

**TOTAL COMMUNITY ACTION, INC.**  
**(a nonprofit organization)**

**FINANCIAL AND COMPLIANCE REPORT**

**For the Year Ended December 31, 2020**

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**December 31, 2020**

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of the **Total Community Action, Inc. (TCA)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **TCA** as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Supplementary Information**

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023, on our consideration of TCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TCA's internal control over financial reporting and compliance.

*Bruno & Tervalon, LLP*

New Orleans, Louisiana  
March 30, 2023

**TOTAL COMMUNITY ACTION, INC.**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2020**

**ASSETS**

Cash	\$ 1,236,910
Grants receivable	1,688,944
Accounts receivable	66,450
Other receivables	339,827
Prepaid expenses	185,567
Investments	2,964,185
Property and equipment, net	5,537,063
Economic interest	<u>433,200</u>
Total assets	<u><u>\$ 12,452,146</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable	\$ 1,134,801
Accrued liabilities	539,899
Deferred revenue	<u>608,181</u>
Total liabilities	<u>2,282,881</u>
Net Assets	
Without donor restrictions	1,288,572
With donor restrictions	<u>8,880,693</u>
Total net assets	<u>10,169,265</u>
Total liabilities and net assets	<u><u>\$ 12,452,146</u></u>

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

**TOTAL COMMUNITY ACTION, INC.**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b><u>REVENUE AND SUPPORT:</u></b>			
Government grants	\$ 22,741,244	\$ 335,773	\$ 23,077,017
Local grants	1,163,597	-	1,163,597
private foundation grants	942,960	543,845	1,486,805
Fundraising	9,982	-	9,982
Contributions	28,124	7,126	35,250
Investment income	(1,961)	78,110	76,149
Other revenue	103,132	115,088	218,220
Net assets released from restrictions:			
Satisfaction of program restrictions	981,937	(981,937)	-
Total revenue and support	25,969,015	98,005	26,067,020
<b><u>EXPENSES:</u></b>			
Program services	24,340,759	-	24,340,759
Supporting services	1,257,270	-	1,257,270
Total expenses	25,598,029	-	25,598,029
<b><u>OTHER CHANGES IN NET ASSETS</u></b>			
Reclassification of previously reported net assets	1,098,663	(1,098,663)	-
Change in net assets	1,469,649	(1,000,658)	468,991
Net assets at beginning of year	(181,077)	9,881,351	9,700,274
Net assets at end of year	\$ 1,288,572	\$ 8,880,693	\$ 10,169,265

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

**TOTAL COMMUNITY ACTION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2020**

<u>EXPENSES (SCHEDULE IV)</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Salaries and wages	\$ 10,372,543	\$ 466,642	\$ 10,839,185
Fringe benefits	888,653	72,311	960,964
Travel	18,661	2,367	21,028
Contractual	393,241	104,368	497,609
Supplies	824,241	66,377	890,618
Food costs	919,567	5,716	925,283
Subrecipient costs	2,911,656	-	2,911,656
Equipment expense	397,140	4,572	401,712
Insurance	159,389	15,409	174,798
Interest expense	-	1,077	1,077
Assistance to individuals	5,391,182	-	5,391,182
Fundraising expenses	-	6,321	6,321
Telephone	142,823	7,717	150,540
Occupancy	495,499	7,479	502,978
Vehicle expense	21,931	804	22,735
Postage	5,957	4,448	10,405
Rental	625,757	22,268	648,025
Depreciation	-	337,657	337,657
Other costs	772,519	131,737	904,256
	<u>24,340,759</u>	<u>1,257,270</u>	<u>25,598,029</u>
Total	<u>\$ 24,340,759</u>	<u>\$ 1,257,270</u>	<u>\$ 25,598,029</u>

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

**TOTAL COMMUNITY ACTION, INC.**

**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2020**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 468,991
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	337,657
Unrealized losses on investments	44,619
Increase in grants receivable	(599,455)
Increase in accounts receivable	(66,450)
Increase in other receivables	(303,985)
Increase in prepaid expenses	(185,567)
Increase in accounts payable and accrued liabilities	897,022
Increase in deferred revenue	<u>608,181</u>
Net cash provided by operating activities	<u>1,201,013</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments	(44,670)
Proceeds from sale of investments	<u>58,395</u>
Net cash provided by investing activities	<u>13,725</u>
Net increase in cash	1,214,738
Cash at beginning of year	<u>22,172</u>
Cash at end of year	<u><u>\$ 1,236,910</u></u>

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

# TOTAL COMMUNITY ACTION, INC.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### **Note 1 - Organization:**

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

### **Note 2 - Summary of Significant Accounting Policies:**

#### Principles of Accounting

TCA's financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Basis of Reporting

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

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

#### Cash Equivalents

For purposes of the statement of cash flows, TCA considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. TCA had no cash equivalents at December 31, 2020.

## TOTAL COMMUNITY ACTION, INC.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

#### Revenue Recognition

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

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

#### Deferred Revenues

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

#### Functional Allocation of Expenses

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

#### Property and Equipment

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

#### Investment Securities

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

## TOTAL COMMUNITY ACTION, INC.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

#### Receivables

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

#### Fair Values of Financial Investments

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

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

#### Income Taxes

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

#### Compensated Absences

TCA accounts for compensated absences (e.g., unused vacation or annual leave) as directed by the Financial Accounting Standards Board Accounting Standards Codification No. 710-10-50-1 (FASB ASC 710-10-50-1), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to benefits.

Upon separation (resignation, termination, retirement, or disability), TCA will pay up to nine (9) days of current accrued annual leave hours, depending on availability of funds, in addition to any wages due. This is computed by multiplying any accrued annual leave by the individual's hourly rate at the date separation.

#### **Note 3 - Concentration of Credit Risk:**

TCA maintains a noninterest-bearing deposit account at a financial institution in New Orleans, Louisiana. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution per depositor. At December 31, 2020, TCA had uninsured deposits totaling \$986,910.

**TOTAL COMMUNITY ACTION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2020**

**Note 4 - Grants Receivable:**

Grants receivable consists of the following as of December 31, 2020:

U.S. Department of Health and Human Services	\$ 642,554
City of New Orleans	748,381
U.S. Department of Agriculture	52,222
State of Louisiana - Louisiana Workforce Commission	<u>245,787</u>
	<u>\$1,688,944</u>

**Note 5 - Property and Equipment:**

Property and equipment at December 31, 2020, consists of the following:

Building	\$ 6,932,627
Building improvements	1,817,203
Transportation equipment	<u>29,656</u>
	8,779,486
Less: accumulated depreciation	<u>(3,350,723)</u>
Property and equipment being depreciated	5,428,763
Land	<u>108,300</u>
Property and equipment, net	<u>\$ 5,537,063</u>

TCA follows the practice of not capitalizing furniture, fixtures and equipment acquired with federal and state funds, since the government has a reversionary interest in such assets. These assets total \$1,431,213 at December 31, 2020. Also, the federal government have a financial interest in the buildings and improvements.

Depreciation expense for the year ended December 31, 2020 was \$337,657.

**Note 6 - Economic Interest:**

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

**TOTAL COMMUNITY ACTION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2020**

**Note 7 - Investment Securities:**

Cost and approximate fair value of investment securities at December 31, 2020, consist of the following:

	<u>Cost</u>	<u>Fair Value</u>
Money market accounts	\$ 323,967	\$ 323,967
Government securities	561,155	586,642
Mutual funds	841,497	1,202,563
Common stocks	<u>842,849</u>	<u>851,013</u>
	<u>\$2,569,468</u>	<u>\$2,964,185</u>

**Note 8 - Liquidity and Availability of Financial Assets:**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following at December 31, 2020:

Cash	\$ 1,236,910
Receivables	2,094,221
Investments	2,964,185
Less: amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>(3,118,436)</u>
Total financial assets available to management for general expenditures within one year	<u>\$3,176,880</u>

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

**TOTAL COMMUNITY ACTION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2020**

**Note 9 - Pension Plan:**

TCA sponsors a defined contribution employee pension plan covering all employees twenty-one (21) years or older who have worked for the corporation a minimum of three years. TCA decides the amount, if anything, to contribute each year to the individual retirement accounts for the eligible employees based on a percentage of annual compensation. The percentage for the year ended December 31, 2020 was 9.5%. There was no change in the percentage from the prior year.

**Note 10 - Commitments:**

TCA leases its administrative and program offices. The offices located at Norman Francis Parkway, New Orleans are leased through December 31, 2050. All other offices are leased annually. The rental expense for the year ended December 31, 2020 totaled \$209,975. The aggregate maturities of the long-term lease consist of the following:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 209,975
2022	209,975
2023	209,975
2024	209,975
2025-2029	1,049,875
2030-2034	1,049,875
2035-2039	1,049,875
2040-2044	1,049,875
2045-2049	1,049,875
2050	<u>209,975</u>
	<u>\$6,299,250</u>

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

**TOTAL COMMUNITY ACTION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2020**

**Note 11 - Reclassification of Previously Reported Net Assets:**

Net assets previously reported at December 31, 2019 were reclassified as follows:

	<u>NET ASSETS</u>	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Reclassified (from) net assets with donor restrictions to net assets without donor restrictions	<u>1,098,663</u>	<u>(1,098,663)</u>
Net reclassification	<u>\$1,098,663</u>	<u>\$(1,098,663)</u>

**Note 12 - Donor Restricted Net Assets:**

As of December 31, 2020, donor restricted net assets consist of the following:

Assets for Independence Demonstration	\$ 69,999
Returning Citizens Stimulus	42,491
Unemployment	2,392,897
W. K. Kellogg	132,633
Hurricane Katrina	1,323,856
STRIVE Opportunity Center	109,792
Property and Equipment	4,438,400
Child Care Block Grant	<u>370,625</u>
	<u>\$8,880,693</u>

**Note 13 - Unemployment Fund:**

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

Transfers of \$115,088 were made from program funds to the unemployment insurance fund for the year ended December 31, 2020, 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, 2020 have been recorded in the financial statements.

## TOTAL COMMUNITY ACTION, INC.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

#### **Note 14 - Related Party Transactions:**

The principal premises of TCA are leased from an affiliated non-profit corporation. The lease is a long-term lease expiring December 31, 2050. The rental payments for the year ended December 31, 2020 totaled \$209,975.

#### **Note 15 - Board of Directors:**

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

#### **Note 16 - 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, 2020, the balance of insurance proceeds (\$1,323,857) 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 17 - Economic Dependency:**

Approximately 92% of TCA's revenues were earned from funds provided through grants administered by the Department of Human Services and the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are affected at the federal and/or state level, the amount of the funds TCA receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds TCA will receive in the next fiscal year.

#### **Note 18 – Accounting Pronouncement Issued But Not Yet In Effect:**

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

**TOTAL COMMUNITY ACTION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2020**

**Note 19 - Fair Values of Financial Instruments:**

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

		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts	\$	323,967	\$-0-	\$-0-
Government securities		586,642	-0-	-0-
Mutual funds		1,202,563	-0-	-0-
Common stocks		<u>851,013</u>	<u>-0-</u>	<u>-0-</u>
		<u>\$2,964,185</u>	<u>\$-0-</u>	<u>\$-0-</u>

The assumptions to estimate fair value are as follows:

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

**Note 20 – Accrued Expenses:**

As of December 31, 2020, accrued expenses consist of the following:

Accrued payroll liabilities	\$ 460,674
Accrued compensated absences	<u>79,225</u>
	<u>\$ 539,899</u>

**Note 21 – COVID-19:**

TCA’s operations may be affected by the recent outbreak of the coronavirus disease 2019 (COVID 19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in an adverse impact on TCA’s subsequent financial statements. Possible effects may include, but not limited to, disruption of TCA’s operations and related revenue, unavailability of products and supplies used in operations and possible decline in assets held by TCA

**TOTAL COMMUNITY ACTION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2020**

**Note 22 - Subsequent Events:**

TCA is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. TCA performed such as evaluation through March 30, 2023, the date which the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of financial position date that require recognition or disclosure.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Federal Grantor/Program Name</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Provided Through to Subrecipients</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Health and Human Services</b>				
<u>Direct Programs</u>				
Head Start and Early Head Start Program	93.600	N/A	\$ 2,150,959	\$ 13,127,810
Head Start and Early Head Start Program-COVID & Summer	93.600	N/A	24,000	757,478
Early Head Start/Child Care Partnership	93.600	N/A	736,696	1,072,641
Early Head Start/Child Care Partnership-COVID	93.600	N/A	-	41,872
Subtotal - Direct Awards			<u>2,911,655</u>	<u>14,999,801</u>
<u>Awards from a Pass-Through Entity</u>				
<u>Passed-Through: Louisiana Workforce Commission</u>				
Community Services Block Grant	93.569	N/A	-	1,438,813
Community Services Block Grant - CARES	93.569	N/A	-	116,207
<u>Passed-Through: Louisiana Housing Corporation</u>				
Low-Income Home Energy Assistance Program	93.568	N/A	-	2,665,691
Low-Income Home Energy Assistance Program - CARES	93.568	N/A	-	1,286,755
Subtotal - Awards from Pass-Through Entities			<u>-</u>	<u>5,507,466</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>2,911,655</u>	<u>20,507,267</u>
<b>U.S. Department of Agriculture</b>				
<u>Awards from a Pass-Through Entity</u>				
<u>Passed-Through: State of Louisiana</u>				
Child Care Food Program	10.558	N/A	-	907,008
<b>Total U.S. Department of Agriculture</b>			<u>-</u>	<u>907,008</u>
<b>U.S. Department of Housing and Urban Development</b>				
<u>Awards from a Pass-Through Entity</u>				
<u>Passed-Through: City of New Orleans</u>				
Emergency Solutions Grant	14.231	N/A	-	146,875
Emergency Solutions Grant - CARES	14.231	N/A	-	497,613
<b>Total U.S. Department of Housing and Urban Development</b>			<u>-</u>	<u>644,488</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 2,911,655</u>	<u>\$ 22,058,763</u>

NOTE 1: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of TCA under programs of the federal government for the year ended December 31, 2020 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the basic financial statements.

NOTE 2: TCA did not elect to use the 10% de minimis indirect cost rate for the year ended December 31, 2020.

**SCHEDULE II**

**TOTAL COMMUNITY ACTION, INC.**

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER  
For the Year Ended December 31, 2020**

Chief Executive Officer Name: Thelma H. French

**Purpose**

Salary	\$178,744
Benefits - Life Insurance	258
Benefits – LTD	1,517
Benefits - Retirement	16,981
Benefits - Social Security	8,537
Benefits - Medicare	2,592
Benefits - Office Parking	-0-
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	472
Travel	-0-
Stipends	820
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-
	<u>\$209,921</u>

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE OF EXPENSES - DIRECT AND INDIRECT COSTS**  
**For the Year Ended December 31, 2020**

	<u>Direct Costs</u>	<u>Indirect Cost</u>	<u>Total Costs</u>
Salaries and wages	\$ 10,379,942	\$ 459,243	\$ 10,839,185
Fringe benefits	947,035	13,929	960,964
Travel	21,028	-	21,028
Contractual	460,851	36,758	497,609
Supplies	888,730	1,888	890,618
Food costs	925,283	-	925,283
Subrecipient costs	2,911,656	-	2,911,656
Equipment expense	397,524	4,188	401,712
Insurance	159,389	15,409	174,798
Interest expense	485	592	1,077
Assistance to individuals	5,391,182	-	5,391,182
Fundraising expenses	6,321	-	6,321
Telephone	148,208	2,332	150,540
Occupancy	502,234	744	502,978
Vehicle expense	22,735	-	22,735
Postage	9,183	1,222	10,405
Rental	642,013	6,012	648,025
Depreciation	337,657	-	337,657
Other costs	902,611	1,645	904,256
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>\$ 25,054,067</u>	<u>\$ 543,962</u>	<u>\$ 25,598,029</u>

See Independent Auditors' Report on Supplementary Information.

TOTAL COMMUNITY ACTION, INC.

SCHEDULE IV

COMBINING SCHEDULE OF ACTIVITIES  
For the Year Ended December 31, 2020

	PROGRAM SERVICES								
	Head Start and Early Head Start Grant	Head Start Program Supplemental	COVID Head Start Program Supplemental	COVID Head Start Program Supplemental	COVID Early Head Start/Child Care Partnership Grant	Early Head Start/Child Care Partnership	W.K. Kellogg Foundation	Child Care Food Program	Community Service Block Grant
<b>Revenue and Support</b>									
Government grants	\$ 13,108,168	\$ 381,010	\$ 282,704	\$ 93,764	\$ 41,872	\$ 1,072,641	\$ -	\$ 907,008	\$ 1,438,813
Local grants	-	-	-	-	-	-	-	-	-
Private foundation grants	-	-	-	-	-	-	299,000	-	-
Fundraising	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-
Investment income	40	-	-	-	-	-	-	-	-
Other revenue	21,391	-	-	-	-	-	-	-	-
<b>Total revenue and support</b>	<u>13,129,599</u>	<u>381,010</u>	<u>282,704</u>	<u>93,764</u>	<u>41,872</u>	<u>1,072,641</u>	<u>299,000</u>	<u>907,008</u>	<u>1,438,813</u>
<b>Expenses</b>									
Salaries and wages	7,386,565	267,646	-	-	-	243,294	12,391	607,333	998,738
Fringe benefits	618,560	26,994	-	-	-	18,301	-	72,027	77,396
Travel	726	-	-	-	-	198	-	-	16,939
Contractual	252,961	6,148	-	-	-	2,886	53,468	762	2,076
Supplies	407,070	18,781	170,688	93,764	41,079	10,833	-	13,837	22,546
Food costs	640,781	7,031	-	-	-	-	-	206,036	800
Subrecipient costs	2,150,960	24,000	-	-	-	736,696	-	-	-
Equipment expense	253,207	948	103,899	-	793	30,923	-	-	4,613
Insurance	63,988	-	-	-	-	-	95,401	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Assistance to individuals	-	-	-	-	-	-	35	-	2,807
Fundraising expenses	-	-	-	-	-	-	-	-	-
Telephone	75,999	-	8,117	-	-	5,087	1,695	-	40,245
Occupancy	428,373	382	-	-	-	1,685	-	1,100	46,303
Vehicle expense	20,757	-	-	-	-	-	-	-	663
Postage	1,566	-	-	-	-	-	2,830	-	230
Rental	383,681	9,000	-	-	-	730	-	188	166,794
Depreciation	-	-	-	-	-	-	-	-	-
Other costs	442,617	20,080	-	-	-	22,008	547	5,725	56,609
<b>Total expenses</b>	<u>13,127,811</u>	<u>381,010</u>	<u>282,704</u>	<u>93,764</u>	<u>41,872</u>	<u>1,072,641</u>	<u>166,367</u>	<u>907,008</u>	<u>1,436,759</u>
<b>Change in net assets</b>	1,788	-	-	-	-	-	132,633	-	2,054
Transfers in (out)	(1,788)	-	-	-	-	-	-	-	(19,603)
<b>Net assets, beginning of year</b>	-	-	-	-	-	-	-	-	17,549
<b>Net assets, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,633</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report on Supplementary Information.

TOTAL COMMUNITY ACTION, INC.

SCHEDULE IV

COMBINING SCHEDULE OF ACTIVITIES  
For the Year Ended December 31, 2020

	<b>PROGRAM SERVICES</b>								
	City of New Orleans Emergency Solutions Grant	City of New Orleans GVRS	City of New Orleans Emergency Solutions Grant	City of New Orleans Summer Youth	City of New Orleans STEM	S&WB 2020	Food Distribution Program	Returning Citizen Stimulus (RCS)	Non-Disclosure Contributor Foundations
<b>Revenue and Support</b>									
Government grants	\$ 497,613	\$ -	\$ 146,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local grants	-	-	-	-	24,720	90,000	86,107	-	-
Private foundation grants	-	-	-	-	1,500	-	-	44,845	515,559
Fundraising	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	1,350	-	-	-	8,000
Investment income	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	80	-	-	-	-
<b>Total revenue and support</b>	<u>497,613</u>	<u>-</u>	<u>146,875</u>	<u>-</u>	<u>27,650</u>	<u>90,000</u>	<u>86,107</u>	<u>44,845</u>	<u>523,559</u>
<b>Expenses</b>									
Salaries and wages	-	-	4,652	-	44,575	4,721	-	2,119	17,950
Fringe benefits	-	-	4,414	-	-	4,764	-	235	-
Travel	-	-	-	-	-	-	-	-	-
Contractual	-	-	23,443	-	425	23,172	1,651	-	1,070
Supplies	-	-	360	-	29	-	16,273	-	1,349
Food costs	-	-	-	-	-	-	64,919	-	-
Subrecipient costs	-	-	-	-	-	-	-	-	-
Equipment expense	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Assistance to individuals	478,347	-	49,891	-	-	-	-	-	488,326
Fundraising expenses	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	100
Occupancy	-	-	-	-	-	-	129	-	-
Vehicle expense	-	-	-	-	-	-	511	-	-
Postage	-	-	-	-	-	-	25	-	-
Rental	-	-	-	-	-	-	455	-	137
Depreciation	-	-	-	-	-	-	-	-	-
Other costs	22,356	-	56,509	-	562	-	3,288	-	24,389
<b>Total expenses</b>	<u>500,703</u>	<u>-</u>	<u>139,269</u>	<u>-</u>	<u>45,591</u>	<u>32,657</u>	<u>87,251</u>	<u>2,354</u>	<u>533,321</u>
<b>Change in net assets</b>	(3,090)		7,606	-	(17,941)	57,343	(1,144)	42,491	(9,762)
Transfers in (out)	3,090	(95,061)	(18,199)	-	17,941	(57,343)	1,144	-	9,762
<b>Net assets, beginning of year</b>	<u>-</u>	<u>95,061</u>	<u>10,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,491</u>	<u>\$ -</u>

See Independent Auditors' Report on Supplementary Information.

TOTAL COMMUNITY ACTION, INC.

SCHEDULE IV

COMBINING SCHEDULE OF ACTIVITIES  
For the Year Ended December 31, 2020

	PROGRAM SERVICES								
	City of New Orleans Rental Assistance	United Way VITA TAX	Entergy Super Tax Day	Criminal Justice	Emergency Assistance	Assets For Independence Demonstration	City of New Orleans Workforce	STRIVE Opportunity Center	Tight Ship
<b>Revenue and Support</b>									
Government grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local grants	859,522	10,875	-	-	-	-	-	21,152	-
Private foundation grants	-	-	21,000	51,000	315,000	-	-	200,000	-
Fundraising	-	-	-	-	-	-	-	-	4,200
Contributions	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Other revenue	1,200	19,483	-	-	-	7,126	-	-	-
<b>Total revenue and support</b>	<u>860,722</u>	<u>30,358</u>	<u>21,000</u>	<u>51,000</u>	<u>315,000</u>	<u>7,126</u>	<u>-</u>	<u>221,152</u>	<u>4,200</u>
<b>Expenses</b>									
Salaries and wages	-	9,169	-	-	-	-	-	131,496	-
Fringe benefits	-	518	-	-	-	-	-	11,643	-
Travel	-	290	-	-	-	-	117	-	-
Contractual	-	20,081	-	-	-	-	685	-	-
Supplies	-	300	-	-	-	-	-	-	45
Food costs	-	-	-	-	-	-	-	-	-
Subrecipient costs	-	-	-	-	-	-	-	-	-
Equipment expense	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Assistance to individuals	824,320	-	-	10,253	304,143	-	-	-	-
Fundraising expenses	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	620	-
Occupancy	-	-	-	-	-	-	-	-	-
Vehicle expense	-	-	-	-	-	-	-	-	-
Postage	-	21	-	-	-	-	-	-	-
Rental	-	-	-	-	-	-	-	1,526	-
Depreciation	-	-	-	-	-	-	-	-	-
Other costs	41,473	-	2,689	489	15,000	-	3,965	2,460	-
<b>Total expenses</b>	<u>865,793</u>	<u>30,379</u>	<u>2,689</u>	<u>10,742</u>	<u>319,143</u>	<u>-</u>	<u>4,767</u>	<u>147,745</u>	<u>45</u>
<b>Change in net assets</b>	(5,071)	(21)	18,311	40,258	(4,143)	7,126	(4,767)	73,407	4,155
Transfers in (out)	5,071	21	(18,311)	-	4,143	-	-	-	-
<b>Net assets, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,613</u>	<u>-</u>	<u>62,873</u>	<u>32,054</u>	<u>119,745</u>	<u>-</u>
<b>Net assets, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,871</u>	<u>\$ -</u>	<u>\$ 69,999</u>	<u>\$ 27,287</u>	<u>\$ 193,152</u>	<u>\$ 4,155</u>

See Independent Auditors' Report on Supplementary Information.

TOTAL COMMUNITY ACTION, INC.

SCHEDULE IV

COMBINING SCHEDULE OF ACTIVITIES  
For the Year Ended December 31, 2020

	PROGRAM SERVICES							
	Child Care Block Grant	CARES Community Services Block Grant	Home Energy Assistance Program	Home Energy Assistance Program	Home Energy Assistance Program	CARES Home Energy Assistance Program	CARES Home Energy Assistance Program	Sub-total
<b>Revenue and Support</b>								
Government grants	\$ 335,773	\$ 116,207	\$ 352,282	\$ 2,194,067	\$ 119,342	\$ 34,460	\$ 1,252,296	\$ 22,374,895
Local grants	-	-	-	-	-	-	-	1,092,376
Private foundation grants	-	-	-	-	-	-	-	1,447,904
Fundraising	-	-	-	-	-	-	-	4,200
Contributions	-	-	-	-	-	-	-	9,350
Investment income	-	-	-	-	-	-	-	40
Other revenue	-	-	-	-	-	-	-	49,280
<b>Total revenue and support</b>	<u>335,773</u>	<u>116,207</u>	<u>352,282</u>	<u>2,194,067</u>	<u>119,342</u>	<u>34,460</u>	<u>1,252,296</u>	<u>24,978,045</u>
<b>Expenses</b>								
Salaries and wages	31,812	92,943	253,122	127,411	92,721	30,346	13,539	10,372,543
Fringe benefits	2,987	3,887	25,449	12,761	5,968	1,792	957	888,653
Travel	96	-	-	295	-	-	-	18,661
Contractual	41	-	3,767	605	-	-	-	393,241
Supplies	-	3,663	4,844	4,760	14,020	-	-	824,241
Food costs	-	-	-	-	-	-	-	919,567
Subrecipient costs	-	-	-	-	-	-	-	2,911,656
Equipment expense	-	-	2,077	680	-	-	-	397,140
Insurance	-	-	-	-	-	-	-	159,389
Interest expense	-	-	-	-	-	-	-	-
Assistance to individuals	-	1,200	500	1,993,855	-	-	1,237,505	5,391,182
Fundraising expenses	-	-	-	-	-	-	-	-
Telephone	-	-	2,004	8,956	-	-	-	142,823
Occupancy	-	335	4,454	11,489	1,249	-	-	495,499
Vehicle expense	-	-	-	-	-	-	-	21,931
Postage	-	-	-	1,285	-	-	-	5,957
Rental	281	13,232	19,690	26,074	3,969	-	-	625,757
Depreciation	-	-	-	-	-	-	-	-
Other costs	-	4,544	35,926	7,173	1,415	2,695	-	772,519
<b>Total expenses</b>	<u>35,217</u>	<u>119,804</u>	<u>351,833</u>	<u>2,195,344</u>	<u>119,342</u>	<u>34,833</u>	<u>1,252,001</u>	<u>24,340,759</u>
<b>Change in net assets</b>	300,556	(3,597)	449	(1,277)	-	(373)	295	637,286
Transfers in (out)	-	3,597	(213,520)	1,277	-	373	(295)	(377,701)
<b>Net assets, beginning of year</b>	<u>70,068</u>	<u>-</u>	<u>213,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>651,627</u>
<b>Net assets, end of year</b>	<u>\$ 370,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 911,212</u>

See Independent Auditors' Report on Supplementary Information.

## TOTAL COMMUNITY ACTION, INC.

## SCHEDULE IV

COMBINING SCHEDULE OF ACTIVITIES  
For the Year Ended December 31, 2020

## SUPPORTING SERVICES

	General Fund	Property and Equipment	Indirect Cost Account	Unemployment	Insurance Flood Insurance Proceeds	Sub-total	Grand Total
<b>Revenue and Support</b>							
Government grants	\$ -	\$ -	\$ 702,122	\$ -	\$ -	\$ 702,122	\$ 23,077,017
Local grants	30,406	-	40,815	-	-	71,221	1,163,597
Private foundation grants	-	-	38,901	-	-	38,901	1,486,805
Fundraising	5,782	-	-	-	-	5,782	9,982
Contributions	25,900	-	-	-	-	25,900	35,250
Investment income	(2,001)	-	-	43,402	34,708	76,109	76,149
Other revenue	53,852	-	-	115,088	-	168,940	218,220
<b>Total revenue and support</b>	<u>113,939</u>	<u>-</u>	<u>781,838</u>	<u>158,490</u>	<u>34,708</u>	<u>1,088,975</u>	<u>26,067,020</u>
<b>Expenses</b>							
Salaries and wages	7,399	-	459,243	-	-	466,642	10,839,185
Fringe benefits	45,158	-	13,929	13,224	-	72,311	960,964
Travel	2,367	-	-	-	-	2,367	21,028
Contractual	67,610	-	36,758	-	-	104,368	497,609
Supplies	64,489	-	1,888	-	-	66,377	890,618
Food costs	5,716	-	-	-	-	5,716	925,283
Subrecipient costs	-	-	-	-	-	-	2,911,656
Equipment expense	384	-	4,188	-	-	4,572	401,712
Insurance	-	-	15,409	-	-	15,409	174,798
Interest expense	485	-	592	-	-	1,077	1,077
Assistance to individuals	-	-	-	-	-	-	5,391,182
Fundraising expenses	6,321	-	-	-	-	6,321	6,321
Telephone	5,385	-	2,332	-	-	7,717	150,540
Occupancy	6,735	-	744	-	-	7,479	502,978
Vehicle expense	804	-	-	-	-	804	22,735
Postage	3,226	-	1,222	-	-	4,448	10,405
Rental	16,256	-	6,012	-	-	22,268	648,025
Depreciation	-	337,657	-	-	-	337,657	337,657
Other costs	88,120	-	1,645	35,078	6,894	131,737	904,256
<b>Total expenses</b>	<u>320,455</u>	<u>337,657</u>	<u>543,962</u>	<u>48,302</u>	<u>6,894</u>	<u>1,257,270</u>	<u>25,598,029</u>
<b>Change in net assets</b>	(206,516)	(337,657)	237,876	110,188	27,814	(168,295)	468,991
Transfers in (out)	615,577	-	(237,876)	-	-	377,701	-
<b>Net assets, beginning of year</b>	<u>(404,825)</u>	<u>5,874,720</u>	<u>-</u>	<u>2,282,709</u>	<u>1,296,043</u>	<u>9,048,647</u>	<u>9,700,274</u>
<b>Net assets, end of year</b>	<u>\$ 4,236</u>	<u>\$ 5,537,063</u>	<u>\$ -</u>	<u>\$ 2,392,897</u>	<u>\$ 1,323,857</u>	<u>\$ 9,258,053</u>	<u>\$ 10,169,265</u>

See Independent Auditors' Report on Supplementary Information.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **Total Community Action, Inc. (TCA)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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 March 30, 2023.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

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

### **Response to Finding**

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

### **Purpose of this Report**

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

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

*Bruno & Tervalon, LLP*

New Orleans, Louisiana  
March 30, 2023

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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the **Total Community Action, Inc.'s (TCA)** compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of **TCA's** major federal programs for the year ended December 31, 2020. **TCA's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **TCA** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of **TCA** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **TCA's** compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Other Matter***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-002. Our opinion on each major federal program is not modified with respect to this matter.

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

### **Report on Internal Control over Compliance**

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

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2020-002 to be a significant deficiency.

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

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

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

*Bruno & Tervalon, LLP*

New Orleans, Louisiana  
March 30, 2023

**TOTAL COMMUNITY ACTION, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended December 31, 2020

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**Section I - SUMMARY OF AUDITORS' RESULTS**

- A. The type of report issued on the financial statements: **Unmodified Opinion.**
- B. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **Yes.** Material weakness: **No.**
- C. Noncompliance which is material to the financial statements: **No.**
- D. Significant deficiencies in internal control over major programs: **Yes.** Material weaknesses: **No.**
- E. The type of report issued on compliance for major programs: **Unmodified Opinion.**
- F. Any audit findings which are required to be reported under *the Uniform Guidance*: **Yes.**
- G. Major programs:
  - United States Department of Health and Human Services
    - Head Start and Early Head Start (CFDA No. 93.600)
    - Early Head Start/ Child Care Partnership (CFDA No. 93.600)
  - United States Department of Housing and Urban Development
    - Emergency Solutions Grant (CFDA No. 14.231)
- H. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**
- I. Auditee qualified as a low-risk auditee under *the Uniform Guidance*: **Yes.**
- J. A management letter issued: **No.**

**TOTAL COMMUNITY ACTION, INC.**

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

**Section II - FINANCIAL STATEMENT FINDINGS**

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

**Criteria**

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

LSA-RS 24:513 (A)(5)(I) requires audit reports to be completed and submitted to the State of Louisiana Legislative Auditor (LLA) within six (6) months after year end, unless the Louisiana Legislative Auditor Audit Advisory Council approves an extension request of time for submission.

**Condition**

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

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

**Cause**

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

**Effect**

Financial information was not timely and accurately captured for the preparation of the December 31, 2020 financial statements and communicated to management and the Board of Directors for their use. Also, failure to timely submit the required audit report to the Legislative Auditor after the LLA approved extensions to file TCA's reports for a natural disaster (COVID-19) expired, which is a violation of the State audit completion and submission law, and therefore subject to penalty.

**TOTAL COMMUNITY ACTION, INC.**

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

**Section II - FINANCIAL STATEMENT FINDINGS, CONTINUED**

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

**Recommendation**

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

**View of Responsible Official of TCA**

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

**TOTAL COMMUNITY ACTION, INC.**

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

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

**2020-002      Single Audit Report Submission**

**Federal Program Information – All Federal Programs**

**Criteria**

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

**Condition**

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

**Cause**

TCA completed its audit nine (9) months after its December 31, 2020 fiscal year end.

**Effect**

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

**Questioned Costs**

None.

**Context/Proper Perspective**

Not applicable.

**TOTAL COMMUNITY ACTION, INC.**

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

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

**2020-002     Single Audit Report Submission, Continued**

**Element of Finding**

This finding is not a repeat finding.

**Recommendation**

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

**View of Responsible Official of TCA**

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

**TOTAL COMMUNITY ACTION, INC.**

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

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

**Condition**

As of December 31, 2019, TCA reported a significant deficit in net assets without donor restrictions in the general fund program in the amount of \$181,077.

**Recommendation**

We recommended TCA develop a comprehensive plan to eliminate the significant deficit in net assets without donor restrictions in the general fund program. This plan should incorporate TCA adopting an annual operations budget that anticipates excess budgeted revenues over budgeted expenses and is closely monitored, with budget revisions made periodically to control deficit spending.

**Current Status**

Resolved.

**SECTION II - FINDINGS AND QUESTIONED COSTS  
RELATED TO FEDERAL AWARDS**

No matters noted in the prior year audit.

**SECTION III - MANAGEMENT LETTER COMMENTS**

**Condition**

We noted during our audit that the Head Start operating bank account for the month of December 2019 was not timely reconciled.

**Recommendation**

We recommended that TCA update its control procedures over cash to ensure that bank account reconciliations are timely prepared and approved.

**Current Status**

Resolved.



**Response to Schedule of Findings  
For the year ended December 31, 2020  
CEO Response to TCA Board of Directors  
And Detail Corrective Action Plan**

**Audit Finding Reference Number**

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

**Finding Classification**

**Finding Type**

Significant deficiency

Internal Control

**Finding Title**

TCA’s 2020 fiscal year-end financial closeout and reporting process was not timely completed.

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

**Cause**

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

**Management’s Response**

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

**Corrective Actions to Date:**

- (1) Agency under the leadership of the CFO is actively recruiting and interviewing potential candidates to address the two vacancies, thus supporting work load distribution, and the agency’s ability to meet all fiscal reporting requirements timely. **Target Completion Date: May15, 2023.**
- (2) CEO has hired an experienced and seasoned accounting fiscal professional as Controller to support daily process management and staff development thus allowing the CFO to function in the CFO role primarily.
- (3) CEO continues to assume full accountability to ensuring compliance with Board policy for quarterly programmatic and fiscal reviews, and ensuring ongoing professional development for staff.

**Audit Finding Reference Number**

**2020-002      Report Submission**

**Finding Classification**

Significant deficiency

**Finding Title**

Noncompliance with report submission requirements of the Federal Clearinghouse.

**Management's Response**

The Audit Reports that the TCA agrees with this finding.

**Correction Action to Date:**

- (1) CEO recognizes that the delinquency related to the submission 2020 Audit has a domino effect on TCA submission of the both 2021 and 2022 Audits. On April 11, 2023, upon receipt of FY 2020 Audit, CEO submitted an extension request to Legislative Auditor for FY 2021 Audit. The current due date is **May 15, 2023**.
- (2) Recognizing that 2022 Audit due date is June 30, 2023, and that the engaged auditor request the FY 2021 audit and audited financial statements CEO with Board approval will submit an Legislative Auditor extension request of 2023 audit to September 15, 2023.
- (3) In accordance with CSBG Organizational Standard 8.5 the (CSBG-CAA) organization has solicited bids for its audit within the past 5 years. TCA issued an audit solicitation in August 2018, and in December 018 upon the recommendation of the budget, Finance and Audit Committee, the TCA Board of Directors approved the firm Bruno & Trevalon, LLC CAP in December 2018. To ensure compliance with the Organizational Standard 8.5 and timely completion of the FY 2023 audit, CEO and CFO will issue audit solicitation in **June 2023 for the audit period 2023-2028**.