of 2021 has already impacted TCA ability to meet 2022 federal Single Audit deadline of September 30, 2023. The Louisiana Legislative Auditor (LLA) granted TCA an extension to **December 30, 2023**.

TCA federal cognizant agency, the United States Department of Health and Human Services (HHS), conducted Focus Area 2 review of TCA in January 2023, the fiscal management review cited the agency tardiness in fiscal reporting and tardiness of submission of the Single Audits. Noting the documented challenges that the agency had experienced in staffing and the implementation of the new fiscal reporting system, the grantee was required to submit with TCA Governing Bodies approval a FA2 fiscal Corrective Action Plan. This plan included the following actions:

HHS Fiscal Corrective Action:

- (1) Submission of the fiscal year 2021 audit to the Federal Clearinghouse and to Office of Head Start by September 30, 2023.
- (2) Consistent with the LLA extension the submission of fiscal year 2022 audit to the federal Clearinghouse by **December 30, 2023**.
- (3) Submission of the fiscal year 2023 audit within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.
- (4) Increase capacity of TCA fiscal staff to in support of timely compliance with federal fiscal regulations and reporting.

Status: To date, TCA current fiscal staff have participated in three federally approved fiscal trainings.

- a. The Office of Head Start – Performance Management Fiscal Operations – six session virtual technical assistance.
- b. Community Action Program and Legal Services National Training Conference- Austin, Texas June 2023
- c. Wipfli Annual NCAP pre-conference training – August 2023.
- (5) Timely submission fiscal and compliance reports in the appropriate federal grant’s portals.
- (6) Issuance of RFP for auditors for fiscal years 2023-2028 (in compliance with CSBG organizational standard 8.5.
- (7) Submit documentation of the regular status updates on the implementation of the corrective action plan.

**Response to Schedule of Prior Findings
and Questioned Cost
For the Year Ended December 31, 2020**



Management’s Response

The audit reflects this as unresolved finding, CEO concurs as this finding is repeated in for FY 2021 and is reflected in the delays in completion of the single audit. CEO affirms that the agency’s has an administrative timeline, policy and procedure to support timely compliance to fiscal reporting. However, the primary cause of this finding remains fiscal staffing, as previously stated in CEO responses, staff turnover and vacancies in the fiscal unit continue to challenge agency’s ability to comply timely.

Audit Finding Reference Number

2020-001 Financial Closeout and Reporting Process/Submission of Audit Report

Finding Classification

Finding Type

Significant deficiency

Internal Control

Finding Title

TCA’s 2020 fiscal year-end financial closeout and reporting process was not timely completed. In addition, the December 31, 2020 audited financial statements were not submitted to Legislative Auditor by statutory due date, which included approved extensions of time to complete the audit by the LLA for a natural disaster.

Cause

This condition was caused by the effects of the COVID-19 pandemic on the operations of TCA.

Management’s Response

TCA has an established administrative timeline that supports timely and accurate completion of financial statements. However, since early 2020, TCA fiscal team has had 100% turnover due to retirement, and escalated by the COVID-19 pandemic, and again in later 2020, a 70% turnover directly related to the demands of COVID response services. Currently the fiscal team is at 70% of staffing allocation.

Corrective Actions to Date:

- (4) Agency under the leadership of the CFO is actively recruiting and interviewing potential candidates to address the two vacancies, thus supporting workload distribution, and the agency’s
- (5) ability to meet all fiscal reporting requirements timely. **Updated Target Completion Date: October 15, 2023.**
- (6) CEO has hired an experienced and seasoned accounting fiscal professional as Controller to support daily process management and staff development thus allowing the CFO to function in the CFO role primarily.
- (7) CEO continues to assume full accountability to ensuring compliance with Board policy for quarterly programmatic and fiscal reviews and ensuring ongoing professional development for



staff.

Audit Finding Reference Number

2020-002 **Report Submission**

Finding Classification

Significant deficiency

Finding Title

Noncompliance with report submission requirements of the Federal Clearinghouse.

Management’s Response

The Audit Reports that the TCA agrees with this finding.

Correction Action to Date:

- (1) CEO recognizes that the delinquency related to the submission 2020 Audit has a domino effect on TCA submission of both 2021 and 2022 Audits. On April 11, 2023, upon receipt of FY 2020 Audit, CEO submitted an extension request to Legislative Auditor for FY 2021 Audit. At the time of receipt of FY 2020 audit the extension due date was May 15, 2023; however TCA submitted another extension request , **and the current FY 2021 due date with LLA and HHS is September 30, 2023.**
- (2) Recognizing that 2022 Audit due date is June 30, 2023, and that the engaged auditor request the FY 2021 audit and audited financial statements in order to begin the audit, TCA CEO with Board approval submitted an Legislative Auditor extension request for the 2023 audit initially to September 15, 2023; but revised to **December 30, 2023.**
- (3) In accordance with CSBG Organizational Standard 8.5 the (CSBG-CAA) organization has solicited bids for its audit within the past 5 years. TCA issued an audit solicitation in August 2018, and in December 2018 upon the recommendation of the Budget, Finance and Audit Committee, the TCA Board of Directors approved the firm Bruno & Trevalon, LLC CAP in December 2018. To ensure compliance with the Organizational Standard 8.5 and timely completion of the FY 2023 audit, CEO and CFO will issue audit solicitation in June 2023 **for the audit period 2023-2028; Updated date: October 15, 2023.**

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

To the Board of Directors of Total Community Action, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2021. Total Community Action, Inc.'s (TCA) management is responsible for those C/C areas identified in the SAUPs.

TCA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the year ended December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions were noted.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions were noted.

c) ***Disbursements***, including processing, reviewing, and approving.

No exceptions were noted.

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions were noted.

e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions were noted.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions were noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions were noted.

- h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were noted.

- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

This procedure is not applicable to non-profit organizations.

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

This procedure is not applicable to non-profit organizations.

- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions were noted.

- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

This procedure is not applicable to non-profit organizations.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were noted.

b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exceptions were noted.

c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions were noted.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions were noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

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

No exceptions were noted.

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

No exceptions were noted.

Collections (excluding electronic funds transfers)

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

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

- a) Employees responsible for cash collections do not share cash drawers/registers.

No exceptions were noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

No exceptions were noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions were noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions were noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

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

No exceptions were noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

No exceptions were noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions were noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were noted.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions were noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions were noted.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**INDEPENDENT ACCOUNTANTS' REPORT
ON
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9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions were noted.

b) At least two employees are involved in processing and approving payments to vendors.

No exceptions were noted.

c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions were noted.

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions were noted.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions were noted.

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #8, as applicable.

No exceptions were noted.

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

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

No exceptions were noted.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions were noted.

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

No exceptions were noted.

13. Using the monthly statements or combined statements selected under #11 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were noted.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions were noted.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions were noted.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions were noted.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were noted.

Contracts

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

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions were noted.

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- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

No exceptions were noted.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions were noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were noted.

Payroll and Personnel

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

No exceptions were noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #15 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions were noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions were noted.

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- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions were noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions were noted.

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

No exceptions were noted.

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

No exceptions were noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #15 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

This procedure is not applicable to non-profit organizations.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

This procedure is not applicable to non-profit organizations.

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Debt Service

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

This procedure is not applicable to non-profit organizations.

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

This procedure is not applicable to non-profit organizations.

Fraud Notice

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

No exceptions were noted.

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

No exceptions were noted.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

No exceptions were noted.

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- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

No exceptions were noted.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

No exceptions were noted.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #15 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

This procedure is not applicable to non-profit organizations.

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

This procedure is not applicable to non-profit organizations.

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28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

This procedure is not applicable to non-profit organizations.

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

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

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

Bruno & Tervalon, LLP

New Orleans, Louisiana
September 25, 2023