



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

URBAN SUPPORT AGENCY, INC.

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Urban Support Agency, Inc.
Shreveport, Louisiana

Opinion

We have audited the accompanying financial statements of Urban Support Agency, Inc. (the Agency), a nonprofit organization, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Agency as of June 30, 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Atlanta Office: 1201 Peachtree St. NE, Suite 200-363/Atlanta, GA 30328/ (678)971-3700

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head on page 23 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 schedule of expenditures of federal awards and schedule of compensation, benefits, and other payments to agency head are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency's internal control over financial reporting and compliance.

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
December 12, 2023

URBAN SUPPORT AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023

Assets:	
Cash	\$ 28,944
Grants Receivable	258,657
Total Assets	<u>287,601</u>
 Liabilities:	
Accounts Payable	204,728
Payroll Tax Payable	51,635
Total Liabilities	<u>256,363</u>
 Net Assets:	
Without Donor Restrictions	31,238
Total Net Assets	<u>31,238</u>
 Total Liabilities and Net Assets	 <u>\$ 287,601</u>

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

URBAN SUPPORT AGENCY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
GRANT AND SUPPORT			
Department of Education	\$ 1,165,698		\$ 1,165,698
City of Shreveport	11,457	-	11,457
Other Income	1,812	-	1,812
Total Grant and Support	1,178,967	-	1,178,967
EXPENDITURES			
Program Services			
21st Century Learning	1,173,591	-	1,173,591
Pandemic Recovery Education	18,448	-	18,448
Caddo Parish Commission	13,112	-	13,112
Total Program Services	1,205,151	-	1,205,151
Support Services			
Management and General	592	-	592
Total Support Services	592	-	592
Change in Net Assets	(26,776)	-	(26,776)
Net Assets, Beginning of Year	58,014	-	58,014
Net Assets, End of Year	\$ 31,238	\$ -	\$ 31,238

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

URBAN SUPPORT AGENCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program Services</u>			<u>Support Services</u>		<u>Total Expenses</u>
	21st Century Learning Centers	Pandemic Recovery Education	Caddo Parish Commission	Total Program Services	Management & General	
Personnel	\$ 908,821	16,260	\$ -	\$ 925,081	\$ -	\$ 925,081
Fringes	79,765	1,244	-	81,009	167	81,176
Professional Services	66,007	500	11,718	78,225	-	78,225
Rent	33,020	-	-	33,020	-	33,020
Transportation	32,295	-	-	32,295	-	32,295
Supplies	24,151	444	1,394	25,989	-	25,989
Travel	9,946	-	-	9,946	-	9,946
Insurance	16,204	-	-	16,204	-	16,204
Communication	3,382	-	-	3,382	425	3,807
Total Expenses	<u>\$ 1,173,591</u>	<u>\$ 18,448</u>	<u>\$ 13,112</u>	<u>\$ 1,205,151</u>	<u>\$ 592</u>	<u>\$ 1,205,743</u>

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

**URBAN SUPPORT AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	(26,776)
Adjustments to Reconcile Net Income to Net Cash:	
Increase in Grants Receivable	(81,744)
Increase in Accounts Payable	68,218
Increase in Accrued Payroll	24,669
CASH USED BY OPERATING ACTIVITIES	<u>(15,633)</u>
NET CHANGE IN CASH	(15,633)
CASH - BEGINNING OF YEAR	44,577
CASH - END OF YEAR	<u><u>\$ 28,944</u></u>

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

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Urban Support Agency, Inc. (the Agency) is a non-profit organization incorporated under the laws of the State of Louisiana on July 19, 1996. The Agency was established to provide tutorial and housing related services to targeted persons or families in need. Funding from donations and grants are utilized for this purpose.

Basis of Accounting

The financial statements of the Agency are prepared on the accrual basis. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the FASB ASC 958-210, *Not-For-Profit Entities*. Under ASC 958-210, the Agency may report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets

Net Assets are included in one of the following two classes of net assets, depending on the presence and type of donor-imposed restrictions.

- *Net Assets Without Donor Restrictions* – Net assets without donor restrictions include funds that are not subject to donor-imposed restrictions. As of June 30, 2023, all of the Agency's net assets were in this category.
- *Net Assets With Donor Restrictions* – Net assets with donor restrictions include funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. As of June 30, 2023, the Agency had no net assets with donor restrictions.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all cash in demand deposits and investments purchased with a maturity date of three months or less to be cash equivalents. For the year ended June 30, 2023, the Agency did not have any cash equivalents. When the Agency has checks in excess of the bank balance, the amount is reclassified to accounts payable on the Statement of Financial Position.

Uses of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Economic Dependency

Approximately 99% of the Agency's funding is federal funds passed through the State of Louisiana's Department of Education. The Agency's continued operations are substantially dependent upon continued funding from this source.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized at a functional basis in the statement of activities. Accordingly, program and support service expenses are specifically identified with or allocated to the Agency's various functions. Expenses requiring allocation include services provided by the Agency's management and administrative staff to specific program-related activities. Expense allocations are prorated based on a percentage of time or actual usage.

Income Tax Status

The Agency is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Agency currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The Agency's Form 990, *Return of Organization exempt from Income Tax*, is subject to examination by the IRS for three years after it is filed.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions.

A contribution or promise to give contains a donor or grantor condition when both of the following are present:

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

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

Leases

The Organization determines if a contract contains a lease when the contract conveys the right to control the use of identified assets for a period in exchange for consideration. Upon identification and commencement of a lease, The Organization establishes a right-of-use (ROU) asset and a lease liability. Operating leases, if any, are included in Operating Lease ROU Asset and Operating Lease Liability on the accompanying balance sheet. Finance leases, if any, are included in property and equipment and Finance Lease Liability.

The total lease term is determined by considering the initial term per the lease agreement, which is adjusted to include any renewal options that the Organization is reasonably certain to exercise as well as any period that the Organization has control over the asset before the stated initial term of the agreement. If the Organization determines a reasonable certainty of exercising termination or early buyout options, then the lease terms are adjusted to account for these facts.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization uses the risk-free rate as the discount rate for all classes of underlying assets when the interest rate is not implicitly or explicitly stated in the lease agreement at commencement date. The Organization does not recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

Recent Accounting Pronouncements

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. On June 3, 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)* that extended the effective date for certain entities, including the Organization, to annual periods beginning after December 15, 2022. Management has reviewed the Organization's lease and determined that it is short term in nature (less than 12 months) and does not qualify for the new accounting treatment.

On September 17, 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Update is expected to increase transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update requires that contributed nonfinancial assets be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires additional disclosures. The ASU is applicable for periods beginning after June 15, 2021. During the year ended March 31, 2023, the Organization did not receive any contributed nonfinancial assets so no changes to the financial statements were needed.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – GRANTS RECEIVABLE

Grants receivable are amounts due from the grantor awarding agency as reimbursement of costs incurred to provide the services defined and agreed upon in the contracts. The Agency was owed \$258,657 by the grantor awarding agency on June 30, 2023. The Agency received the full amount owed during July 2023. An allowance for doubtful accounts was not necessary on June 30, 2023.

NOTE 3 – SUMMARY OF GRANT FUNDING

Urban Support Agency recorded grant revenues from the following programs for fiscal year 2023:

21st Century Community Learning Centers	\$ 1,165,698
City of Shreveport	<u>11,457</u>
	<u>\$ 1,177,155</u>

Grant revenues are reported as without donor restrictions due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

NOTE 4 – LINE OF CREDIT

The Agency has available an unsecured revolving line of credit with a financial institution with a maximum of \$20,000. The line of credit is evaluated and renewed annually. Borrowings under the line of credit bear interest at 9.25%. The outstanding balance on the line of credit was \$0 on June 30, 2023.

NOTE 5 – COMMITMENTS

Urban Support Agency, Inc has an agreement to lease space for its main office. The terms of the lease are thirty days (month-to-month) and renew at the first of each month thereafter. Lease Expense for the year ended June 30, 2023 was \$33,020. This agreement was recognized as a short-term lease, as the Organization was not reasonably certain that it would exercise any renewal.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 – CONTINGENCIES

As of June 30, 2023, there were no matters relating to existing or possible litigation, questioned costs nor refunds of grant proceeds.

NOTE 7 – COMPENSATED ABSENCES

The Agency does not have an accrued leave policy. Substantially all employees are part-time, and therefore do not earn or accrue paid time off. Therefore, management did not record a liability for compensated absences.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash	S	28,944
Grants Receivable		<u>258,657</u>
	S	<u>287,601</u>

NOTE 9 – CONCENTRATION OF CREDIT RISK

The Agency maintains cash balances at one financial institution in Shreveport, Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Agency's cash balances were not in excess of FDIC insurance on June 30, 2023.

NOTE 10 - SUBSEQUENT EVENTS

Management evaluated subsequent events as of December 12, 2023, which is the date these financial statements were available to be issued. Management noted that there are no additional disclosures or adjustments required to these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

URBAN SUPPORT AGENCY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

<u>Federal Grantor</u>	<u>Pass-through Grantor</u>	<u>Assistance Listing Number</u>	<u>Program Title</u>	<u>Project/Pass-through Identifying Number</u>	<u>Award Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
State of Louisiana:					
		84.287	21st Century Community Learning Centers (Cohort 11)		\$ 1,110,361
TOTAL FEDERAL EXPENDITURES					<u><u>\$ 1,110,361</u></u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

URBAN SUPPORT AGENCY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

NOTE A – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes federal grant activity of Urban Support Agency, Inc., and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B – PRESENTATION

The accompanying schedule of expenditures of federal awards covers the fiscal year ended June 30, 2023.

NOTE C – DE MINIMIS COST RATE

During the year ended June 30, 2023, Urban Support Agency, Inc. did not elect to use the 10% de minimis cost rate.

NOTE D – LOAN AND LOAN GURANTEES

Urban Support Agency, Inc. did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2023. Urban Support Agency, Inc. had no loans outstanding at the year ended June 30, 2023.

NOTE E – FEDERALLY FUNDED INSURANCE

Urban Support Agency, Inc. has no federally funded insurance.

NOTE F – NONCASH ASSISTANCE

Urban Support Agency, Inc. did not receive any federal noncash assistance for the year ended June 30, 2023.



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

To the Board of Directors of
Urban Support Agency, Inc.
Shreveport, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Urban Support Agency, Inc. (a nonprofit organization) (the Agency), which comprise the statement of financial position as of June 30, 2023, 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 December 12, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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.

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
December 12, 2023



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

To the Board of Directors of
Urban Support Agency, Inc.
Shreveport, LA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Urban Support Agency's (a nonprofit organization)(the Agency) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2023. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

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

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

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
December 12, 2023

**URBAN SUPPORT AGENCY, INC.
SUMMARY OF AUDITOR'S RESULTS
JUNE 30, 2023**

Section I – Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(s) identified
not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

An unmodified opinion was issued on compliance.

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(s) identified
not considered to be material weaknesses? _____ Yes X None Reported

Other matters or instances on
noncompliance required to be reported
in accordance with the Uniform Guidance? _____ Yes X No

The major programs for the year ended June 30, 2023 were as follows:

1. 21st Century Community Learning Centers – Assistance Listing #84.287

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

Auditee did not qualify as a low-risk auditee.

No Separate Management Letter Issued

URBAN SUPPORT AGENCY, INC.
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
JUNE 30, 2023

There were no findings noted during the year ended June 30, 2023.

URBAN SUPPORT AGENCY, INC.
JUNE 30, 2023
STATUS OF PRIOR YEAR FINDINGS

<u>Finding #</u>	<u>Description</u>	<u>Resolved/Unresolved</u>
2022-001	Timely Submission of Annual Audit Report	Resolved

URBAN SUPPORT AGENCY, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO THE AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2023

Agency Head Name: Mr. Billy Wayne, Executive Director

Purpose	Amount
Salary	\$60,000
Fringe Benefits	-
Benefits-insurance	-
Benefits-retirement	-
Benefits-Section 125	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses*	-
Special meals	-



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

URBAN SUPPORT AGENCY, INC.
AGREED UPON PROCEDURES REPORT
FOR THE YEAR ENDED JUNE 30, 2023



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
Urban Support Agency, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. Urban Support Agency, Inc's management is responsible for those C/C areas identified in the SAUPs.

Urban Support, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022, through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Results: *The written policies and procedures appropriately address the required elements above.*

New Orleans Office: 1100 Poydras Street, Suite 1225/New Orleans, LA 70163/ (504)561-8600
Memphis Office: 1661 International Drive, Suite 441/Memphis, TN 38120/ (901)202-4688
Atlanta Office: 1201 Peachtree St. NE, Suite 200-363/Atlanta, GA 30328/ (678)971-3700

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes

Results: The written policies and procedures address how purchases are initiated and the process for preparing and approving purchase orders and requisitions. However, there is no mention of how the vendors are added to the vendor list, controls to ensure compliance with the public bid law, or documentation required to be maintained for all bids and price quotes.

Management Response: The quotations are obtained through Agency staff's outreach to various outlets. The final selection of vendors is based upon cost. In particular, the need for staff, students, and LDOE approval (where applicable).

- c) **Disbursements**, including processing, reviewing, and approving.

Results: The written policies and procedures appropriately address the required elements above.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: No information regarding receipts/collections was found in the Entity's policies and procedures.

Management Response: 21st CCLC deposits are made electronically from the state directly into the specified account for 21st CCLC. City Prep deposits are made electronically from the city directly into the City Prep account.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Results: The written policies and procedures appropriately address the required elements above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Results: *The written policies and procedures contain information regarding the contractual obligation of the Entity. Although there is mention of types of services requiring written contracts and standard term agreements, there is no mention of conditions, legal review, and approval or monitoring process.*

Management Response: *Contracts are approved in our budget submitted to LDOE for certain services (such as PD sessions presenters and other services). Review and approval process are done by program director and executive director in accordance with LDOE guidelines.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Results: *We noted the Entity does not utilize any credit cards. Thus, this step is considered not applicable.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Results: *The written policies and procedures address allowable expenses, documentation requirements, and required approvers. However, there is no mention of dollar threshold by category of expense.*

Management Response: *Dollar threshold by category of expense is controlled through the state travel guidelines.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Results: *Not applicable, as the Entity is a nonprofit.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: *Not applicable, as the Entity is a nonprofit.*

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated

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

Results: *No information regarding disaster recovery/business continuity was found in the Entity's policies and procedures.*

Management's Response: *Urban Support Agency, Inc. contracts a professional technical support person to monitor and support our computers to make sure all files are backed up and can be restored in case of any disaster. Systems are backed up to an external hard drive and the accounting system is backed up through the SAGE system as well as on our external hard drive.*

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

Results: *Not applicable, as the Entity is a nonprofit.*

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: *We noted that the Entity conducts two board meetings each year. They met in November and April of the fiscal year.*

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Results: *We noted the Entity reports on the nonprofit accounting model. The Entity's board minutes reference budget approval from DOE. However, there is no*

mention of budget comparison to any fund. In addition, there is no mention of financial activity relating to public funds.

Management Response: *Financial and budget discussion(s) are held. Future board minutes will exhibit such discussions, where applicable.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: *Not applicable, as the Entity is a nonprofit.*

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: *We were unable to determine if the Entity had discussed prior year findings based on the board meeting minutes that were provided.*

Management's Response: *Prior year findings from 2021-2022 audit were discussed. Future minutes will reflect such.*

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Results: *List of bank accounts and management's representation were obtained. We selected the month of June 2023 for the testing below.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Results: *We noted that the Entity has four bank accounts. We noted that the bank reconciliations were reviewed, initialed, and dated within two (2) months of the statement closing date.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Results: *We noted the bank reconciliations included proper evidence of management approval. No exceptions noted.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: *We noted that the Entity has no outstanding items beyond 12 months.*

Collections

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

Results: *Per management, the deposit site is Urban Support Agency, Inc. located at 9051 Mansfield Road, Building A, Shreveport, La. 71118. 21st CCLC deposits are made directly into the 21st CCLC account from the state. City PREP deposits are made directly into the City PREP account from the city.*

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Results: *Per management, the Executive Director picks up the check from the commission office and the Caddo Parish School Board Office. He initials the check stub and brings it to the Fiscal Manager. She makes copies and fills out the deposit slip. She returns the check and deposit slip to the Executive Director. He takes it to the bank and makes the deposit. He returns paperwork to the Fiscal Manager to record the deposit and file.*

- a) Employees responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: Per management, there is no access to cash. Because no cash is collected, the Entity does not have a bond.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: We tested all the requirements above for each deposit selected and noted no exceptions.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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

Results: All payments are processed at Urban Support Agency, Inc., located at 9051 Mansfield Road, Building A, Shreveport, La. 71118.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Results: Employees involved in non-payroll purchasing and payment include the Secretary/Office Manager, Educational Liaison, Program Director, and Fiscal Manager. The Secretary/Office Manager, Educational Liaison or Program Director initiates the request. The request is forwarded to the Fiscal Manager to verify if purchases are allowable. She forwards to Executive Director for his approval. He returns it to the Secretary/Office Manager to place the order.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

Results: We tested the non-payroll disbursements and found no exceptions.

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

Results: We performed the procedures detailed above and noted no exceptions.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Results: We noted that Urban Support Agency, Inc. does not utilize credit card or fuel cards. AUP steps regarding credit cards are considered not applicable.

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

Results: We noted that Urban Support Agency, Inc. does not utilize credit card or fuel cards. AUP steps regarding credit cards are considered not applicable.

a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

b) Observe that finance charges and late fees were not assessed on the selected statements.

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: We noted that Urban Support Agency, Inc. does not utilize credit cards or fuel cards. AUP steps regarding credit cards are considered not applicable.

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

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

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Results: We noted that Urban Support Agency, Inc. uses the reimbursement rates established by the State of Louisiana travel guideline. However, our samples were reimbursed using actual costs.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Results: Reimbursements using actual costs were supported by the original itemized receipts. No exceptions noted.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Results: Each reimbursement was supported by documentation detailing the business/public purchase for the charge. No exceptions noted.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Each reimbursement was reviewed and approved by someone other than the person receiving the reimbursement. No exceptions noted.

Contracts

- 16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results: Not applicable. We noted that none of the vendors selected were subject to the Louisiana Public Bid Law.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Results: Not applicable. We noted the Entity was not required to obtain board approval for the selected contracts.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Results: We noted no contract amendments.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: We obtained a supporting invoice for each of the contracts and agreed the payment to the contract terms without exception.

Payroll and Personnel

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

Results: *We noted the pay rates of the selected employees' personnel files agreed to the payroll register provided by client.*

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: *We noted the pay rates of the selected employees' personnel files agreed to the payroll register provided by client. In addition, we've verified daily attendance as daily time logs were provided. Furthermore, we noted that employees did not accumulate sick/leave hours during the fiscal year.*

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

Results: *Per Urban Support Agency, Inc.'s management, there were no employee terminations during the fiscal year ending June 2023.*

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

Results: All employer and employee portions of third-party payroll and related amounts have been paid, and any associated forms have been filed by required deadlines.

Ethics

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

Results: Not applicable as the Entity is a non-profit.

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

Results: Not applicable as the Entity is a non-profit.

Debt Service

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

Result: Not applicable as the Entity is a non-profit.

24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree

actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Result: Not applicable as the Entity is a non-profit.

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: Management confirmed there were no misappropriations of public funds and assets during the fiscal year ended June 30, 2023.

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

Results: We noted the required notice is not posted on the Entity's website.

Management Response: Notice is posted on the bulletin board in the office and the notice will be posted on the website within 30 days.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Results: Per management, the system is backed up daily to an external drive located in the accounting office at 9051 Mansfield Rd, Shreveport, LA.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel

responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Results: After discussion with management, we were notified that back-ups are performed daily. Management also noted that backups can be restored from Windows and Sage Software.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We were able to obtain the Entity's computer list and their related locations. We also obtained their current antivirus software information and noted no exceptions.

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

Results: There were no terminated employees during the fiscal year. Thus, this step is not applicable.

Prevention of Sexual Harassment

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

Results: Not applicable as the Entity is a non-profit.

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

Results: Not applicable as the Entity is a non-profit.

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

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Results: *Not applicable as the Entity is a non-profit.*

We were engaged by Urban Support Agency, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Urban Support Agency, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
December 12, 2023