

R E P O R T

TOTAL COMMUNITY ACTION, INC.

DECEMBER 31, 2024 AND 2023

TOTAL COMMUNITY ACTION, INC.

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June 30, 2025

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Total Community Action, Inc. ("TCA") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of TCA as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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Other Matter – Financial Statements for the Prior Year Audited by Another Auditor

The financial statements of TCA for the year ended December 31, 2023, were audited by another auditor, who expressed an unmodified opinion on those financial statements on January 31, 2025. Our opinion is not modified in respect to this matter.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TCA's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about TCA's ability to continue as a going concern for a reasonable period.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is 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 supplementary information and schedule of expenditures of federal awards 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 June 30, 2025, on our consideration of TCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TCA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TCA's internal control over financial reporting and compliance.

Duplantier, Sharpness, Hogan and Gruber, LLP

New Orleans, Louisiana

TOTAL COMMUNITY ACTION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS:		
Cash	\$ 3,976,934	\$ 1,190,876
Investments	5,621,206	6,494,988
Grants receivable	2,786,438	3,614,188
Other receivables	374,706	153,183
Prepaid expenses	75,692	101,789
Property and equipment, net	4,957,747	4,628,822
Right-of-use asset, net	5,320,795	6,318,432
Membership interest	433,200	433,200
	<u>23,546,718</u>	<u>22,935,478</u>
TOTAL ASSETS	<u>\$ 23,546,718</u>	<u>\$ 22,935,478</u>
LIABILITIES:		
Accounts payable	2,801,204	1,913,233
Deferred revenue	1,258,526	850,397
Finance lease liability	5,494,619	6,434,830
	<u>9,554,349</u>	<u>9,198,460</u>
TOTAL LIABILITIES	<u>\$ 9,554,349</u>	<u>\$ 9,198,460</u>
NET ASSETS:		
Without donor restrictions:		
Undesignated	5,163,633	4,291,389
Board - designated	2,463,935	2,985,322
Total without donor restrictions	<u>7,627,568</u>	<u>7,276,711</u>
With donor restrictions	6,364,801	6,460,307
	<u>13,992,369</u>	<u>13,737,018</u>
TOTAL NET ASSETS	<u>\$ 13,992,369</u>	<u>\$ 13,737,018</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 23,546,718</u>	<u>\$ 22,935,478</u>

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

TOTAL COMMUNITY ACTION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	DECEMBER 31, 2024			DECEMBER 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:						
Local grants	\$ 259,585	\$ -	\$ 259,585	\$ 872,167	\$ -	\$ 872,167
Federal grants	33,008,374	-	33,008,374	30,046,638	-	30,046,638
State grants	285,171	-	285,171	-	-	-
Private foundations	576,644	-	576,644	286,597	-	286,597
Contributions	22,420	-	22,420	33,355	-	33,355
Investment income, net	782,143	-	782,143	477,497	-	477,497
Fundraising income	3,060	-	3,060	23,684	-	23,684
Other revenue	772,589	-	772,589	4,484,478	-	4,484,478
Released from restrictions	95,506	(95,506)	-	365,795	(365,795)	-
Total revenue and support	<u>35,805,492</u>	<u>(95,506)</u>	<u>35,709,986</u>	<u>36,590,211</u>	<u>(365,795)</u>	<u>36,224,416</u>
EXPENSES:						
Program services	33,345,364	-	33,345,364	31,100,166	-	31,100,166
Supporting services	2,109,271	-	2,109,271	1,905,314	-	1,905,314
Total expenses	<u>35,454,635</u>	<u>-</u>	<u>35,454,635</u>	<u>33,005,480</u>	<u>-</u>	<u>33,005,480</u>
Change in net assets	350,857	(95,506)	255,351	3,584,731	(365,795)	3,218,936
Net assets, beginning of year	7,276,711	6,460,307	13,737,018	3,845,200	6,826,102	10,671,302
Prior period adjustment	-	-	-	(153,220)	-	(153,220)
NET ASSETS END OF YEAR	<u>\$ 7,627,568</u>	<u>\$ 6,364,801</u>	<u>\$ 13,992,369</u>	<u>\$ 7,276,711</u>	<u>\$ 6,460,307</u>	<u>\$ 13,737,018</u>

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

TOTAL COMMUNITY ACTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Program</u> <u>Services</u>	<u>Supporting</u> <u>Services</u>	<u>Total</u>
Expenses			
Salaries and wages	\$ 11,259,067	\$ 570,972	\$ 11,830,039
Fringe benefits	3,109,556	285,103	3,394,659
Travel	62,564	9,201	71,765
Contractual	409,252	11,470	420,722
Professional fees	167,556	102,664	270,220
Supplies	831,151	159,035	990,186
Food costs	1,848,866	18,941	1,867,807
Subrecipient costs	2,472,352	-	2,472,352
Maintenance and repairs	789,353	22,140	811,493
Insurance	347,696	66,427	414,123
Interest expense - finance lease	214,310	-	214,310
Amortization expense - finance lease	244,578	-	244,578
Assistance to individuals	7,687,385	100	7,687,485
Telephone	123,764	35,593	159,357
Utilities	559,871	16,521	576,392
Occupancy	1,521,934	5,118	1,527,052
Vehicle expense	9,586	15,364	24,950
Postage	-	14,635	14,635
Depreciation	-	404,676	404,676
Stipend	737,499	-	737,499
Advisory fees	-	91,745	91,745
Indirect cost	784,586	-	784,586
Other costs	164,438	279,566	444,004
Total expenses	<u>\$ 33,345,364</u>	<u>\$ 2,109,271</u>	<u>\$ 35,454,635</u>

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

TOTAL COMMUNITY ACTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Expenses			
Salaries and wages	\$ 8,585,790	\$ 483,218	\$ 9,069,008
Fringe benefits	2,514,087	143,144	2,657,231
Travel	76,295	253	76,548
Contractual	571,420	23,189	594,609
Professional fees	129,566	223,541	353,107
Supplies	1,687,406	22,612	1,710,018
Food costs	1,258,630	110	1,258,740
Subrecipient costs	2,524,818	-	2,524,818
Maintenance and repairs	749,814	12,914	762,728
Insurance	264,529	68,721	333,250
Interest expense - finance lease	131,604	-	131,604
Amortization expense - finance lease	279,878	-	279,878
Assistance to individuals	10,169,685	-	10,169,685
Telephone	129,061	41,975	171,036
Utilities	549,963	19,705	569,668
Occupancy	361,119	-	361,119
Vehicle expense	16,249	-	16,249
Postage	4,680	12,696	17,376
Fundraising expenses	-	29,107	29,107
Depreciation	-	384,037	384,037
Stipend	156,763	-	156,763
Advisory fees	-	192,248	192,248
Indirect cost	497,519	-	497,519
Other costs	441,290	247,844	689,134
Total Expenses	<u>\$ 31,100,166</u>	<u>\$ 1,905,314</u>	<u>\$ 33,005,480</u>

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

TOTAL COMMUNITY ACTION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 255,351	\$ 3,218,936
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	404,676	384,037
Prior period adjustment	-	(153,220)
Unrealized/realized gain on investments	(614,156)	(477,497)
Amortization of right of use asset	244,578	279,878
(Increase) decrease in operating assets:		
Grant receivables	827,750	(70,486)
Other receivables	(221,523)	164,228
Prepaid expenses	26,097	(13,427)
Increase (decrease) in operating liabilities:		
Accounts payable	887,971	(288,868)
Refundable advances	408,129	850,397
Net cash provided by operating activities	<u>2,218,873</u>	<u>3,893,978</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(733,601)	(58,234)
Purchases of investments	(2,466,891)	(2,809,418)
Sales of investments	3,954,829	-
Net cash provided (used) by investing activities	<u>754,337</u>	<u>(2,867,652)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance lease obligation, net	(187,152)	(223,656)
Net cash used by financing activities	<u>(187,152)</u>	<u>(223,656)</u>
Net change in cash and cash equivalents	2,786,058	802,670
CASH - BEGINNING OF PERIOD	<u>1,190,876</u>	<u>388,206</u>
CASH - END OF PERIOD	<u>\$ 3,976,934</u>	<u>\$ 1,190,876</u>

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

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements are prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses recorded when they are incurred.

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

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

Cash and Cash Equivalents:

For the purposes of the statement of cash flows, TCA considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Grant Receivable:

Grants receivable consists of amounts due from various granting agencies for grants and cost reimbursement programs. These amounts are presented at fair value and management estimates that all are collectible.

Refundable Advances:

Refundable advances represent grant funds received by TCA prior to meeting the conditions necessary to establish a legal claim to the resources. Revenue is recognized in the period when TCA satisfies the applicable conditions, at which time the refundable advance is reduced accordingly.

Investments:

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

Property and Equipment:

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

Revenue Recognition:

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

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

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue Recognition: (Continued)

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

The Organization receives funding from various federal grant programs. Revenues from cost-reimbursable federal grants are recognized as eligible expenses are incurred. Grant funds received in advance of incurring eligible expenses are recorded as refundable advances (deferred revenue) and are recognized as revenue when the related expenses are incurred.

Income Taxes:

TCA is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements. However, if the TCA were to engage in activities unrelated to the purpose for which it was created, taxable income could result. In management's judgment, the TCA does not have any tax positions that would result in a loss contingency considering the facts, circumstances, and information available at the reporting date.

Functional Allocation of Expenses:

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

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Leases:

TCA leases office space and equipment. TCA determines if a contract contains a lease at the inception of the contract Under Accounting Standards Codification 842, a contract is (or contains) a lease if it conveys the right to control the use of identified assets for a period in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all the economic benefits from the use of the asset and the right to direct the use of the asset. TCA only reassesses in determination if the terms and conditions of the contract are changed.

Upon identification and commencement of a lease, TCA establishes a right-of-use (ROU) asset and a lease liability. Operating right of use asset and lease liability are recorded at the commencement date based on the present value of the lease payments over the expected lease term. TCA uses the risk-free borrowing rate (U.S. Treasury Rate), available at the lease commencement, to calculate the present value of the lease payments unless there is a rate implicit in the lease. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Operating leases, if any, are included in right-of-use asset – operating lease and operating lease liability on the accompanying statement of financial position. Finance leases, if any, are included in fixed assets and lease liability.

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

TCA does not recognize ROU assets and lease liabilities for leases with a term of 12 months or less, and leases where the present value of the minimum lease payments falls below its lease capitalization threshold of \$5,000.

Use of Estimates:

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

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributed Nonfinancial Assets:

On September 17, 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Update is expected to increase transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update requires that contributed non-financial assets be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires additional disclosures. TCA adopted ASU No. 2020-07 during the year ended December 31, 2023. TCA has no contributed nonfinancial assets.

2. CASH:

TCA maintains noninterest-bearing deposit accounts at various financial institutions in New Orleans, Louisiana. At December 31, 2024 and 2023, TCA's carrying amount of their cash deposits was \$3,976,934 and \$1,190,876, respectively. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution per depositor. At December 31, 2024 and 2023, TCA had uninsured deposits totaling \$3,455,713 and \$1,116,973, respectively.

3. GRANTS RECEIVABLE:

Grants receivable consists of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
U.S. Department of Health and Human Services	\$ 2,210,651	\$ 1,721,989
U.S. Department of Agriculture	114,243	101,108
FEMA	32,221	-
State of Louisiana	42,052	-
City of New Orleans	341,396	1,746,091
Others	45,875	45,000
Total	<u>\$ 2,786,438</u>	<u>\$ 3,614,188</u>

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

4. PROPERTY AND EQUIPMENT:

Property and equipment at December 31, 2024 and 2023 consists of the following

	<u>2024</u>	<u>2023</u>
Building	\$ 7,563,028	\$ 6,932,627
Buildings and improvements	1,824,503	1,817,203
Furniture and fixtures	13,345	13,345
Transportation equipment	179,029	179,029
	<u>9,579,905</u>	<u>8,942,204</u>
Less: Accumulated depreciation	<u>(4,826,358)</u>	<u>(4,421,682)</u>
Property and equipment being depreciated, net	4,753,547	4,520,522
Land	<u>204,200</u>	<u>108,300</u>
Property and equipment, net	<u>\$ 4,957,747</u>	<u>\$ 4,628,822</u>

Depreciation expense for fiscal years ended December 31, 2024 and 2023 was \$404,676 and \$384,037, respectively.

The federal government retains a financial reversionary interest in the buildings and improvements acquired by TCA with federal funding. As of December 31, 2024 and 2023, these assets, consisting of buildings, had net book values of \$3,259,164 and \$3,526,898, respectively, net of accumulated depreciation.

5. INVESTMENTS:

TCA's investments are reported at fair value and consists of the following at December 31, 2024 and 2023:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market accounts	\$ 106,782	\$ 106,782	\$ 167,974	\$ 167,974
Fixed income	206,636	183,774	237,567	219,117
Equities	1,417,090	1,935,055	1,275,739	1,489,310
Mutual funds	3,061,275	3,395,595	4,067,307	4,618,587
Totals	<u>\$ 4,791,783</u>	<u>\$ 5,621,206</u>	<u>\$ 5,748,587</u>	<u>\$ 6,494,988</u>

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

6. FAIR VALUE OF FINANCIAL INSTRUMENTS:

TCA's investment portfolio includes money market accounts and various investment securities that are valued based on quoted market prices for those or similar investments. FASB ASC Topic 820, *Fair Value Measurements and Disclosures* emphasizes market-based measurement and, in doing so, stipulates a fair value hierarchy. The hierarchy is based on the type of inputs, or data used, to measure fair value. The fair value hierarchy is summarized below:

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

Money market funds are valued at fair market value based on quoted market prices in active markets (Level 1). If quoted prices are not available, the fair value is determined using observable inputs including interest rates and yield curves (Level 2). Mutual funds and fixed income investments are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Equities securities are valued using prices quoted in active markets for those securities.

The following tables set forth by level, within fair value hierarchy, TCA's financial instruments at fair value:

December 31, 2024	Total	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market	\$ 106,782	\$ 106,782	\$ -	\$ -
Fixed income	183,774	-	183,774	-
Equities	1,935,055	1,935,055	-	-
Mutual Funds	3,395,595	3,395,595	-	-
Totals	<u>\$ 5,621,206</u>	<u>\$ 5,437,432</u>	<u>\$ 183,774</u>	<u>\$ -</u>

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

6. FAIR VALUE OF FINANCIAL INSTRUMENTS: (Continued)

December 31, 2023	Total	Quoted Prices In	Significant	Significant
		Active Markets For Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Money market	\$ 167,974	\$ 167,974	\$ -	\$ -
Fixed income	219,117	-	219,117	-
Equities	1,489,310	1,489,310	-	-
Mutual Funds	4,618,587	4,618,587	-	-
Totals	<u>\$ 6,494,988</u>	<u>\$ 6,275,871</u>	<u>\$ 219,117</u>	<u>\$ -</u>

7. LEASES:

TCA leases space for its administrative and program offices. The facility located on Norman C. Francis Parkway in New Orleans, Louisiana is under lease through December 31, 2050. All other office leases are renewed on an annual basis.

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

To calculate the present value of the lease liability and ROU lease asset at the initial date of adoption, TCA used a discount rate of 2.01% for the Norman C. Francis Parkway building, and discount rates ranging from 0.78% to 2.87% for the copiers. These discount rates represent TCA's risk-free rates at the time of lease commencement for each of the specified lease terms.

Each year, the ROU assets and lease liabilities are reduced based upon the actual payments and a calculated amortization schedule. Rent expenses are included in the occupancy line item on the statement of functional expenses

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

<i>Leases</i>	
Right-of-Use Asset - Leases	\$ 5,565,373
Accumulated Amortization	<u>(244,578)</u>
Right-of-Use Asset - Leases, net	<u>\$ 5,320,795</u>
Current Portion of Lease Obligation	155,246
Lease Obligation, Less Current Portion	<u>5,339,373</u>
Total Finance Lease Obligations	<u>\$ 5,494,619</u>

TOTAL COMMUNITY ACTION, INC.
 NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

7. LEASES: (Continued)

Other Information

Weighted-average remaining lease term in years for leases is 25.83.

Weighted-average discount rate for leases is 2.01%.

The maturities of lease liabilities as of December 31, 2024 are as follows:

	<u>Lease Obligation</u>
2025	\$ 364,056
2026	355,056
2027	337,056
2028	331,056
2029	331,056
Thereafter	6,952,176
Total	8,670,456
	(3,175,837)
Present value	\$ 5,494,619

Other Leases

TCA leases property owned by HANO located at 2161 Lafitte Street in New Orleans, Louisiana from Lafitte Redevelopment, LLC to provide case management to New Orleans residents and referrals to a network of supportive service providers to address their family needs. The lease amount is \$1 per year and terminates May 31, 2036.

TCA leases property owned by HANO located at 3501 Erato Street in New Orleans, Louisiana from BW Cooper I, LLC to provide high-quality child-development services. The lease is renewed annually. The lease amount is \$12 per year, payable in monthly installments of \$1.

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. NET ASSETS WITH DONOR RESTRICTIONS:

As of December 31, 2024 and 2023, net assets with donor restrictions consist of the following:

<u>Program or Purpose</u>	<u>2024</u>	<u>2023</u>
Assets for Independence Demonstration	\$ 69,999	\$ 69,999
Returning Citizens Stimulus	36,783	39,583
Criminal Justice	92,975	96,742
W.K. Kellogg	16,796	18,614
Community of Practices	16,522	22,288
Tight Ship	18,256	22,428
Insurance Proceeds	1,512,452	1,401,179
CNO Workforce	26,888	26,888
Property and Equipment	3,406,694	3,703,971
Child Care Block Grant	1,158,424	982,682
Resilience New Orleans	9,012	75,933
Total Net Assets With Donor Restrictions	<u>\$ 6,364,801</u>	<u>\$ 6,460,307</u>

9. PENSION PLAN:

TCA sponsors a defined contribution employee pension plan covering all employees twenty-one (21) years or older who have worked for TCA a minimum of three years. TCA decides the amount, if anything to contribute each year to the individual retirement accounts for the eligible employees based on a percentage of annual compensation. The contribution rate for each of the years ended December 31, 2024 and 2023 was 9.5%. For the years ended December 31, 2024 and 2023, TCA made retirement plan contributions in the amount of \$1,015,804 and \$842,809, respectively.

10. 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 lease payments for each of the years ended December 31, 2024 and 2023 were \$331,056. See also Note 14.

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. UNEMPLOYMENT FUND:

TCA is self-insured for employee unemployment compensation claims through the establishment of an unemployment insurance fund. All monies in the fund are legally restricted for the payment administrative expenses and claims. Transfers were made from program funds to the unemployment insurance fund for the years ended December 31, 2024 and 2023, in the amount of \$137,755 and \$119,234, respectively, which is accounted for as revenue in the unemployment insurance fund and an expense to 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. As of December 31, 2024 and 2023, the balance of insurance proceeds was \$2,463,935 and \$2,985,322 respectively, and is classified as net assets without donor restrictions – board designated.

Claims in the amount of \$22,044 and \$17,071 as of December 31, 2024 and 2023 respectively, have been recorded in the financial statements.

12. INSURANCE PROCEEDS:

During 2006, TCA received insurance proceeds totaling \$1,536,814 from claims made relating to Hurricane Katrina. The insurance provided coverage for contents which were paid with federal funds. As of December 31, 2024 and 2023, the balance of insurance proceeds was \$1,512,452 and \$1,401,179 respectively, and is classified as net assets with donor restrictions. The fund will be used to benefit the programs in which the proceeds were generated (Head Start Program).

13. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash	\$ 3,976,934	\$ 1,190,876
Investments	5,621,206	6,494,988
Grants receivable	2,786,438	3,614,188
Other receivables	374,706	153,183
Total	12,759,284	11,453,235
Less: Amounts restricted by donors with purpose restrictions	(2,958,107)	(2,756,336)
Total financial assets available to management for general expenditures within one year	\$ 9,801,177	\$ 8,696,899

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

13. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS: (Continued)

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

14. MEMBERSHIP INTEREST:

On November 2, 1999, TCA cancelled its note receivable with Economic Development Unit, Inc. (EDU), totaling \$433,200. For good and valuable consideration, EDU transfer, assigns and delivers to TCA a 36% interest in the membership of EDU, three members of the Board of Directors of Economic Development Unit, Inc who shall have a combined 36% vote on the Board of Directors, which shall be elected by the Board of Directors from a list submitted to the Board of Directors of TCA. The Board of Directors of EDU shall consist of between six and nine members. EDU delivered a certificate of membership to TCA in accordance with LRS 12:210(C) and (D) evidencing the transfer. In addition, upon dissolution of Economic Development Unit, Inc., property and assets of EDU shall be donated and distributed to TCA as directed by the Board of Directors of EDU.

15. ECONOMIC DEPENDENCY:

For the years ending December 31, 2024 and 2023, approximately 94% and 86%, respectively, of TCA's revenues were earned from funds provided by governmental agencies. The grant amounts are appropriated each year by the federal, state, and local governments. If significant budget cuts occur at the federal, state, or local level, the amount of funds TCA receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds TCA will receive in the next fiscal year.

16. BOARD OF DIRECTORS:

The Organization's Board of Directors is composed entirely of volunteers who serve without compensation.

17. PRIOR PERIOD ADJUSTMENT:

During the year ended December 31, 2023 a decrease of \$153,220 was necessary to properly state beginning net assets. An adjustment of \$120,379 was made to correct an error related to advisory fees that was recorded incorrectly. Additionally, an adjustment to increase net assets by \$273,599 was made to correct related prior year balances.

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

18. EMPLOYEE RETENTION TAX CREDIT RECEIPTS:

During the year ended December 31, 2023, TCA received previously unrecognized funds through the Employee retention tax credit in the amount of \$4,295,764. Management determined that such receipts had not met the measurable criteria for recognition in the past and, accordingly, did not accrue a receivable in the prior year. Relevant entries were made by TCA to record the receipt of funds. Other revenue was also recognized in the current period since the credits were from payroll related costs incurred in the past for staff properly retained during the COVID-19 pandemic.

19. RECLASSIFICATIONS:

Certain amounts in 2023 have been reclassified to conform with the 2024 presentation. These reclassifications had no impact on net assets.

20. SUBSEQUENT EVENTS:

Management evaluated subsequent events as of June 30, 2025, which is the date these financial statements were available to be issued. Management noted that there are no additional disclosures or adjustments to these financial statements that are required.

TOTAL COMMUNITY ACTION, INC.
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
 TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2024

<u>Thelma French, CEO</u>	<u>December 31, 2024</u>
Salary	\$ 216,815
Benefits - retirement	20,286
Benefits - insurance, payroll taxes	19,936
Purchased technical services	15,000
Travel	397
Reimbursements	897
Total	<u>\$ 273,331</u>

TOTAL COMMUNITY ACTION, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENSES - DIRECT AND INDIRECT COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Direct <u>Costs</u>	Indirect <u>Costs</u>	Total <u>Costs</u>
Salaries and wages	\$ 11,268,952	\$ 561,087	\$ 11,830,039
Fringe benefits	3,248,293	146,366	3,394,659
Travel	71,066	699	71,765
Contractual	420,722	-	420,722
Professional fees	169,267	100,953	270,220
Supplies	972,005	18,181	990,186
Food costs	1,867,807	-	1,867,807
Subrecipient costs	2,472,352	-	2,472,352
Maintenance and repairs	792,505	18,988	811,493
Insurance	347,696	66,427	414,123
Interest expense - finance lease	214,310	-	214,310
Amortization expense - finance lease	244,578	-	244,578
Assistance to individuals	7,687,485	-	7,687,485
Telephone	124,592	34,765	159,357
Utilities	560,048	16,344	576,392
Occupancy	1,527,052	-	1,527,052
Vehicle expense	24,950	-	24,950
Postage	921	13,714	14,635
Depreciation	404,676	-	404,676
Stipend	737,499	-	737,499
Advisory fees	91,745	-	91,745
Indirect cost	784,586	-	784,586
Other costs	442,252	1,752	444,004
	<u>\$ 34,475,359</u>	<u>\$ 979,276</u>	<u>\$ 35,454,635</u>

TOTAL COMMUNITY ACTION, INC.
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	PROGRAM SERVICES										
	Resilient New Orleans	CNO-Food Pantry Distribution	RCS Program (Returning Citizen Stimulus)	Safety & Justice	DCFS Child Support Enforcement & Employment Training	Delgado Child Development	Sewerage and Water Board New Orleans	United Way - EFSP	United Way VITA Tax Program	Criminal Justice - SJC#3	CNO - Low Barrier Shelter
Revenue and Support:											
Local grants	\$ -	\$ 101,583	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ 12,721	\$ -	\$ -
State grants	-	-	-	-	42,052	176,848	-	-	-	-	-
Federal grants	-	-	-	-	-	248,039	-	33,108	-	-	2,178,243
Private foundations	-	-	-	55,642	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	16,670	-	-
Investment income	-	-	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	50,685	-	-	-	-	-
Total Revenue and Support	-	101,583	-	55,642	42,052	475,572	45,000	33,108	29,391	-	2,178,243
Expenses:											
Salaries and wages	42,250	-	-	-	28,480	281,728	37,144	-	11,559	-	541,425
Fringe benefits	16,185	-	-	-	9,398	72,116	16,213	-	1,095	-	68,311
Travel	-	-	-	4,416	-	-	-	-	-	-	-
Contractual	-	-	-	23,656	-	425	-	-	-	-	-
Professional fees	-	-	-	1,500	-	-	-	-	16,670	-	-
Supplies	-	19,490	-	1,092	-	17,101	-	-	-	-	-
Food costs	-	84,278	-	4,429	-	164	-	-	-	-	251,815
Subrecipient costs	-	-	-	-	-	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-
Interest expense - finance lease	-	-	-	-	-	-	-	-	-	-	-
Amortization expense - finance lease	-	-	-	-	-	-	-	-	-	-	-
Assistance to individuals	-	-	2,800	-	2,559	-	-	33,108	-	3,417	-
Telephone	-	-	-	-	-	-	-	-	-	-	1,728
Utilities	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	1,162	-	1,111,002
Vehicle expense	-	-	-	570	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Stipend	-	-	-	-	-	-	-	-	-	-	-
Advisory fees	-	-	-	-	-	-	-	-	-	-	-
Indirect cost	8,486	-	-	-	1,886	-	-	-	-	-	198,022
Other costs	-	9,988	-	26,424	-	237	-	-	-	350	5,940
Total Expenses	66,921	113,756	2,800	62,087	42,323	371,771	53,357	33,108	30,486	3,767	2,178,243
Change in net assets	(66,921)	(12,173)	(2,800)	(6,445)	(271)	103,801	(8,357)	-	(1,095)	(3,767)	-
Net assets, beginning of year	75,933	-	39,583	-	-	-	-	-	-	96,742	-
Transfers in/(out)	-	12,173	-	6,445	271	-	8,357	-	1,095	-	-
Net Assets, End of Year	\$ 9,012	\$ -	\$ 36,783	\$ -	\$ -	\$ 103,801	\$ -	\$ -	\$ -	\$ 92,975	\$ -

TOTAL COMMUNITY ACTION, INC.
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

PROGRAM SERVICES

	CNO - Emergency Solutions Grant - Homeless Assistance)	Child & Adult Food Care Program - (CCFP)	CNO-Workforce	CNO - Electric & Gas Arrearages Assistance Program	NOLA Cares Beloved Community	Strive Opportunity Center	Tight Ship	Community Services Block Grant	Emergency Assistance	Head Start Program
Revenue and Support:										
Local grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -
State grants	-	-	-	-	-	-	-	-	-	-
Federal grants	140,521	1,334,179	-	2,222,598	-	-	-	1,647,039	-	11,098,496
Private foundations	-	-	398,275	-	38,108	-	-	-	-	-
Contributions	-	-	-	-	-	-	3,500	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	55,068
Total Revenue and Support	140,521	1,334,179	398,275	2,222,598	38,108	-	8,500	1,647,039	-	11,153,564
Expenses:										
Salaries and wages	23,522	547,912	-	76,727	-	-	-	898,050	-	5,127,711
Fringe benefits	8,983	169,288	-	7,078	-	-	-	249,833	-	1,465,618
Travel	-	-	-	-	363	-	9,066	12,421	-	13,531
Contractual	-	-	-	12,650	22,425	-	2,537	3,290	-	150,351
Professional fees	-	-	-	10,000	4,249	-	-	11,293	-	73,193
Supplies	-	-	-	2,641	3,147	-	1,069	21,920	-	456,954
Food costs	-	616,979	-	-	1,023	-	-	27,616	-	850,338
Subrecipient costs	-	-	-	-	-	-	-	-	-	994,784
Maintenance and repairs	-	-	-	-	-	-	-	37,908	-	503,953
Insurance	-	-	-	14,228	-	-	-	55,213	-	271,564
Interest expense - finance lease	-	-	-	-	-	-	-	-	-	214,310
Amortization expense - finance lease	-	-	-	-	-	-	-	-	-	244,578
Assistance to individuals	109,696	-	-	2,069,958	-	-	-	36,654	891	80
Telephone	-	-	-	-	-	-	-	31,444	-	63,074
Utilities	-	-	-	-	-	-	-	39,825	-	367,295
Occupancy	-	-	-	17,682	-	-	-	207,055	-	(1,761)
Vehicle expense	-	-	-	-	-	-	-	439	-	7,650
Postage	-	-	-	-	-	-	-	-	-	-
Fundraising Expenses	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Stipend	-	-	373,009	4,403	-	-	-	-	-	16,795
Advisory fees	-	-	-	-	-	-	-	-	-	-
Indirect cost	1,619	-	25,266	3,875	-	-	-	-	-	328,406
Other costs	-	-	-	-	6,901	-	-	14,078	-	58,738
Total Expenses	143,820	1,334,179	398,275	2,219,242	38,108	-	12,672	1,647,039	891	11,207,162
Change in net assets	(3,299)	-	-	3,356	-	-	(4,172)	-	(891)	(53,598)
Net assets, beginning of year	-	-	26,888	-	-	141,436	22,428	-	-	-
Transfers in/(out)	3,299	-	-	(3,356)	-	-	-	-	891	53,598
Net Assets, End of Year	\$ -	\$ -	\$ 26,888	\$ -	\$ -	\$ 141,436	\$ 18,256	\$ -	\$ -	\$ -

TOTAL COMMUNITY ACTION, INC.
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Assets for Independence Demonstration Account	W. K. Kellogg	We-Act-Lend Service Line Project	Early Head Start Program	Teacher Supplement Pilot Pay DOE CAPS	Early Head Start - Child Care Partnership (EHSCCP)	CNO - Summer Youth Program	CNO - NORD Program - STEM	LIHEAP - Low Income Home Energy Assistance Program - Admin
Revenue and Support:									
Local grants	\$ -	\$ -	\$ 29	\$ -	\$ -	\$ -	\$ -	\$ 61,252	\$ -
State grants	-	-	-	-	-	-	-	-	-
Federal grants	-	-	-	5,208,544	11,256	1,177,666	-	-	420,342
Private foundations	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-
Total Revenue and Support	-	-	29	5,208,544	11,256	1,177,666	-	61,252	420,342
Expenses:									
Salaries and wages	-	-	-	2,751,714	9,033	284,654	-	-	270,742
Fringe benefits	-	-	-	768,909	2,223	88,602	-	-	87,749
Travel	-	-	29	1,393	-	-	-	-	926
Contractual	-	-	-	68,829	-	100,869	-	15,644	1,170
Professional fees	-	-	-	25,144	-	5,474	-	-	20,033
Supplies	-	-	-	164,784	-	3,156	-	14,962	-
Food costs	-	700	-	3,040	-	491	-	7,468	-
Subrecipient costs	-	-	-	827,489	-	650,079	-	-	-
Maintenance and repairs	-	-	-	177,496	-	-	-	-	5,783
Insurance	-	-	-	782	-	-	-	-	1,141
Interest expense - finance lease	-	-	-	-	-	-	-	-	-
Amortization expense - finance lease	-	-	-	-	-	-	-	-	-
Assistance to individuals	-	1,118	-	-	-	-	-	-	-
Telephone	-	-	-	13,995	-	1,816	-	-	2,026
Utilities	-	-	-	135,779	-	-	-	-	1,087
Occupancy	-	-	-	92,278	-	22,469	-	-	17,877
Vehicle expense	-	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Stipend	-	-	-	-	-	-	-	-	-
Advisory fees	-	-	-	-	-	-	-	-	-
Indirect cost	-	-	-	175,269	-	18,588	-	-	23,166
Other costs	-	-	-	2,811	-	1,468	-	25,881	1,386
Total Expenses	-	1,818	29	5,209,712	11,256	1,177,666	-	63,955	433,086
Change in net assets	-	(1,818)	-	(1,168)	-	-	-	(2,703)	(12,744)
Net assets, beginning of year	69,999	18,614	-	-	-	-	-	-	-
Transfers in/(out)	-	-	-	1,168	-	-	-	2,703	12,744
Net Assets, End of Year	\$ 69,999	\$ 16,796	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**TOTAL COMMUNITY ACTION, INC.
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

PROGRAM SERVICES

	LIHEAP - Low Income Home Energy Assistance Program Support	LIHEAP - Low Income Home Energy Assistance Client Education	LIHEAP - Low Income Home Energy Assistance - (ARP) - Admin	LIHEAP - (ARP) Program Support	NOEEN Educator Wage Enhancement	ECHO Grant	Child Care Block Grant	Community of Practices	Program Services Subtotal
Revenue and Support:									
Local grants	\$ -	\$ -	\$ -	\$ -	\$ 34,000	\$ -	\$ -	\$ -	\$ 259,585
State grants	-	-	-	-	64,500	-	1,771	-	285,171
Federal grants	5,609,290	26,088	-	-	241,250	28,000	632,881	-	32,257,540
Private foundations	-	-	-	-	-	1,865	-	28,805	522,695
Contributions	-	-	-	-	-	-	-	1,500	21,670
Investment income	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	105,753
Total Revenue and Support	5,609,290	26,088	-	-	339,750	29,865	634,652	30,305	33,452,414
Expenses:									
Salaries and wages	85,057	-	-	-	-	-	241,359	-	11,259,067
Fringe benefits	21,561	79	48	14	-	-	56,171	83	3,109,557
Travel	1,302	750	-	-	-	-	-	18,367	62,564
Contractual	1,900	-	-	-	-	-	-	5,506	409,252
Professional fees	-	-	-	-	-	-	-	-	167,556
Supplies	15,313	-	-	-	-	26,323	83,199	-	831,151
Food costs	-	-	-	-	-	-	357	168	1,848,866
Subrecipient costs	-	-	-	-	-	-	-	-	2,472,352
Maintenance and repairs	9,660	829	-	-	-	-	53,724	-	789,353
Insurance	4,324	444	-	-	-	-	-	-	347,696
Interest expense - finance lease	-	-	-	-	-	-	-	-	214,310
Amortization expense - finance lease	-	-	-	-	-	-	-	-	244,578
Assistance to individuals	5,418,105	7,646	-	-	-	-	-	1,353	7,687,385
Telephone	8,924	757	-	-	-	-	-	-	123,764
Utilities	4,273	238	-	-	-	-	11,374	-	559,871
Occupancy	37,329	2,783	-	-	-	-	12,309	1,750	1,521,935
Vehicle expense	-	-	-	-	-	-	66	861	9,586
Postage	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Stipend	-	-	-	-	339,750	3,542	-	-	737,499
Advisory fees	-	-	-	-	-	-	-	-	-
Indirect cost	-	-	3	-	-	-	-	-	784,586
Other costs	1,900	-	-	-	-	-	351	7,983	164,436
Total Expenses	5,609,648	13,526	51	14	339,750	29,865	458,910	36,071	33,345,364
Change in net assets	(358)	12,562	(51)	(14)	-	-	175,742	(5,766)	107,050
Net assets, beginning of year	-	-	-	-	-	-	982,682	22,288	1,496,593
Transfers in/(out)	358	(12,562)	51	14	-	-	-	-	87,249
Net Assets, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,158,424	\$ 16,522	\$ 1,690,892

TOTAL COMMUNITY ACTION, INC.
 SUPPLEMENTARY INFORMATION
 COMBINING STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2024

SUPPORTING SERVICES

	General Fund	Property and Equipment	Unemployment Fund	Insurance Proceeds	Indirect Cost Account	Supporting Services Subtotal	TOTAL
Revenue and Support:							
Local grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,585
State grants	-	-	-	-	-	-	285,171
Federal grants	-	-	-	-	750,834	750,834	33,008,374
Private foundations	20,197	-	-	-	33,752	53,949	576,644
Contributions	750	-	-	-	-	750	22,420
Investment income	209,029	-	452,180	120,934	-	782,143	782,143
Fundraising	3,060	-	-	-	-	3,060	3,060
Other revenue	529,081	-	137,755	-	-	666,836	772,589
Total Revenue and Support	762,117	-	589,935	120,934	784,586	2,257,572	35,709,986
Expenses:							
Salaries and wages	9,885	-	-	-	561,087	570,972	11,830,039
Fringe benefits	116,693	-	22,044	-	146,366	285,103	3,394,660
Travel	8,502	-	-	-	699	9,201	71,765
Contractual	11,470	-	-	-	-	11,470	420,722
Professional fees	1,711	-	-	-	100,953	102,664	270,220
Supplies	140,854	-	-	-	18,181	159,035	990,186
Food costs	18,941	-	-	-	-	18,941	1,867,807
Subrecipient costs	-	-	-	-	-	-	2,472,352
Maintenance and repairs	3,152	-	-	-	18,988	22,140	811,493
Insurance	-	-	-	-	66,427	66,427	414,123
Interest expense - finance lease	-	-	-	-	-	-	214,310
Amortization expense - finance lease	-	-	-	-	-	-	244,578
Assistance to individuals	100	-	-	-	-	100	7,687,485
Telephone	828	-	-	-	34,765	35,593	159,357
Utilities	177	-	-	-	16,344	16,521	576,392
Occupancy	5,118	-	-	-	-	5,118	1,527,053
Vehicle expense	15,364	-	-	-	-	15,364	24,950
Postage	921	-	-	-	13,714	14,635	14,635
Depreciation	-	404,676	-	-	-	404,676	404,676
Stipend	-	-	-	-	-	-	737,499
Advisory fees	32,765	-	49,319	9,661	-	91,745	91,745
Indirect cost	-	-	-	-	-	-	784,586
Other costs	277,814	-	-	-	1,752	279,566	444,002
Total Expenses	644,295	404,676	71,363	9,661	979,276	2,109,271	35,454,635
Change in net assets	117,822	(404,676)	518,572	111,273	(194,690)	148,301	255,351
Net assets, beginning of year	3,225,103	4,628,821	2,985,322	1,401,179	-	12,240,425	13,737,018
Transfers in/(out)	24,420	733,601	(1,039,960)	-	194,690	(87,249)	-
Net Assets, End of Year	\$ 3,367,345	\$ 4,957,746	\$ 2,463,934	\$ 1,512,452	\$ -	\$ 12,301,477	\$ 13,992,369



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

June 30, 2025

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Total Community Action, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 June 30, 2025.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a

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combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Total Community Action's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 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.

Duplantier, Sharpness, Hogan and Skater, LLP

New Orleans, Louisiana



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

June 30, 2025

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

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Total Community Action, Inc.'s (TCA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on TCA's major federal program for the year ended December 31, 2024. TCA's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, TCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended December 31, 2024.

Basis for Opinion on Major Federal Program

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

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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.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

Other Matters

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 2024-01. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Duplantier, Sharpner, Hogan and Graker, LLP

New Orleans, Louisiana

TOTAL COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

<u>Federal Grantor/Program Name</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services				
<u>Direct Programs</u>				
Head Start and Early Head Start Program	93.600		\$ 1,822,274	\$ 16,416,874
Early Head Start/Child Care Partnership	93.600		650,079	1,177,666
Subtotal - Direct Awards			<u>2,472,353</u>	<u>17,594,540</u>
Awards from a Pass-Through Entity				
<u>Passed-Through: Louisiana Workforce Commission</u>				
Community Services Block Grant	93.569		-	1,647,039
<u>Passed-Through: Louisiana Housing Corporation</u>				
Low-Income Home Energy Assistance Program	93.568		-	6,056,325
Subtotal - Awards from Pass-Through Entities			<u>-</u>	<u>7,703,364</u>
Total U.S. Department of Health and Human Services			<u>2,472,353</u>	<u>25,297,904</u>
U.S. Department of Agriculture				
Awards from a Pass-Through Entity				
<u>Passed-Through: State of Louisiana</u>				
Child Care Food Program	10.558		-	1,334,179
Total U.S. Department of Agriculture			<u>-</u>	<u>1,334,179</u>
U.S. Department of Housing and Urban Development				
Awards from a Pass-Through Entity				
<u>Passed-Through: City of New Orleans</u>				
Emergency Solutions Grant	14.231		-	143,820
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>143,820</u>
Federal Emergency Management Agency				
Awards from a Pass-Through Entity				
<u>Passed-Through: United Way</u>				
United Way Emergency Food and Shelter Program (EFSP)	97.024		-	33,108
Total Federal Emergency Management Agency			<u>-</u>	<u>33,108</u>
U.S. Department of Treasury				
Awards from a Pass-Through Entity				
<u>Passed-Through: City of New Orleans</u>				
American Recovery Plan Act (ARPA)-Utility Arrearages	21.019		-	2,219,240
Total U.S. Department of Treasury			<u>-</u>	<u>2,219,240</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,472,353</u>	<u>\$ 29,028,251</u>

TOTAL COMMUNITY ACTION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Total Community Action, Inc. under programs of the federal government for the year ended December 31, 2024. The information presented in the 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)*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

1. BASIS OF ACCOUNTING:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Total Community Action, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

2. INDIRECT COST RATE:

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

3. LOAN AND LOAN GUARANTEES:

Total Community Action, Inc. did not expend federal awards related to loans or loan guarantees during the year ended December 31, 2024. The Organization had no loans outstanding at December 31, 2024.

4. FEDERALLY FUNDED INSURANCE:

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

5. NONCASH ASSISTANCE:

Total Community Action, Inc. did not receive federal noncash assistance for the year ended December 31, 2024.

TOTAL COMMUNITY ACTION, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2024

PART I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal Control Over Financial Reporting:

Material weaknesses identified? ___yes X no
 Significant deficiencies identified
 not considered to be material weaknesses? ___yes X none reported

Noncompliance material to financial statements noted? ___yes X no

Federal Awards

Internal Control Over Major Programs:

Material weakness(es) identified? ___yes X no
 Significant deficiency(s) identified
 not considered to be material weaknesses? ___yes X none reported

An unmodified opinion was issued on compliance.

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? X yes ___ no

The major programs for the year ended December 31, 2024 were as follows:

<u>NAME OF PROGRAM</u>	<u>ASSISTANCE LISTING NO.</u>	<u>EXPENDITURES</u>
Head Start and Early Head Start Program	93.600	\$17,594,540

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee did not qualify as a low-risk auditee.

TOTAL COMMUNITY ACTION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS

None.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS PROGRAMS

Subrecipient Monitoring 2024-01

Condition:

During our review of the Head Start grant subrecipient monitoring procedures, the Organization was unable to provide documentation to support that monitoring activities were performed for one of the three subrecipients tested during the audit period.

Criteria:

In accordance with the **Uniform Guidance (2 CFR §200.332(d))**, pass-through entities are required to monitor the activities of subrecipients as necessary to ensure that the subaward is used for authorized purposes and in compliance with applicable laws, regulations, and the terms and conditions of the subaward.

Cause:

The Organization did not provide documentation to demonstrate that subrecipient monitoring was performed. As a result, it is possible that the required monitoring activities were not conducted during the audit period, or, if they were performed, they were not adequately documented or retained in accordance with federal grant requirements.

Effect:

Failure to conduct subrecipient monitoring increases the risk that subrecipients may not be complying with federal program requirements, potentially leading to misuse of federal funds, lack of program quality assurance, or uncorrected deficiencies in service delivery.

Recommendation:

We recommend that the Organization ensure all required subrecipient monitoring activities are performed in accordance with federal guidelines. Additionally, all monitoring procedures—including risk assessments, site visits, performance reviews, and follow-up actions—should be clearly documented and retained to demonstrate compliance with grant requirements.

TOTAL COMMUNITY ACTION, INC.
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

PART II - PRIOR YEAR FINANCIAL STATEMENT FINDINGS

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

STATUS: Resolved

FINDING# 2023-002 - Bank Reconciliation Procedures Not Adequate

STATUS: Resolved

FINDING# 2023-003- Single Audit Report Submission

STATUS: Resolved



CORRECTIVE ACTION PLAN

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS PROGRAMS

Subrecipient Monitoring 2024-01

RESPONSE: TCA acknowledges that during the fiscal year 2024, that the agency did not conduct onsite fiscal monitoring of the delegate agencies, due to several personnel and medical challenges and absences within the accounting and fiscal unit. In accordance with policy and procedures stated in the TCA Accounting and Financial Procedures, the TCA fiscal and programmatic team, under the joint supervision of the Chief Financial Officer and Compliance Officer, have updated the procedures and documents to support our full compliance for fiscal year 2025.

TCA MONITORING POLICIES AND PROCEDURES

TCA Accounting and Financial Policies and Procedure establishes the agency requirements for all subcontractor and subrecipients monitoring. The agency's policies apply to all federal and state grants, regardless of funding sources. Monitoring is conducted to assure that subrecipients are attaining measurable goals, objectives, performance indicators, and fiscal requirements as outlined in the contract.

Programmatic and fiscal site visits are conducted based on an annual risk assessment. The TCA Accounting and Fiscal unit responsible for the fiscal monitoring of subrecipients. The designated Finance Team member conducts monthly desk reviews of invoices, supporting general ledger and other supporting documentation. TCA policies require at least one onsite fiscal monitoring review.

Programmatic Monitoring is conducted onsite twice each the program year. Additional programmatic monitoring, corrective actions and technical assistance is provided on as need basis. Head Start and Early Head Start delegates and childcare partners are monitored by all appropriate content managers and/ or specialist. TCA non-Head Start subgrantees are monitored by the respective Program Managers or designated monitors.

Reports of all monitoring visits and corrective actions are provided to the CEO, and senior leadership, as well as to the TCA Board through the respective Board Committees (Program, Finance and Audit).

References:

TCA Accounting & Financial Policy and Procedures Manual-Monitoring requirements for Federal and State Grants

TCA Programmatic Standards of Services and Operational Procedures

TOTAL COMMUNITY ACTION, INC.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

FOR THE FISCAL YEAR JANUARY 01, 2024
THROUGH DECEMBER 31, 2024

TOTAL COMMUNITY ACTION, INC.

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE FISCAL YEAR JANUARY 01, 2024
THROUGH DECEMBER 31, 2024

June 6, 2025

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2024 through December 31, 2024. Total Community Action, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Total Community Action, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 01, 2024 through December 31, 2024. Additionally, the 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:

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Members
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1) *Written Policies and Procedures*

- A. **Procedure:** Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical

location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

Results: As a result of applying the above agreed-upon procedures, we noted that the Information Technology Disaster Recovery/Business Continuity Policy and Procedures does not contain the identification of the personnel, processes, and tools needed to recover after a critical event.

2) Board or Finance Committee

- A. **Procedure:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: As a result of applying the above agreed-upon procedures, we noted the following:

- The September 2024 board meeting minutes did not reference or include financial activity related to public funds.
- The board meeting minutes did not include evidence of updates regarding the resolution of prior year findings.

3) *Bank Reconciliations*

- A. **Procedure:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No findings noted as a result of applying the above agreed-upon procedures.

4) *Collections (excluding electronic funds transfers)*

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

- B. **Procedure:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No findings noted as a result of applying the above agreed-upon procedures.

- C. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Results: Upon applying the agreed-upon procedures above, we noted that 1 receipt was not deposited within one day of being received.

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

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

- B. **Procedure:** For each location selected under procedure #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, then 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 or 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; and
- 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.

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
- ii. Observe that finance charges and late fees were not assessed on the selected statements.

Results: No findings noted as a result of applying the above agreed-upon procedures.

- C. **Procedure:** Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction

and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: As a result of applying the above agreed-upon procedures, we noted the following:

- Supporting documentation for 4 credit card charges was missing.
- Support for 2 charges did not contain an itemized receipt.
- Support for 5 charges did not contain evidence of the business purpose of the charges.
- One statement for the month of April 2024 contained a late fee.
- Support for 3 meal charges did not contain documentation of the individuals participating in the meals.

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

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

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No findings noted as a result of applying the above agreed-upon procedures.

8) *Contracts*

A. **Procedure:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an*

active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: As a result of applying the above agreed-upon procedures, we noted the following:

- Three of the contracts selected for testing could not be provided; therefore, we were unable to determine if the contracts were approved by the governing body or if the payments selected for testing agree to contracts terms.
- All contracts selected for testing could not be provided, therefore, we were unable to determine if the contract was amended and if the amendment was in compliance with original terms for a contract amendment.

9) Payroll and Personnel

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

- B. **Procedure:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

Results: As a result of applying the above agreed-upon procedures, we noted that the pay rate on an employee's final paystub did not match the pay rate on the employee's personnel form provided.

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

10) Fraud Notice

- A. **Procedure:** 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 as required by R.S. 24:523.

Results: No findings noted as a result of applying the above agreed-upon procedures.

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

Results: No findings noted as a result of applying the above agreed-upon procedures.

11) Information Technology Disaster Recovery/Business Continuity

A. **Procedure:** Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the above agreed-upon procedure and discussed the results with management of Total Community Action, Inc.

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

Results: We performed the above agreed-upon procedure and discussed the results with management of Total Community Action, Inc.

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

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

Results: We performed the above agreed-upon procedure and discussed the results with management of Total Community Action, Inc.

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

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

Duplantier, Sharpness, Hogan and Oakes, LLP

New Orleans, Louisiana



June 30, 2025

Total Community Action, Incorporated

Management Responses to Statewide Agreed Upon Procedures

Fiscal Year January 1, 2024-December 31, 2024

1) *Written Policies and Procedures*

Results: As a result of applying the above agreed-upon procedures, we noted that the Information Technology Disaster Recovery/Business Continuity Policy and Procedures does not contain the identification of the personnel, processes, and tools needed to recover after a critical event.

Managements Response: The TCA Chief Technology Officer is currently reviewing and updating the Information Technology Disaster Recovery/Business Continuity Policy and Procedure to address the deficiencies noted by auditors. The updated policy will be presented to the Board of Directors for adoption.

2) *Board or Finance Committee*

Results: As a result of applying the above agreed-upon procedures, we noted the following:

- The September 2024 board meeting minutes did not reference or include financial activity related to public funds.
- The board meeting minutes did not include evidence of updates regarding the resolution of prior year findings.

Managements Response:

Management recognizes that the September Board minutes do not refer to reporting of financial activities; however, the agenda, minutes and documents of the August 8, 2024, Executive Committee meeting were included in the Board packet and adopted by the Board in the September 30, 2024 meeting. The Executive Committee meeting packet provided a detailed report of fiscal activities, inclusive of but not limited to the Unemployment Insurance Fund Audit, CSBG Budget Revision, Accounts receivable and the FY 2023 Audit, and the resolution of audit findings. Additionally, the minutes of the Executive Committee meeting document the impact of the Chief Financial Officer emergency medical leave on the FY 2023 Audit completion and fiscal reporting.

4) Collections (excluding electronic funds transfers)

Results: Upon applying the agreed-upon procedures above, we noted that 2 receipts were not deposited within one day of being received.

Managements Response: Management concurs with this finding. TCA's policy as it relates to the timeliness of deposits states bank deposits shall be made on a daily basis, unless the total amount received for deposit is less than \$500.00. The CFO has employed an additional procedure within the collections and deposit process to ensure that this oversight will not occur in the near future.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

Results: As a result of applying the above agreed-upon procedures, we noted the following:

- Supporting documentation for 4 credit card charges was missing.
- Support for 2 charges did not contain an itemized receipt.
- Support for 5 charges did not contain evidence of the business purpose of the charges.
- One statement for the month of April 2024 contained a late fee.
- Support for 3 meal charges did not contain documentation of the individuals participating in the meals.

Managements Response:

Management will ensure that all credit card documentation policies are adhered to, and that receipts provided include all necessary supplemental documentation.

8) Contracts

Results: As a result of applying the above agreed-upon procedures, we noted the following:

- Three of the contracts selected for testing could not be provided; therefore, we were unable to determine if the contracts were approved by the governing body or if the payments selected for testing agree to contract terms.
- All contracts selected for testing could not be provided, therefore, we were unable to determine if the contract was amended and if the amendment was in compliance with original terms for a contract amendment.

Management Responses:

Management acknowledges that there was a challenge in the agency's response to this request, as the list of contractors provided to auditors for testing included vendors, as well as contractors. The three selected were vendors, thus there were no contracts available. Management is reviewing and updating its procurement and supplier classifications in both fiscal and compliance documents and will ensure that copies of current contracts and amendments are available both in the electronic shared drive and agency operation files.