

LINCOLN TOTAL COMMUNITY ACTION, INC.

RUSTON, LOUISIANA

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
FOR THE YEAR ENDED
NOVEMBER 30, 2012

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

LINCOLN TOTAL COMMUNITY ACTION, INC.
NOVEMBER 30, 2012

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May 29, 2013

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, 2012, 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 Nonprofit 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 29, 2013 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 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 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, 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. The combining schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 21-24 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 21-24 are not intended to present financial position and results of operations in conformity with generally accepted accounting 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. 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 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 on the prescribed basis of the funding sources of Lincoln Total Community Action, Inc.

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

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

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
STATEMENT OF FINANCIAL POSITION
NOVEMBER 30, 2012

ASSETS

CURRENT ASSETS

Cash	28,530
Accounts Receivable - Grants	54,564
Contributions Receivable - Restricted	<u>729,570</u>

<u>TOTAL CURRENT ASSETS</u>	812,664
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FIXED ASSETS AND PROPERTY

Furniture, Buildings, and Equipment at Cost, Net	55,007
Land	<u>5,000</u>

<u>TOTAL FIXED ASSETS AND PROPERTY</u>	60,007
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<u>TOTAL ASSETS</u>	<u>872,671</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	31,061
Advanced Fundings	<u>138</u>

<u>TOTAL CURRENT LIABILITIES</u>	31,199
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NET ASSETS

Unrestricted	
Operations	51,895
Fixed Assets and Property	60,007
Temporarily Restricted	<u>729,570</u>

<u>TOTAL NET ASSETS</u>	<u>841,472</u>
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<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>872,671</u>
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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, 2012

	<u>Operations</u>	<u>Fixed Assets</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>UNRESTRICTED</u>				
<u>SUPPORT AND REVENUE</u>				
Grants - GOEA	-	-	-	-
Grants - HHS	2,016,103	-	-	2,016,103
Grants - USDA Food Program	226,141	-	-	226,141
Donations and Interest	32,630	-	729,570	762,200
Release of Restriction	129,070	-	(129,070)	-
<u>TOTAL SUPPORT AND REVENUE</u>	<u>2,403,944</u>	<u>-0-</u>	<u>600,500</u>	<u>3,004,444</u>
<u>EXPENSES</u>				
Program Services:				
Head Start (HHS)	1,917,858	19,797	-	1,937,655
USDA - Food Services	236,913	2,445	-	239,358
<u>TOTAL PROGRAM SERVICES</u>	<u>2,154,771</u>	<u>22,242</u>	<u>-0-</u>	<u>2,177,013</u>
<u>SUPPORT SERVICES</u>				
General and Administrative	244,343	2,522	-	246,865
<u>TOTAL SUPPORT SERVICES</u>	<u>244,343</u>	<u>2,522</u>	<u>-0-</u>	<u>246,865</u>
<u>FUND-RAISING</u>				
<u>TOTAL FUND-RAISING</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL EXPENSES</u>	<u>2,399,114</u>	<u>24,764</u>	<u>-0-</u>	<u>2,423,878</u>
<u>INCREASE (DECREASE) IN NET ASSETS</u>	<u>4,830</u>	<u>(24,764)</u>	<u>600,500</u>	<u>580,566</u>
<u>CHANGES IN NET ASSETS</u>				
Acquisition of Property	(11,519)	11,519	-	-0-
Gain on Asset Disposition	-	-	-	-0-
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>58,584</u>	<u>73,252</u>	<u>129,070</u>	<u>260,906</u>
<u>NET ASSETS - END OF YEAR</u>	<u>51,895</u>	<u>60,007</u>	<u>729,570</u>	<u>841,472</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, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	580,566
Adjustments to Reconcile Increase in Net Assets	
To Net Cash Provided (Used) by Operating Activities:	
Depreciation	24,764
(Increase) Decrease in:	
Accounts Receivable - Grants	(133)
Contributions Receivable - Restricted	(600,500)
Increase (Decrease) in Operating Liabilities -	
Accounts Payable	(468)
Unearned Interest	-
Advance Funding	16

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES 4,245

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Fixed Assets	(11,519)
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NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES (11,519)

NET INCREASE IN CASH AND CASH EQUIVALENTS (7,274)

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 35,804

CASH AND CASH EQUIVALENTS - END OF YEAR 28,530

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, 2012

	Head Start <u>HHS</u>	USDA Food <u>Services</u>
Personnel	1,132,699	59,817
Fringe Benefits	423,670	22,868
Travel	-	-
Contractual	-	-
Operating Supplies	31,803	7,670
Other Costs	329,686	1,395
Food and Related Supplies	-	144,183
Program Administration	-	980
<u>TOTAL EXPENSES BEFORE DEPRECIATION</u>	<u>1,917,858</u>	<u>236,913</u>
<u>DEPRECIATION</u>	<u>19,797</u>	<u>2,445</u>
<u>TOTAL EXPENSES</u>	<u>1,937,655</u>	<u>239,358</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, 2012

	<u>Total Program Services</u>	<u>General And Administrative</u>	<u>Total Expenses</u>
Personnel	1,192,516	167,472	1,359,988
Fringe Benefits	446,538	34,467	481,005
Travel	-	627	627
Contractual	-	9,700	9,700
Operating Supplies	39,473	21,234	60,707
Other Costs	331,081	10,843	341,924
Food and Related Supplies	144,183	-	144,183
Program Administration	980	-	980
<u>TOTAL EXPENSES BEFORE DEPRECIATION</u>	<u>2,154,771</u>	<u>244,343</u>	<u>2,399,114</u>
<u>DEPRECIATION</u>	<u>22,242</u>	<u>2,522</u>	<u>24,764</u>
<u>TOTAL EXPENSES</u>	<u>2,177,013</u>	<u>246,865</u>	<u>2,423,878</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, 2012

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, 2012

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, 2012.

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, 2012

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

G. Property and Equipment Accounting (Continued)

Net values are computed as follows:

Computer Equipment and Vehicles	558,358
Furniture, Fixtures and Equipment	428,711
Buildings	102,988
Land	5,000
Less: Accumulated Depreciation	<u>(1,035,050)</u>
Net Value	<u>60,007</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, 2012 were \$-0-.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2012

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, 2012 consists of reimbursements for expenses incurred under the various grant programs. The following list presents Accounts Receivable - Grants by fund at November 30, 2012.

Head Start	34,043
USDA	<u>20,521</u>
<u>Total</u>	<u>54,564</u>

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2012

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 \$129,720 and donated services totaled \$13,764, 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 \$729,570. 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, 2012

NOTE 5 - NON-CASH CONTRIBUTIONS: (Continued)

facilities by the Agency, and the \$729,570 is the value to be recognized under current professional standards. Such amount is recorded as a receivable and as income, in the restricted fund (due to time restriction). 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, 2012.

NOTE 10 - NET ASSETS:

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

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.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2012

NOTE 10 - NET ASSETS: (Continued)

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, 2012 was \$52,819.

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 29, 2013, 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

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
NOVEMBER 30, 2012

NOTE 13 - UNCERTAIN TAX POSITIONS: (Continued)

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 2012, 2011, 2010, and 2009, are open for examination by various taxing authorities.

COMBINING SCHEDULES

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
COMBINING BALANCE SHEET - ALL PROGRAMS
FOR THE YEAR ENDED NOVEMBER 30, 2012

	<u>General</u>	Head Start <u>(HHS)</u>	USDA Food <u>Services</u>
<u>CURRENT ASSETS</u>			
Cash	11,163	843	16,524
Accounts Receivable - Grants	-	34,043	20,521
Contributions Receivable - Restricted	-	729,570	-
Due from Other Funds	<u>5,486</u>	<u>-</u>	<u>-</u>
<u>TOTAL CURRENT ASSETS</u>	<u>16,649</u>	<u>764,456</u>	<u>37,045</u>
<u>FIXED ASSETS AND PROPERTY</u>			
Furniture and Equipment at Cost, Net	-	-	-
Land	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL FIXED ASSETS AND PROPERTY</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL ASSETS</u>	<u>16,649</u>	<u>764,456</u>	<u>37,045</u>
<u>CURRENT LIABILITIES</u>			
Accounts Payable	-	31,061	-
Due to Other Funds	-	3,687	1,799
Unearned Interest	-	-	-
Advanced Funding	<u>-</u>	<u>138</u>	<u>-</u>
<u>TOTAL CURRENT LIABILITIES</u>	<u>-0-</u>	<u>34,886</u>	<u>1,799</u>
<u>NET ASSETS</u>			
Unrestricted Net Assets			
Operations	16,649	-	35,246
Fixed Assets and Property	-	-	-
Temporarily Restricted Net Assets	<u>-</u>	<u>729,570</u>	<u>-</u>
<u>TOTAL NET ASSETS</u>	<u>16,649</u>	<u>729,570</u>	<u>35,246</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>16,649</u>	<u>764,456</u>	<u>37,045</u>

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
COMBINING BALANCE SHEET - ALL PROGRAMS (CONTINUED)
FOR THE YEAR ENDED NOVEMBER 30, 2012

	Fixed Assets and Property	Eliminations	Total
<u>CURRENT ASSETS</u>			
Cash	-	-	28,530
Accounts Receivable - Grants	-	-	54,564
Contributions Receivable - Restricted	-	-	729,570
Due from Other Funds	-	(5,486)	-0-
<u>TOTAL CURRENT ASSETS</u>	<u>-0-</u>	<u>(5,486)</u>	<u>812,664</u>
<u>FIXED ASSETS AND PROPERTY</u>			
Furniture and Equipment at Cost, Net	55,007	-	55,007
Land	5,000	-	5,000
<u>TOTAL FIXED ASSETS AND PROPERTY</u>	<u>60,007</u>	<u>-0-</u>	<u>60,007</u>
<u>TOTAL ASSETS</u>	<u>60,007</u>	<u>(5,486)</u>	<u>872,671</u>
<u>CURRENT LIABILITIES</u>			
Accounts Payable	-	-	31,061
Due to Other Funds	-	(5,486)	-0-
Unearned Interest	-	-	-0-
Advanced Funding	-	-	138
<u>TOTAL CURRENT LIABILITIES</u>	<u>-0-</u>	<u>(5,486)</u>	<u>31,199</u>
<u>NET ASSETS</u>			
Unrestricted Net Assets			
Operations	-	-	51,895
Fixed Assets and Property	60,007	-	60,007
Temporarily Restricted Net Assets	-	-	729,570
<u>TOTAL NET ASSETS</u>	<u>60,007</u>	<u>-0-</u>	<u>841,472</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>60,007</u>	<u>(5,486)</u>	<u>872,671</u>

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
COMBINED STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED NOVEMBER 30, 2012

	<u>General</u>	Head Start (HHS)
<u>SUPPORT AND REVENUE</u>		
Grants - GOEA	-	-
Grants - HHS	-	2,016,103
Grants - USDA Food Services	-	-
In-Kind Contributions - Non-Federal	-	743,984
Donations and Interest	<u>18,216</u>	<u>-</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>18,216</u>	<u>2,760,087</u>
 <u>EXPENSES</u>		
Personnel	5,000	1,295,171
Fringe Benefits	383	457,754
Travel	-	627
Contractual	-	9,700
Operating Supplies	312	52,725
Other Costs	8,438	332,091
Program Services	-	-
Program Administration	-	-
Depreciation	<u>-</u>	<u>24,764</u>
<u>TOTAL EXPENSES</u>	<u>14,133</u>	<u>2,172,832</u>
<u>SUPPORT OVER EXPENDITURES</u>	4,083	587,255
<u>NET ASSETS - BEGINNING OF YEAR</u>	12,566	202,322
<u>RECLASSIFICATION</u>	<u>-</u>	<u>-</u>
<u>NET ASSETS - END OF YEAR</u>	<u>16,649</u>	<u>789,577</u>

LINCOLN TOTAL COMMUNITY ACTION, INC.
 RUSTON, LOUISIANA
 COMBINED STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND
 CHANGES IN NET ASSETS
 (CONTINUED)
 FOR THE YEAR ENDED NOVEMBER 30, 2012

	<u>USDA Food Services</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>		
Grants - GOEA	-	-0-
Grants - HHS	-	2,016,103
Grants - USDA Food Services	226,141	226,141
In-Kind Contributions - Non-Federal	-	743,984
Donations and Interest	-	<u>18,216</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>226,141</u>	<u>3,004,444</u>
<u>EXPENSES</u>		
Personnel	59,817	1,359,988
Fringe Benefits	22,868	481,005
Travel	-	627
Contractual	-	9,700
Operating Supplies	7,670	60,707
Other Costs	1,395	341,924
Program Services	144,183	144,183
Program Administration	980	980
Depreciation	-	<u>24,764</u>
<u>TOTAL EXPENSES</u>	<u>236,913</u>	<u>2,423,878</u>
<u>SUPPORT OVER EXPENDITURES</u>	(10,772)	580,566
<u>NET ASSETS - BEGINNING OF YEAR</u>	46,018	260,906
<u>RECLASSIFICATIONS</u>	<u>-0-</u>	<u>-0-</u>
<u>NET ASSETS - END OF YEAR</u>	<u>35,246</u>	<u>841,472</u>

SUPPLEMENTARY FINANCIAL INFORMATION

LINCOLN TOTAL COMMUNITY ACTION, INC.
 RUSTON, LOUISIANA
 STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
 HEADSTART - GRANTOR BASIS
 FOR THE PERIOD

	12/01/11 Through <u>11/30/12</u>
<u>REVENUES</u>	
Grant Receipts - HHS	2,016,103
In-Kind Receipts	<u>504,026</u>
<u>TOTAL REVENUES</u>	<u>2,520,129</u>
<u>EXPENDITURES</u>	
Personnel	1,295,171
Fringe Benefits	457,754
Travel	627
Contractual	9,700
Operating Supplies	52,725
Other Costs	188,610
Capital Outlay	11,516
In-Kind Expenses	<u>504,026</u>
<u>TOTAL EXPENDITURES</u>	<u>2,520,129</u>
<u>EXCESS (DEFICIT) REVENUES OVER EXPENDITURES</u>	-0-
<u>NET ASSETS - BEGINNING OF PERIOD</u>	-0-
<u>RECLASSIFICATIONS</u>	<u>-0-</u>
<u>NET ASSETS - END OF PERIOD</u>	<u><u>-0-</u></u>

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
USDA FOOD SERVICES - GRANTOR BASIS
FOR THE PERIOD

	(Memo Only) 10/01/11 Through 11/30/11	12/01/11 Through 09/30/12	(Memo Only) Total FYE 09/30/12
<u>REVENUES</u>			
Grant Receipts - USDA	54,014	169,367	223,381
Donations and Interest	-	-	-0-
<u>TOTAL REVENUES</u>	<u>54,014</u>	<u>169,367</u>	<u>223,381</u>
<u>EXPENDITURES</u>			
Personnel	8,467	47,258	55,725
Fringe Benefits	3,104	18,715	21,819
Food Costs	33,695	113,069	146,764
Operating Supplies	1,613	6,285	7,898
Other Costs	310	1,085	1,395
Administrative	28	946	974
<u>TOTAL EXPENDITURES</u>	<u>47,217</u>	<u>187,358</u>	<u>234,575</u>
<u>EXCESS (DEFICIT) REVENUES OVER EXPENDITURES</u>	6,797	(17,991)	(11,194)
<u>NET ASSETS - BEGINNING OF PERIOD</u>	<u>39,223</u>	<u>46,020</u>	<u>39,223</u>
<u>NET ASSETS - END OF PERIOD</u>	<u>46,020</u>	<u>28,029</u>	<u>28,029</u>

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
STATEMENT OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
USDA FOOD SERVICES - GRANTOR BASIS (CONTINUED)
FOR THE PERIOD

	10/01/12 Through 11/30/12
<u>REVENUES</u>	
Grant Receipts - USDA	56,774
Donations and Interest	-
<u>TOTAL REVENUES</u>	<u>56,774</u>
<u>EXPENDITURES</u>	
Personnel	12,559
Fringe Benefits	4,153
Food Costs	31,114
Operating Supplies	1,387
Other Costs	310
Administrative	34
<u>TOTAL EXPENDITURES</u>	<u>49,557</u>
<u>EXCESS (DEFICIT) REVENUES OVER EXPENDITURES</u>	7,217
<u>NET ASSETS - BEGINNING OF PERIOD</u>	<u>28,029</u>
<u>NET ASSETS - END OF PERIOD</u>	<u>35,246</u>

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE PERIODS ENDED DURING FISCAL YEAR NOVEMBER 30, 2012

	<u>Budgeted</u> <u>Expenditures</u>	<u>Actual</u> <u>Expenditures</u>	Budgeted Over (Under) Actual <u>Expenditures</u>
<u>HEAD START</u>			
FYE November 30, 2012			
Personnel	1,326,003	1,295,171	(30,832)
Fringe Benefits	452,107	457,754	5,647
Travel	5,772	627	(5,145)
Contractual	9,995	9,700	(295)
Operating Supplies	39,700	52,725	13,025
Other Costs	182,526	188,610	6,084
Capital Outlay	-	11,516	11,516
In-Kind Contributions	<u>504,026</u>	<u>504,026</u>	<u>-</u>
<u>TOTALS</u>	<u>2,520,129</u>	<u>2,520,129</u>	<u>-0-</u>
<u>USDA FOOD SERVICES</u>			
FYE September 30, 2012			
Administrative	1,200	974	(226)
Personnel	71,445	55,725	(15,720)
Fringe Benefits	26,425	21,819	(4,606)
Food Costs	153,059	146,764	(6,295)
Operating Supplies	13,500	7,898	(5,602)
Other	1,800	1,395	(405)
Travel	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
<u>TOTALS</u>	<u>268,929</u>	<u>234,575</u>	<u>(34,354)</u>

LINCOLN TOTAL COMMUNITY ACTION, INC.
 RUSTON, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED NOVEMBER 30, 2012

<u>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH OR AWARD NUMBER</u>	<u>FEDERAL DISBURSEMENTS/ EXPENDITURES</u>
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Department Of Education:			
Child and Adult Care Food Program	10.558	N/A	236,913
<u>U.S. Department of Health and Human Services</u>			
* Head Start	93.600	06CH5091/45	2,016,103
* Major Program			

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED NOVEMBER 30, 2012

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
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"The CPA. Never Underestimate The Value."

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

May 29, 2013

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, 2012, and have issued our report thereon dated May 29, 2013. 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 reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial 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, Perry, Johnson & Associates, L.L.P.

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

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

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- Bookkeeping & Payroll Services

May 29, 2013

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 November 30, 2012. Lincoln Total Community Action, Inc.'s major 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 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. 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, 2012.

Internal Control Over Compliance

Management of Lincoln Total Community Action, Inc. is responsible for establishing and maintaining effective internal control over 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, Perry, Johnson & Associates, L.L.P.

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, 2012

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, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

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

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, 2012.

LINCOLN TOTAL COMMUNITY ACTION, INC.
RUSTON, LOUISIANA
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
NOVEMBER 30, 2012

SECTION I - Internal Control

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

SECTION II - Compliance

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