

LINCOLN TOTAL COMMUNITY ACTION, INC.

RUSTON, LOUISIANA

FINANCIAL STATEMENTS

AND ADDITIONAL INFORMATION

FOR THE YEAR ENDED

NOVEMBER 30, 2025

LINCOLN TOTAL COMMUNITY ACTION, INC.
NOVEMBER 30, 2025

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 - HUD Audits
 - Non-Profit Organizations
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lincoln Total Community Action, Inc.
Ruston, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lincoln Total Community Action, Inc. (a nonprofit organization), which are comprised of the statement of financial position as of November 30, 2025, and the related statement of activities, schedule of functional expenses, and cash flows for the year ended November 30, 2025, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lincoln Total Community Action, Inc. as of November 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 Lincoln Total Community Action, Inc.'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 Lincoln Total Community Action, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards, on pages 23 through 24 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* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying other supplemental information listed in the table of contents as Statement of Expenditures - Budget and Actual, shown on pages 21 and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, shown on page 22, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2026 on our consideration of Lincoln Total

Community Action, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Lincoln Total Community Action, Inc.'s internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated May 8, 2026 on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Accounting Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
Monroe, Louisiana
May 8, 2026

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2025

ASSETS

CURRENT ASSETS

Cash	289,571
Accounts Receivable - Grants	110,441
Contributions Receivable - Restricted	<u>892,384</u>

<u>TOTAL CURRENT ASSETS</u>	1,292,396
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FIXED ASSETS AND PROPERTY

Furniture, Buildings, and Equipment at Cost, Net	90,261
Land	<u>5,000</u>

<u>TOTAL FIXED ASSETS AND PROPERTY</u>	<u>95,261</u>
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<u>TOTAL ASSETS</u>	<u>1,387,657</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	73,311
Advanced Fundings	<u>439</u>

<u>TOTAL CURRENT LIABILITIES</u>	73,750
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NET ASSETS

Without Donor Restrictions	421,523
With Donor Restrictions	<u>892,384</u>

<u>TOTAL NET ASSETS</u>	<u>1,313,907</u>
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<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>1,387,657</u>
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See Independent Auditors' Report and accompanying notes.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED NOVEMBER 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>UNRESTRICTED</u>			
<u>SUPPORT AND REVENUE</u>			
Grants - HHS	2,657,564	-	2,657,564
Grants - USDA Food Program	240,189	-	240,189
Donations	159,082	892,384	1,051,466
Other Revenue	6,933	-	6,933
Release of Restriction	<u>108,838</u>	<u>(108,838)</u>	<u>-</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>3,172,606</u>	<u>783,546</u>	<u>3,956,152</u>
<u>EXPENSES</u>			
Program Services:			
Head Start (HHS)	2,625,564	-	2,625,564
USDA - Food Services	<u>227,852</u>	<u>-</u>	<u>227,852</u>
<u>TOTAL PROGRAM SERVICES</u>	<u>2,853,416</u>	<u>-0-</u>	<u>2,853,416</u>
<u>SUPPORT SERVICES</u>			
General and Administrative	<u>339,336</u>	<u>-</u>	<u>339,336</u>
<u>TOTAL SUPPORT SERVICES</u>	<u>339,336</u>	<u>-0-</u>	<u>339,336</u>
<u>FUND-RAISING</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL FUND-RAISING</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL EXPENSES</u>	<u>3,192,752</u>	<u>-0-</u>	<u>3,192,752</u>
<u>INCREASE (DECREASE) IN NET ASSETS</u>	<u>(20,146)</u>	<u>783,546</u>	<u>763,400</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>441,669</u>	<u>108,838</u>	<u>550,507</u>
<u>NET ASSETS - END OF YEAR</u>	<u>421,523</u>	<u>892,384</u>	<u>1,313,907</u>

See Independent Auditors' Report and accompanying notes.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED NOVEMBER 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	763,400
Adjustments to Reconcile Increase in Net Assets To Net Cash Provided (Used) by Operating Activities:	
Depreciation	58,761
(Increase) Decrease in:	
Accounts Receivable - Grants	66,890
Contributions Receivable - Restricted	(783,546)
Increase (Decrease) in Operating Liabilities -	
Accounts Payable	(91,884)
Advance Funding	<u>6</u>
 <u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	 <u>13,627</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Fixed Assets	(<u>38,426</u>)
 <u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	 (<u>38,426</u>)

NET INCREASE IN CASH AND CASH EQUIVALENTS (24,799)

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 314,370

CASH AND CASH EQUIVALENTS - END OF YEAR 289,571

SUPPLEMENTAL CASH BASIS DATA

Interest Paid	-0-
Income Taxes Paid	-0-

See Independent Auditors' Report and accompanying notes.

LINCOLN TOTAL COMMUNITY ACTION, INC.
 RUSTON, LOUISIANA
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED NOVEMBER 30, 2025

	Head Start <u>HHS</u>	USDA Food <u>Services</u>
Personnel	1,441,737	70,839
Fringe Benefits	441,232	10,202
Travel	-	-
Contractual	-	-
Operating Supplies	137,657	1,814
Other Costs	553,063	-
Food and Related Supplies	<u>-</u>	<u>144,356</u>
 <u>TOTAL EXPENSES BEFORE DEPRECIATION</u>	 2,573,689	 227,211
 <u>DEPRECIATION</u>	 <u>51,875</u>	 <u>641</u>
 <u>TOTAL EXPENSES</u>	 <u>2,625,564</u>	 <u>227,852</u>

See Independent Auditors' Report and accompanying notes.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED NOVEMBER 30, 2025

	<u>Total Program Services</u>	<u>General And Administrative</u>	<u>Total Expenses</u>
Personnel	1,512,576	224,925	1,737,501
Fringe Benefits	451,434	45,900	497,334
Travel	-	1,719	1,719
Contractual	-	9,995	9,995
Operating Supplies	139,471	8,414	147,885
Other Costs	553,063	42,138	595,201
Food and Related Supplies	<u>144,356</u>	<u>-</u>	<u>144,356</u>
 <u>TOTAL EXPENSES BEFORE DEPRECIATION</u>	 2,800,900	 333,091	 3,133,991
 <u>DEPRECIATION</u>	 <u>52,516</u>	 <u>6,245</u>	 <u>58,761</u>
 <u>TOTAL EXPENSES</u>	 <u>2,853,416</u>	 <u>339,336</u>	 <u>3,192,752</u>

See Independent Auditors' Report and accompanying notes.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Statement of Presentation

The accompanying financial statements conform to accounting principles generally accepted in the United States of America for non-profit organizations.

B. Organization

Lincoln Total Community Action, Inc., is a non-profit organization organized to promote and develop economic opportunities for the people of Lincoln Parish. The Agency is operated exclusively for charitable, educational, and scientific purposes. The Agency is not a component of any governmental organization.

C. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases net assets with donor restrictions. When a donor 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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the same year in which the contributions are recognized.

D. Method of Accounting

The accompanying financial statements have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. Budget Policy

Budgets for the various programs are prepared by the Agency's Executive Director and approved by grantor of the funds for each respective program. Budgets versus actual expenditures are presented in the supplementary data for each grant period ending during the year ended November 30, 2025.

F. Property and Equipment Accounting

Property and equipment acquired with the Agency funds are considered to be owned by the Agency while used in the program or in future authorized programs. However, funding sources have a revolutionary interest in these assets as well as the determination of use of any proceeds from the sale of these assets.

The Agency follows the practice of capitalizing at cost all expenditures for property and equipment. Depreciation is computed on a straight-line basis over the estimated service lives of the assets. The following lives have been assigned to the fixed assets:

Computer Equipment and Vehicles	5 Years
Furniture, Fixtures and Equipment	7 Years
Buildings (Portable)	10 Years

Net values are computed as follows:

Computer Equipment and Vehicles	884,789
Furniture, Fixtures and Equipment	403,388
Buildings	102,988
Land	5,000
Less: Accumulated Depreciation	(1,300,904)
Net Value	<u>95,261</u>

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

G. Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

H. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management has determined that fund-raising expenses are not material.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Advertising Costs

Advertising costs are expensed as they are incurred. Advertising expenses for the year ended November 30, 2025 were \$-0-.

K. Grants and Accounts Receivable

Accounts receivable and receivables on grants are stated at the amount management expects to collect from outstanding balances. All balances are expected to be collected within one year. There were no promises receivable recorded.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2025

NOTE 2 - FUNDING POLICIES AND SOURCES OF FUNDS:

The Agency receives its monies through various methods of funding. Most of the funds are received on a grant basis. Under this method funds are received as needed or on a monthly or quarterly allocation of the total budget (grant) in advance of the actual expenditure. The Agency also receives funds as a reimbursement of actual expenditures, and upon a per unit of service provided method. The Agency also receives funds by contributions from both public and private sources.

The accounting and reporting of grants is determined by the underlying substance of the transaction. A grant may be accounted for as contribution, an exchange transaction, or a combination of the two. If it is determined to be a contribution, a grant may be considered a conditional or an unconditional grant.

Grants received for the period December 1, 2024 to November 30, 2025 are as follows:

<u>Funding Source</u>	<u>Revenue Recognized</u>
Federal	
Department of Health and Human Services (Excludes Interest Earned on Grant Funds) Head Start	2,657,564
Louisiana	
Department of Education	240,189

The Agency receives a majority of its monies from federal and state agencies. If significant budget cuts are made at the federal or state level, it could have an adverse effect on the operations of the Agency.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2025

NOTE 2 - FUNDING POLICIES AND SOURCES OF FUNDS: (Continued)

The Agency operates the following programs:

Head Start Program - provides comprehensive early childhood development for disadvantaged pre-school children and their families.

USDA - Child and Adult Care Food Program - provides a food service program in coordination with the Head Start Program.

General Services - provides payment of necessary agency expenses not specifically attributable to a grant/contract operated by the agency.

NOTE 3 - ACCOUNTS RECEIVABLE:

Accounts Receivable - Grants at November 30, 2025 consists of reimbursements for expenses incurred under the various grant programs. The following list presents Accounts Receivable - Grants by fund at November 30, 2025.

Head Start	86,009
USDA	<u>24,432</u>
<u>Total</u>	<u>110,441</u>

Management has determined that the receivable for bad debts is not material. Uncollectible amounts for other promises to give are also expected to be insignificant. Receivables are written off when management deems them not collectible and are reviewed for collectability monthly.

NOTE 4 - BOARD OF DIRECTORS' COMPENSATION:

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

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2025

NOTE 5 - CONTRIBUTED NONFINANCIAL ASSETS:

The Agency received various non-cash contributions for the Head Start Program during the year from private and public sources. Current year contributions for Occupancy costs totaled \$995,802 and donated services totaled \$41,613, and have been reported as revenues, as these costs meet the criteria for recognition as contributions, and the offsetting expenses have been reported in the financial statements. The Agency also received donated services from volunteers which have not been recognized as revenue in the basic financial statements as these costs do not meet the criteria for recognition as contributions.

Donated materials and supplies are valued based upon estimates of fair market values that would be received for purchasing similar goods in their principal market considering their condition. All contributed materials and supplies were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated items.

Donated services are recognized as contributions in accordance with professional standards if the services create or enhance a non-financial asset or require specialized skills, are provided by entities or persons possessing those skills and would need to be purchased if they were not donated.

Donated facilities are recognized as contributions in accordance with professional standards as the Agency receives free use of its facilities.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2025

NOTE 6 - NET ASSET RESTRICTIONS:

Included in the financial statements are net assets with donor restrictions in the amount of \$892,384. These restrictions are related to a multi-year lease on the use of facilities by the Agency. During the year ended November 30, 2025, \$108,838 was reclassified to net assets without donor restrictions due to time restrictions being met. The remaining restriction of \$892,384 is related to use of facilities through July 24, 2030.

NOTE 7 - INCOME TAX STATUS:

The Agency, a non-profit corporation, is exempt from federal income taxes under Section 501(C)(3) of the Internal Revenue Code.

NOTE 8 - CASH IN BANK:

All funds are in institutions insured by an agency of the federal government. The Agency has pledged securities to cover any uninsured cash balances.

NOTE 9 - UNEARNED INTEREST:

The various grants require cash to be placed in interest bearing accounts. The interest earned in these accounts must be returned to the funding agency or applied towards the grant award; however, Lincoln Total Community Action, Inc. is allowed to keep \$250 each grant year for administrative costs.

NOTE 10 - RELATED PARTY:

There were no related party transactions during the period ending November 30, 2025.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2025

NOTE 11 - BASIS OF PRESENTATION:

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Agency to report information regarding its financial position and activities according to the following net asset classifications:

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

Net Assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

NOTE 12 - RETIREMENT:

The Agency maintains a 403b defined contribution retirement plan for its employees. The Agency contributes 5% of the participating employee's compensation to the retirement account. Retirement expense for the period ended November 30, 2025 was \$48,009.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2025

NOTE 13 - SUBSEQUENT EVENTS:

Events that occur after the statement of financial position date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Agency through May 8, 2026, the date the financial statements were available for issue, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

NOTE 14 - UNCERTAIN TAX POSITIONS:

The Agency is subject to examination by various taxing authorities, including federal income tax examinations. Management has reviewed the Agency's activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements. The tax returns for the years 2025, 2024, 2023, and 2022 are open for examination by various taxing authorities.

NOTE 15 - LEASES:

The Agency has leases with the Lincoln Parish School Board for the use of classrooms, which are donated by the school board. The Slayton Center lease expires July 24, 2030. The West Vaughn lease expires December 1, 2043; however, this lease can be terminated by either party without notice.

The Agency has a lease with the Union Parish School Board for land, which is donated by the school board. This lease expires June 30, 2029; however, it can be terminated by either party without notice.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2025

NOTE 15 - LEASES: (Continued)

The Agency has a lease with the McDaniel Recreation Board for the use of classrooms. This lease is payable in monthly installments of \$2,062 per month, of which \$1,646 is donated by the Lessor. This lease expires on November 30, 2026; however, it can be terminated by either party without notice.

Each lease held by the Agency was donated and/or has a termination clause and therefore does not meet the requirements of a contract by ASC 842.

Lease expense paid by the Agency during the year was \$5,000.

NOTE 16 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Organization's financial assets as of the statement of financial position date of November 30, 2025, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial Assets at November 30, 2025	1,292,396
Less those unavailable for general expenditure within one year, due to:	
Donor-restricted for future periods	<u>892,384</u>
Financial assets availability to meet cash needs for general expenditures, within one year	<u>400,012</u>

In addition to financial assets available to meet general expenditures over the year, the Agency anticipates covering its general expenditures using the income generated from contractual agreements with governmental agencies.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2025

NOTE 17 - CONTRIBUTIONS RECEIVABLE

Contributions Receivable relate to the free use of facilities and are to be received in future years as follows:

	<u>Year Ended November 30</u>	<u>Amount</u>
2026		192,000
2027		192,000
2028		192,000
2029		192,000
2030		124,384

SUPPLEMENTARY FINANCIAL INFORMATION

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE PERIODS ENDED DURING FISCAL YEAR NOVEMBER 30, 2025

	<u>Actual</u> <u>Expenditures</u>	<u>Budgeted</u> <u>Expenditures</u>	Budgeted Over (Under) Actual <u>Expenditures</u>
<u>HEAD START - 06CH012947-01-01</u>			
Period December 1, 2024			
to November 30, 2025			
Personnel	1,660,662	1,701,542	40,880
Fringe Benefits	486,673	676,744	190,071
Travel	1,719	3,800	2,081
Contractual	9,995	9,995	-
Operating Supplies	145,566	103,675	(41,891)
Other Costs	314,523	217,808	(96,715)
Capital Outlay	<u>38,426</u>	<u>-</u>	<u>(38,426)</u>
<u>Total (Federal Only)</u>	2,657,564	2,713,564	56,000
 In-Kind Expenses (Non-Federal)	 <u>629,393</u>	 <u>678,392</u>	 <u>48,999</u>
 <u>TOTALS (Federal and Non-Federal)</u>	 <u>3,286,957</u>	 <u>3,391,956</u>	 <u>104,999</u>
 <u>USDA FOOD SERVICES</u>			
FYE September 30, 2025			
Administrative	2,818	3,800	982
Labor Costs	81,041	94,825	13,784
Food Costs	144,356	171,519	27,163
Operating Supplies	1,814	30,100	28,286
Other	-	2,500	2,500
Travel	<u>-</u>	<u>-</u>	<u>-</u>
 <u>TOTALS</u>	 <u>230,029</u>	 <u>302,744</u>	 <u>72,715</u>

See Independent Auditors' Report and accompanying notes.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE PERIODS ENDED DURING FISCAL YEAR NOVEMBER 30, 2025

AGENCY HEAD NAME/TITLE: CLOTILL SMITH, EXECUTIVE DIRECTOR

<u>Purpose</u>	<u>Amount Paid with State Funds</u>
Salary	-0-
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-other (describe) FICA	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Car allowance	-0-
Vehicle provided by government (enter amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference travel	-0-
Housing	-0-
Unvouchered expenses (example: travel advances, etc.)	-0-
Special meals	-0-
Other	-0-

See Independent Auditors' Report and accompanying notes.

LINCOLN TOTAL COMMUNITY ACTION, INC.
 RUSTON, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED NOVEMBER 30, 2025

<u>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Disbursements/ Expenditures</u>
Department of Agriculture State of Louisiana/ Department of Education Child Care Food Program	10.558	2001-12-061-9481	<u>230,029</u>
<u>Total Department of Agriculture</u>			<u>230,029</u>
Department of Health and Human Services * Head Start	93.600	06CH012974-01-01	<u>2,657,564</u>
<u>Total Head Start</u>			<u>2,657,564</u>
<u>Total Expenditures of Federal Awards</u>			<u>2,887,593</u>

* Major Federal Program

See accompanying Notes to Schedule of Expenditures of Federal Awards

See Independent Auditors' Report and accompanying notes.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED NOVEMBER 30, 2025

NOTE A-BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Lincoln Total Community Action, Inc., under programs of the federal government for the year ended November 30, 2025. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Lincoln Total Community Action, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Lincoln Total Community Action, Inc.

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Lincoln Total Community Action, Inc. did not provide federal awards to subrecipients.

NOTE C-INDIRECT COST RATE

Lincoln Total Community Action, Inc. does not utilize an indirect cost rate.

See Independent Auditors' Report and accompanying notes.

COMPLIANCE REPORTS

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

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

To the Board of Directors
Lincoln Total Community Action, Inc.
Ruston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lincoln Total Community Action, Inc. (a nonprofit organization), which comprise the statement of financial position as of November 30, 2025, and the related statements of activities, and functional expenses, cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 8, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lincoln Total Community Action, Inc.'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 Lincoln Total Community Action, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Lincoln Total Community Action, Inc.'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln Total Community Action, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
Monroe, Louisiana
May 8, 2026

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

To the Board of Directors
Lincoln Total Community Action, Inc.
Ruston, Louisiana

Opinion on Each Major Federal Program

We have audited Lincoln Total Community Action, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Lincoln Total Community Action, Inc.'s major federal program for the year ended November 30, 2025. Lincoln Total Community Action, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lincoln Total Community Action, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lincoln Total Community Action, Inc. 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 Lincoln Total Community Action, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lincoln Total Community Action, Inc.'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 Lincoln Total Community Action, Inc.'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 Lincoln Total Community Action, Inc.'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 Lincoln Total Community Action, Inc.'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 Lincoln Total Community Action, Inc.'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.

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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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 have not been 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
Monroe, Louisiana
May 8, 2026

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED NOVEMBER 30, 2025.

SECTION I - SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Lincoln Total Community Action, Inc. were prepared in accordance with GAAP.
2. No material weaknesses were identified during the audit of the financial statements.
3. There were no instances of noncompliance material to the financial statements of Lincoln Total Community Action, Inc.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for Lincoln Total Community Action, Inc. expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as major programs were: Department of Health and Human Services - Head Start, CFDA No. 93.600.
8. The threshold for distinguishing Types A and B programs was \$1,000,000.
9. Lincoln Total Community Action, Inc. was determined to be a low-risk auditee.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED NOVEMBER 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

Internal Control

There were no findings or questioned costs for internal control for the year ended November 30, 2025.

Compliance

There were no findings or questioned costs for compliance for the year ended November 30, 2025.

SECTION III - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS
HEAD START, ONLY MAJOR PROGRAM

There were no findings or questioned costs for the year ended November 30, 2025.

LINCOLN TOTAL COMMUNITY ACTION, INC.

1400 OAKDALE

RUSTON, LOUISIANA 71270

CORRECTIVE ACTION PLAN FOR FEDERAL AWARD FINDINGS - CURRENT YEAR

Not Applicable

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
NOVEMBER 30, 2025

SECTION I - Internal Control

There were no findings or questioned costs for the year ended November 30, 2024.

SECTION II - Compliance

There were no findings or questioned costs for the year ended November 30, 2024.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended November 30, 2025. Lincoln Total Community Action, Inc.'s management is responsible for those (C/C) areas identified in the SAUPs.

Lincoln 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 year ended November 30, 2025. 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:

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

- A. 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).

Findings: We obtained the listing of locations that process payments and management's representation.

B. For each location selected under #5A 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:

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

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

III) 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.

IV) 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.

V) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Findings: The employee that mails checks is also responsible for processing payments.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

C. For each location selected under #5A above, obtain the Organization'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:

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

II) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Findings: No exceptions noted.

12. *Fraud Notice*

A. 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.

Findings: We noted that there were no misappropriations of public funds or assets reported to the Organization.

B. 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.

Findings: The notice was not posted on the entities website. No other exceptions noted.

We were engaged by Lincoln 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 Lincoln 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 included 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.

Johnson Perry Roussel & Cuthbert, LLP

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CERTIFIED PUBLIC ACCOUNTANTS
Monroe, Louisiana
May 8, 2026