



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

TOTAL COMMUNITY ACTION, INC.
AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S 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 Total Community Action, Inc. ("TCA") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of TCA as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's 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.

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Continued,

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.

Auditor's 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 auditor's 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 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.

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.

Continued,

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented to comply with Act 706 of the 2014 Louisiana Legislative Session and is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Schedule of Expenses – Direct and Indirect Costs, and Combining Schedule of Activities are presented for purposes of additional analysis and are 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2024, 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 the effectiveness of TCA’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TCA’s internal control over financial reporting and compliance.

Other Matter

The financial statements of TCA as of December 31, 2021, were audited by other auditors, whose report dated September 23, 2023 expressed an unmodified opinion on those financial statements.

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
May 17, 2024

FINANCIAL STATEMENT

Total Community Action, Inc.
Statements of Financial Position
As of December 31, 2022 and 2021

	2022	2021
Assets		
Cash	\$ 388,206	\$ 780,181
Investments	3,208,073	3,490,129
Grants Receivable	3,543,702	1,408,248
Accounts Receivable	-	405,676
Other Receivables	317,411	266,855
Prepaid Expenses	88,362	116,695
Property and Equipment, Net	4,954,625	5,199,406
Right-of-Use Asset, Finance Lease, Net	6,598,311	-
Economic Interest	433,200	433,200
Total Assets	19,531,890	12,100,390
Liabilities		
Accounts Payable	2,202,102	952,248
Deferred Revenue	-	45,482
Finance Lease Obligation	6,658,486	-
Total Liabilities	8,860,588	997,730
Net Assets		
Without Donor Restrictions	1,008,214	1,563,437
With Donor Restrictions	9,663,088	9,539,223
Total Net Assets	10,671,302	11,102,660
Total Liabilities and Net Assets	\$ 19,531,890	\$ 12,100,390

The accompanying notes are an integral part of these financial statements

Total Community Action, Inc.
Statements of Activities
For the Years Ended December 31, 2022 and 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>
Revenue and Support						
Local Grants	\$ 432,777	\$ -	\$ 432,777	\$ 1,262,971	\$ 3,000	\$ 1,265,971
Federal Grants	31,723,007	-	31,723,007	23,419,229	450,194	23,869,423
Private Foundations	54,214	-	54,214	26,141	194,859	221,000
Contributions	45,085	-	45,085	-	-	-
Investment Income, Net	(303,871)	-	(303,871)	3,387	489,892	493,279
Fundraising Income	-	-	-	1,091	-	1,091
Other Revenue	152,227	-	152,227	595,980	94,727	690,707
Released from Restrictions	-	-	-	574,142	(574,142)	-
Total Revenue and Support	<u>32,103,439</u>	<u>-</u>	<u>32,103,439</u>	<u>25,882,941</u>	<u>658,530</u>	<u>26,541,471</u>
Expenses						
Program Services	31,435,094	-	31,435,094	24,421,574	-	24,421,574
Supporting Services	1,372,839	-	1,372,839	1,186,502	-	1,186,502
Total Expenses	<u>32,807,933</u>	<u>-</u>	<u>32,807,933</u>	<u>25,608,076</u>	<u>-</u>	<u>25,608,076</u>
Change in Net Assets	(704,494)	-	(704,494)	274,865	658,530	933,395
Net Assets, Beginning of Year	1,563,437	9,539,223	11,102,660	1,288,572	8,880,693	10,169,265
Net Assets Adjustment (Note 17)	149,271	123,865	273,136	-	-	-
Net Assets, End of Year	<u>\$ 1,008,214</u>	<u>\$ 9,663,088</u>	<u>\$ 10,671,302</u>	<u>\$ 1,563,437</u>	<u>\$ 9,539,223</u>	<u>\$ 11,102,660</u>

The accompanying notes are an integral part of these financial statements

Total Community Action, Inc.
Statements of Functional Expenses
For the Years Ended December 31, 2022 and 2021

	2022			2021		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Expenses						
Salaries and Wages	7,684,365	427,628	8,111,993	7,029,702	349,220	7,378,922
Fringe Benefits	2,303,944	211,217	2,515,161	2,180,532	199,530	2,380,062
Travel	55,153	-	55,153	18,538	1,371	19,909
Contractual	547,908	40,218	588,126	328,363	22,939	351,302
Professional Fees	309,323	34,822	344,145	43,628	-	43,628
Supplies	1,458,120	37,792	1,495,912	1,299,262	19,016	1,318,278
Food Costs	914,806	380	915,186	745,329	4,400	749,729
Subrecipient Costs	3,203,542	-	3,203,542	2,692,656	-	2,692,656
Equipment Expense	-	-	-	106,020	19,311	125,331
Maintenance and Repairs	664,195	15,836	680,031	311,321	-	311,321
Insurance	328,732	36,062	364,794	238,748	34,297	273,045
Interest Expense - Finance Lease	135,139	-	135,139	-	-	-
Amortization Expense - Finance Lease	274,297	-	274,297	-	-	-
Interest Expense	-	-	-	-	1,068	1,068
Assistance to Individuals	11,736,090	-	11,736,090	7,191,049	-	7,191,049
Telephone	122,611	70,948	193,559	143,641	23,365	167,006
Utilities	497,168	20,781	517,949	-	-	-
Occupancy	485,769	4,891	490,660	1,059,258	17,440	1,076,698
Vehicle Expense	14,026	-	14,026	6,937	40	6,977
Postage	6,244	16,668	22,912	19,797	13,077	32,874
Fundraising Expenses	-	-	-	-	3,840	3,840
Rental	-	-	-	226,917	21,464	248,381
Depreciation	-	349,265	349,265	-	337,657	337,657
Other Costs	693,662	106,331	799,993	779,876	118,467	898,343
Total Expenses	<u>\$ 31,435,094</u>	<u>\$ 1,372,839</u>	<u>\$ 32,807,933</u>	<u>\$ 24,421,574</u>	<u>\$ 1,186,502</u>	<u>\$ 25,608,076</u>

The accompanying notes are an integral part of these financial statements

Total Community Action, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in Net Assets	\$ (474,956)	\$ 933,395
Adjustments to Reconcile Change in Net Assets to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	349,265	337,657
Net Assets Adjustment	273,136	-
(Gain)/Loss on Investments	303,871	(203,576)
Amortization of ROU Asset - Finance Lease	274,297	-
Net Changes in Assets and Liabilities:		
(Increase)/Decrease in Grant Receivables	(2,364,991)	280,696
(Increase)/Decrease in Accounts Receivable	405,676	(339,226)
(Increase)/Decrease in Other Receivables	(50,556)	72,972
Decrease in Prepaid Expenses	28,333	68,872
Increase/(Decrease) in Accounts Payable	1,249,853	(722,452)
Decrease in Deferred Revenue	(45,482)	(562,699)
Total Adjustments	423,402	(1,067,756)
Net Cash Used by Operating Activities	(51,554)	(134,361)
Cash Flows from Investing Activities		
Purchases of Fixed Assets	(104,484)	-
ROU Assets Obtained in Exchange for New Finance Lease Obligation	(6,872,608)	-
Sale of Investments	-	214,397
Purchases of Investments	(21,815)	(536,765)
Net Cash Used by Investing Activities	(6,998,907)	(322,368)
Cash Flows from Financing Activities		
Addition of Finance Lease Obligation, Net	6,658,486	-
Net Cash Provided by Financing Activities	6,658,486	-
Net Change in Cash and Cash Equivalents	(391,975)	(456,729)
Cash - Beginning of Period	780,181	1,236,910
Cash - End of Period	\$ 388,206	\$ 780,181

The accompanying notes are an integral part of these financial statements

Total Community Action, Inc.
Notes to the Financial Statements
December 31, 2022 and 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

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

In accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958, which established standards for external financial reporting by not-for-profit organizations, TCA classifies resources for accounting and reporting purposes into two net asset categories which are with donor restrictions and without donor restrictions. A description of these two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of TCA are included in this category. TCA has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of TCA and therefore, their policy is to record those net assets as without donor restrictions.
- Net assets with donor restrictions include funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. 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.

Total Community Action, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, TCA considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents. TCA had no cash equivalents at December 31, 2022.

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised if the condition is not met.

Unconditional contributions, or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor, are recorded as revenue with or without donor restrictions, depending on the existence and nature of any donor restrictions. 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. Conditional contributions are recognized when the barriers to entitlement are overcome, and the promises become unconditional. Unconditional contributions are recognized as revenue when received. Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Exchange transactions are reimbursed based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Revenues

Deferred revenues 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.

Uncollectible Accounts, Grants, and Other Receivables

TCA 's management considers all receivables to be fully collectible. Therefore, no allowance for doubtful collection or direct charge off is recorded.

Total Community Action, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in marketable securities and mutual funds with readily determinable fair values are reported at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities as increases or decreases in net assets without donor restrictions unless their use is with restrictions by explicit donor stipulations or law. Dividend, interest, and other investment income are recorded as increases in net assets without donor restriction unless the use is restricted by the donor.

FASB ASC Topic 820, *Fair Value Measurements and Disclosures* emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value. The fair value hierarchy is summarized below:

- Level 1 lies at the top of the hierarchy; inputs are quoted prices in active markets.
- Level 2 inputs are in the middle of the hierarchy, where data is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.
- Level 3 inputs are unobservable and require the entity to develop its own assumptions.

See Note 5 for a summary of the fair value of TCA's financial instruments.

Income Taxes

TCA is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. 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 2021 and 2022 tax years are open for examination by the Internal Revenue Service.

Concentration of Credit

TCA maintains a noninterest-bearing deposit accounts at various financial institutions 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, 2022 and 2021, TCA had uninsured deposits totaling \$138,206 and \$530,181, respectively.

Total Community Action, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements 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 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.

Leases

TCA determines if a contract contains a lease when the contract conveys the right to control the use of identified assets for a period in exchange for consideration. Upon identification and commencement of a lease, TCA establishes a right-of-use (ROU) asset and a lease liability. Operating leases, if any, are included in ROU Asset - Operating Lease and Operating Lease Liability on the accompanying statement of financial position. Finance leases, if any, are included in Fixed Assets and Finance Lease Liability.

The total lease term is determined by considering the initial term per the lease agreement, which is adjusted to include any renewal options that the TCA is reasonably certain to exercise as well as any period that TCA has control over the asset before the stated initial term of the agreement. If TCA determines a reasonable certainty of exercising termination or early buyout options, then the lease terms are adjusted to account for these facts. TCA's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

TCA uses the risk-free rate as the discount rate for all classes of underlying assets when the interest rate is not implicitly or explicitly stated in the lease agreement at commencement date. TCA does not recognize ROU assets and lease liabilities for leases with a term of 12 months or less, and leases where the present value of the minimum lease payments falls below its lease capitalization threshold of \$5,000.

Total Community Action, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

In 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (Topic 842), which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases with terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after March 15, 2020, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. On June 3, 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) that extended the effective date for certain entities, including TCA, to annual periods beginning after December 15, 2021. During the year ended December 31, 2022, TCA adopted ASU No. 2016-02. See Note 11 for the required disclosures.

Recent Accounting Pronouncements

On September 17, 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Update is expected to increase transparency around contributed nonfinancial assets (also known as “gifts-in-kind”) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update requires that contributed nonfinancial assets be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires additional disclosures. The ASU is applicable for periods beginning after June 15, 2021. During the year ended December 31, 2022, TCA adopted ASU No. 2020-07. However, there were no contributed nonfinancial assets received during the year ended December 31, 2022.

NOTE 3 – GRANTS RECEIVABLE

Grants receivable consists of the following as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
U.S. Department of Health & Human Services	\$ 2,933,164	\$ 987,455
U.S. Department of Agriculture	272,817	89,869
City Of New Orleans	307,254	323,335
Others	30,467	7,589
	<u>\$ 3,543,702</u>	<u>\$ 1,408,248</u>

Total Community Action, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2022 and 2021 consists of the following:

	<u>2022</u>	<u>2021</u>
Building	\$ 6,932,627	\$ 6,932,627
Building Improvements	1,817,203	1,817,203
Transportation Equipment	134,140	29,656
	<hr/>	<hr/>
	8,883,970	8,779,486
Less: (Accumulated Depreciation)	(4,037,645)	(3,688,380)
Property and Equipment Being Depreciated, Net	<hr/>	<hr/>
	4,846,325	5,091,106
Land	108,300	108,300
Property and Equipment, Net	<hr/> <hr/>	<hr/> <hr/>
	\$ 4,954,625	\$ 5,199,406

Depreciation expense for the fiscal years ended December 31, 2022 and 2021 was \$349,265 and \$337,657, respectively.

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 \$3,794,632 and \$1,431,213 at December 31, 2022 and 2021, respectively. Also, the federal government has a financial interest in buildings and improvements.

NOTE 5 – 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. have 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
December 31, 2022 and 2021

NOTE 6 – INVESTMENT SECURITIES

Cost and approximate fair value of investment securities at December 31, 2022 and 2021, consists of the following:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money Market Accounts	\$ 128,695	\$ 130,166	\$ 139,719	\$ 139,719
Fixed Income	245,919	242,152	337,338	347,372
Equities	1,326,294	1,315,742	1,234,744	1,823,181
Mutual Funds	1,122,772	1,070,620	986,367	1,179,857
TCA Flood Insurance Proceeds	448,627	448,627	0	0
Estimated Accrued Interest	773	766	0	0
Totals	<u>\$ 3,273,080</u>	<u>\$ 3,208,073</u>	<u>\$ 2,698,168</u>	<u>\$ 3,490,129</u>

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash	\$ 388,206	\$ 780,181
Investments	3,208,073	3,490,129
Grants Receivable	3,543,702	1,408,248
Accounts Receivable	-	405,676
Other Receivables	317,411	266,855
	<u>7,457,392</u>	<u>6,351,089</u>
Less: Amounts Restricted by donors with purpose restrictions	<u>(3,794,632)</u>	<u>(4,715,897)</u>
Total Financial Assets Available to Management for General Expenditures Within One Year	<u>\$ 3,662,760</u>	<u>\$ 1,635,192</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
December 31, 2022 and 2021

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2022 and 2021, net assets with donor restrictions consists of the following:

<u>Program or Purpose</u>	<u>2022</u>	<u>2021</u>
Assets for Independence Demonstration	\$ 69,999	\$ 69,999
Returning Citizens Stimulus	41,012	41,012
Unemployment	2,829,329	2,829,330
W.K. Kellogg	52,523	52,522
Hurricane Katrina	1,408,836	1,408,836
STRIVE Opportunity Center	109,792	58,804
Property and Equipment	4,438,402	4,170,666
Child Care Block Grant	713,195	713,195
Resilience New Orleans	-	194,859
Total Net Assets With Donor Restrictions	<u>\$ 9,663,088</u>	<u>\$ 9,539,223</u>

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 TCA 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, 2022 was 9.5%. There was no change in the percentage from the prior year.

NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS

TCA's investment portfolio includes money market accounts and various investment securities that are valued based on quoted market prices for those or similar investments. The following tables set forth by level, within fair value hierarchy, TCA's financial instruments at fair value:

Total Community Action, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

December 31, 2022:	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Accounts	\$ 130,166	\$ -	\$ -
Fixed Income	242,152	-	-
Equities	1,315,743	-	-
Mutual Funds	1,070,619	-	-
TCA Flood Insurance Proceeds	448,627	-	-
Estimated Accrued Interest	766	-	-
Totals	\$ 3,208,073	\$ -	\$ -

NOTE 11 – LEASES

ASC 842 Leases

During the fiscal year ended December 31, 2022, TCA adopted ASC 842, *Leases*, which requires an organization to record a lease asset and liability based upon its lease agreements. TCA leases its administrative and program offices. The offices located at Norman C. Francis Parkway in New Orleans, Louisiana are leased through December 31, 2050. All other offices are leased annually.

TCA also leases copy machines for multiple administrative and program offices located throughout New Orleans. The lease terms for the copiers range from two to five years, expiring between 2025 and 2027.

To calculate the lease liability and lease asset at the initial date of adoption, TCA used a discount rate of 2.01% for the Norman C. Francis Parkway building, and discount rates ranging from 0.87% to 2.87% for the copiers, and then calculated the present value of future lease payments. These discount rates represent TCA's risk-free rates at the time of lease commencement, for each of the specified lease terms.

Each year, the assets and liabilities are reduced based upon the actual payments and a calculated amortization schedule. Rent expenses are included in the Occupancy line item on the Statement of Functional Expenses.

Total Community Action, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 11 – LEASES (CONTINUED)

Supplemental balance sheet information related to the leases is as follows:

Finance Leases

Right-of-Use Asset - Finance Leases	\$ 6,872,608
Accumulated Amortization	<u>(274,297)</u>
Right-of-Use Asset - Finance Leases, net	<u>\$ 6,598,311</u>
Current Portion of Finance Lease Obligation	223,656
Finance Lease Obligation, Less Current Portion	<u>6,434,830</u>
Total Finance Lease Obligations	<u>\$ 6,658,486</u>

Other Information

Weighted-average remaining lease term in years for finance leases	27.44
Weighted-average discount rate for finance leases	2.01%

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease obligations recognized on the balance sheet are as follows:

Year Ending December 31,	Finance Leases
2023	\$ 355,260
2024	347,780
2025	336,540
2026	327,540
2027	309,540
Thereafter	<u>6,981,420</u>
Total Future Minimum Lease Payments	8,658,080
Less: Imputed Interest	<u>(1,999,594)</u>
Total Present Value of Lease Liabilities	<u>\$ 6,658,486</u>

Total Community Action, Inc.
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 11 – LEASES (CONTINUED)

Other Leases

TCA leases property owned by HANO located at 2161 Lafitte Street in New Orleans, Louisiana from Lafitte Redevelopment, LLC. TCA, together with HANO, have agreed to jointly provide case management to New Orleans residents and referrals to a network of supportive service providers to address their family needs. The lease term is twenty-five (25) years, ending on May 31, 2036, and the rental amount is \$1 per year.

TCA leases property owned by HANO located at 3501 Erato Street in New Orleans, Louisiana from BW Cooper I, LLC. The property is the Viney Reynolds Child Development Center, which offers high-quality child-development services and is operated by TCA. The lease term renews annually. The rent expense is \$12 per year, payable in monthly installments of \$1.

Per TCA's lease policy, right-of-use assets and liabilities were not recognized for the Lafitte and B. W. Cooper leases. The present value of the future lease payments for these leases falls below TCA's established capitalization threshold. Thus, recognition on the statement of financial position is not necessary.

NOTE 12 – UNEMPLOYMENT FUND

TCA is self-insured for employee unemployment compensation claims through the establishment of an unemployment insurance fund. Transfers were made from program funds to the unemployment insurance fund for the years ended December 31, 2022 and 2021, respectively, 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, 2022 and 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.

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
December 31, 2022 and 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, 2022, the balance of insurance proceeds (\$1,408,836) 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 99% 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 – NET ASSETS ADJUSTMENT

Management determined that a net assets adjustment was necessary to properly state beginning net assets. A net assets adjustment totaling \$273,136 was made.

NOTE 18 – SUBSEQUENT EVENTS

Management evaluated subsequent events as of May 17, 2024, which is the date these financial statements were available to be issued. Management noted that there are no additional disclosures or adjustments to these financial statements that are required.



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S 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, LA

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 Total Community Action, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 17, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-02 that we consider to be significant deficiency.

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Atlanta Office: 1201 Peachtree St. NE, Suite 200-363/Atlanta, GA 30328/ (678)971-3700

Continued,

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Total Community Action's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-01.

Total Community Action's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Total Community Action's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Total Community Action's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
May 17, 2024



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S 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 Major Federal Program

Opinion on Major Federal Program

We have audited Total Community Action, Inc.'s (TCA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on TCA's major federal program for the year ended December 31, 2022. TCA's major federal program is identified in the summary of auditor's 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 program for the year ended December 31, 2022.

Basis for Opinion on 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 Auditor's 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.

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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.

Auditor's 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 the 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 the 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 Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, LA
May 17, 2024

Total Community Action, Inc.
Schedule of Findings and Questioned Costs
December 31, 2022

PART I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

An unmodified opinion was issued on the financial statements of the auditee.

Internal Control Over Financial Reporting:

Material weaknesses identified? ___yes X no

Significant deficiencies identified
not considered to be material weaknesses? X yes ___no

Noncompliance material to financial statements noted? X yes ___no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___yes X no

Significant deficiency(s) identified
not considered to be material weaknesses? ___yes X no

An unmodified opinion was issued on compliance.

Any audit findings disclosed that are required to be
reported in accordance with the Uniform
Guidance?

X yes ___no

The major programs for the year ended December 31, 2022 were as follows:

1. LIHEAP - Low-Income Home Energy – Assistance Listing #93.568
2. Community Services Block Grant – Assistance Listing # 93.569
3. Child and Adult Care Food Program – Assistance Listing # 10.558

Dollar threshold used to distinguish between Type A and
Type B programs:

\$774,312

Auditee did not qualify as a low-risk auditee.

Total Community Action, Inc.
Schedule of Findings and Questioned Costs
December 31, 2022

PART II – FINANCIAL STATEMENT FINDINGS

FINDING# 2022-01 – Timely Submission of Annual Audit Report (Non-Compliance)

CRITERIA: Louisiana Revised Statute 24:513 requires that Agencies receiving federal, state, or local government funding from the State of Louisiana submit an independent financial statement engagement to the Louisiana Legislative Auditor’s office within six months from their fiscal year end.

CONDITION: TCA did not complete and submit its independent audit report within the required deadline.

CAUSE: TCA’s books and records were not closed and audit-ready on a timely basis. Also, TCA did not engage its independent auditor on a timely basis.

EFFECT: TCA is not in compliance with the applicable Louisiana Revised Statutes related to independent audit submissions. Noncompliance might adversely impact TCA’s funding from federal, state and local sources.

RECOMMENDATION: TCA should implement policies and procedures to ensure timely preparation of audit-ready financial statements. Also, the independent auditor should be engaged on a timely basis.

**MANAGEMENT’S
RESPONSE:**

TCA has policies and procedures in place that support timely preparation of audit-ready financial statements. However, due to the recent instability of accounting and fiscal staff, the agency has not been compliant with its own external policies. Recognizing that current fiscal staff has an agency longevity of less than 2.5 years, the following corrective action plan has been developed. In response to the auditor reference to the agency delay in engaging independent audit.

Total Community Action, Inc.

**Schedule of Findings and Questioned Costs
December 31, 2022**

PART II – FINANCIAL STATEMENT FINDINGS, CONTINUED

Corrective Actions to Date:

- 1) Agency under the leadership of the CEO/CFO has invested and prioritized staff development in federal and state grant fiscal trainings, in support of timely and accurate financial statements.
Target Completion Date: Ongoing
- 2) CEO working with CFO will assure that all accounting and fiscal staff have access and support necessary to perform their assigned tasks and the segregation of duties.
- 3) CEO continues to assume full accountability to ensuring compliance with Board policy for monthly, quarterly fiscal reconciliations and reporting, supporting timely preparation of audit-ready financial statements annual closeouts and auditing.
- 4) Agency will issue RFP for independent auditor for FY 2024-2029 in September 2024, assuming that independent auditors will be engaged timely for the FY 2024 audit.

FINDING# 2022-02 – Bank Reconciliation Procedures Not Adequate

CRITERIA:

The Louisiana Legislative Auditor’s published best practices related to bank reconciliations state “Reconciling the bank balances with the book balances is necessary to ensure that (1) all receipts and disbursements are recorded by the entity (an essential process in ensuring complete and accurate monthly financial statements); (2) checks are clearing the bank in a reasonable time; (3) reconciling items (errors, unrecorded deposits and checks, etc.) are appropriate and are being recorded; and (4) the reconciled cash balance agrees to the general ledger cash balance.

CONDITION:

During our examination of the Organization’s cash management procedures, we noted the following:

1. The accounts payable clearing account was not properly reconciled. The bank reconciliation balance reflected (\$45,359) with a corresponding general ledger book balance of \$6,291. The resulting difference of \$51,650 was unreconciled. We also noted this account reconciliation included 34 outstanding checks that aged over one-year and 11 outstanding checks that aged over 2 years. The total of the aged outstanding checks was \$43,887.

Total Community Action, Inc.
Schedule of Findings and Questioned Costs
December 31, 2022

PART II – FINANCIAL STATEMENT FINDINGS, CONTINUED

2. Bank transfers were not always performed in a timely manner between the various accounts for TCA. We noted eleven (11) interbank transfer disbursements recorded to the general fund operating account that remained outstanding at December 31, 2022 year-end totaling \$408,725. Five of these transfer disbursements were outstanding for more than 30 days without deposit to the proper bank account. Bank transfers should be deposited and cleared within a matter of days.
3. TCA did not have adequate segregation of duties implemented regarding interbank transfers. We noted that the interbank transfers were executed by the Chief Financial Officer who also has responsibility for bank reconciliation review and approval.

CAUSE: TCA's staffing levels along with definition of roles and responsibilities may have contributed to these conditions.

EFFECT: Management had not determined if the outstanding checks remained valid or if the checks should be voided. Accordingly, the financial statement cash balance could be understated. Adequate segregation of duties reduces the risk of errors and irregularities regarding TCA's assets.

RECOMMENDATION: We recommend that management research and resolve outstanding checks on a timely basis. Any valid outstanding checks aged over one year should be transferred to the State Treasurer's Unclaimed Property Division. The Organization should review finance department staffing levels and alignment of roles and responsibilities.

MANAGEMENT'S RESPONSE: The organization has policies and procedures in place for timely cash management and bank reconciliations.

However, due to the staffing turnover and shortages, the segregation of duties and bank reconciliations were not timely and compliant.

Total Community Action, Inc.
Schedule of Findings and Questioned Costs
December 31, 2022

PART II – FINANCIAL STATEMENT FINDINGS, CONTINUED

Corrective Action:

- 1) The CFO/CEO has developed a timeline and process for restoring the segregation of duties as defined in agency policy and job descriptions and timely compliance to Board policy and procedure relative cash management and bank reconciliations.

Target Completion Date: June 1, 2024

Total Community Action, Inc.
Schedule of Findings and Questioned Costs
December 31, 2022

PART III – FINDINGS AND QUESTIONED COSTS
RELATED TO FEDERAL AWARDS

FINDING# 2022-003 – Single Audit Report Submission

CRITERIA: 2 CFR 200.512, the Uniform Guidance requires that a single audit be completed and the data collection form as well as the reporting package be submitted to the Federal Clearing House 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 a Federal holiday, the reporting package is due the next business day.

CONDITION: We noted during our audit that TCA's 2022 fiscal year Uniform Guidance required audit and reporting package was not submitted to the Federal Clearing House within nine (9) months of TCA's December 31, 2022 fiscal year end.

CAUSE: TCA’s books and records were not closed and audit-ready on a timely basis. Also, TCA did not engage its independent auditor on a timely basis.

EFFECT: Late audit submission represents noncompliance with 2 CFR 200.512, the Uniform Guidance and could adversely affect current and future grant awards.

QUESTIONED COST: None

Total Community Action, Inc.
Schedule of Findings and Questioned Costs
December 31, 2022

**PART III – FINDINGS AND QUESTIONED
COSTS RELATED TO FEDERAL AWARDS, CONTINUED**

FINDING# 2022-003 – Single Audit Report Submission

RECOMMENDATION: TCA should implement policies and procedures to ensure timely preparation of audit-ready financial statements. Also, the independent auditor should be engaged on a timely basis.

MANAGEMENT

RESPONSE: TCA recognizes that inability to complete the audit timely creates noncompliance the Uniform Guidance. TCA is committed to implementation of the outlined corrective actions, segregation of duties, administration and Board monitoring in support of audit compliance to state and federal timelines.

Total Community Action, Inc.

**Status of Prior Year Findings and Questioned Costs
December 31, 2022**

<u>Finding #</u>	<u>Description</u>	<u>Resolved/Unresolved?</u>
2021-001	Financial Close-Out and Reporting/Submission of Audit Report	Unresolved
2021-002	Single Audit Submission	Unresolved

SUPPLEMENTARY INFORMATION

TOTAL COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Federal Grantor/Program Name</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>				
<i><u>Direct Programs</u></i>				
Head Start and Early Head Start Program	93.600		2,050,110	13,248,091
Head Start Program-CRRSA	93.600		-	113,969
Head Start Program-ARP	93.600		-	390,215
Early Head Start/Child Care Partnership	93.600		647,365	996,281
			-	-
Subtotal - Direct Awards			<u>2,697,475</u>	<u>14,748,556</u>
<i><u>Awards from a Pass-Through Entity</u></i>				
<i><u>Passed-Through: Louisiana Workforce Commission</u></i>				
Community Services Block Grant	93.569		-	1,363,139
Community Services Block Grant - CARES	93.569		-	2,330,491
<i><u>Passed-Through: Louisiana Housing Corporation</u></i>				
Low-Income Home Energy Assistance Program	93.568		-	11,174,977
Low-Income Home Energy Assistance Program - ARP	93.568		-	124,438
Subtotal - Awards from Pass-Through Entities			<u>-</u>	<u>14,993,045</u>
Total U.S. Department of Health and Human Services			<u>2,697,475</u>	<u>29,741,601</u>
 <u>U.S. Department of Agriculture</u>				
<i><u>Awards from a Pass-Through Entity</u></i>				
<i><u>Passed-Through: State of Louisiana</u></i>				
Child Care Food Program	10.558		-	868,476
Total U.S. Department of Agriculture			<u>-</u>	<u>868,476</u>
 <u>U.S. Department of Housing and Urban Development</u>				
<i><u>Awards from a Pass-Through Entity</u></i>				
<i><u>Passed-Through: City of New Orleans</u></i>				
Emergency Solutions Grant	14.231		-	160,672
U.S. Department of Housing and Urban Development			<u>-</u>	<u>160,672</u>
Total Expenditures of Federal Awards			<u>2,697,475</u>	<u>30,770,749</u>

Total Community Action, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended December 31, 2022

NOTE 1 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Total Community Action, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented 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.

NOTE 2 – INDIRECT COST RATE

Total Community Action, Inc. has not elected to use the ten percent (10%) indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – LOAN AND LOAN GUARANTEES

Total Community Action, Inc. did not expend federal awards related to loans or loan guarantees during the year ended December 31, 2022. The Organization had no loans outstanding at the year ended December 31, 2022.

NOTE 4 – FEDERALLY FUNDED INSURANCE

Total Community Action, Inc. has no federally funded insurance.

NOTE 5 – NONCASH ASSISTANCE

Total Community Action, Inc. did not receive federal noncash assistance for the year ended December 31, 2022.

Total Community Action, Inc.
Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the Years Ended December 31, 2022 and 2021

Chief Executive Officer Name and Title: Thelma French, CEO

Purpose	2022	2021
<u>Purpose</u>	<u>Amount</u>	<u>Amount</u>
Salary	\$ 192,963	\$ 188,409
Benefits-Life Insurance	258	258
Benefits-LTD	1,650	1,685
Benefits-Retirement	18,331	17,899
Benefits-Social Security	9,114	8,854
Benefits-Medicare	2,798	2,732
Benefits-Office Parking	-	-
Car Allowance	-	-
Conference Travel	450	-
Continuing Professional Education Fees	-	-
Housing	-	-
Per Diem	-	-
Registration Fees	-	-
Reimbursements	-	5,804
Special Meals	-	-
Stipends	-	-
Travel	-	-
Unvouchered Expenses	-	-
Vehicle Provided	-	-
	<u>\$ 225,564</u>	<u>\$ 225,641</u>

See Independent Auditor's Report on Supplementary Information

Total Community Action, Inc.
Schedule of Expenses - Direct and Indirect Costs
For the Year Ended December 31, 2022

	Direct Costs	Indirect Costs	Total Costs
Salaries and Wages	\$ 7,729,189	\$ 382,804	\$ 8,111,993
Fringe Benefits	2,419,965	95,196	2,515,161
Travel	55,153	-	55,153
Contractual	547,908	40,218	588,126
Professional Fees	320,523	23,622	344,145
Supplies	1,460,331	35,580	1,495,911
Food Costs	915,186	-	915,186
Subrecipient Costs	3,203,542	-	3,203,542
Equipment Expense	-	-	-
Maintenance and Repairs	665,365	14,666	680,031
Insurance	331,176	33,618	364,794
Interest Expense - Finance Lease	135,139	-	135,139
Amortization Expense - Finance Lease	274,297	-	274,297
Assistance to Individuals	11,736,090	-	11,736,090
Telephone	122,611	70,948	193,559
Utilities	497,168	20,781	517,949
Occupancy	490,660	-	490,660
Vehicle Expense	14,026	-	14,026
Postage	14,432	8,480	22,912
Depreciation	349,265	-	349,265
Other Costs	799,369	625	799,994
	<u>\$ 32,081,395</u>	<u>\$ 726,538</u>	<u>\$ 32,807,933</u>

See Independent Auditor's Report on Supplementary Information

Total Community Action, Inc.
 Combining Schedule of Activities
 For the Year Ended December 31, 2022

PROGRAM SERVICES

	Resilient New Orleans	CNO - Food Pantry Distribution Program	RCS Program (Returning Citizen Stimulus)	NDC (Non-Disclosure Contributor) Foundations	CNO - City Rental Assistance	Sewerage and Water Board New Orleans	United Way VITA Tax Program	Criminal Justice - SJC#3	CNO - Emergency Solutions Grant - (Rapid Re-Housing)
Revenue and Support									
Local Grants	\$ -	\$ 83,000	\$ -	\$ -	\$ 101,689	\$ 45,000	\$ 22,197	\$ 133,000	\$ -
State Grants	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	96,918
Private Foundations	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	23,069	-	-
Investment Income	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-
Total Revenue and Support	-	83,000	-	-	101,689	45,000	45,266	133,000	96,918
Expenses									
Salaries and Wages	37,127	-	90	-	-	16,284	18,893	4,000	8,505
Fringe Benefits	11,969	-	25	-	-	6,905	1,781	579	3,287
Travel	-	-	1,314	-	-	-	-	-	-
Contractual	-	2,400	-	-	-	-	160	-	-
Professional Fees	-	-	-	-	-	-	24,520	-	-
Supplies	1,678	11,391	-	-	-	-	-	-	-
Food Costs	-	69,351	-	-	-	-	-	175	-
Subrecipient Costs	-	-	-	-	-	-	-	80,684	-
Equipment Expense	-	-	-	-	-	-	-	-	-
Maintenance and Repairs	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Interest Expense - Finance Lease	-	-	-	-	-	-	-	-	-
Amortization Expense - Finance Lease	-	-	-	-	-	-	-	-	-
Assistance to Individuals	-	-	-	120	96,865	-	-	8,321	84,539
Telephone	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-
Vehicle Expense	-	224	-	-	-	-	-	-	-
Postage	-	38	-	-	-	-	-	-	-
Fundraising Expenses	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Other Costs	-	1,400	-	-	4,824	-	-	-	587
Total Expenses	50,774	84,804	1,429	120	101,689	23,189	45,354	93,759	96,918
Change in Net Assets	(50,774)	(1,804)	(1,429)	(120)	-	21,811	(88)	39,241	-
Net Assets, Beginning of Year	194,859	-	41,012	-	-	-	-	63,339	-
Net Assets Adjustment	-	-	-	-	-	-	-	-	-
Transfers In/(Out)	-	1,804	-	120	-	(21,811)	88	-	-
Net Assets, End of Year	\$ 144,085	\$ -	\$ 39,583	\$ -	\$ -	\$ -	\$ -	\$ 102,580	\$ -

Total Community Action, Inc.
Combining Schedule of Activities
For the Year Ended December 31, 2022

PROGRAM SERVICES

	CNO - Emergency Solutions Grant - (Homeless Assistance)	Child Care Food Program - (CCFP)	CNO - Workforce	STRIVE Opportunity Center	Tight Ship	Community Services Block Grant	Community Services Block Grant - CARES ACT	Head Start Program - (CRRSA)	Head Start Program - (ARP)
Revenue and Support									
Local Grants	\$ -	\$ -	\$ -	\$ -	\$ 4,200	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-	-	-	-	-	-
Federal Grants	63,697	868,534	-	-	-	1,343,054	2,339,633	113,969	390,215
Private Foundations	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-
Total Revenue and Support	<u>63,697</u>	<u>868,534</u>	<u>-</u>	<u>-</u>	<u>4,200</u>	<u>1,343,054</u>	<u>2,339,633</u>	<u>113,969</u>	<u>390,215</u>
Expenses									
Salaries and Wages	8,505	311,564	-	-	-	763,336	253,043	-	100,881
Fringe Benefits	3,291	105,256	-	-	-	212,830	79,896	-	16,963
Travel	-	-	-	-	1,800	10,641	2,807	-	-
Contractual	-	-	-	643	-	24,435	268,459	17,681	7,557
Professional Fees	-	(25)	-	-	-	11,471	5,163	-	1,956
Supplies	-	16,589	-	-	895	72,205	45,844	45,678	191,386
Food Costs	-	435,150	-	-	-	6,940	11,869	-	263
Subrecipient Costs	-	-	-	-	-	-	425,383	-	-
Equipment Expense	-	-	-	-	-	-	-	-	-
Maintenance and Repairs	-	-	-	-	-	16,131	-	38,336	43,281
Insurance	-	-	-	-	-	31,760	-	-	-
Interest Expense - Finance Lease	-	-	-	-	-	-	-	-	-
Amortization Expense - Finance Lease	-	-	-	-	-	-	-	-	-
Assistance to Individuals	51,318	-	-	-	-	9,907	1,065,913	-	-
Telephone	-	-	-	-	-	10,908	-	9,000	27,000
Utilities	-	-	-	-	-	27,767	-	-	-
Occupancy	-	-	-	-	-	146,685	55,199	-	-
Vehicle Expense	-	-	-	-	-	3,725	234	-	-
Postage	-	-	-	-	-	-	-	-	-
Fundraising Expenses	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Other Costs	583	-	-	85	3,393	14,398	37,161	3,275	928
Total Expenses	<u>63,697</u>	<u>868,534</u>	<u>-</u>	<u>728</u>	<u>6,088</u>	<u>1,363,139</u>	<u>2,250,971</u>	<u>113,970</u>	<u>390,215</u>
Change in Net Assets	-	-	-	(728)	(1,888)	(20,085)	88,662	(1)	-
Net Assets, Beginning of Year	-	-	26,888	142,164	-	-	-	-	-
Net Assets Adjustment	-	-	-	-	-	-	-	-	-
Transfers In/(Out)	-	-	-	-	1,888	20,085	(9,144)	-	-
Net Assets, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,888</u>	<u>\$ 141,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,518</u>	<u>\$ (1)</u>	<u>\$ -</u>

See Independent Auditor's Report on Supplementary Information

Total Community Action, Inc.
Combining Schedule of Activities
For the Year Ended December 31, 2022

PROGRAM SERVICES

	Hend Start Program	IDA Account Program	NOLA Cares Program	Kellogg	Teacher Supplement Pilot Pay - DOE CAPS	Early Head Start Program	Early Head Start - Child Care Partnership (EHSCCP)	CNO - Summer Youth Program	CNO - NORD Program - STEM	LIHEAP - Low-Income Home Energy Assistance Admin
Revenue and Support										
Local Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-	-	-	-	-	-	-
Federal Grants	9,476,250	-	-	-	3,991	3,848,851	996,281	-	-	389,377
Private Foundations	-	-	523	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	22,360	-
Total Revenue and Support	<u>9,476,250</u>	<u>-</u>	<u>523</u>	<u>-</u>	<u>3,991</u>	<u>3,848,851</u>	<u>996,281</u>	<u>-</u>	<u>22,360</u>	<u>389,377</u>
Expenses										
Salaries and Wages	3,585,352	-	-	-	3,355	1,732,164	235,397	-	5,196	226,386
Fringe Benefits	1,119,653	-	-	-	636	501,317	60,291	-	925	74,444
Travel	32,470	-	-	-	-	-	-	-	-	500
Contractual	44,585	-	-	-	-	116,778	26,489	-	5,168	3,968
Professional Fees	91,992	-	-	-	-	29,447	7,832	-	-	42,045
Supplies	768,612	-	-	-	-	245,240	3,973	-	608	1,777
Food Costs	386,314	-	523	-	-	3,359	597	-	-	-
Subrecipient Costs	1,352,244	-	-	-	-	697,866	647,365	-	-	-
Equipment Expense	-	-	-	-	-	-	-	-	-	-
Maintenance and Repairs	267,510	-	-	-	-	279,802	66	-	-	5,048
Insurance	292,863	-	-	-	-	-	-	-	-	794
Interest Expense - Finance Lease	135,139	-	-	-	-	-	-	-	-	-
Amortization Expense - Finance Lease	274,297	-	-	-	-	-	-	-	-	-
Assistance to Individuals	1,405	-	-	-	-	-	-	-	2,029	-
Telephone	64,709	-	-	-	-	4,994	-	-	-	-
Utilities	330,563	-	-	-	-	127,237	-	-	-	1,482
Occupancy	250,744	-	-	-	-	1,058	-	-	-	6,200
Vehicle Expense	7,178	-	-	-	-	165	-	-	-	-
Postage	199	-	-	-	-	-	-	-	-	5,930
Fundraising Expenses	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Other Costs	453,586	-	-	-	-	109,424	14,271	-	8,459	23,412
Total Expenses	<u>9,459,415</u>	<u>-</u>	<u>523</u>	<u>-</u>	<u>3,991</u>	<u>3,848,851</u>	<u>996,281</u>	<u>-</u>	<u>22,385</u>	<u>391,986</u>
Change in Net Assets	16,835	-	-	-	-	-	-	-	(25)	(2,609)
Net Assets, Beginning of Year	-	69,999	-	52,523	-	-	2	-	-	-
Net Assets Adjustment	-	-	-	-	-	-	-	-	-	-
Transfers In/(Out)	(77,011)	-	-	-	-	-	(2)	-	25	2,609
Net Assets, End of Year	<u>\$ (60,176)</u>	<u>\$ 69,999</u>	<u>\$ -</u>	<u>\$ 52,523</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Total Community Action, Inc.
Combining Schedule of Activities
For the Year Ended December 31, 2022

PROGRAM SERVICES

	LIHEAP - Low- Income Home Energy Assistance - Program Support	LIHEAP - Low- Income Home Energy Assistance - Education	LIHEAP - (CARES ACT) - Program Support	LIHWAP-ARP - Admin	LIHWAP-ARP - Program Support	Entergy Super Tax Day	Child Care Block Grant	Community of Practices	Program Services Subtotal
Revenue and Support									
Local Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 389,086
State Grants	-	-	-	-	-	-	-	-	-
Federal Grants	10,675,336	100,353	-	99,283	24,860	-	514,559	-	31,345,161
Private Foundations	-	-	-	-	-	52,800	-	891	54,214
Contributions	-	-	-	-	-	-	-	20,400	43,469
Investment Income	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	22,360
Total Revenue and Support	10,675,336	100,353	-	99,283	24,860	52,800	514,559	21,291	31,854,290
Expenses									
Salaries and Wages	129,859	-	-	68,231	18,516	9,213	148,468	-	7,684,365
Fringe Benefits	39,438	-	-	25,157	5,286	828	33,187	-	2,303,944
Travel	367	-	-	-	324	-	-	4,930	55,153
Contractual	5,713	584	-	-	-	-	22,964	324	547,908
Professional Fees	-	94,912	-	-	-	-	10	-	309,323
Supplies	43,477	1,092	-	-	734	90	5,743	1,108	1,458,120
Food Costs	-	-	-	-	-	-	-	265	914,806
Subrecipient Costs	-	-	-	-	-	-	-	-	3,203,542
Equipment Expense	-	-	-	-	-	-	-	-	-
Maintenance and Repairs	7,867	802	-	-	-	-	5,352	-	664,195
Insurance	3,006	309	-	-	-	-	-	-	328,732
Interest Expense - Finance Lease	-	-	-	-	-	-	-	-	135,139
Amortization Expense - Finance Lease	-	-	-	-	-	-	-	-	274,297
Assistance to Individuals	10,415,673	-	-	-	-	-	-	-	11,736,090
Telephone	6,000	-	-	-	-	-	-	-	122,611
Utilities	5,571	568	-	-	-	-	3,980	-	497,168
Occupancy	23,473	2,410	-	-	-	-	-	-	485,769
Vehicle Expense	-	-	-	-	-	-	-	2,500	14,026
Postage	77	-	-	-	-	-	-	-	6,244
Fundraising Expenses	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Other Costs	2,088	-	-	5,895	-	-	111	9,782	693,662
Total Expenses	10,682,609	100,677	-	99,283	24,860	10,131	219,815	18,909	31,435,094
Change in Net Assets	(7,273)	(324)	-	-	-	42,669	294,744	2,381	419,196
Net Assets, Beginning of Year	-	-	-	-	-	-	713,195	19,907	1,323,888
Net Assets Adjustment	-	-	-	-	-	-	-	-	-
Transfers In/(Out)	7,273	324	-	-	-	(42,700)	-	-	(116,452)
Net Assets, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31)	\$ 1,007,939	\$ 22,288	\$ 1,626,632

Total Community Action, Inc.
Combining Schedule of Activities
For the Year Ended December 31, 2022

SUPPORTING SERVICES

	<u>General Fund</u>	<u>Property and Equipment</u>	<u>Unemployment Fund</u>	<u>Flood Insurance Proceeds</u>	<u>Indirect Cost Account</u>	<u>Supporting Services Subtotal</u>	<u>Grand Total</u>
Revenue and Support							
Local Grants	\$ 38,867	\$ -	\$ -	\$ -	\$ 4,824	\$ 43,691	\$ 432,777
State Grants	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	377,846	377,846	31,723,007
Private Foundations	-	-	-	-	-	-	54,214
Contributions	1,616	-	-	-	-	1,616	45,085
Investment Income	(2,738)	-	(206,014)	(95,119)	-	(303,871)	(303,871)
Fundraising	-	-	-	-	-	-	-
Other Revenue	36,157	-	93,710	-	-	129,867	152,227
Total Revenue and Support	73,902	-	(112,304)	(95,119)	382,670	249,149	32,103,439
Expenses							
Salaries and Wages	44,824	-	-	-	382,804	427,628	8,111,993
Fringe Benefits	110,850	-	5,171	-	95,196	211,217	2,515,161
Travel	-	-	-	-	-	-	55,153
Contractual	-	-	-	-	40,218	40,218	588,126
Professional Fees	11,200	-	-	-	23,622	34,822	344,145
Supplies	2,212	-	-	-	35,580	37,792	1,495,912
Food Costs	380	-	-	-	-	380	915,186
Subrecipient Costs	-	-	-	-	-	-	3,203,542
Equipment Expense	-	-	-	-	-	-	-
Maintenance and Repairs	1,170	-	-	-	14,666	15,836	680,031
Insurance	2,444	-	-	-	33,618	36,062	364,794
Interest Expense - Finance Lease	-	-	-	-	-	-	135,139
Amortization Expense - Finance Lease	-	-	-	-	-	-	274,297
Assistance to Individuals	-	-	-	-	-	-	11,736,090
Telephone	-	-	-	-	70,948	70,948	193,559
Utilities	-	-	-	-	20,781	20,781	517,949
Occupancy	4,891	-	-	-	-	4,891	490,660
Vehicle Expense	-	-	-	-	-	-	14,026
Postage	8,188	-	-	-	8,480	16,668	22,912
Fundraising Expenses	-	-	-	-	-	-	-
Depreciation	-	349,265	-	-	-	349,265	349,265
Other Costs	35,846	-	62,154	7,706	625	106,331	799,993
Total Expenses	222,005	349,265	67,325	7,706	726,538	1,372,839	32,807,933
Change in Net Assets	(148,103)	(349,265)	(179,629)	(102,825)	(343,868)	(1,123,690)	(704,494)
Net Assets, Beginning of Year	341,201	5,199,405	2,829,328	1,408,838	-	9,778,772	11,102,660
Net Assets Adjustment	-	-	-	-	-	-	273,136
Transfers In/(Out)	(331,900)	104,484	-	-	343,868	116,452	-
Net Assets, End of Year	\$ (138,802)	\$ 4,954,624	\$ 2,649,699	\$ 1,306,013	\$ -	\$ 8,771,534	\$ 10,671,302

See Independent Auditor's Report on Supplementary Information



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

TOTAL COMMUNITY ACTION, INC
AGREED UPON PROCEDURES REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING 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 fiscal period January 1, 2022 through December 31, 2022. Total Community Action, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Total Community Action, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs, for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that 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.

Results: *The written policies and procedures appropriately address the required elements above.*

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.

New Orleans Office: 1100 Poydras Street, Suite 1225/New Orleans, LA 70163/ (504)561-8600
Memphis Office: 1661 International Drive, Suite 441/Memphis, TN 38120/ (901)202-4688
Atlanta Office: 1201 Peachtree St. NE, Suite 200-363/Atlanta, GA 30328/ (678)971-3700

Results: *The written policies and procedures appropriately address the required elements above.*

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

Results: *The written policies and procedures appropriately address the required elements above.*

- 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).

Results: *The written policies and procedures appropriately address the required elements above.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Results: *The written policies and procedures appropriately address the required elements above.*

- 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

Results: *The policies and procedures appropriately address the required elements above except for legal review.*

Management's Response: *All TCA policies and procedures are reviewed by TCA Compliance Officer an attorney prior to submittal to respective Board Committee and to the full Board for adoption. The TCA Accounting and Financial Policies and Procedures are also reviewed and approved by the Joint Audit, Budget and Finance Committee whose membership consists of two attorneys and a Certified Public Accountant. Additionally in accordance with CSBG Organizational Standards, all TCA policies and procedures must be reviewed by the Louisiana Workforce Commission (legal, EEO and compliance units.)*

- 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)

Results: *The written policies and procedures appropriately address the required elements above.*

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

Results: *The written policies and procedures appropriately address the required elements above.*

- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Results: *Not applicable, as the Entity is a non-profit.*

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

Results: *The written policies and procedures appropriately address the required elements above.*

- k) ***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.

Results: *The written policies and procedures do not address the required elements above.*

Management's Response: *The agency recognizes that the Disaster Recovery/Business Continuity plan and procedures are not included in the TCA Accounting and Financial Procedures Policies and Procedure Manual, however the agency (TCA) does have policies and procedures that address Disaster Recovery/Business Continuity are include in the agency's Risk Management and Continuity of Operations policies.*

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

Results: *The written policies and procedures appropriately address the required elements above.*

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 meets with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: *The Board meets regularly with recorded minutes. No exceptions 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.*

Results: *The Entity is a non-profit and is not on the governmental accounting model as it relates to the general fund. However, financial activity regarding the Entity's operating budget, grant opportunities, and fundraisers was discussed at the board meetings. No exceptions 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.

Results: *Not applicable, as the Entity is a non-profit.*

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: *We cannot determine a definite answer based on the board meeting minutes that were provided.*

Management's Response: *The Audit Finding 2021-001 Financial Closeout and Reporting Process/Submission of Audit Report.*

TCA's 2021 fiscal year-end financial closeout and reporting process was not timely completed. The FY 2021 Audit was received by the Joint Budget & Finance and Audit Committee on September 25, 2023. At which time the CEO presented the TCA corrective action plan to address closing the compliance gap with timely audits. The TCA Board of Directors received and adopted FY 2021 Audit and the Management response (Corrective Action Plan) on September 25, 2023. The TCA Joint Audit, Budget & Finance committee met on December 15, 2023, at which time the CEO provided an update on the corrective action plan implementation and FY 2022 audit preparation and fiscal record closeout. The agenda and sign-in sheets of the Board Committee and Board meetings ate provided as attachments.

Bank Reconciliations

3. Obtain a listing of client 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 selected each account, and observe that:

Results: *We obtained a listing of the Entity's bank accounts and the management's representation that the listing is complete. We selected the month of December 2022 for the testing below.*

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

Results: *We noted there was evidence on the bank reconciliations to indicate they were prepared two (2) years after the related statement closing dates.*

Management's Response: *The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

- 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

Results: *We noted the bank reconciliation did not show any evidence of management's review of the reconciliation.*

Management's Response: *The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

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

Results: *We noted that in the Chase AP Clearing account there was evidence of reconciling items that are outstanding for more than 12 months.*

Management's Response: *The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

Collections

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).

Results: *We noted the Entity's only deposit site is located at 1420 Norman C. Francis Parkway, New Orleans, LA 70125.*

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:

Results: *We noted the Entity's only deposit site is located at 1420 Norman C. Francis Parkway, New Orleans, LA 70125. This location is also the only collection location. We have obtained and inspected written policies and procedures relating to employee job duties at the collection location and observed that the job duties are properly segregated. No exceptions noted.*

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

Results: *The entity provided a copy of their insurance policy for theft.*

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

Results: *We were not provided with the information to complete this section.*

Management's Response: *The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

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).

Results: *We noted the Entity's only location for processing payments is 1420 South Norman C. Francis Pkwy, New Orleans, LA 70125.*

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:

Results: *We have obtained a listing of the employees involved and the written policies and procedures relating to employee job duties at the location mentioned above and observed that the job duties are properly segregated.*

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

Results: *Requests are initiated by the Program Directors and approvals are made by the President/CEO before the accounting department processes the request.*

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

Results: *The accounting department processes the payment after receiving approval from the President/CEO.*

- 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.

Results: *The accounting department has the capability to add/modify the vendor files. However, the President/CEO is responsible for periodically reviewing changes to the vendor files.*

- 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.

Results: The accounting department processes the payments, the President/CEO approves the payments, and then the accounting department mails the checks.

- 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.

Results: The disbursements matched the original invoices and supporting documentation indicated deliverables included on the invoice were received by the Entity. No exceptions noted.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: Disbursement documentation includes evidence of segregation of duties. No exceptions noted.

- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3(a), randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: Upon testing the Entity's non-payroll distributions, we noted that all disbursements were approved by authorized personnel.

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

12. 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.

Results: *We were provided with the required information sufficient for our procedures.*

13. 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.]

Results: *We were not provided with the information to complete this section.*

Management's Response: *The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

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

Results: *We were not provided with the information to complete this section.*

Management's Response: *The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

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

Results: *We were not provided with the information to complete this section.*

Management’s Response: *The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

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

15. 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).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- 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).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: *We were not provided with the information to complete this section.*

Management’s Response: *The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: *We were not provided with the information to complete this section.*

Management's Response: *The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

Payroll and Personnel

17. 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.

Results: *We were provided with the information for the selected sample test work and found no exceptions.*

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

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

Results: We were provided with the information for the selected sample test work and found no exceptions.

19. 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.

Results: We pulled a sample of the employees that were terminated, and we found no exceptions in our test work.

20. 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.

Results: We've obtained the management's response, and were informed that there are no third-party payroll related amounts.

Ethics

Results: *Not applicable as the Entity is a non-profit.*

Debt Service

Results: *Not applicable as the Entity is a non-profit.*

Fraud Notice

21. 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.

Results: *Management confirmed there were no misappropriations of public funds and assets during the fiscal year ended December 31, 2022.*

22. Observe that 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.

Results: *We noted that the entity does not have the notice posted on its premises and website.*

Management's Response: *The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

23. 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.

***Results:** We noted no exceptions. We obtained documents from the Data Specialist showing the Entity has backed up its critical data to Datto Backup Services. The Data Specialist does this daily.*

- 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.

***Results:** We noted no exceptions. We obtained documents from the Data Specialist showing the Entity has verified that its backups can be restored.*

- 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.

***Results:** We were not provided with the information to complete this section.*

***Management’s Response:** The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

24. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

***Results:** We were not provided with the information to complete this section.*

***Management’s Response:** The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

Sexual Harassment

25. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: *It is our understanding that each employee that works in the Head Start Program is required to complete the training. We were not given the information to complete this section.*

Management's Response: *The number of items reflecting no management response is unacceptable, and I will ensure that corrective actions and timely response will occur in FY 23 audit process, but I also request that I am copied on SAUP, earlier and included in all responses.*

26. Observe that 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).

Results: *We noted that the entity does not have its sexual harassment policy and complaint procedure on its website.*

Management's Response: *The agency acknowledges that the Sexual Harassment Policy and complaint procedure are not posted on the current website, however the policy and complaint policy and contact numbers are posted in all every building and program centers. The agency is currently in the process of updating the website to ensure that all areas of compliance are included.*

27. 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 that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - a. 0
- ii. Number of sexual harassment complaints received by the agency;
 - a. 0
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - a. 0
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - a. 0

We were engaged by Total Community Action, Inc. 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 Total Community Action, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
May 17, 2024