



*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, 2023 AND 2022**

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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, 2023, 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, 2023, 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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In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, which raises 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.

### ***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 February 21, 2025, 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.

### ***Report on Summarized Comparative Information***

We have previously audited TCA's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 17, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Luther Speight & Co. CPAs*

Luther Speight & Company CPAs  
New Orleans, Louisiana  
February 21, 2025

**Total Community Action, Inc.**  
**Statements of Financial Position**  
**As of December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash	\$ 1,190,876	\$ 388,206
Investments	6,494,988	3,208,073
Grants Receivable	3,614,188	3,543,702
Other Receivables	153,183	317,411
Prepaid Expenses	101,789	88,362
Property and Equipment, Net	4,628,822	4,954,625
Right-of-Use Asset, Finance Lease, Net	6,318,432	6,598,311
Economic Interest	433,200	433,200
<b>Total Assets</b>	<u>22,935,478</u>	<u>19,531,890</u>
<b>Liabilities</b>		
Accounts Payable	1,913,233	2,202,102
Deferred Revenue	850,397	-
Finance Lease Obligation	6,434,830	6,658,486
<b>Total Liabilities</b>	<u>9,198,460</u>	<u>8,860,588</u>
<b>Net Assets</b>		
Without Donor Restrictions	4,226,313	1,008,214
With Donor Restrictions	9,510,705	9,663,088
<b>Total Net Assets</b>	<u>13,737,018</u>	<u>10,671,302</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 22,935,478</u></u>	<u><u>\$ 19,531,890</u></u>

The accompanying notes are an integral part of these financial statements

**Total Community Action, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2023 with**  
**Summarized Comparative Totals for December 31, 2022**

	<b>Without</b>	<b>With</b>	<b>2023</b>	<b>2022</b>
	<b>Donor Restrictions</b>	<b>Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
Revenue and Support				
Local Grants	\$ 872,167	\$ -	\$ 872,167	\$ 432,777
Federal Grants	30,046,638	-	30,046,638	31,723,007
Private Foundations	286,597	-	286,597	54,214
Contributions	33,355	-	33,355	45,085
Investment Income, Net	477,497	-	477,497	(303,871)
Fundraising Income	23,684	-	23,684	-
Other Revenue	4,484,478	-	4,484,478	152,227
Released from Restrictions	152,383	(152,383)	-	-
Total Revenue and Support	36,376,799	(152,383)	36,224,416	32,103,439
Expenses				
Program Services	31,100,166	-	31,100,166	31,435,094
Supporting Services	1,905,314	-	1,905,314	1,372,839
Total Expenses	33,005,480	-	33,005,480	32,807,933
Change in Net Assets	3,371,319	(152,383)	3,218,936	(704,494)
Net Assets, Beginning of Year	1,008,214	9,663,088	10,671,302	11,102,660
Net Assets Adjustment (Note 17)	(153,220)	-	(153,220)	273,136
Net Assets, End of Year	\$ 4,226,313	\$ 9,510,705	\$ 13,737,018	\$ 10,671,302

The accompanying notes are an integral part of these financial statements

**Total Community Action, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2023 with**  
**Summarized Comparative Totals for December 31, 2022**

	<b>2023</b>			<b>2022</b>
	<b>Program Services</b>	<b>Supporting Services</b>	<b>Total</b>	<b>Total</b>
Expenses				
Salaries and Wages	8,585,790	483,218	9,069,008	8,111,993
Fringe Benefits	2,514,087	143,144	2,657,231	2,515,161
Travel	76,295	253	76,548	55,153
Contractual	571,420	23,189	594,609	588,126
Professional Fees	129,566	223,541	353,107	344,145
Supplies	1,687,406	22,612	1,710,018	1,495,912
Food Costs	1,258,630	110	1,258,740	915,186
Subrecipient Costs	2,524,818	-	2,524,818	3,203,542
Maintenance and Repairs	749,814	12,914	762,728	680,031
Insurance	264,529	68,721	333,250	364,794
Interest Expense - Finance Lease	131,604	-	131,604	135,139
Amortization Expense - Finance Lease	279,878	-	279,878	274,297
Assistance to Individuals	10,169,685	-	10,169,685	11,736,090
Telephone	129,061	41,975	171,036	193,559
Utilities	549,963	19,705	569,668	517,949
Occupancy	361,119	-	361,119	490,660
Vehicle Expense	16,249	-	16,249	30,694
Postage	4,680	12,696	17,376	6,244
Fundraising Expenses	-	29,107	29,107	-
Depreciation	-	384,037	384,037	349,265
Other Costs	1,095,572	440,092	1,535,664	799,993
Total Expenses	<u>\$ 31,100,166</u>	<u>\$ 1,905,314</u>	<u>\$ 33,005,480</u>	<u>\$ 32,807,933</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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 3,218,936	\$ (704,494)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided/(Used) by Operating Activities:		
Depreciation	384,037	349,265
Net Assets Adjustment	(153,220)	273,136
(Gain)/Loss on Investments	(477,497)	303,871
Amortization of ROU Asset - Finance Lease	279,878	274,297
Net Changes in Assets and Liabilities:		
(Increase)/Decrease in Grant Receivables	(70,486)	(2,135,454)
(Increase)/Decrease in Accounts Receivable	-	405,676
(Increase)/Decrease in Other Receivables	164,228	(50,556)
(Increase)/Decrease in Prepaid Expenses	(13,427)	28,333
Increase/(Decrease) in Accounts Payable	(288,868)	1,249,854
Increase/(Decrease) in Deferred Revenue	850,397	(45,482)
Total Adjustments	<u>675,042</u>	<u>652,940</u>
Net Cash (Used) Provided by Operating Activities	3,893,978	(51,554)
<b>Cash Flows from Investing Activities</b>		
Purchases of Fixed Assets	(58,234)	(104,484)
ROU Assets Obtained in Exchange for Finance Lease Obligation	-	(6,872,608)
Purchases of Investments	<u>(2,809,418)</u>	<u>(21,815)</u>
Net Cash Used by Investing Activities	(2,867,652)	(6,998,907)
<b>Cash Flows from Financing Activities</b>		
Finance Lease Obligation, Net	<u>(223,656)</u>	<u>6,658,486</u>
Net Cash (Used) Provided by Financing Activities	<u>(223,656)</u>	<u>6,658,486</u>
Net Change in Cash and Cash Equivalents	802,670	(391,975)
<b>Cash - Beginning of Period</b>	<u>388,206</u>	<u>780,181</u>
<b>Cash - End of Period</b>	<u><u>\$ 1,190,876</u></u>	<u><u>\$ 388,206</u></u>

The accompanying notes are an integral part of these financial statements

**Total Community Action, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**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, 2023 and 2022**

**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, 2023.

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, which 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 arise 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, 2023 and 2022**

**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 10 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 2022 and 2023 tax years are open for examination by the Internal Revenue Service.

Concentration of Credit

TCA maintains 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, 2023 and 2022, TCA had uninsured deposits totaling \$ 1,116,973 and \$138,206, respectively.

**Total Community Action, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**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, 2023 and 2022**

**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, 2023, 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 non-financial 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, 2023, TCA adopted ASU No. 2020-07. However, there were no contributed nonfinancial assets received during the year ended December 31, 2023.

**NOTE 3 – GRANTS RECEIVABLE**

Grants receivable consist of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
U.S. Department of Health & Human Services	\$ 1,721,988	\$ 2,933,164
U.S. Department of Agriculture	101,108	272,817
City Of New Orleans	1,746,092	307,254
Others	45,000	30,467
	<u>\$ 3,614,188</u>	<u>\$ 3,543,702</u>

**Total Community Action, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Building	\$ 6,932,627	\$ 6,932,627
Building Improvements	1,817,203	1,817,203
Furnitures & Fixtures	13,345	-
Transportation Equipment	179,029	134,140
	<u>8,942,204</u>	<u>8,883,970</u>
Less: (Accumulated Depreciation)	<u>(4,421,682)</u>	<u>(4,037,645)</u>
Property and Equipment Being Depreciated, Net	<u>4,520,522</u>	<u>4,846,325</u>
 Land	 108,300	 108,300
Property and Equipment, Net	<u>\$ 4,628,822</u>	<u>\$ 4,954,625</u>

Depreciation expense for fiscal years ended December 31, 2023 and 2022 was \$384,037 and \$349,265, 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 \$3,526,898 and \$3,794,632 at December 31, 2023 and 2022, 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, 2023 and 2022**

**NOTE 6 – INVESTMENT SECURITIES**

Cost and approximate fair value of investment securities at December 31, 2023 and 2022, consists of the following:

	<b>2023</b>		<b>2022</b>	
	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
Money Market Accounts	\$ 129,451	\$ 163,315	\$ 128,695	\$ 130,166
Fixed Income	205,103	210,822	245,919	242,152
Equities	1,416,835	1,471,738	1,326,294	1,315,742
Mutual Funds	3,960,910	4,104,658	1,122,772	1,070,620
TCA Flood Insurance Proceeds	543,793	543,793	448,627	448,627
Estimated Accrued Interest	-	662	773	766
Totals	<u>\$ 6,256,092</u>	<u>\$ 6,494,988</u>	<u>\$ 3,273,080</u>	<u>\$ 3,208,073</u>

**NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Cash	\$ 1,190,876	\$ 388,206
Investments	6,494,988	3,208,073
Grants Receivable	3,614,188	3,543,702
Other Receivables	153,183	317,411
	<u>11,453,235</u>	<u>7,457,392</u>
Less: Amounts Restricted by donors with purpose restrictions	<u>(3,526,898)</u>	<u>(3,794,632)</u>
Total Financial Assets Available to Management for General Expenditures Within One Year	<u>\$ 7,926,337</u>	<u>\$ 3,662,760</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, 2023 and 2022**

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2023 and 2022, net assets with donor restrictions consist of the following:

<b>Program or Purpose</b>	<b>2023</b>	<b>2022</b>
Assets for Independence Demonstration	\$ 69,999	\$ 69,999
Returning Citizens Stimulus	39,583	41,012
Criminal Justice	96,742	-
Unemployment	2,985,322	2,829,329
W.K. Kellogg	18,614	52,523
Hurricane Katrina	1,401,179	1,408,836
STRIVE Opportunity Center	109,792	109,792
CNO Workforce	26,888	-
Property and Equipment	3,703,971	4,438,402
Child Care Block Grant	982,682	713,195
Resilience New Orleans	75,933	-
Total Net Assets With Donor Restrictions	<u>\$ 9,510,705</u>	<u>\$ 9,663,088</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, 2023 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, 2023 and 2022**

**NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
<b>December 31, 2023:</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
Money Market Accounts	\$ 163,315	\$ -	\$ -
Fixed Income	210,822	-	-
Equities	1,471,738	-	-
Mutual Funds	4,104,658	-	-
TCA Flood Insurance Proceeds	543,793	-	-
Estimated Accrued Interest	662	-	-
Totals	<u>\$ 6,494,988</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 11 – LEASES**

*ASC 842 Leases*

During the fiscal year ended December 31, 2023, 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, 2023 and 2022**

**NOTE 11 – LEASES (CONTINUED)**

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

***Finance Leases***

Right-of-Use Asset - Finance Leases	\$ 6,598,310
Accumulated Amortization	<u>(279,878)</u>
Right-of-Use Asset - Finance Leases, net	<u><u>\$ 6,318,432</u></u>
Current Portion of Finance Lease Obligation	223,656
Finance Lease Obligation, Less Current Portion	<u>6,211,174</u>
Total Finance Lease Obligations	<u><u>\$ 6,434,830</u></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
2024	347,780
2025	336,540
2026	327,540
2027	309,540
Thereafter	<u>6,981,420</u>
Total Future Minimum Lease Payments	8,302,820
Less: Imputed Interest	<u>(1,867,990)</u>
Total Present Value of Lease Liabilities	<u><u>\$ 6,434,830</u></u>

**Total Community Action, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**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 is renewed annually. 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, 2023 and 2022, 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, 2023 and 2022 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, 2023 and 2022**

**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, 2023, the balance of insurance proceeds (\$1,306,012) 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 83% 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 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 total net assets adjustment of (\$153,220) was necessary to properly state beginning net assets. An adjustment of \$120,379 was made to correct an error related to Advisory Fees that were recorded incorrectly. Additionally, an adjustment of \$(273,599) was made to correct net assets related to prior year balances.

**NOTE 18 – EMPLOYEE RETENTION TAX CREDIT RECEIPTS**

TCA received previously unrecognized funds through the Employee retention tax credit in the year ended December 31, 2023. Management determined that such receipts had not met the measurable criteria for recognition in the past and, accordingly, did not accrue a receivable in the prior year. Relevant entries were made by TCA to record the receipt of said funds and other revenue was also recognized in the current period, since the credits were from payroll related costs incurred in the past for staff properly retained during the COVID-19 pandemic.

**NOTE 19 – SUBSEQUENT EVENTS**

Management evaluated subsequent events as of February 21, 2025, 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, 2023, 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 February 21, 2025.

**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 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 Finding# 2023-002 that we consider to be a significant deficiency.

### **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 the 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 Finding# 2023-001.

### **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. CPAs*

Luther Speight & Company CPAs  
New Orleans, Louisiana  
February 21, 2025



*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, 2023. TCA's major federal program are 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, 2023.

***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 instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding# 2023-003. Our opinion on each major federal program is not modified with respect to these matters.

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

### ***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. CPAs*

Luther Speight & Company CPAs  
New Orleans, LA  
February 21, 2025

**Total Community Action, Inc.**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2023**

**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, 2023 were as follows:

1. Head Start and Early Head Start Program – Assistance Listing #93.600
2. Corona Virus Relief Fund-Electric and Gas Arrearages Assistance Program– Assistance Listing # 21.019
3. Child and Adult Care Food Program – Assistance Listing # 10.558

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

\$795,730

Auditee did not qualify as a low-risk auditee.

**Total Community Action, Inc.**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2023**

**PART II – FINANCIAL STATEMENT FINDINGS**

**FINDING# 2023-001 – 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 which support timely preparation of audit-ready financial statements. However, due to previous tardiness of audit compliance (FY 2022 audit was received and completed in May 2024), the cycle continued. Additionally, prolonged illness and disability in the accounting unit further delayed the preparation of audit ready financial statements. As of January 2024, the following corrective action plan has been developed:

**Total Community Action, Inc.**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2023**

**PART II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**FINDING# 2023-001 – Timely Submission of Annual Audit Report (Non-Compliance)(Continued)**

**MANAGEMENT'S**

**RESPONSE:**

In response to the auditor's reference of the Agency's delay in engaging an independent auditor:

**Corrective Actions to Date:**

The Agency, under the leadership of the CEO/CFO, continued its investment and prioritized staff development in federal and state grant fiscal trainings, in support of timely and accurate financial statements.

**The following procedures are on-going:**

The CEO is working with the CFO to ensure that all accounting & fiscal staff have access and support necessary to perform their assigned tasks and the segregation of duties. The CEO continues to assume full accountability to ensure compliance with Board policy for monthly financials, quarterly fiscal reconciliations and reporting, supporting timely preparation of audit-ready financial statements, annual closeouts and audits. The Agency issued an RFP seeking an independent auditor for fiscal years 2024-2028 in November 2024, assuring that an independent auditor will be engaged timely for the 2024 audit. The Board of Directors will approve and engage the independent auditor by February 28, 2025, meeting the current LLA auditor engagement deadline.

**Total Community Action, Inc.**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2023**

**FINDING# 2023-002 – Bank Reconciliation Procedures Not Adequate (Repeat)**

**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. We noted that the accounts payable clearing account reconciliation included 73 (approximate) outstanding checks that aged over one-year and 61 outstanding checks that aged over 2 years. The total of the aged outstanding checks was \$175,865.

**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:** Management concurs with this finding. Management has corrected this finding during the fiscal year of 2024. In addition, management has implemented processes and procedures in order to prevent this from occurring in the near future during their monthly review of the bank reconciliations by the CFO and Controller.

**Total Community Action, Inc.**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2023**

**FINDING# 2023-002 – Bank Reconciliation Procedures Not Adequate (Repeat)**  
**(Continued)**

**MANAGEMENT'S  
RESPONSE:**

The TCA Board of Directors and the CEO have committed to a comprehensive review and evaluation of the segregation of duties and the efficacy of the fiscal personnel with corrective action plan to be submitted for the April 2025 Board meeting.

**Total Community Action, Inc.**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2023**

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

**FINDING# 2023-003 – Single Audit Report Submission (Repeat)**

<b>CRITERIA:</b>	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.
<b>CONDITION:</b>	We noted during our audit that TCA's 2023 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, 2023 fiscal year end.
<b>CAUSE:</b>	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.
<b>EFFECT:</b>	Late audit submission represents noncompliance with 2 CFR 200.512, the Uniform Guidance and could adversely affect current and future grant awards.
<b>QUESTIONED COSTS:</b>	None
<b>RECOMMENDATION:</b>	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.



**Total Community Action, Inc.**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2023**

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

**FINDING# 2023-003 – Single Audit Report Submission (Repeat) (Continued)**

**MANAGEMENT**

**RESPONSE:**

TCA recognizes that inability to complete the audit timely creates noncompliance with the Uniform Guidance. However, post pandemic, TCA has been caught in the cycle of late audits and due to auditor challenges, a myriad of fiscal staffing challenges. The Agency implemented several corrective actions to ensure the cycle of late audits is disrupted, and has outlined additional strategies to support timely audit compliance for the 2024 fiscal year end and thereafter.

**Total Community Action, Inc.**

**Status of Prior Year Findings and Questioned Costs  
December 31, 2023**

<b><u>Finding #</u></b>	<b><u>Description</u></b>	<b><u>Resolved/Unresolved?</u></b>
2022-001	Timely Submission of Annual Audit Report	Unresolved
2022-002	Bank Reconciliation Procedures Not Adequate	Unresolved
2022-003	Single Audit Submission	Unresolved

**TOTAL COMMUNITY ACTION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<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>
<b><u>U.S. Department of Health and Human Services</u></b>				
<b><u>Direct Programs</u></b>				
Head Start and Early Head Start Program	93.600		2,036,604	14,123,647
Head Start Program-ARP	93.600		-	514,026
Early Head Start/Child Care Partnership	93.600		488,166	1,138,644
			-	
Subtotal - Direct Awards			<u>2,524,770</u>	<u>15,776,317</u>
<b><u>Awards from a Pass-Through Entity</u></b>				
<b><u>Passed-Through: Louisiana Workforce Commission</u></b>				
Community Services Block Grant	93.569		-	1,683,036
<b><u>Passed-Through: Louisiana Housing Corporation</u></b>				
Low-Income Home Energy Assistance Program	93.568		-	8,939,944
Low-Income Home Energy Assistance Program - ARP	93.568		-	86,684
Subtotal - Awards from Pass-Through Entities			<u>-</u>	<u>10,709,664</u>
<b>Total U.S. Department of Health             and Human Services</b>			<u>2,524,770</u>	<u>26,485,981</u>
<b><u>U.S. Department of Agriculture</u></b>				
<b><u>Awards from a Pass-Through Entity</u></b>				
<b><u>Passed-Through: State of Louisiana</u></b>				
Child Care Food Program	10.558		-	1,135,189
<b>Total U.S. Department of Agriculture</b>			<u>-</u>	<u>1,135,189</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<b><u>Awards from a Pass-Through Entity</u></b>				
<b><u>Passed-Through: City of New Orleans</u></b>				
Emergency Solutions Grant	14.231		-	284,679
<b>Total U.S. Department of Housing and             Urban Development</b>			<u>-</u>	<u>284,679</u>
<b><u>Federal Emergency Management Agency</u></b>				
<b><u>Awards from a Pass-Through Entity</u></b>				
<b><u>Passed-Through: United Way</u></b>				
United Way EFSP	97.024		-	135,613
<b>Total Federal Emergency Management             Agency</b>			<u>-</u>	<u>135,613</u>
<b><u>U.S. Department of Treasury</u></b>				
<b><u>Awards from a Pass-Through Entity</u></b>				
<b><u>Passed-Through: City of New Orleans</u></b>				
ARPA-Utility Arrearages	21.019		-	1,008,300
<b>Total Federal Emergency Management             Agency</b>			<u>-</u>	<u>1,008,300</u>
<b>Total Expenditures of Federal Awards</b>			<u>2,524,770</u>	<u>29,049,762</u>

**Total Community Action, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended December 31, 2023**

**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, 2023. The Organization had no loans outstanding at December 31, 2023.

**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, 2023.

**Total Community Action, Inc.**  
**Schedule of Compensation, Benefits, and Other Payments**  
**to Agency Head or Chief Executive Officer**  
**For the Years Ended December 31, 2023 and 2022**

**Chief Executive Officer Name and Title:** Thelma French, CEO

<b>Purpose</b>	<b>2023 Amount</b>	<b>2022 Amount</b>
Salary	\$ 211,813	\$ 192,963
Benefits-Life Insurance	258	258
Benefits-LTD	1,703	1,650
Benefits-Retirement	19,986	18,331
Benefits-Social Security	9,932	9,114
Benefits-Medicare	3,051	2,798
Benefits-State Unemployment Taxes	385	-
Benefits-Workers Compensation	3,829	-
Benefits-Office Parking	-	-
Car Allowance	-	-
Conference Travel	-	450
Continuing Professional Education Fees	-	-
Housing	-	-
Per Diem	-	-
Registration Fees	-	-
Reimbursements	925	-
Special Meals	-	-
Stipends	-	-
Travel	-	-
Unvouchered Expenses	-	-
Vehicle Provided	-	-
	<u>\$ 251,883</u>	<u>\$ 225,564</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, 2023**

	<b>Direct Costs</b>	<b>Indirect Costs</b>	<b>Total Costs</b>
Salaries and Wages	\$ 8,585,790	\$ 483,218	\$ 9,069,008
Fringe Benefits	2,531,963	125,268	2,657,231
Travel	76,453	95	76,548
Contractual	742,074	16,786	758,860
Professional Fees	132,427	220,680	353,107
Supplies	1,695,048	14,970	1,710,018
Food Costs	1,258,630	110	1,258,740
Subrecipient Costs	2,524,818	-	2,524,818
Maintenance and Repairs	750,323	12,405	762,728
Insurance	264,529	68,721	333,250
Interest Expense - Finance Lease	131,604	-	131,604
Amortization Expense - Finance Lease	279,878	-	279,878
Assistance to Individuals	10,169,685	-	10,169,685
Telephone	129,061	41,975	171,036
Utilities	549,963	19,705	569,668
Occupancy	196,869	-	196,869
Postage	5,013	12,363	17,376
Fundraising Expenses	29,107	-	29,107
Depreciation	384,037	-	384,037
Other Costs	1,550,331	1,581	1,551,912
	<u>\$ 31,987,603</u>	<u>\$ 1,017,877</u>	<u>\$ 33,005,480</u>

See Independent Auditor's Report on Supplementary Information

Total Community Action, Inc.  
Combining Statement of Activities  
For the Year Ended December 31, 2023

PROGRAM SERVICES

	Resilient New Orleans	CNO - Food Pantry Distribution Program	RCS Program (Returning Citizen Stimulus)	Safety & Justice	CNO - City Rental Assistance	Delgado Child Development	Sewerage and Water Board New Orleans	United Way-EFSP	United Way VITA Tax Program	Criminal Justice - SJC#3	CNO - Emergency Solutions Grant - (Rapid Re-Housing)
<b>Revenue and Support</b>											
Local Grants	\$ -	\$ 98,417	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ 19,534	\$ -	\$ -
State Grants	-	-	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	40,353	-	135,613	-	-	142,242
Private Foundations	-	-	-	30,408	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	15,889	-	-
Investment Income	-	-	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	67,100	-	-	-	-	-
<b>Total Revenue and Support</b>	-	98,417	-	30,408	-	107,453	45,000	135,613	35,423	-	142,242
<b>Expenses</b>											
Salaries and Wages	48,157	-	-	-	-	212,394	30,891	-	22,771	-	13,493
Fringe Benefits	17,404	-	-	-	-	51,630	13,234	-	2,157	-	3,900
Travel	-	-	-	21,591	-	-	-	-	-	-	-
Contractual	-	-	-	653	-	-	-	-	-	-	-
Professional Fees	1,833	-	-	-	-	-	-	-	15,889	1,500	-
Supplies	-	12,912	-	1,323	-	28,660	-	-	-	-	-
Food Costs	-	78,672	-	746	-	335	-	-	-	-	-
Subrecipient Costs	-	-	-	-	-	-	-	-	-	-	-
Equipment Expense	-	-	-	-	-	-	-	-	-	-	-
Maintenance and Repairs	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-
Interest Expense - Finance Lease	-	-	-	-	-	-	-	-	-	-	-
Amortization Expense - Finance Lease	-	-	-	-	-	-	-	-	-	-	-
Assistance to Individuals	758	-	-	-	-	-	-	135,613	-	1,526	124,582
Telephone	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-
Vehicle Expense	-	-	-	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-	-	-	-
Fundraising Expenses	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Other Costs	-	2,507	-	6,095	-	891	15,000	-	11,392	2,812	866
<b>Total Expenses</b>	68,152	94,091	-	30,408	-	293,910	59,125	135,613	52,209	5,838	142,841
<b>Change in Net Assets</b>	(68,152)	4,326	-	-	-	(186,457)	(14,125)	-	(16,786)	(5,838)	(599)
<b>Net Assets, Beginning of Year</b>	144,085	-	39,583	-	-	-	-	-	-	102,580	-
<b>Net Assets Adjustment</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers In/(Out)</b>	-	(4,326)	-	-	-	186,457	14,125	-	16,786	-	599
<b>Net Assets, End of Year</b>	\$ 75,933	\$ -	\$ 39,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,742	\$ -

Total Community Action, Inc.  
Combining Statement of Activities  
For the Year Ended December 31, 2023

	PROGRAM SERVICES										
	CNO - Emergency Solutions Grant - (Homeless Assistance)	Child & Adult Food Care Program - (CCFP)	CNO - Workforce	CNO- Electric & Gas Arrearages Assistance Program	NOLA Cares- Beloved Community	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	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 15,825	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-	-	-	-	-	-	-	-
Federal Grants	141,210	1,135,189	-	1,005,629	-	-	-	1,648,094	-	-	514,026
Private Foundations	-	-	78,689	-	87,459	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	8,150	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Revenue and Support	141,210	1,135,189	78,689	1,005,629	87,459	-	23,975	1,648,094	-	-	514,026
Expenses											
Salaries and Wages	13,493	438,437	-	28,568	-	-	-	852,833	-	-	-
Fringe Benefits	3,901	136,488	-	2,404	-	-	-	238,968	-	-	-
Travel	-	-	-	-	-	-	197	30,868	-	-	-
Contractual	-	505	-	15,340	43,145	-	300	15,298	-	-	-
Professional Fees	-	37	-	-	-	-	-	19,708	-	-	26,400
Supplies	-	461	-	5,667	1,482	-	-	25,067	-	-	309,418
Food Costs	-	556,126	-	-	1,545	-	-	37,834	-	-	-
Subrecipient Costs	-	-	-	-	-	-	-	-	-	-	-
Equipment Expense	-	-	-	-	-	-	-	-	-	-	-
Maintenance and Repairs	-	3,135	-	-	-	-	-	18,671	-	-	169,138
Insurance	-	-	-	-	-	-	-	46,480	-	-	-
Interest Expense - Finance Lease	-	-	-	-	-	-	-	-	-	-	-
Amortization Expense - Finance Lease	-	-	-	-	-	-	-	-	-	-	-
Assistance to Individuals	123,577	-	-	953,399	-	-	-	75,851	-	-	-
Telephone	-	-	-	-	-	-	-	10,392	-	-	9,000
Utilities	-	-	-	-	-	-	-	36,197	-	-	-
Occupancy	-	-	-	500	-	-	-	228,111	-	-	-
Vehicle Expense	-	-	-	-	-	-	-	2,681	-	-	-
Postage	-	-	-	-	-	-	-	81	-	-	-
Fundraising Expenses	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Other Costs	866	-	78,689	2,422	41,287	-	1,050	43,997	-	-	70
Total Expenses	141,837	1,135,189	78,689	1,008,300	87,459	-	1,547	1,683,037	-	-	514,026
Change in Net Assets	(627)	-	-	(2,671)	-	-	22,428	(34,943)	-	-	-
Net Assets, Beginning of Year	-	-	26,888	-	-	141,436	-	-	79,518	-	-
Net Assets Adjustment	-	-	-	-	-	-	-	-	-	-	-
Transfers In/(Out)	627	-	-	2,671	-	-	-	34,943	(79,518)	-	-
Net Assets, End of Year	\$ -	\$ -	\$ 26,888	\$ -	\$ -	\$ 141,436	\$ 22,428	\$ -	\$ -	\$ -	\$ -



Total Community Action, Inc.  
Combining Statement of Activities  
For the Year Ended December 31, 2023

	PROGRAM SERVICES									
	Head Start Program	IDA Account Program	Kellogg	We Act-Lead Service Line Project	Early Head Start Program	Teacher Supplement Pilot Pay DOE CAPS	Early Head Start - Child Care Partnership (EHSCCP)	CNO - Summer Youth Program	CNO - NORD Program - STEM	LIHEAP- Low- Income Home Energy Assistance Program-Admin
Revenue and Support										
Local Grants	\$ -	\$ -	\$ -	\$ 54	\$ -	\$ -	\$ -	\$ -	\$ 58,800	\$ -
State Grants	-	-	-	-	-	-	-	-	-	-
Federal Grants	10,013,276	-	-	-	4,255,838	11,408	1,138,644	-	-	336,866
Private Foundations	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	2,380	-
Total Revenue and Support	10,013,276	-	-	54	4,255,838	11,408	1,138,644	-	61,180	336,866
Expenses										
Salaries and Wages	3,884,306	-	-	-	2,102,707	9,381	233,022	-	18,050	226,288
Fringe Benefits	1,181,540	-	-	-	610,599	2,027	64,318	-	6,147	71,238
Travel	15,904	-	2,491	-	3,011	-	915	-	-	-
Contractual	126,299	-	28,350	-	108,241	-	161,082	-	11,469	2,769
Professional Fees	36,724	-	-	-	-	-	22,543	-	-	-
Supplies	838,379	-	-	-	258,552	-	72,773	-	8,561	64
Food Costs	573,662	-	-	54	3,128	-	148	-	185	-
Subrecipient Costs	1,304,239	-	-	-	732,365	-	488,214	-	-	-
Equipment Expense	-	-	-	-	-	-	-	-	-	-
Maintenance and Repairs	424,794	-	-	-	83,206	-	-	-	-	1,795
Insurance	185,244	-	-	-	28,389	-	-	-	-	834
Interest Expense - Finance Lease	131,604	-	-	-	-	-	-	-	-	-
Amortization Expense - Finance Lease	279,878	-	-	-	-	-	-	-	-	-
Assistance to Individuals	-	-	-	-	-	-	-	-	75	-
Telephone	96,038	-	-	-	7,131	-	-	-	-	-
Utilities	323,163	-	-	-	166,310	-	-	-	-	4,211
Occupancy	96,463	-	-	-	564	-	-	-	-	6,721
Vehicle Expense	13,568	-	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	4,599	-	-	-
Fundraising Expenses	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Other Costs	412,229	-	3,068	-	151,635	-	91,030	-	24,226	24,175
Total Expenses	9,924,034	-	33,909	54	4,255,838	11,408	1,138,644	-	68,713	338,095
Change in Net Assets	89,242	-	(33,909)	-	-	-	-	-	(7,533)	(1,229)
Net Assets, Beginning of Year	(60,176)	69,999	52,523	-	-	-	-	-	-	-
Net Assets Adjustment	-	-	-	-	-	-	-	-	-	-
Transfers In/(Out)	(29,066)	-	-	-	-	-	-	-	7,533	1,229
Net Assets, End of Year	\$ -	\$ 69,999	\$ 18,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Community Action, Inc.  
Combining Statement of Activities  
For the Year Ended December 31, 2023

	PROGRAM SERVICES										
	LIHEAP - Low- Income Home Energy Assistance - Program Support	LIHEAP - Low- Income Home Energy Assistance - Client Education	LIHEAP - Low- Income Home Energy Assistance - (ARP)-Admin	LIHEAP - (ARP) - Program Support	CNO-Relocation Assistance	LIHWAP-ARP	ECHO Grant	Entergy Super Tax Day	Child Care Block Grant	Community of Practices	Program Services Subtotal
Revenue and Support											
Local Grants	\$ -	\$ -	\$ -	\$ -	\$ 570,400	\$ -	\$ -	\$ -	\$ -	\$ 12,280	\$ 820,310
State Grants	-	-	-	-	-	-	-	-	-	-	-
Federal Grants	8,465,509	129,224	67,249	19,435	-	-	-	-	401,171	-	29,600,976
Private Foundations	-	-	-	-	-	-	84,359	-	944	4,738	286,597
Contributions	-	-	-	-	-	-	-	-	-	1,500	25,539
Investment Income	-	-	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	69,480
<b>Total Revenue and Support</b>	<b>8,465,509</b>	<b>129,224</b>	<b>67,249</b>	<b>19,435</b>	<b>570,400</b>	<b>-</b>	<b>84,359</b>	<b>-</b>	<b>402,115</b>	<b>18,518</b>	<b>30,802,902</b>
Expenses											
Salaries and Wages	121,922	4,425	45,045	14,666	-	-	58,995	-	205,946	-	8,585,790
Fringe Benefits	39,564	927	18,091	4,769	-	-	-	-	44,781	-	2,514,087
Travel	43	-	-	-	-	-	-	-	-	1,275	76,295
Contractual	11,837	1,063	-	-	-	-	10,740	-	24,030	10,299	571,420
Professional Fees	432	4,500	-	-	-	-	-	-	-	-	129,566
Supplies	10,466	4,939	-	-	857	-	14,084	1,582	91,875	284	1,687,406
Food Costs	-	-	-	-	-	-	-	2,523	1,237	2,435	1,258,630
Subrecipient Costs	-	-	-	-	-	-	-	-	-	-	2,524,818
Equipment Expense	-	-	-	-	-	-	-	-	-	-	-
Maintenance and Repairs	6,750	684	-	-	-	-	-	-	41,641	-	749,814
Insurance	3,160	324	-	-	-	-	-	-	98	-	264,529
Interest Expense - Finance Lease	-	-	-	-	-	-	-	-	-	-	131,604
Amortization Expense - Finance Lease	-	-	-	-	-	-	-	-	-	-	279,878
Assistance to Individuals	8,223,333	13,285	-	-	517,686	-	-	-	-	-	10,169,685
Telephone	6,500	-	-	-	-	-	-	-	-	-	129,061
Utilities	15,820	1,645	-	-	-	-	540	-	2,077	-	549,963
Occupancy	25,447	2,613	-	-	-	-	-	-	-	700	361,119
Vehicle Expense	-	-	-	-	-	-	-	-	-	-	16,249
Postage	-	-	-	-	-	-	-	-	-	-	4,680
Fundraising Expenses	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Other Costs	6,277	95,290	4,113	-	51,857	-	-	4,516	15,687	3,525	1,095,572
<b>Total Expenses</b>	<b>8,471,551</b>	<b>129,695</b>	<b>67,249</b>	<b>19,435</b>	<b>570,400</b>	<b>-</b>	<b>84,359</b>	<b>8,621</b>	<b>427,372</b>	<b>18,518</b>	<b>31,100,166</b>
Change in Net Assets	(6,042)	(471)	-	-	-	-	-	(8,621)	(25,257)	-	(297,264)
Net Assets, Beginning of Year	-	-	-	-	-	-	-	(31)	1,007,939	22,288	1,626,632
Net Assets Adjustment	-	-	-	-	-	-	-	-	-	-	-
Transfers In/(Out)	6,042	471	-	-	-	-	-	8,652	-	-	-
<b>Net Assets, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 982,682</b>	<b>\$ 22,288</b>	<b>\$ 1,329,368</b>

Total Community Action, Inc.  
Combining Statement of Activities  
For the Year Ended December 31, 2023

	SUPPORTING SERVICES						
	General Fund	Property and Equipment	Unemployment Fund	Flood Insurance Proceeds	Indirect Cost Account	Supporting Services Subtotal	Grand Total
<b>Revenue and Support</b>							
Local Grants	\$ -	\$ -	\$ -	\$ -	\$ 51,857	51,857	\$ 872,167
State Grants	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	445,662	445,662	30,046,638
Private Foundations	-	-	-	-	-	-	286,597
Contributions	7,816	-	-	-	-	7,816	33,355
Investment Income	95,348	-	279,153	102,996	-	477,497	477,497
Fundraising	23,684	-	-	-	-	23,684	23,684
Other Revenue	4,295,764	-	119,234	-	-	4,414,998	4,484,478
<b>Total Revenue and Support</b>	<b>4,422,612</b>	<b>-</b>	<b>398,387</b>	<b>102,996</b>	<b>497,519</b>	<b>5,421,514</b>	<b>36,224,416</b>
<b>Expenses</b>							
Salaries and Wages	-	-	-	-	483,218	483,218	9,069,008
Fringe Benefits	805	-	17,071	-	125,268	143,144	2,657,231
Travel	158	-	-	-	95	253	76,548
Contractual	6,403	-	-	-	16,786	23,189	594,609
Professional Fees	2,861	-	-	-	220,680	223,541	353,107
Supplies	7,642	-	-	-	14,970	22,612	1,710,018
Food Costs	-	-	-	-	110	110	1,258,740
Subrecipient Costs	-	-	-	-	-	-	2,524,818
Equipment Expense	-	-	-	-	-	-	-
Maintenance and Repairs	509	-	-	-	12,405	12,914	762,728
Insurance	-	-	-	-	68,721	68,721	333,250
Interest Expense - Finance Lease	-	-	-	-	-	-	131,604
Amortization Expense - Finance Lease	-	-	-	-	-	-	279,878
Assistance to Individuals	-	-	-	-	-	-	10,169,685
Telephone	-	-	-	-	41,975	41,975	171,036
Utilities	-	-	-	-	19,705	19,705	569,668
Occupancy	-	-	-	-	-	-	361,119
Vehicle Expense	-	-	-	-	-	-	16,249
Postage	332	-	-	-	12,364	12,696	17,376
Fundraising Expenses	29,107	-	-	-	-	29,107	29,107
Depreciation	-	384,037	-	-	-	384,037	384,037
Other Costs	384,987	-	45,693	7,830	1,582	440,092	1,535,664
<b>Total Expenses</b>	<b>432,804</b>	<b>384,037</b>	<b>62,764</b>	<b>7,830</b>	<b>1,017,879</b>	<b>1,905,314</b>	<b>33,005,480</b>
<b>Change in Net Assets</b>	<b>3,989,808</b>	<b>(384,037)</b>	<b>335,623</b>	<b>95,166</b>	<b>(520,360)</b>	<b>3,516,200</b>	<b>3,218,936</b>
<b>Net Assets, Beginning of Year</b>	<b>134,334</b>	<b>4,954,624</b>	<b>2,649,699</b>	<b>1,306,013</b>	<b>-</b>	<b>9,044,670</b>	<b>10,671,302</b>
<b>Net Assets Adjustment</b>	<b>(153,220)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(153,220)</b>	<b>(153,220)</b>
<b>Transfers In/(Out)</b>	<b>(745,819)</b>	<b>58,234</b>	<b>-</b>	<b>-</b>	<b>520,360</b>	<b>(167,225)</b>	<b>-</b>
<b>Net Assets, End of Year</b>	<b>\$ 3,225,103</b>	<b>\$ 4,628,821</b>	<b>\$ 2,985,322</b>	<b>\$ 1,401,179</b>	<b>\$ -</b>	<b>\$ 12,240,425</b>	<b>\$ 13,737,018</b>

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, 2023**



*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, 2023, through December 31, 2023. 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, 2023 through December 31, 2023. 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***

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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.

**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's Compliance Officer and attorney prior to submittal to the 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 which are included 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***

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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 does not report 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 performed the procedure and noted no exceptions.*



### ***Bank Reconciliations***

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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 2023 for 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 bank reconciliations to indicate they were prepared within 2 months of the closing date.*

- 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

**Results:** *We noted there was evidence on the bank reconciliations to indicate they were reviewed by a member of management who does not handle cash, post ledgers, or issue checks within 1 month of the closing date.*

- 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 performed this procedure and noted there were numerous reconciling items that have been outstanding for more than 12 months.*

**Management's Response:** *Management concurs with this finding. Management has corrected this finding during the fiscal year of 2024. In addition, management has implemented processes and procedures to prevent this from occurring in the near future during their monthly review of the bank reconciliations.*

### ***Collections***

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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 performed the procedures and noted no exceptions.*

- 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:** *Not applicable as no employees handle cash on site.*

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:** *Per management, all deposits are received via EFT/ACH. No cash is collected on site. Thus, the required steps are not applicable.*

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

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- 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 list 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**

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- 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:** *The Entity provided a complete listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period. No exceptions noted.*

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 noted sufficient evidence of review and approval on all statements. No exceptions noted.*

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

**Results:** *We noted that finance charges were assessed on one of the three statements provided.*

**Management's Response:** *Management acknowledges that there have been deficiencies in our credit card processes, and the following action will be taken to improve the situation. The Chief Financial Officer and the Comptroller will work with the Accounts Payable Accountant to revise and refine procedures for credit card payments. Management will establish specific standards for the timely submission of credit card payments. Failure to make credit card payments in a timely manner will cause unnecessary late fees, accounting, and reporting issues. Management will implement that credit card payments be processed within 30 days upon receipt of the credit card statement. With the additional changes added to the procedure we will ensure that credit card charges are paid-in-full, and on time to avoid unnecessary late fees.*

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 performed the procedures and noted no exceptions.*

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

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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](http://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 noted that each travel-related transaction was paid for by the Entity using their company credit card, and did not make any reimbursement payments. Thus, the required steps are not applicable.*

### ***Contracts***

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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:** *Not applicable as the Entity did not enter into any new contracts during the current period.*

### ***Payroll and Personnel***

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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 obtained a complete list of employees during the fiscal period. No exceptions noted.*

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 performed the procedures and noted 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 performed the procedures and noted no exceptions.*

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 obtained management's response and were informed that there are no third-party payroll-related amounts.*

#### ***Ethics***

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

#### ***Debt Service***

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

#### ***Fraud Notice***

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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 year ended December 31, 2023.*

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 performed the procedure and noted no exceptions.*

#### ***Information Technology Disaster Recovery/Business Continuity***

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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 performed the procedure and discussed the results with management.*

- 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 performed the procedure and discussed the results with management.*

- 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 performed the procedure and discussed the results with management.*

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 performed the procedures and noted no exceptions.*

25. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

**Results:** *We performed the procedures and noted no exceptions.*

### ***Sexual Harassment***

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

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. CPAs*

Luther Speight & Company CPAs  
New Orleans, Louisiana  
February 21, 2025