



Luther Speight & Company
Certified Public Accountants and Consultants

URBAN SUPPORT AGENCY, INC.

Shreveport, Louisiana

Financial Statements and
Independent Auditor's Report Thereon
For the Year Ended June 30, 2019

Table of Contents

	Page(s)
INDEPENDENT AUDITOR'S REPORT	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-11
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	12-13
Summary of Auditor's Results	14
Schedule of Findings and Management Responses	15
Status of Prior Year Findings	16
Schedule of Compensation, Benefits, and Other Payments To Agency Head or Chief Executive Officer	17



Luther Speight & Company
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INDEPENDENT AUDITOR'S REPORT

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

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, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Urban Support Agency, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of a Matter

As discussed in Note 1 to the financial statements, during the year ended June 30, 2019, Urban Support Agency, Inc. adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

The Schedule of Compensation, Benefits, and Other Payments to the Agency Head on page 17 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of Urban Support'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 Urban Support'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 Urban Supports internal control over financial reporting and compliance.



Luther Speight & Company CPAs
New Orleans, Louisiana
December 18, 2019

URBAN SUPPORT AGENCY, INC.
Statement of Financial Position
as of June 30, 2019

ASSETS

Assets:		
Cash	\$	55,050
Grants Receivable		<u>33,162</u>
Total Assets		<u><u>88,212</u></u>

LIABILITES AND NET ASSETS

Liabilities:		
Checks in Excess of Bank Balance	\$	64,524
Line of Credit		10,930
Payroll Tax Payable		<u>4,615</u>
Total Liabilities		80,069
Net Assets:		
Without Donor Restrictions		<u>8,143</u>
Total Net Assets		<u><u>8,143</u></u>
Total Liabilities and Net Assets	\$	<u><u>88,212</u></u>

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

URBAN SUPPORT AGENCY, INC.
Statement of Activities
For the Year Ended June 30, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
GRANT AND SUPPORT			
Department of Education	\$ -	\$ 497,034	\$ 497,034
Caddo Commission	-	23,050	23,050
Other Income	2,973	-	2,973
Releases From Restrictions	520,084	(520,084)	-
Total Grant and Support	<u>523,057</u>	<u>-</u>	<u>523,057</u>
EXPENDITURES			
Program Services			
21st Century Learning	498,972	-	498,972
Child and Adult Care Food Program	515	-	515
Caddo Parish Commission	20,827	-	20,827
Total Program Services	<u>520,314</u>	<u>-</u>	<u>520,314</u>
Support Services			
Management and General	1,063	-	1,063
Total Support Services	<u>1,063</u>	<u>-</u>	<u>1,063</u>
Change in Net Assets	1,680		1,680
Net Assets			
Beginning of Year	<u>6,463</u>	<u>-</u>	<u>6,463</u>
End of Year	<u>\$ 8,143</u>	<u>\$ -</u>	<u>\$ 8,143</u>

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

URBAN SUPPORT AGENCY, INC.
Statement of Functional Expenses
for the Twelve Months Ended June 30, 2019

	<u>Program Services</u>					
	<u>21st Century Learning Centers</u>	<u>Child and Adult Care Food Program</u>	<u>Caddo Parish Commission</u>	<u>Total Program Services</u>	<u>Management & General</u>	<u>Total Expenses</u>
Personnel	\$ 359,840	\$ -	\$ -	\$ 359,840	\$ -	\$ 359,840
Fringes	35,158	-	-	35,158	-	35,158
Professional Services	13,931	370	17,175	31,476	75	31,551
Rent	28,020	-	-	28,020	-	28,020
Transportation	23,100	-	-	23,100	-	23,100
Supplies	12,356	145	3,652	16,153	300	16,453
Travel	13,372	-	-	13,372	-	13,372
Insurance	10,962	-	-	10,962	-	10,962
Communication	2,007	-	-	2,007	688	2,695
Office Expense	226	-	-	226	-	226
Total Expenses	<u>\$ 498,972</u>	<u>\$ 515</u>	<u>\$ 20,827</u>	<u>\$ 520,314</u>	<u>\$ 1,063</u>	<u>\$ 521,377</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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 1,680
Adjustments to reconcile net income to net cash:	
Increase in receivables	(14,733)
Decrease in payables	(104)
Increase in checks in excess of bank balance	64,524
Decrease in payroll tax liabilities	(5,126)
Cash provided by operating activities	46,241
 CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in line of credit	623
Cash provided by financing activities	623
Net change in cash	46,864
Cash - beginning of period	8,186
Cash - end of period	\$ 55,050

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

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Urban Support Agency, Inc. (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, 2019, 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, 2019, the Agency had no net assets with donor restrictions.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, the Agency did not have any cash equivalents.

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 95% of the Agency's funding is federal funds passed through of the State of Louisiana's Department of Education. The Agency's continued operations are substantially dependent upon continued funding from these funding sources.

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 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 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 Forms 990, *Return of Organization exempt from Income Tax*, are subject to examination by the IRS for three years after they are filed.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards update No. 2016-14, Not-For-Profit Entities (Topic 958) to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The amendment is effective for fiscal years beginning after December 15, 2017. The Agency has adopted the new ASU, which effects the presentation of the financial statements and the disclosures in the footnotes. Management has implemented the changes and adjusted the presentation in the financial statements and footnotes accordingly.

In June 2018, the FASB issued Accounting Standards Update No. 2018, Not-For-Profit Entities (Topic 958) to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions or as exchange transactions subject to other guidance and (2) determining whether a contribution is conditional. The amendment is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted, but the Agency has elected not to early adopt this standard. Management is reviewing the impact that this standard will have on the financial statements and related disclosures.

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 still owed \$33,162 by the grantor awarding agency at June 30, 2019. The Agency received the full amount owed during July 2019. An allowance for doubtful accounts was not necessary at June 30, 2019.

NOTE 3 – SUMMARY OF GRANT FUNDING

Urban Support Agency recorded grant revenues from the following programs as follows for fiscal 2019:

	<u>Amount</u>
21st Century Community Learning Centers	\$ 497,034
Caddo Parish Commission	<u>23,050</u>
Total	<u>\$ 520,084</u>

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 – SUMMARY OF GRANT FUNDING (CONTINUED)

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 bank 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 \$10,930 at June 30, 2019.

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, 2019 was \$28,020.

NOTE 6 – CONTINGENCIES

As of June 30, 2019, 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 paid-time off 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.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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	\$	55,050
Grants Receivable		<u>33,162</u>
	\$	<u>88,212</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 at June 30, 2019.

NOTE 10 - SUBSEQUENT EVENTS

In preparing these financial statements, Urban Support Agency has evaluated events and transactions for potential recognition or disclosure through December 18, 2019, the date the financial statements were available to be issued. No additional disclosures are considered necessary.



Luther Speight & Company
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), which comprise the statement of financial position as of June 30, 2019, 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 18, 2019.

Internal Control over Financial Reporting

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

Continued,

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Urban Support'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.

A handwritten signature in blue ink, appearing to read "Luther Speight & Co", is written over the printed name of the firm.

Luther Speight & Company CPAs
New Orleans, Louisiana
December 18, 2019

**URBAN SUPPORT AGENCY, INC.
SUMMARY OF AUDITOR'S RESULTS
JUNE 30, 2019**

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

Urban Support Agency, Inc. did not receive federal awards in excess of \$750,000 during the year ended June 30, 2019, and, therefore, is exempt from the audit requirements under the Uniform Guidance.

No Separate Management Letter Issued

URBAN SUPPORT AGENCY, INC.
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
JUNE 30, 2019

There were no findings noted during the year ended June 30, 2019.

URBAN SUPPORT AGENCY, INC.
JUNE 30, 2019
STATUS OF PRIOR YEAR FINDINGS

There were no findings noted during the prior year ended June 30, 2018.

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, 2019

Agency Head Name: Mr. Billy Wayne, Executive Director

Purpose	Amount
Salary	\$ 44,700
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	-