

LINCOLN TOTAL COMMUNITY ACTION, INC.

RUSTON, LOUISIANA

---

FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION  
FOR THE YEAR ENDED  
NOVEMBER 30, 2013

---

LINCOLN TOTAL COMMUNITY ACTION, INC.  
NOVEMBER 30, 2013

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT.....	1-3
FINANCIAL STATEMENTS:	
Statement of Financial Position.....	4
Statement of Activities.....	5
Statement of Cash Flows.....	6
Statement of Functional Expenses.....	7-8
Notes to Financial Statements.....	9-16
SUPPLEMENTARY FINANCIAL INFORMATION:	
Statement of Expenditures - Budget and Actual.....	17
Schedule of Expenditures of Federal Awards.....	18-19
COMPLIANCE REPORTS:	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> .....	20-21
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.....	22-24
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	25-26
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS.....	27

# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

ROWLAND H. PERRY, CPA, APC  
CHARLES L. JOHNSON, JR., CPA  
VIOLET M. ROUSSEL, CPA, APC  
JAY CUTHBERT, CPA, APAC

PAM BATTAGLIA, CPA  
TREY GIMBER, CPA



"The CPA. Never Underestimate The Value."

**Certified Public Accountants**

3007 Armand Street  
Monroe, Louisiana 71201  
Telephone (318) 322-5156 or (318) 323-1411  
Facsimile (318) 323-6331

- Accounting & Auditing
  - HUD Audits
  - Non-Profit Organizations
  - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
  - Individual & Partnership
  - Corporate & Fiduciary
- Bookkeeping & Payroll Services

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of Lincoln Total Community Action, Inc., and related statement of activities, schedule of functional expenses, and cash flows for the year ended November 30, 2013, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lincoln Total Community Action, Inc., as of November 30, 2013, and the respective changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of expenditures - budget vs. actual and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2014 on our consideration of Lincoln Total Community Action, Inc.'s internal control over financial reporting and

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

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS  
May 27, 2014

LINCOLN TOTAL COMMUNITY ACTION, INC.  
 RUSTON, LOUISIANA  
 STATEMENT OF FINANCIAL POSITION  
 NOVEMBER 30, 2013

ASSETS

CURRENT ASSETS

Cash	52,881
Accounts Receivable - Grants	26,709
Contributions Receivable - Restricted	<u>599,850</u>

<u>TOTAL CURRENT ASSETS</u>	679,440
-----------------------------	---------

FIXED ASSETS AND PROPERTY

Furniture, Buildings, and Equipment at Cost, Net	53,093
Land	<u>5,000</u>

<u>TOTAL FIXED ASSETS AND PROPERTY</u>	<u>58,093</u>
--	---------------

<u>TOTAL ASSETS</u>	<u>737,533</u>
---------------------	----------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	5,715
Advanced Fundings	<u>156</u>

<u>TOTAL CURRENT LIABILITIES</u>	5,871
----------------------------------	-------

NET ASSETS

Unrestricted	
Operations	131,812
Temporarily Restricted	<u>599,850</u>

<u>TOTAL NET ASSETS</u>	<u>731,662</u>
-------------------------	----------------

<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>737,533</u>
---	----------------

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

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED NOVEMBER 30, 2013

	<u>Operations</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>UNRESTRICTED</u>			
<u>SUPPORT AND REVENUE</u>			
Grants - HHS	1,981,283	-	1,981,283
Grants - USDA Food Program	217,457	-	217,457
Donations and Interest	52,800	-	52,800
Release of Restriction	<u>129,720</u>	<u>(129,720)</u>	<u>-0-</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>2,381,260</u>	<u>(129,720)</u>	<u>2,251,540</u>
<u>EXPENSES</u>			
<u>Program Services:</u>			
Head Start (HHS)	1,974,790	-	1,974,790
USDA - Food Services	<u>205,799</u>	<u>-</u>	<u>205,799</u>
<u>TOTAL PROGRAM SERVICES</u>	<u>2,180,589</u>	<u>-0-</u>	<u>2,180,589</u>
<u>SUPPORT SERVICES</u>			
General and Administrative	<u>180,761</u>	<u>-</u>	<u>180,761</u>
<u>TOTAL SUPPORT SERVICES</u>	<u>180,761</u>	<u>-0-</u>	<u>180,761</u>
<u>FUND-RAISING</u>			
	<u>-</u>	<u>-</u>	<u>-0-</u>
<u>TOTAL FUND-RAISING</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL EXPENSES</u>	<u>2,361,350</u>	<u>-0-</u>	<u>2,361,350</u>
<u>INCREASE (DECREASE) IN NET ASSETS</u>	19,910	(129,720)	( 109,810)
<u>CHANGES IN NET ASSETS</u>			
Gain on Asset Disposition	-	-	-0-
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>111,902</u>	<u>729,570</u>	<u>841,472</u>
<u>NET ASSETS - END OF YEAR</u>	<u>131,812</u>	<u>599,850</u>	<u>731,662</u>

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

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED NOVEMBER 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	(109,810)
Adjustments to Reconcile Increase in Net Assets	
To Net Cash Provided (Used) by Operating Activities:	
Depreciation	28,477
(Increase) Decrease in:	
Accounts Receivable - Grants	27,855
Contributions Receivable - Restricted	129,720
Increase (Decrease) in Operating Liabilities -	
Accounts Payable	( 25,346)
Unearned Interest	-
Advance Funding	<u>18</u>
 <u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	 <u>50,914</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Fixed Assets	( 26,563)
--------------------------	-----------

<u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	<u>( 26,563)</u>
---	------------------

<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	<u>24,351</u>
--	---------------

<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>28,530</u>
--	---------------

<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>52,881</u>
--	---------------

SUPPLEMENTAL CASH BASIS DATA

Interest Paid	-0-
Income Taxes Paid	-0-

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



LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED NOVEMBER 30, 2013

	Head Start <u>HHS</u>	USDA Food <u>Services</u>
Personnel	1,118,558	47,536
Fringe Benefits	416,610	20,889
Travel	-	-
Contractual	-	-
Operating Supplies	49,929	6,647
Other Costs	365,878	630
Food and Related Supplies	-	126,534
Program Administration	-	<u>1,081</u>
 <u>TOTAL EXPENSES BEFORE DEPRECIATION</u>	 1,950,975	 203,317
 <u>DEPRECIATION</u>	 <u>23,815</u>	 <u>2,482</u>
 <u>TOTAL EXPENSES</u>	 <u>1,974,790</u>	 <u>205,799</u>

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

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEAR ENDED NOVEMBER 30, 2013

	<u>Total Program Services</u>	<u>General And Administrative</u>	<u>Total Expenses</u>
Personnel	1,166,094	113,274	1,279,368
Fringe Benefits	437,499	22,554	460,053
Travel	-	206	206
Contractual	-	9,700	9,700
Operating Supplies	56,576	17,631	74,207
Other Costs	366,508	15,216	381,724
Food and Related Supplies	126,534	-	126,534
Program Administration	<u>1,081</u>	<u>-</u>	<u>1,081</u>
 <u>TOTAL EXPENSES BEFORE DEPRECIATION</u>	 2,154,292	 178,581	 2,332,873
 <u>DEPRECIATION</u>	 <u>26,297</u>	 <u>2,180</u>	 <u>28,477</u>
 <u>TOTAL EXPENSES</u>	 <u>2,180,589</u>	 <u>180,761</u>	 <u>2,361,350</u>

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

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
NOVEMBER 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Statement of Presentation

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

B. Organization

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

C. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the same year in which the contributions are recognized.

D. Basis of Accounting

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

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
NOVEMBER 30, 2013

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

E. Budget Policy

Budgets for the various programs are prepared by the Agency's Executive Director and approved by grantor of the funds for each respective program. Budgets versus actual expenditures are presented in the supplementary data for each grant period ending during the year ended November 30, 2013.

F. Total Columns of Combined Statements - Supplementary Information

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

G. Property and Equipment Accounting

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

The Agency follows the practice of capitalizing at cost all expenditures for property and equipment in excess of \$500. Depreciation is computed on a straight-line basis over the estimated service lives of the assets. The following lives have been assigned to the fixed assets:

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

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
NOVEMBER 30, 2013

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

G. Property and Equipment Accounting (Continued)

Net values are computed as follows:

Computer Equipment and Vehicles	536,468
Furniture, Fixtures and Equipment	432,043
Buildings	102,988
Land	5,000
Less: Accumulated Depreciation	<u>(1,018,406)</u>
Net Value	<u>58,093</u>

H. Cash and Cash Equivalents

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

I. Functional Allocation of Expenses

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

J. Estimates

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

K. Advertising Costs

Advertising costs are expensed as they are incurred. Advertising expenses for the year ended November 30, 2013 were \$-0-.

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
NOVEMBER 30, 2013

NOTE 2 - FUNDING POLICIES AND SOURCES OF FUNDS:

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

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

The Agency operates the following programs:

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

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

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

NOTE 3 - ACCOUNTS RECEIVABLE:

Accounts Receivable - Grants at November 30, 2013 consists of reimbursements for expenses incurred under the various grant programs. The following list presents Accounts Receivable - Grants by fund at November 30, 2013.

Head Start	5,747
USDA	<u>20,962</u>
<u>Total</u>	<u>26,709</u>

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
NOVEMBER 30, 2013

NOTE 3 - ACCOUNTS RECEIVABLE: (Continued)

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

NOTE 4 - BOARD OF DIRECTORS' COMPENSATION:

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

NOTE 5 - NON-CASH CONTRIBUTIONS:

The Agency received various non-cash contributions for the Head Start Program during the year from private and public sources. Current year contributions for Occupancy costs totaled \$-0- and donated services totaled \$12,506, and have been reported as revenues, as these costs meet the criteria for recognition as contributions, and the offsetting expenses have been reported in the financial statements. The Agency also received donated services from volunteers which have not been recognized as revenue in the basic financial statements as these costs do not meet the criteria for recognition as contributions.

Donated services are recognized as contributions in accordance with professional standards (FASB ASC 958-605-25-16), if the services create or enhance a non-financial asset or require specialized skills, are provided by entities or persons possessing those skills and would need to be purchased if they were not donated.

Donated facilities are recognized as contributions in accordance with professional standards (FASB ASC 958-605-52-24) as the organization receives free use of its facilities.

Included in the financial statements is a temporarily restricted net asset in the amount of \$599,850. This restriction is related to a multi-year lease on the use of

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
NOVEMBER 30, 2013

NOTE 5 - NON-CASH CONTRIBUTIONS: (Continued)

facilities by the Agency. During the year ended November 30, 2013, \$129,720 was reclassified to unrestricted net assets due to time restrictions being met. This amount is related to use of facilities through June 30, 2018.

NOTE 6 - INCOME TAX STATUS:

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

NOTE 7 - CASH IN BANK:

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

NOTE 8 - UNEARNED INTEREST:

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

NOTE 9 - RELATED PARTY:

There were no related party transactions during the period ending November 30, 2013.

NOTE 10 - NET ASSETS:

The Agency is required to report information regarding its financial position and activities according to these classes of net assets:



LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
NOVEMBER 30, 2013

NOTE 10 - NET ASSETS: (Continued)

Unrestricted Net Assets - consists of assets, public support and program revenues which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted Net Assets - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds.

Permanently Restricted Net Assets - includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the organization to expend part or all of the income derived from the donated assets.

NOTE 11 - RETIREMENT:

The Agency maintains a retirement account for its employees. The Agency contributes 5% of the participating employee's compensation to the retirement account. Retirement expense for the period ended November 30, 2013 was \$53,310.

NOTE 12 - SUBSEQUENT EVENTS:

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Agency through May 27, 2014, the date the financial statements were available for issue, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
NOVEMBER 30, 2013

NOTE 13 - UNCERTAIN TAX POSITIONS: (Continued)

The Agency is subject to examination by various taxing authorities, including federal income tax examinations. Management has reviewed the Agency's activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements. The tax returns for the years 2013, 2012, 2011, and 2010, are open for examination by various taxing authorities.

SUPPLEMENTARY FINANCIAL INFORMATION

LINCOLN TOTAL COMMUNITY ACTION, INC.  
 RUSTON, LOUISIANA  
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
 FOR THE PERIODS ENDED DURING FISCAL YEAR NOVEMBER 30, 2013

	<u>Budgeted</u> <u>Expenditures</u>	<u>Actual</u> <u>Expenditures</u>	<u>Budgeted</u> <u>Over (Under)</u> <u>Actual</u> <u>Expenditures</u>
<u>HEAD START</u>			
Period August 1, 2013 to November 30, 2013			
Personnel	408,804	428,283	19,479
Fringe Benefits	151,798	143,910	( 7,888)
Travel	2,162	206	( 1,956)
Contractual	3,298	-	( 3,298)
Operating Supplies	11,369	10,078	( 1,291)
Other Costs	59,111	54,065	( 5,046)
Capital Outlay	-	-	-
In-Kind Expenses (Non-Federal)	<u>159,136</u>	<u>159,136</u>	<u>-</u>
<u>TOTALS</u>	<u>795,678</u>	<u>795,678</u>	<u>-0-</u>
<u>HEAD START</u>			
Period December 1, 2011 to July 31, 2013			
Personnel	2,201,961	2,093,720	(108,241)
Fringe Benefits	767,399	752,626	( 14,773)
Travel	10,142	627	( 9,515)
Contractual	16,661	19,400	2,739
Operating Supplies	62,678	110,062	47,384
Other Costs	302,003	346,330	44,327
Capital Outlay	-	38,079	38,079
In-Kind Expenses (Non-Federal)	<u>822,180</u>	<u>822,180</u>	<u>-</u>
<u>TOTALS</u>	<u>4,183,024</u>	<u>4,183,024</u>	<u>-0-</u>
<u>USDA FOOD SERVICES</u>			
FYE September 30, 2013			
Administrative	1,200	1,087	( 113)
Labor Costs	90,649	68,661	( 21,988)
Food Costs	166,981	131,314	( 35,667)
Operating Supplies	13,500	6,480	( 7,020)
Other	1,800	630	( 1,170)
Travel	<u>1,500</u>	<u>-</u>	<u>( 1,500)</u>
<u>TOTALS</u>	<u>275,630</u>	<u>208,172</u>	<u>( 67,458)</u>

LINCOLN TOTAL COMMUNITY ACTION, INC.  
 RUSTON, LOUISIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED NOVEMBER 30, 2013

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH OR AWARD NUMBER	FEDERAL DISBURSEMENTS/ EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Department Of Education:			
Child and Adult Care Food Program	10.558	N/A	<u>200,692</u>
<u>U.S. Department of Health and Human Services</u>			
* Head Start	93.600	06CH5091/46 06CH7077/01	1,344,741 <u>636,542</u>
<u>Total Head Start</u>			<u>1,981,283</u>
<u>Total Expenditures of Federal Awards</u>			<u>2,181,975</u>

\* Major Program

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED NOVEMBER 30, 2013

NOTE 1 - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lincoln Total Community Action, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 2 - SUBRECIPIENTS:

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

COMPLIANCE REPORTS

# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

ROWLAND H. PERRY, CPA, APC  
CHARLES L. JOHNSON, JR., CPA  
VIOLET M. ROUSSEL, CPA, APC  
JAY CUTHBERT, CPA, APAC

PAM BATTAGLIA, CPA  
TREY GIMBER, CPA



"The CPA. Never Underestimate The Value."

**Certified Public Accountants**

3007 Armand Street  
Monroe, Louisiana 71201  
Telephone (318) 322-5156 or (318) 323-1411  
Facsimile (318) 323-6331

- Accounting & Auditing
  - HUD Audits
  - Non-Profit Organizations
  - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
  - Individual & Partnership
  - Corporate & Fiduciary
- Bookkeeping & Payroll Services

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lincoln Total Community Action, Inc. (a nonprofit organization), which comprise the statement of financial position as of November 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 27, 2014.

### Internal Control Over Financial Reporting

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

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



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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS  
Monroe, Louisiana  
May 27, 2014

# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

ROWLAND H. PERRY, CPA, APC  
CHARLES L. JOHNSON, JR., CPA  
VIOLET M. ROUSSEL, CPA, APC  
JAY CUTHBERT, CPA, APAC

PAM BATTAGLIA, CPA  
TREY GIMBER, CPA



"The CPA. Never Underestimate The Value."

**Certified Public Accountants**

3007 Armand Street  
Monroe, Louisiana 71201  
Telephone (318) 322-5156 or (318) 323-1411  
Facsimile (318) 323-6331

- Accounting & Auditing
  - HUD Audits
  - Non-Profit Organizations
  - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
  - Individual & Partnership
  - Corporate & Fiduciary
- Bookkeeping & Payroll Services

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

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

We have audited Lincoln Total Community Action, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on Lincoln Total Community Action, Inc.'s major federal program for the year ended November 30, 2013. Lincoln Total Community Action, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Lincoln Total Community Action, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance

requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lincoln Total Community Action, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lincoln Total Community Action, Inc.'s compliance.

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

In our opinion, Lincoln Total Community Action, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended November 30, 2013.

#### **Report on Internal Control Over Compliance**

Management of Lincoln Total Community Action, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lincoln Total Community Action, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lincoln Total Community Action, Inc.'s internal control over compliance.

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

program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS  
Monroe, Louisiana  
May 27, 2014

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED NOVEMBER 30, 2013

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- \* Material weakness(es) identified?                    \_\_\_ yes    X no
- \* Control deficiency(s) identified that  
are not considered to be material  
weaknesses?    \_\_\_ yes    X none reported
- Noncompliance material to financial  
statements noted?                                    \_\_\_ yes    X no

Federal Awards

Internal control over major programs:

- \* Material weakness(es) identified?                    Not Applicable
- \* Control deficiency(s) identified that  
are not considered to be material  
weaknesses?    \_\_\_ yes    X none reported

Type of auditors' report issued on compliance for major programs:  
Unmodified

Any audit findings disclosed that are  
required to be reported in accordance  
with section 510(a) of Circular A-133?                    \_\_\_ yes    X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.600	Department of Health and Human Services - Head Start

Dollar threshold used to distinguish  
between type A and type B programs:                    \$300,000

Auditee qualified as low-risk auditee?                    X yes    \_\_\_ no

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED NOVEMBER 30, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended November 30, 2013.

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

There were no findings or questioned costs for the year ended November 30, 2013.

LINCOLN TOTAL COMMUNITY ACTION, INC.  
RUSTON, LOUISIANA  
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS  
NOVEMBER 30, 2013

SECTION I - Internal Control

There were no findings or questioned costs for the year ended November 30, 2012.

SECTION II - Compliance

There were no findings or questioned costs for the year ended November 30, 2012.