LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA

FINANCIAL STATEMENTS

AND ADDITIONAL INFORMATION

FOR THE YEAR ENDED

NOVEMBER 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 1 3 2012

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

### LINCOLN TOTAL COMMUNITY ACTION, INC. NOVEMBER 30, 2011

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

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Accounting & Auditing
 HUD Audits
 Non-Profit Organizations
 Governmental Organizations
 Business & Financial Planning
 Tax Preparation & Planning

Individual & Partnership
 Corporate & Fiduciary
 Bookkeeping & Payroli Services

May 25, 2012

#### INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of the Lincoln Total Community Action, Inc. (a nonprofit organization) as of and for the year ended November 30, 2011, and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion 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; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of the Office of Management and Budget (OMB) Circular A-133, **Audits** of States, Local Governments and Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS and SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

In accordance with Government Auditing Standards, we have also issued a report dated May 25, 2012 on our consideration of the Agency'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 should be read in conjunction with this report in considering the result of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of Lincoln Total Community Action, Inc. as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required the financial statements. Such information 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 other procedures, including comparing and reconciling such information directly to the underlying accounting and other records 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 schedule of expenditures of federal awards is fairly stated, in all material respects in relation to the financial statements as a whole.

The accompanying supplemental combining schedules on pages 16-19 are presented for the purpose of additional analysis and are not a required part of the financial statements of Lincoln Total Community Action, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The accompanying supplementary schedules, listed as "Supplementary Financial Information" in the table of contents and shown on pages 20-23 are presented for purposes of additional analysis for the purpose of providing the various funding sources of Lincoln Total Community Action, Inc. and are not a required part of the financial statements. The information is prepared on a prescribed basis of the funding sources of Lincoln Total Community Action, Inc. The schedules are not

presented in accordance with generally accepted accounting principles. Accordingly, the schedules mentioned previously and shown on pages 21-31 are not intended to present financial position and results of conformity generally accepted inwith operations principles. 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. information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other 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, information is fairly stated in all material respects prescribed basis of the funding sources of Lincoln Total Community Action, Inc.

Johnston, Perry, Johnson & Associates, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

# LINCOLN TOTAL COMMUNITY ACTION, INC. RUSTON, LOUISIANA STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED NOVEMBER 30, 2011

#### ASSETS

CURRENT ASSETS  Cash  Accounts Receivable - Grants  Contributions Receivable - Restricted	35,804 54,431 129,070	
TOTAL CURRENT ASSETS		219,305
FIXED ASSETS AND PROPERTY  Furniture, Buildings, and Equipment at Cost, Net Land	68,2 <b>52</b> 5,000	
TOTAL FIXED ASSETS AND PROPERTY	:	73,252
TOTAL ASSETS		292,557
LIABILITIES AND NET ASSETS		
CURRENT_LIABILITIES Accounts Payable Advanced Fundings	31,529 122	
TOTAL CURRENT LIABILITIES		31,651
NET ASSETS Unrestricted Operations Fixed Assets and Property Temporarily Restricted	58,584 73,252 129,070	
TOTAL NET ASSETS		260,906
TOTAL LIABILITIES AND NET ASSETS		<u>292,557</u>

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

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

# LINCOLN TOTAL COMMUNITY ACTION, INC. RUSTON, LOUISIANA STATEMENT OF ACTIVITIES FOR THE YEAR ENDED NOVEMBER 30, 2011

UNRESTRICTED	Operations	Fixed Assets	Temporarily Restricted	Total
SUPPORT AND REVENUE				
Grants - GOEA	-	-		-
Grants - HHS	2,001,919	-	<b>-</b>	2,001,919
Grants - USDA Food Program	213,181	-	-	213,181
Donations and Interest	<u>192,707</u>		129,070	321,777
TOTAL SUPPORT AND REVENUE	2,407,807	<u>-0-</u>	129,070	2,536,877
EXPENSES				•
Program Services:				
Head Start (HHS)	1,924,132	18,986	-	1,943,118
USDA - Food Services	226,910	2,239	_	229,149
/			· · · · · · · · · · · · · · · · · · ·	
TOTAL PROGRAM SERVICES	2,151,042	21,225	<u> </u>	2,172,267
SUPPORT SERVICES				
General and Administrative	252,157	2,488		254,645
TOTAL SUPPORT SERVICES	252,157	2,488	<u>-0-</u>	_ 254,645
FUND-RAISING	<del>-</del>	<del></del>	•	-0-
TOTAL FUND-RAISING	-0-		<u>-0-</u>	<u>-0-</u>
TOTAL EXPENSES	2,403,199	23,713	<u> </u>	2,426,912
INCREASE (DECREASE) IN NET ASSETS	4,608	(23,713)	129,070	109,965
CHANGES IN NET ASSETS				
Acquisition of Property	( 16,772)	16,772	_	-0-
Gain on Asset Disposition		10,772	•	-0-
			_	-0-
NET ASSETS - BEGINNING OF YEAR	70,748	80,193	-0-	_ 150,941
		<del></del> _	<del></del>	
NET ASSETS - END OF YEAR	<u>58,584</u>	<u>73,252</u>	<u>129,070</u>	<u> 260,906</u>

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

5 -JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

# LINCOLN TOTAL COMMUNITY ACTION, INC. RUSTON, LOUISIANA STATEMENT OF CASH FLOWS FOR THE YEAR ENDED NOVEMBER 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	109,965
Adjustments to Reconcile Increase in Net Assets	•
To Net Cash Provided (Used) by Operating Activities:	•
Depreciation	23,713
(Increase) Decrease in:	
Accounts Receivable - Grants	( 1,298)
Contributions Receivable - Restricted	(129,070)
Increase (Decrease) in Operating Liabilities -	(2) ()
Accounts Payable	3,386
Unearned Interest	-
Advance Funding	15
***************************************	<u> </u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	6,711
CLOSE TEAMS WHOLE THE CONTROL & CONTROL OF THE CONT	
CASH FLOWS FROM INVESTING ACTIVITIES:	7.
Purchase of Fixed Assets	
	$(\underline{16,772})$
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	( <u>16,772</u> ) ( <u>16,772</u> )
	(16,772)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES  NET INCREASE IN CASH AND CASH EQUIVALENTS	
	(16,772)
NET INCREASE IN CASH AND CASH EQUIVALENTS	( <u>16,772</u> ) ( <u>10,061</u> )
NET INCREASE IN CASH AND CASH EQUIVALENTS  CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR  CASH AND CASH EQUIVALENTS - END OF YEAR	( <u>16,772</u> ) ( <u>10,061</u> ) <u>45,865</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS  CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR  CASH AND CASH EQUIVALENTS - END OF YEAR  SUPPLEMENTAL CASH BASIS DATA	( <u>16,772</u> ) ( <u>10,061</u> ) <u>45,865</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS  CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR  CASH AND CASH EQUIVALENTS - END OF YEAR	( <u>16,772</u> ) ( <u>10,061</u> ) <u>45,865</u>

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, 2011

	Head Start <u>HHS</u>	USDA Food Services
Personnel	1,127,751	58,926
Fringe Benefits	395,095	21,844
Travel	- · · · · · · · · · · · · · · · · · · ·	-
Contractual	. <del>-</del>	-
Operating Supplies	38,846	7,692
Other Costs	362,440	1,550
Food and Related Supplies	<b>-</b>	136,058
Program Administration		840
TOTAL EXPENSES BEFORE	•	
DEPRECIATION	1,924,132	226,910
DEPRECIATION	18,986	2,239
TOTAL EXPENSES	<u>1,943,118</u>	229,149

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

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

#### LINCOLN TOTAL COMMUNITY ACTION, INC. RUSTON, LOUISIANA STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED) FOR THE YEAR ENDED NOVEMBER 30, 2011

	Total Program Services	General And Administrative	Total Expenses
Personnel	1,186,677	165,982	1,352,659
Fringe Benefits	416,939	34,540	451,479
Travel	-	-	-0-
Contractual	•	10,000	10,000
Operating Supplies	46,538	21,884	68,422
Other Costs	363,990	19,751	383,741
Food and Related Supplies	136,058	·	136,058
Program Administration	840		840
TOTAL EXPENSES BEFORE			
DEPRECIATION	2,151,042	252,157	2,403,199
DEPRECIATION	21,225	2,488	23,713
TOTAL EXPENSES	2,172,267	<u>254,645</u>	2,426,912

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

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

#### 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. <u>Basis of Accounting</u>

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.

#### 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, 2011.

### F. <u>Total Columns of Combined Statements - Supplementary Information</u>

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
Furniture, Fixtures and Equipment
Buildings (Portable)

5 Years

7 Years

10 Years

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

#### G. Property and Equipment Accounting (Continued)

Net values are computed as follows:

Computer Equipment and Vehicles	548,805
Furniture, Fixtures and Equipment	429,475
Buildings	102,988
Land	5,000
Less: Accumulated Depreciation	(1,013,016)

Net Value

73,252

#### 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, 2011 were \$-0-.

#### 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.

<u>USDA - Child and Adult Care Food Program</u> - 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, 2011 consists of reimbursements for expenses incurred under the various grant programs. The following list presents Accounts Receivable - Grants by fund at November 30, 2011.

Head Start USDA

33,466

<u>20,965</u>

Total

<u>54,431</u>

#### 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.

#### 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. Contributions for Occupancy costs totaled \$150,628 and donated services totaled \$27,041, and have been reported these costs meet the criteria revenues, as 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 \$129,070. This restriction is related to a multi-year lease on the use of facilities by the Agency, and the \$129,070 is the value to be recognized under current professional standards. Such amount is recorded as and a receivable income, in the restricted fund (due to time restriction). This amount is related to use of facilities for fiscal year ended November 30, 2012.

#### 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, 2011.

#### NOTE 10 - NET ASSETS:

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

<u>Unrestricted Net Assets</u> - 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

#### NOTE 10 - NET ASSETS: (Continued)

the organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds.

<u>Permanently Restricted Net Assets</u> - 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, 2011 was \$51,519.

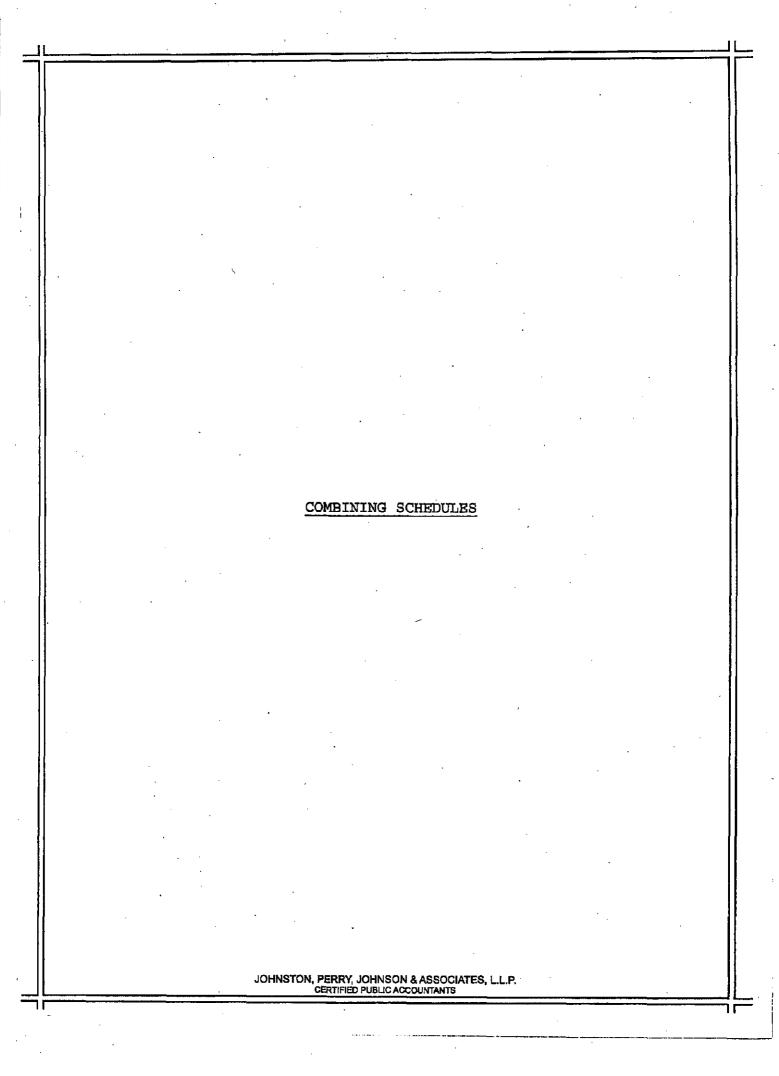
#### NOTE 12 - SUBSEQUENT EVENTS:

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 balance sheet date require disclosure accompanying notes. Management evaluated the activity of the Agency through May 25, 2012, the date the financial statements were available for issue, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

#### NOTE 13 - UNCERTAIN TAX POSITIONS:

The Agency is subject to examination by various taxing authorities, including federal income tax examinations. Management has reviewed the Agency's activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements. The tax returns for the years 2011, 2010, 2009, and 2008 are open for examination by various taxing authorities.

- 15 JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS



# LINCOLN TOTAL COMMUNITY ACTION, INC. RUSTON, LOUISIANA COMBINING BALANCE SHEET - ALL PROGRAMS FOR THE YEAR ENDED NOVEMBER 30, 2011

		Head Start	USDA Food
•	General	(HHS)	Services
CURRENT ASSETS		<del></del>	
Cash	12,079	1,521	22,204
Accounts Receivable - Grants	· -	33,466	20,965
Contributions Receivable - Restricted	_	· <b>-</b>	, <u></u>
Due from Other Funds	487	129,070	2,849
•	<del></del>	<del></del>	<del></del>
TOTAL CURRENT ASSETS	12,566	164,057	45,018
	<del></del>	<u> </u>	
FIXED ASSETS AND PROPERTY			
Furniture and Equipment at Cost, Net	-	-	-
Land	` <u> </u>		
TOTAL FIXED ASSETS AND PROPERTY	<u>-0-</u>	<u> </u>	. <u>-0-</u>
	ı		
TOTAL ASSETS	<u>12,566</u>	<u>164,057</u>	<u>46,018</u>
CHED DISTRICT TARTES			
CURRENT LIABILITIES			
Accounts Payable Due to Other Funds	-	31,529	-
Unearned Interest	=	3,336	-
Advanced Funding	<del>-</del>	-	
Advanced ranging	<del></del>	122	
TOTAL CURRENT LIABILITIES	- <b>^</b> .	24 007	^
TOTAL GOLDON MANDELLI I I I I I I I I I I I I I I I I I I	<del>-0-</del>	_34,987	<u>-0-</u>
NET ASSETS			
Unrestricted Net Assets	•		
Operations	12,566	_	46,018
Fixed Assets and Property	,	<u>`</u>	40,010
Temporarily Restricted Net Assets	_	129,070	_
-	<u> </u>		<del></del>
TOTAL NET ASSETS	12,566	129,070	46,018
,		<u> </u>	/
TOTAL LIABILITIES AND NET ASSETS	<u>12,566</u>	164,057	46,018
· · · · · · · · · · · · · · · · · · ·	. — <del></del>		

# LINCOLN TOTAL COMMUNITY ACTION, INC. RUSTON, LOUISIANA COMBINING BALANCE SHEET - ALL PROGRAMS (CONTINUED) FOR THE YEAR ENDED NOVEMBER 30, 2011

	Fixed Assets and Property	Eliminations	Total (Memorandum Only)
CURRENT ASSETS	reporty	<u> </u>	<u> </u>
Cash	-		35,804
Accounts Receivable - Grants	•	_	54,431
Contributions Receivable - Restricted	~	•	129,070
Due from Other Funds		(3,336)	-0-
		(3/330/	
TOTAL CURRENT ASSETS	-0-	( <u>3,336</u> )	219,305
	·	( <u>57555</u> )	
FIXED ASSETS AND PROPERTY	•		
Furniture and Equipment at Cost, Net	68,252	-	68,252
Land	5,000	• •	5,000
•			
TOTAL FIXED ASSETS AND PROPERTY	73,252	-0-	73,252
	<del></del>		
TOTAL ASSETS	73,252	( <u>3,336</u> )	292,557
	<del></del>		
CURRENT LIABILITIES		•	
Accounts Payable	-	-	31,529
Due to Other Funds	-	(3,336)	-0-
Unearned Interest	-	-	-0~
Advanced Funding		, <u> </u>	122
	<del>-</del>		•
TOTAL CURRENT LIABILITIES		( <u>3,336</u> )	_31,651
•	_		
NET ASSETS			
Unrestricted Net Assets			•
Operations	~	<b>-</b>	58,584
Fixed Assets and Property	73,252	-	73,252
Temporarily Restricted Net Assets		<del></del>	129,070
TOTAL NET ASSETS	<u>73,252</u>	0-	<u>260,906</u>
MOMEL I TABITITATE AND INC		• •	_
TOTAL LIABILITIES AND NET ASSETS	<u>73,252</u>	( <u>3,336</u> )	<u>292,557</u>

### LINCOLN TOTAL COMMUNITY ACTION, INC. RUSTON, LOUISIANA

STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED NOVEMBER 30, 2011

	General	Head Start (HHS)
SUPPORT AND REVENUE	•	•
Grants - GOBA	<del>-</del>	_
Grants - HHS	-	2,001,919
Grants - USDA Food Services	<u>-</u>	-
In-Kind Contributions - Non-Federal	-	306,739
Donations and Interest	15,038	
TOTAL SUPPORT AND REVENUE	15,038	2,308,658
EXPENSES		
Personnel	5,000	1,288,733
Fringe Benefits	383	429,252
Travel	<del>-</del>	
Contractual	-	10,000
Operating Supplies	793	59,937
Other Costs	7,297	197,225
Program Services	•	· -
Program Administration	-	-
In-Kind Expenditures	. –	177,669
Depreciation		23,713
TOTAL EXPENSES	13,473	2,186,529
SUPPORT OVER EXPENDITURES	1,565	122,129
NET ASSETS - BEGINNING OF YEAR	10,514	80,680
RECLASSIFICATION	487	(487)
NET ASSETS - END OF YEAR	<u>12,566</u>	202,322

- 18 JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

#### RUSTON, LOUISIANA

STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS (CONTINUED)

FOR THE YEAR ENDED NOVEMBER 30, 2011

SUPPORT AND REVENUE	USDA Food Services	Total (Memorandum <u>Only)</u>
Grants - GOEA	_	-0-
Grants - HHS	_	2,001,919
Grants - USDA Food Services	213,181	213,181
In-Kind Contributions - Non-Federal	213,101	306,739
Donations and Interest	_	15,038
TATESTAL COMP. HIGHERY		
TOTAL SUPPORT AND REVENUE	213,181	2,536,877
EXPENSES		
Personnel	58,926	1,352,659
Fringe Benefits	21,844	451,479
Travel	-	<b>-</b> 0-
Contractual	•	10,000
Operating Supplies	7,692	68,422
Other Costs	1,550	383,741
Program Services	136,058	136,058
Program Administration	840	840
Depreciation		23,713
TOTAL EXPENSES	226,910	2,426,912
SUPPORT OVER EXPENDITURES	( 13,729)	109,965
NET ASSETS - BEGINNING OF YEAR	59,747	150,941
RECLASSIFICATIONS	-0-	
NET ASSETS - END OF YEAR	46,018	260,906

SUPPLEMENTARY FINANCIAL INFORMATION JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

### RUSTON, LOUISIANA

## STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS HEADSTART - GRANTOR BASIS

FOR THE PERIOD

· · · · · · · · · · · · · · · · · · ·	
	12/01/10 Through
	<u>11/30/11</u>
REVENUES	•
Grant Receipts - HHS	2,001,919
In-Kind Receipts	500,480
- · ·	
TOTAL REVENUES	2,502,399
EXPENDITURES	
Personnel	1,288,733
Fringe Benefits	429,252
Travel	429,232
Contractual	-
	10,000
Operating Supplies	59,937
Other Costs	197,225
Capital Outlay	16,772
In-Kind Expenses	500,480
•	
TOTAL EXPENDITURES	2,502,399
	<del></del>
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	0-
	,
NET ASSETS - BEGINNING OF PERIOD	487
	10.
RECLASSIFICATIONS	. ( 487)
	. \/
NET ASSETS - END OF PERIOD	-0-

#### RUSTON, LOUISIANA

STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
USDA FOOD SERVICES - GRANTOR BASIS
FOR THE PERIOD

	(Memo Only) 10/01/10 Through 11/30/10	12/01/10 Through 09/30/11	(Memo Only) Total FYE 09/30/11
REVENUES		<del></del>	
Grant Receipts - USDA	54,222	159,168	213,390
Donations and Interest	<u> </u>		
TOTAL REVENUES	54,222	159,168	213,390
EXPENDITURES	•	•	
Personnel	12,718	50,459	63,177
Fringe Benefits	3,135	18,740	21,875
Food Costs	27,171	102,363	129,534
Operating Supplies	1,465	6,079	7,544
Other Costs	310	1,240	1,550
Administrative	<u> </u>	812	909
TOTAL EXPENDITURES	44,896	<u>179,693</u>	224,589
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	9,326	( 20,525)	( 11,199)
NET ASSETS - BEGINNING OF PERIOD	50,422	59,748	50,422
NET ASSETS - END OF PERIOD	<u>59,748</u>	39,223	39,223

#### RUSTON, LOUISIANA

STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS USDA FOOD SERVICES - GRANTOR BASIS (CONTINUED)

FOR THE PERIOD

	Th:	01/11 rough 30/11
REVENUES	_	
Grant Receipts - USDA Donations and Interest	5	4,013
Solderoup and Incorde	<u></u>	<u>=</u>
TOTAL REVENUES	5	4,013
	-	
EXPENDITURES		
Personnel Fringe Benefits		8,467
Food Costs		3,104
Operating Supplies		3,696
Other Costs		1,613
Administrative		310
	_	28
TOTAL EXPENDITURES	4	7,218
	<u> </u>	77210
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES		6,795
NET ASSETS - BEGINNING OF PERIOD	<u>3</u>	9,223
NET ASSETS - END OF PERIOD		
NET ASSETS - END OF PERIOD	<u>4</u>	<u>6,018</u>

### LINCOLN TOTAL COMMUNITY ACTION, INC. RUSTON, LOUISIANA

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL FOR THE PERIODS ENDED DURING FISCAL YEAR NOVEMBER 30, 2011

	Budgeted Expenditures	Actual Expenditures	Budgeted Over (Under) Actual Expenditures
HRAD START			
FYE November 30, 2011	•		-
Personnel	1,311,706	1,288,733	(22,973)
Fringe Benefits	450,474	429,252	(21,222)
Travel	1,800	-	( 1,800)
Contractual	10,000	10,000	
Operating Supplies	38,500	59,937	21,437
Other Costs	189,439	197,225	7,786
Capital Outlay	-	16,772	16,772
In-Kind Contributions	500,480	500,480	
TOTALS	2,502,399	2,502,399	
USDA FOOD SERVICES			•
FYE September 30, 2011			
Administrative	1,200	909	( 291)
Personnel	68,725	63,177	( 5,548)
Fringe Benefits	26,726	21,875	( 4,851)
Food Costs	148,000	129,534	(18,466)
Operating Supplies	13,000	7,544	( 5,456)
Other	1,800	1,550	( 250)
Travel	1,500		( <u>1,500</u> )
TOTALS	<u> 260,951</u>	224,589	( <u>36,362</u> )

# LINCOLN TOTAL COMMUNITY ACTION, INC. RUSTON, LOUISIANA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED NOVEMBER 30, 2011

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH OR AWARD NUMBER	FEDERAL DISBURSEMENTS/ EXPENDITURES
U.S. Department of Agriculture  Passed through Louisiana Department  Of Education:  Child and Adult Care Food Program	10.558	27/2	205 210
U.S. Department of Health and Human Services	10.556	N/A	226,910
* Head Start	93.600	06CH5091/45	2,001,919

<sup>\*</sup> Major Program

### LINCOLN TOTAL COMMUNITY ACTION, INC. RUSTON, LOUISIANA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED NOVEMBER 30, 2011

#### 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. CERTIFIED PUBLIC ACCOUNTANTS

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

ROWLAND H. FERRY, CPA, APC CHARLES L. JOHNSON, JR., CPA VIOLET M. ROUSSEL, CPA, APC JAY CUTHBERT, CPA, APAC PAM BATTAGLIA, CPA JULIAN B. JOHNSTON, CPA



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- Tax Preparation & Planning
  - Individual & Partnership
- Corporate & Fiduciary

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May 25, 2012

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

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

We have audited the financial statements of Lincoln Total Community Action, Inc. (a nonprofit organization) as of and for the year ended November 30, 2011, and have issued our report thereon dated May 25, 2012. We conducted our audit in accordance with accounting standards generally accepted in the United States of America applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

Management of Lincoln Total Community Action, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Lincoln Total Community Action, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial Accordingly, we do not express an opinion effectiveness of the Agency's internal control over reporting.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln Total Community Action, Inc.'s financial statements are free of 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 non-compliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnston, Lerry, Johnson & Casociates, L.L.

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

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

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- Individual & Partnership
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- Bookkeeping & Payroli Services

May 25, 2012

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

#### Compliance

We have audited the compliance of Lincoln Total Community Action, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended 2011. Lincoln Total Community Action, November 30, Inc.'s federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lincoln Total Community Action, Inc.'s management. Our responsibility is to express an opinion on Lincoln Total Community Action, Inc.'s compliance based on our audit.

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 on a major federal program occurred. An audit

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. Our audit does not provide a legal determination of Lincoln Total Community Action, Inc.'s compliance with those requirements.

In our opinion, Lincoln Total Community Action, Inc. complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2011.

#### Internal Control Over Compliance

Management of Lincoln Total Community Action, Inc. is responsible for establishing and maintaining effective internal control compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lincoln Total Community Action, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnston, Lerry, Johnson & Associates, L.L.S.

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

# LINCOLN TOTAL COMMUNITY ACTION, INC. RUSTON, LOUISIANA SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED NOVEMBER 30, 2011

#### SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements Type of auditors' report issued: Unqual	lified
Type of additors report issued. ondus.	
Internal control over financial report:	ing:
* Material weakness(es) identified?	yes <u>X</u> no
* Control deficiency(s) identified that are not considered to be material weaknesses?	
weaknessesf	yes <u>X</u> none reported
Noncompliance material to financial statements noted?	yes <u>X</u> 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 <u>X</u> none reported
Type of auditors' report issued on comp Unqualified	pliance for major programs:
Any audit findings disclosed that are required to be reported in accordance	
with section 510(a) of Circular A-133	
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, 2011

### SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended November 30, 2011.

### 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, 2011.

# LINCOLN TOTAL COMMUNITY ACTION, INC. RUSTON, LOUISIANA CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS NOVEMBER 30, 2011

#### SECTION I - Internal Control

There were no findings or questioned costs for the year ended November 30, 2010.

#### SECTION II - Compliance

There were no findings or questioned costs for the year ended November 30, 2010.