

R E P O R T

TOTAL COMMUNITY ACTION, INC.

DECEMBER 31, 2025 AND 2024

TOTAL COMMUNITY ACTION, INC.

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September 1, 2026

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, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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, 2025 and 2024, and the changes in its net assets and its cash flows for the years 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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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.

Report on 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 are 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 September 1, 2026, 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 Parker, LLP

Metairie, Louisiana

TOTAL COMMUNITY ACTION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS:		
Cash	\$ 2,746,338	\$ 3,976,934
Investments	6,474,254	5,621,206
Grants receivable	2,171,366	2,786,438
Other receivables	259,018	374,706
Prepaid expenses	120,878	75,692
Property and equipment, net	4,794,793	4,957,747
Right-of-use asset, net	5,260,682	5,320,795
Membership interest	<u>433,200</u>	<u>433,200</u>
TOTAL ASSETS	<u>\$ 22,260,529</u>	<u>\$ 23,546,718</u>
LIABILITIES:		
Accounts payable	\$ 1,460,840	\$ 2,801,204
Refundable advances	643,656	1,258,526
Finance lease liability	<u>5,365,135</u>	<u>5,494,619</u>
TOTAL LIABILITIES	<u>7,469,631</u>	<u>9,554,349</u>
NET ASSETS:		
Without donor restrictions:		
Undesignated	5,459,376	5,022,198
Board - designated	<u>3,106,210</u>	<u>2,463,934</u>
Total without donor restrictions	8,565,586	7,486,132
With donor restrictions	<u>6,225,312</u>	<u>6,506,237</u>
TOTAL NET ASSETS	<u>14,790,898</u>	<u>13,992,369</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 22,260,529</u>	<u>\$ 23,546,718</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, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:						
Local grants	\$ 1,176,530	\$ -	\$ 1,176,530	\$ 500,835	\$ -	\$ 500,835
Federal grants	30,094,434	-	30,094,434	32,767,124	-	32,767,124
State grants	263,304	-	263,304	285,171	-	285,171
Private foundations	485,468	-	485,468	576,644	-	576,644
Contributions	16,645	-	16,645	22,420	-	22,420
Investment income, net	1,062,671	-	1,062,671	782,143	-	782,143
Fundraising income	-	-	-	3,060	-	3,060
Other revenue	405,006	-	405,006	772,589	-	772,589
Released from restrictions	280,925	(280,925)	-	95,506	(95,506)	-
Total revenue and support	<u>33,784,983</u>	<u>(280,925)</u>	<u>33,504,058</u>	<u>35,805,492</u>	<u>(95,506)</u>	<u>35,709,986</u>
EXPENSES:						
Program services	30,855,987	-	30,855,987	33,345,364	-	33,345,364
Supporting services	1,849,542	-	1,849,542	2,109,271	-	2,109,271
Total expenses	<u>32,705,529</u>	<u>-</u>	<u>32,705,529</u>	<u>35,454,635</u>	<u>-</u>	<u>35,454,635</u>
Change in net assets	1,079,454	(280,925)	798,529	350,857	(95,506)	255,351
Net assets, beginning of year	<u>7,486,132</u>	<u>6,506,237</u>	<u>13,992,369</u>	<u>7,135,275</u>	<u>6,601,743</u>	<u>13,737,018</u>
NET ASSETS END OF YEAR	<u>\$ 8,565,586</u>	<u>\$ 6,225,312</u>	<u>\$ 14,790,898</u>	<u>\$ 7,486,132</u>	<u>\$ 6,506,237</u>	<u>\$ 13,992,369</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, 2025

	<u>Program</u> <u>Services</u>	<u>Supporting</u> <u>Services</u>	<u>Total</u>
Expenses			
Salaries and wages	\$ 11,524,075	\$ 545,325	\$ 12,069,400
Fringe benefits	3,106,477	223,948	3,330,425
Travel	32,100	18,672	50,772
Contractual	381,009	3,074	384,083
Professional fees	175,514	67,992	243,506
Supplies	1,233,238	93,349	1,326,587
Food costs	1,471,122	30,614	1,501,736
Subrecipient costs	2,800,675	-	2,800,675
Maintenance and repairs	615,277	32,896	648,173
Insurance	338,571	72,057	410,628
Interest expense - finance lease	257,859	-	257,859
Amortization expense - finance lease	255,169	-	255,169
Assistance to individuals	5,794,232	5,119	5,799,351
Telephone	128,118	33,793	161,911
Utilities	495,965	15,592	511,557
Occupancy	62,869	7,504	70,373
Vehicle expense	8,904	11,383	20,287
Postage	11	13,684	13,695
Depreciation	-	402,973	402,973
Stipend	776,593	-	776,593
Advisory fees	-	86,117	86,117
Indirect cost	1,179,126	-	1,179,126
Other costs	219,083	185,450	404,533
Total expenses	<u>\$ 30,855,987</u>	<u>\$ 1,849,542</u>	<u>\$ 32,705,529</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

	Program <u>Services</u>	Supporting <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.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 798,529	\$ 255,351
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	402,973	404,676
Unrealized/realized gain on investments	(861,577)	(614,156)
Amortization of right of use asset	255,169	244,578
(Increase) decrease in operating assets:		
Grant receivables	615,072	827,750
Other receivables	115,688	(221,523)
Prepaid expenses	(45,186)	26,097
Increase (decrease) in operating liabilities:		
Accounts payable	(1,340,364)	887,971
Refundable advances	(614,870)	408,129
Net cash provided (used) by operating activities	<u>(674,566)</u>	<u>2,218,873</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(240,021)	(733,601)
Purchases of investments	(1,374,857)	(2,466,891)
Sales of investments	1,213,147	3,954,829
Net cash provided (used) by investing activities	<u>(401,731)</u>	<u>754,337</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance lease obligation, net	(154,299)	(187,152)
Net cash (used) by financing activities	<u>(154,299)</u>	<u>(187,152)</u>
Net change in cash and cash equivalents	(1,230,596)	2,786,058
CASH - BEGINNING OF PERIOD	<u>3,976,934</u>	<u>1,190,876</u>
CASH - END OF PERIOD	<u>\$ 2,746,338</u>	<u>\$ 3,976,934</u>

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

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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 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, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Grants 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 identification 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, 2025 AND 2024

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 TCA were to engage in activities unrelated to the purpose for which it was created, taxable income could result. In management's judgment, 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, 2025 AND 2024

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 to determine 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 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, 2025 AND 2024

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, 2025 and 2024, TCA's carrying amount of their cash deposits was \$2,746,338 and \$3,976,934, respectively. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution per depositor. At December 31, 2025 and 2024, TCA had uninsured deposits totaling \$2,051,269 and \$3,455,713, respectively.

3. GRANTS RECEIVABLE:

Grants receivable consists of the following as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
U.S. Department of Health and Human Services	\$ 1,908,614	\$ 2,210,651
U.S. Department of Agriculture	128,427	114,243
FEMA	32,221	32,221
State of Louisiana	-	42,052
City of New Orleans	57,104	341,396
Others	45,000	45,875
Total	<u>\$ 2,171,366</u>	<u>\$ 2,786,438</u>

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

4. PROPERTY AND EQUIPMENT:

Property and equipment at December 31, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Building	\$ 7,563,028	\$ 7,563,028
Buildings and improvements	1,970,847	1,824,503
Furniture and fixtures	13,346	13,345
Equipment	93,676	-
Transportation equipment	179,029	179,029
	<u>9,819,926</u>	<u>9,579,905</u>
Less: Accumulated depreciation	<u>(5,229,333)</u>	<u>(4,826,358)</u>
Property and equipment being depreciated, net	4,590,593	4,753,547
Land	<u>204,200</u>	<u>204,200</u>
Property and equipment, net	<u>\$ 4,794,793</u>	<u>\$ 4,957,747</u>

Depreciation expense for fiscal years ended December 31, 2025 and 2024 was \$402,973 and \$404,676, respectively.

The federal government retains a financial reversionary interest in certain buildings, improvements, land, and vehicles acquired using federal funding. As of December 31, 2025 and 2024, the net book value of these assets consisted of \$3,113,817 and \$3,406,694, respectively.

5. INVESTMENTS:

TCA's investments are reported at fair value and consist of the following at December 31, 2025 and 2024:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market accounts	\$ 81,961	\$ 81,961	\$ 106,782	\$ 106,782
Fixed income	264,348	248,986	206,636	183,774
Equities	1,513,984	2,457,425	1,417,090	1,935,055
Mutual funds	3,029,186	3,685,882	3,061,275	3,395,595
Totals	<u>\$ 4,889,479</u>	<u>\$ 6,474,254</u>	<u>\$ 4,791,783</u>	<u>\$ 5,621,206</u>

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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. Equity 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:

		Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2025	Total			
Money market	\$ 81,961	\$ 81,961	\$ -	\$ -
Fixed income	248,986	-	248,986	-
Equities	2,457,425	2,457,425	-	-
Mutual Funds	3,685,882	3,685,882	-	-
Totals	<u>\$ 6,474,254</u>	<u>\$ 6,225,268</u>	<u>\$ 248,986</u>	<u>\$ -</u>

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

6. FAIR VALUE OF FINANCIAL INSTRUMENTS: (Continued)

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>

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 annually.

TCA also leases copy machines for multiple administrative and program offices located throughout New Orleans. The copier leases are considered finance leases and have terms ranging from two to five years and expire between 2027 and 2030.

To calculate the present value of the lease liabilities and related ROU asset at the adoption date, TCA used a discount rate of 4.79% for the Norman C. Francis Parkway building lease, and discount rates ranging from 2.55% to 4.42% for the copier leases. These discount rates represent TCA's risk-free rates at the time of the lease commencement for each respective lease term.

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. Lease amortization expense for the years ended December 31, 2025 and 2024 was \$255,169 and \$244,578, respectively. Supplemental balance sheet information related to the leases is as follows:

<i>Leases</i>	
Right-of-Use Asset - Leases	\$ 6,197,239
Accumulated Amortization	(936,557)
Right-of-Use Asset - Leases, net	<u>\$ 5,260,682</u>
Current Portion of Lease Obligation	412,908
Lease Obligation, Less Current Portion	4,952,227
Total Finance Lease Obligations	<u>\$ 5,365,135</u>

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

7. LEASES: (Continued)

Other Information

Weighted-average remaining lease term in years for leases is 24.70.

Weighted-average discount rate for leases is 4.78%.

The maturities of lease liabilities as of December 31, 2025 are as follows:

	<u>Lease Obligation</u>
2026	\$ 412,908
2027	392,658
2028	385,908
2029	372,683
2030	360,108
Thereafter	<u>7,172,160</u>
Total	9,096,425
Less: interest	<u>(3,731,290)</u>
Lease liability	<u><u>\$ 5,365,135</u></u>

Cash paid for amounts included in the measurement of the finance lease liabilities was as follows:

	<u>2025</u>	<u>2024</u>
Interest	\$ 257,859	\$ 214,310
Principal	154,299	160,986

Other Leases

TCA leases property owned by HANO located at 2161 Lafitte Street in New Orleans, Louisiana from Lafitte Redevelopment, LLC. The property is used to provide case management services to New Orleans residents and referrals to a network of supportive service providers to address their family needs. The lease requires annual payments of \$1 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. The property is used to provide high-quality child-development services. The lease is renewed annually and requires an annual payment of \$12, payable in monthly installments.

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

8. NET ASSETS WITH DONOR RESTRICTIONS:

As of December 31, 2025 and 2024, net assets with donor restrictions consist of the following:

<u>Program</u>	<u>2025</u>	<u>2024</u>
<u>Child Education & Development / Family Supports</u>		
W.K. Kellogg	\$ 16,796	\$ 16,796
Child Education and Development	1,112,934	1,158,424
Total Child Education & Development / Family Supports	<u>1,129,730</u>	<u>1,175,220</u>
<u>Community Services, Workforce & Justice Programs</u>		
Independence Training and Education	54,863	69,999
Returning Citizens Stimulus	816	36,783
Strive Opportunity	141,436	141,436
Tight Ship	17,344	18,256
Criminal Justice	83,000	92,975
Workforce Training	26,888	26,888
Resilient New Orleans	6,796	9,012
Total Community Services, Workforce & Justice Programs	<u>331,143</u>	<u>395,349</u>
<u>Capital, Property & Insurance-Related Restrictions</u>		
Insurance Proceeds	1,634,099	1,512,452
Property and Equipment	3,113,817	3,406,694
Total Capital, Property & Insurance-Related Restrictions	<u>4,747,916</u>	<u>4,919,146</u>
<u>General Operations</u>		
Community of Practices	<u>16,523</u>	<u>16,522</u>
Total Net Assets With Donor Restrictions	<u>\$ 6,225,312</u>	<u>\$ 6,506,237</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, 2025 and 2024 was 9.5%. For the years ended

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

9. PENSION PLAN: (Continued)

December 31, 2025 and 2024, TCA made retirement plan contributions in the amount of \$910,737 and \$1,015,804, 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 the years ended December 31, 2025 and 2024 were \$358,608 and \$331,056, respectively.

11. UNEMPLOYMENT INSURANCE FUND:

TCA is self-insured for employee unemployment compensation claims through an unemployment insurance fund. Amounts held in the fund are designated for the payment of unemployment claims and administrative expenses. Transfers were made from program funds to the unemployment insurance fund for the years ended December 31, 2025 and 2024, in the amount of \$122,136 and \$137,755, respectively. These transfers are reported as revenue in the unemployment insurance fund and as expense of the related program. The unemployment insurance fund reimburses the unrestricted fund for all direct costs in administering the program and transfers all net interest income earned on unemployment insurance funds to the unrestricted fund. As of December 31, 2025 and 2024, the balance of insurance fund was \$3,106,210 and \$2,463,934, respectively, and is classified as net assets without donor restrictions – board designated.

Claims in the amount of \$11,160 and \$22,044 as of December 31, 2025 and 2024, 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, 2025 and 2024, the balance of insurance proceeds was \$1,634,099 and \$1,512,452, 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, 2025 and 2024:

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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

	<u>2025</u>	<u>2024</u>
Cash	\$ 2,746,338	\$ 3,976,934
Investments	6,474,254	5,621,206
Grants receivable	2,171,366	2,786,438
Other receivables	<u>259,018</u>	<u>374,706</u>
Total	11,650,976	12,759,284
Less: Amounts restricted by donors with purpose restrictions (excluding restricted property and equipment)	<u>(3,111,495)</u>	<u>(2,939,851)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 8,539,481</u>	<u>\$ 9,819,433</u>

As part of TCA's liquidity management plan, management regularly monitors cash flow projections and available cash balances to ensure sufficient resources are available to meet operating needs and other obligations as they come due. Cash in excess of immediate operating requirements is invested in money market funds and other short-term investments designed to preserve principal and maintain liquidity.

The Organization's governing board has designated certain net assets for specific purposes; however, these amounts remain available and may be appropriated by the Board for general operations, if necessary. As a result, board-designated net assets could be made available to meet cash needs within one year should circumstances warrant. Management believes the Organization's financial assets, together with anticipated cash flows from operations, provide adequate resources to meet its general expenditures and obligations as they become due.

14. MEMBERSHIP INTEREST:

On November 2, 1999, TCA cancelled a note receivable from Economic Development Unit, Inc. (EDU), totaling \$433,200. In consideration for the cancelation of the note, EDU transferred, assigned and delivered to TCA a 36% membership interest in EDU. This membership interest entitles TCA to elect three members of EDU's Board of Directors, who collectively hold 36% of the voting rights on the Board. These directors are elected by EDU's Board of Directors from a list submitted by TCA's Board of Directors. EDU's Board of Directors consists of between six and nine members. EDU delivered a certificate of membership to TCA in accordance with La. R.S. 12:210(C) and (D) evidencing the transfer. In addition, upon dissolution of EDU, EDU's remaining property and assets are to be donated and distributed to TCA as directed by EDU's Board of Directors.

TOTAL COMMUNITY ACTION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

15. ECONOMIC DEPENDENCY:

For each of the years ended December 31, 2025 and 2024, approximately 94% 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. SUBSEQUENT EVENTS:

Management evaluated subsequent events as of September 1, 2026, which is the date the financial statements were available to be issued. Management noted that there are no additional disclosures or adjustments to these financial statements that are required.

18. RECLASSIFICATIONS:

Certain 2024 amounts have been reclassified to conform to the 2025 presentation. There were no changes to net assets at December 31, 2024 because of the reclassification.

TOTAL COMMUNITY ACTION, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

Thelma H. French, CEO

Salary	\$ 248,749
Benefits - retirement	23,615
Benefits - insurance, payroll taxes	21,840
Purchased technical services	5,000
Travel	350
Total	<u>\$ 299,554</u>

TOTAL COMMUNITY ACTION, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENSES - DIRECT AND INDIRECT COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Direct <u>Costs</u>	Indirect <u>Costs</u>	Total <u>Costs</u>
Salaries and wages	\$ 11,524,075	\$ 545,325	\$ 12,069,400
Fringe benefits	3,183,260	147,165	3,330,425
Travel	50,772	-	50,772
Contractual	384,083	-	384,083
Professional fees	179,808	63,698	243,506
Supplies	1,291,003	35,584	1,326,587
Food costs	1,499,596	2,140	1,501,736
Subrecipient costs	2,800,675	-	2,800,675
Maintenance and repairs	625,761	22,412	648,173
Insurance	338,571	72,057	410,628
Interest expense - finance lease	257,859	-	257,859
Amortization expense - finance lease	255,169	-	255,169
Assistance to individuals	5,799,351	-	5,799,351
Telephone	128,118	33,793	161,911
Utilities	495,965	15,592	511,557
Occupancy	64,881	5,492	70,373
Vehicle expense	20,287	-	20,287
Postage	2,292	11,403	13,695
Depreciation	402,973	-	402,973
Stipend	776,593	-	776,593
Advisory fees	86,117	-	86,117
Indirect cost	1,179,126	-	1,179,126
Other costs	403,923	610	404,533
	<u>\$ 31,750,258</u>	<u>\$ 955,271</u>	<u>\$ 32,705,529</u>

TOTAL COMMUNITY ACTION, INC.
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	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 VITA Tax Program	Criminal Justice - SJC#3	CNO-ESG- Rapid Rehousing
Revenue and Support:										
Local grants	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 45,994	\$ 10,691	\$ -	\$ -
State grants	-	-	-	-	65,068	86,953	-	-	-	-
Federal grants	-	-	-	-	-	544,751	-	-	-	80,296
Private foundations	-	13,305	22,070	186,250	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	67,213	-	-	-	-
Total Revenue and Support	-	163,305	22,070	186,250	65,068	698,917	45,994	10,691	-	80,296
Expenses:										
Salaries and wages	1,831	-	12,189	-	44,269	543,568	32,167	10,690	-	13,573
Fringe benefits	385	-	1,318	-	14,967	151,358	13,827	1,013	-	6,035
Travel	-	-	-	1,938	-	-	-	-	-	-
Contractual	-	-	-	26,895	-	-	-	-	-	-
Professional fees	-	-	-	22,550	-	-	-	-	9,975	-
Supplies	-	16,344	-	7,641	-	37,830	-	-	-	-
Food costs	-	140,714	-	15,886	-	9,202	-	-	-	-
Subrecipient costs	-	-	-	47,330	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	6,554	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Interest expense - finance lease	-	-	-	-	-	-	-	-	-	-
Amortization expense - finance lease	-	-	-	-	-	-	-	-	-	-
Assistance to individuals	-	-	44,530	-	1,856	-	-	-	-	59,423
Telephone	-	-	-	-	-	739	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	1,650	-	1,182	-	-	-	-
Vehicle expense	-	-	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Stipend	-	-	-	-	-	-	-	-	-	-
Advisory fees	-	-	-	-	-	-	-	-	-	-
Indirect cost	-	-	-	31,866	3,316	-	-	-	-	1,961
Other costs	-	6,247	-	15,104	971	2,620	-	-	-	-
Total Expenses	2,216	163,305	58,037	170,860	65,379	753,053	45,994	11,703	9,975	80,992
Change in net assets	(2,216)	-	(35,967)	15,390	(311)	(54,136)	-	(1,012)	(9,975)	(696)
Net assets, beginning of year	9,012	-	36,783	-	-	103,801	-	-	92,975	-
Transfers in/(out)	-	-	-	-	311	-	-	1,012	-	696
Net Assets, End of Year	\$ 6,796	\$ -	\$ 816	\$ 15,390	\$ -	\$ 49,665	\$ -	\$ -	\$ 83,000	\$ -

TOTAL COMMUNITY ACTION, INC.
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	PROGRAM SERVICES								
	CNO - Emergency Solutions Grant - Homeless Assistance)	Child & Adult Care Food Program - (CACFP)	CNO-Workforce	CNO - Electric & Gas Arrearages Assistance Program	NOLA Cares Beloved Community	Strive Opportunity Center	Tight Ship	Community Services Block Grant	Head Start Program
Revenue and Support:									
Local grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-	-	-	-	-
Federal grants	145,245	1,317,908	-	464,574	-	-	-	1,685,735	10,769,425
Private foundations	-	-	-	-	37,764	-	5,000	-	-
Contributions	-	-	-	-	-	-	6,200	-	-
Investment income	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-
Total Revenue and Support	145,245	1,317,908	-	464,574	37,764	-	11,200	1,685,735	10,769,425
Expenses:									
Salaries and wages	13,573	492,988	-	13,201	-	-	-	1,010,346	5,087,439
Fringe benefits	6,089	134,298	-	1,164	-	-	-	282,881	1,328,400
Travel	-	-	-	-	-	-	10,424	4,960	1,895
Contractual	-	-	-	16,960	24,298	-	302	8,346	115,640
Professional fees	-	-	-	-	-	-	-	13,271	60,744
Supplies	-	-	-	-	1,046	-	641	11,783	514,827
Food costs	-	690,622	-	-	264	-	745	3,321	585,317
Subrecipient costs	-	-	-	-	-	-	-	-	1,099,852
Maintenance and repairs	-	-	-	-	-	-	-	31,380	390,975
Insurance	-	-	-	-	-	-	-	63,922	224,016
Interest expense - finance lease	-	-	-	-	-	-	-	-	257,859
Amortization expense - finance lease	-	-	-	-	-	-	-	-	255,169
Assistance to individuals	124,313	-	-	450,346	-	-	-	6,432	288
Telephone	-	-	-	-	-	-	-	21,696	68,687
Utilities	-	-	-	-	-	-	-	49,703	273,774
Occupancy	-	-	-	4,714	-	-	-	169,825	(253,677)
Vehicle expense	-	-	-	-	-	-	-	987	7,700
Postage	-	-	-	-	-	-	-	-	11
Fundraising Expenses	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Stipend	-	-	-	-	1,050	-	-	-	5,822
Advisory fees	-	-	-	-	-	-	-	-	-
Indirect cost	1,966	-	-	2,021	-	-	-	-	641,638
Other costs	-	-	-	-	11,106	-	-	13,789	33,680
Total Expenses	145,941	1,317,908	-	488,406	37,764	-	12,112	1,692,642	10,700,056
Change in net assets	(696)	-	-	(23,832)	-	-	(912)	(6,907)	69,369
Net assets, beginning of year	-	-	26,888	-	-	141,436	18,256	-	-
Transfers in/(out)	696	-	-	23,832	-	-	-	6,907	(69,369)
Net Assets, End of Year	\$ -	\$ -	\$ 26,888	\$ -	\$ -	\$ 141,436	\$ 17,344	\$ -	\$ -

TOTAL COMMUNITY ACTION, INC.
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	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)	AmeriHealth Program	CNO - NORD Program - STEM	LIHEAP - Low Income Home Energy Assistance Program - Admin
Revenue and Support:									
Local grants	\$ -	\$ -	\$ 29,027	\$ -	\$ -	\$ -	\$ -	\$ 36,766	\$ -
State grants	-	-	-	-	-	-	-	-	-
Federal grants	-	-	-	6,418,724	3,009	1,299,412	-	-	408,449
Private foundations	-	-	-	-	-	-	5,202	-	-
Contributions	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-
Total Revenue and Support	-	-	29,027	6,418,724	3,009	1,299,412	5,202	36,766	408,449
Expenses:									
Salaries and wages	12,569	-	-	3,433,414	2,320	169,626	-	-	249,628
Fringe benefits	2,567	-	2,017	934,618	689	57,491	-	370	79,810
Travel	-	-	1,322	1,962	-	-	-	-	-
Contractual	-	-	3,975	43,169	-	39,409	5,202	-	680
Professional fees	-	-	-	26,570	-	6,092	-	-	17,280
Supplies	-	-	87	258,174	-	197,352	-	-	-
Food costs	-	-	165	14,783	-	-	-	-	-
Subrecipient costs	-	-	-	843,095	-	810,398	-	-	-
Maintenance and repairs	-	-	-	145,154	-	348	-	-	3,905
Insurance	-	-	-	45,395	-	-	-	-	1,012
Interest expense - finance lease	-	-	-	-	-	-	-	-	-
Amortization expense - finance lease	-	-	-	-	-	-	-	-	-
Assistance to individuals	-	-	21,461	-	-	-	-	2,205	-
Telephone	-	-	-	24,704	-	3,137	-	-	504
Utilities	-	-	-	123,918	-	3	-	-	-
Occupancy	-	-	-	81,606	-	315	-	-	8,612
Vehicle expense	-	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Stipend	-	-	-	-	-	-	-	-	-
Advisory fees	-	-	-	-	-	-	-	-	-
Indirect cost	-	-	-	434,994	-	14,702	-	-	46,662
Other costs	-	-	-	7,168	-	539	-	34,191	450
Total Expenses	15,136	-	29,027	6,418,724	3,009	1,299,412	5,202	36,766	408,543
Change in net assets	(15,136)	-	-	-	-	-	-	-	(94)
Net assets, beginning of year	69,999	16,796	-	-	-	-	-	-	-
Transfers in/(out)	-	-	-	-	-	-	-	-	94
Net Assets, End of Year	\$ 54,863	\$ 16,796	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL COMMUNITY ACTION, INC.
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

PROGRAM SERVICES

	LIHEAP - Low Income Home Energy Assistance Program Support	LIHEAP - Low Income Home Energy Assistance Client Education	Entergy Super Tax Day	NOEEN Educator Wage Enhancement	ECHO Grant	Child Care Block Grant	Viney Reynolds Child Development Center	Community of Practices	Program Services Subtotal
Revenue and Support:									
Local grants	\$ -	\$ -	\$ -	\$ 769,721	\$ 134,331	\$ -	\$ -	\$ -	\$ 1,176,530
State grants	-	-	-	-	-	-	111,283	-	263,304
Federal grants	5,247,281	95,730	-	-	-	75,139	390,622	-	28,946,300
Private foundations	-	-	2,290	-	-	-	-	181,721	453,602
Contributions	-	-	-	-	-	-	-	-	6,200
Investment income	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	4,216	-	-	71,429
Total Revenue and Support	5,247,281	95,730	2,290	769,721	134,331	79,355	501,905	181,721	30,917,365
Expenses:									
Salaries and wages	100,953	8,519	-	-	-	81,958	186,300	2,954	11,524,075
Fringe benefits	23,040	3,594	-	-	-	21,170	39,098	278	3,106,477
Travel	-	-	-	-	-	46	-	9,553	32,100
Contractual	-	-	-	-	-	788	250	95,095	381,009
Professional fees	-	15,200	-	-	-	-	-	3,832	175,514
Supplies	7,964	-	-	-	134,331	12,353	24,786	8,079	1,233,238
Food costs	-	-	-	-	-	1,832	1,394	6,877	1,471,122
Subrecipient costs	-	-	-	-	-	-	-	-	2,800,675
Maintenance and repairs	10,179	1,033	-	-	-	5,188	20,561	-	615,277
Insurance	3,838	388	-	-	-	-	-	-	338,571
Interest expense - finance lease	-	-	-	-	-	-	-	-	257,859
Amortization expense - finance lease	-	-	-	-	-	-	-	-	255,169
Assistance to individuals	5,058,992	-	2,070	-	-	-	-	22,316	5,794,232
Telephone	6,002	161	-	-	-	-	2,488	-	128,118
Utilities	-	-	-	-	-	-	48,567	-	495,965
Occupancy	32,543	9,401	220	-	-	984	4,813	681	62,869
Vehicle expense	-	-	-	-	-	217	-	-	8,904
Postage	-	-	-	-	-	-	-	-	11
Depreciation	-	-	-	-	-	-	-	-	-
Stipend	-	-	-	769,721	0	-	-	-	776,593
Advisory fees	-	-	-	-	-	-	-	-	-
Indirect cost	-	-	-	-	-	-	-	-	1,179,126
Other costs	3,037	57,463	-	-	-	309	354	32,055	219,083
Total Expenses	5,246,548	95,759	2,290	769,721	134,331	124,845	328,611	181,720	30,855,987
Change in net assets	733	(29)	-	-	-	(45,490)	173,294	1	61,378
Net assets, beginning of year	-	-	-	-	-	1,158,424	-	16,522	1,690,892
Transfers in/(out)	(733)	29	-	-	-	-	-	-	(36,525)
Net Assets, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,112,934	\$ 173,294	\$ 16,523	\$ 1,715,745

TOTAL COMMUNITY ACTION, INC.
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

SUPPORTING SERVICES

	General Fund	Property and Equipment	Unemployment Fund	Insurance Proceeds	Indirect Cost Account	Supporting Services Subtotal	TOTAL
Revenue and Support:							
Local grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,176,530
State grants	-	-	-	-	-	-	263,304
Federal grants	-	-	-	-	1,148,134	1,148,134	30,094,434
Private foundations	-	-	-	-	31,866	31,866	485,468
Contributions	10,445	-	-	-	-	10,445	16,645
Investment income	358,425	-	577,251	126,995	-	1,062,671	1,062,671
Fundraising	-	-	-	-	-	-	-
Other revenue	211,441	-	122,136	-	-	333,577	405,006
Total Revenue and Support	580,311	-	699,387	126,995	1,180,000	2,586,693	33,504,058
Expenses:							
Salaries and wages	-	-	-	-	545,325	545,325	12,069,400
Fringe benefits	65,623	-	11,160	-	147,165	223,948	3,330,425
Travel	18,672	-	-	-	-	18,672	50,772
Contractual	3,074	-	-	-	-	3,074	384,083
Professional fees	4,294	-	-	-	63,698	67,992	243,506
Supplies	57,765	-	-	-	35,584	93,349	1,326,587
Food costs	28,474	-	-	-	2,140	30,614	1,501,736
Subrecipient costs	-	-	-	-	-	-	2,800,675
Maintenance and repairs	10,484	-	-	-	22,412	32,896	648,173
Insurance	-	-	-	-	72,057	72,057	410,628
Interest expense - finance lease	-	-	-	-	-	-	257,859
Amortization expense - finance lease	-	-	-	-	-	-	255,169
Assistance to individuals	5,119	-	-	-	-	5,119	5,799,351
Telephone	-	-	-	-	33,793	33,793	161,911
Utilities	-	-	-	-	15,592	15,592	511,557
Occupancy	2,012	-	-	-	5,492	7,504	70,373
Vehicle expense	11,383	-	-	-	-	11,383	20,287
Postage	2,281	-	-	-	11,403	13,684	13,695
Depreciation	-	402,973	-	-	-	402,973	402,973
Stipend	-	-	-	-	-	-	776,593
Advisory fees	34,818	-	45,951	5,348	-	86,117	86,117
Indirect cost	-	-	-	-	-	-	1,179,126
Other costs	184,840	-	-	-	610	185,450	404,533
Total Expenses	428,839	402,973	57,111	5,348	955,271	1,849,542	32,705,529
Change in net assets	151,472	(402,973)	642,276	121,647	224,729	737,151	798,529
Net assets, beginning of year	3,367,345	4,957,746	2,463,934	1,512,452	-	12,301,477	13,992,369
Transfers in/(out)	21,234	240,020	-	-	(224,729)	36,525	-
Net Assets, End of Year	\$ 3,540,051	\$ 4,794,793	\$ 3,106,210	\$ 1,634,099	\$ -	\$ 13,075,153	\$ 14,790,898



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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*

September 1, 2026

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Total Community Action, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, 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 September 1, 2026.

Report on Internal Control over Financial Reporting

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

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

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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. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding 2025-01 to be a significant deficiency.

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.

Report on Compliance and Other Matters

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

The results of our tests disclosed an instance of noncompliance and other matters that are required to be reported under Government Auditing Standards. The noncompliance, which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2025-01, relates to the Organization's failure to submit its audited financial statements within the timeframe required by Louisiana law.

Management's Response to Findings

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

Purpose of This Report

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

Duplantier, Sharpness, Hogan and Okeley, LLP
Metairie, 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

September 1, 2026

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

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Total Community Action, Inc.'s (TCA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on TCA's major federal program for the year ended December 31, 2025. 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 its major federal program for the year ended December 31, 2025.

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 TCA's compliance with the requirements of each major federal program as a whole.

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

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

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, Sharpness, Hogan and Parker, LLP

Metairie, Louisiana

TOTAL COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

<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				
Head Start Cluster				
Head Start and Early Head Start Program	93.600		\$ 1,942,947	\$ 17,118,779
Early Head Start/Child Care Partnership	93.600		810,488	1,299,412
Total - Head Start Cluster			<u>2,753,435</u>	<u>18,418,191</u>
Awards from a Pass-Through Entity				
<u>Passed-Through: Louisiana Workforce Commission</u>				
Community Services Block Grant	93.569		-	1,692,642
<u>Passed-Through: Louisiana Housing Corporation</u>				
Low-Income Home Energy Assistance Program	93.568		-	5,750,850
Subtotal - Awards from Pass-Through Entities			<u>-</u>	<u>7,443,492</u>
Total U.S. Department of Health and Human Services			<u>2,753,435</u>	<u>25,861,683</u>
U.S. Department of Agriculture				
Awards from a Pass-Through Entity				
<u>Passed-Through: State of Louisiana</u>				
Child and Adult Food Care Program	10.558		-	1,317,908
Total U.S. Department of Agriculture			<u>-</u>	<u>1,317,908</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		-	226,933
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>226,933</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		-	488,406
Total U.S. Department of Treasury			<u>-</u>	<u>488,406</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,753,435</u>	<u>\$ 27,894,930</u>

TOTAL COMMUNITY ACTION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025. 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 fifteen percent (15%) 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, 2025. The Organization had no loans outstanding at December 31, 2025.

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, 2025.

TOTAL COMMUNITY ACTION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2025

PART I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal Control Over Financial Reporting:

Material weaknesses identified? yes X no

Significant deficiencies identified
not considered to be material weaknesses? X yes no

Noncompliance material to financial statements noted? yes X no

Questioned costs? 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 no

An unmodified opinion was issued on compliance.

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

The major program for the year ended December 31, 2025 was as follows:

<u>NAME OF PROGRAM</u>	<u>ASSISTANCE LISTING NO.</u>	<u>EXPENDITURES</u>
Head Start and Early Head Start Cluster	93.600	<u>\$18,418,191</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

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, 2025

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS

2025-01 – SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER FINANCIAL
REPORTING AND NONCOMPLIANCE WITH LOUISIANA AUDIT LAW

Condition

TCA did not submit its audited financial statements to the Louisiana Legislative Auditor within the statutory deadline in accordance with La. R.S. 24:513. This represents a compliance matter, as timely financial information was not available to support completion of the annual audit and reporting process.

Criteria

Louisiana Revised Statutes require annual audit reports to be submitted to the Louisiana Legislative Auditor within six months of TCA's fiscal year-end. Timely preparation of accounting records and financial information is necessary to ensure compliance with these reporting requirements.

Cause

TCA did not maintain sufficient procedures and financial reporting resources to ensure that complete and accurate accounting records were finalized on a timely basis.

Effect

Failure to remit audited financial statements to the Louisiana Legislative Auditor within the statutory date resulted in noncompliance with Louisiana law. Also, delays can increase the risk that grantors and other users of the financial statements will not receive timely financial information necessary for oversight and decision making.

Recommendation

We recommend management strengthen its financial reporting processes by implementing formal year-end closing procedures, establishing internal deadlines for preparation and review of accounting records, and dedicating sufficient resources to ensure that information required for the audit is complete and available in advance of statutory reporting deadlines.

TOTAL COMMUNITY ACTION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS (CONTINUED)

2025-01 – SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER FINANCIAL
REPORTING AND NONCOMPLIANCE WITH LOUISIANA AUDIT LAW (CONTINUED)

Management's Response

TCA senior management team recognizes that there were several internal challenges that delayed beginning of the audit process, thus causing the noncompliance. TCA has policies and procedures in place that support the timely preparation of audit-ready financial statements. However, management recognizes that internal deadlines for the preparation and review of the accounting records need to be added to the existing policies and procedures.

Additionally, the retirement of an accounting staff member and ongoing health challenges and absenteeism of fiscal personnel have also challenged agency compliance ability. The agency senior management team is conducting a time and effort study and comprehensive evaluation of accounting staffing, to ascertain if modifications or additions to staffing are needed. Recommendations and a corrective plan will be submitted by the Board of Directors by September 2026.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS PROGRAMS

None.

TOTAL COMMUNITY ACTION, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

PART II - PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2024-01 - Subrecipient Monitoring

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

This was resolved in 2025.

TOTAL COMMUNITY ACTION, INC.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

FOR THE FISCAL YEAR JANUARY 01, 2025
THROUGH DECEMBER 31, 2025

TOTAL COMMUNITY ACTION, INC.

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE FISCAL YEAR JANUARY 01, 2025
THROUGH DECEMBER 31, 2025

August 4, 2026

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, 2025 through December 31, 2025. 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, 2025 through December 31, 2025. 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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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: Upon applying the above agreed-upon procedures, we noted that the Receipts/Collections policy does not include management's actions to determine the completeness of all collections for each type of revenue or agency fund addition. We also noted 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.

Management's Response: In accordance with Community Services Block Grant (CSBG) Organizational Standard 8.10 (Fiscal Policies), TCA leadership team is currently reviewing and updating the Accounting & Financial Policies. The revised policies will include action required by management to determine the completeness of all collections. Management will enhance its IT disaster recovery and business continuity documentation to identify key recovery personnel and their responsibilities, critical systems and applications, recovery procedures, required technology resources, vendor and third-party dependencies, and the tools necessary to support recovery activities. Management will also establish procedures for maintaining and periodically reviewing this information to ensure it remains current and available to authorized personnel during an emergency. All revised policies will be presented to the TCA Board of Directors for adoption in September 2026.

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, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month 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: No findings noted as a result of applying the above agreed-upon procedures.

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 one deposit tested was not made within one business day of receipt at the collection location.

Management's Response: Management understands the importance of timely deposits and the requirement to safeguard and deposit collections in accordance with TCA's established policies and procedures. To prevent a recurrence, management will reinforce the deposit procedures with employees responsible for collecting and depositing funds. Management will also implement additional oversight of daily collections to ensure deposits are made within the required timeframe. Any anticipated circumstances that could delay a deposit will be communicated to management immediately and addressed appropriately. Management will continue to monitor compliance with the deposit policy and take corrective action as necessary to ensure future deposits are made timely.

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., itemized 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: Upon applying the agreed-upon procedures above, we noted late fees were assessed on one of the selected statements.

Management's Response: Management agrees with the finding. The late fee was incurred due to an administrative oversight that resulted in the credit card payment not being processed by the required due date. Management has reviewed the circumstances surrounding the late payment and has taken corrective action to prevent similar occurrences in the future.

- 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: Upon applying the above agreed-upon procedures, we noted that supporting documentation for fourteen charges did not contain evidence of the business purpose of the charges.

Management's Response: TCA currently has a credit card receipt documentation form, recognizing that the tested transactions did not have the necessary supporting documentation. Management via the Administrative Analyst will monitor all credit card receipts to ensure compliance with provision of supporting documentation.

- D. **Procedure:** Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

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

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 (doa.la.gov/doa/ost/ppm-49-travel-guide/) 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: Upon applying the agreed-upon procedures above, we noted that one contract selected could not be provided. As a result, we were unable to determine whether the contract had been approved by the governing board, whether any amendments had been made, or whether the related invoices and payments were made in accordance with the terms and conditions of the contract.

Management's Response:

Management does not agree with the finding related to the absence of a formal contract. Management's position is that the services or arrangements were authorized and performed based on mutual agreement. A formal written contract was not executed because Creative Vibe, LLC is a vendor, not a contractor.

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

- 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) 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) *Ethics*

- A. **Procedure**: Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable

Results: The ethics agreed-upon procedures are not applicable to Total Community Action, Inc.

- B. **Procedure**: Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: The ethics agreed-upon procedures are not applicable to Total Community Action, Inc.

11) *Debt Service*

- A. **Procedure**: Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: The debt service agreed-upon procedures are not applicable to Total Community Action, Inc.

- B. **Procedure**: Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: The debt service agreed-upon procedures are not applicable to Total Community Action, Inc.

12) 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.

13) Information Technology Disaster Recovery/Business Continuity

- A. **Procedure:** Perform the following procedures:
- 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. 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.

14) Prevention of Sexual Harassment

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

Results: The sexual harassment agreed-upon procedures are not applicable to Total Community Action, Inc.

B. **Procedure:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: The sexual harassment agreed-upon procedures are not applicable to Total Community Action, Inc.

C. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

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

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Results: The sexual harassment agreed-upon procedures are not applicable to 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, Chapman, Hogan and Parker, LLP

Metairie, Louisiana