

Luther Speight & Company
Certified Public Accountants and Consultants

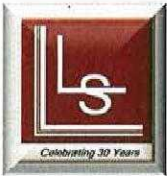
URBAN SUPPORT AGENCY, INC.

Shreveport, Louisiana

Financial Statements and
Independent Auditor's Report Theron
For the Year Ended June 30, 2021

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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, 2021, 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, 2021, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2022, 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.

A handwritten signature in blue ink, appearing to read 'Luther Speight & Company CPAs', is written over the printed name.

Luther Speight & Company CPAs
New Orleans, Louisiana
January 25, 2022

URBAN SUPPORT AGENCY, INC.

Statement of Financial Position

as of June 30, 2021

ASSETS

Assets:

Cash	\$ 17,738
Grants Receivable	171,733
Total Assets	<u>189,471</u>

LIABILITES AND NET ASSETS

Liabilities:

Accounts Payable	28,814
Accrued Payroll	90,777
Payroll Tax Payable	28,326
Total Liabilities	<u>147,917</u>

Net Assets:

Without Donor Restrictions	41,554
Total Net Assets	<u>41,554</u>

Total Liabilities and Net Assets	<u>\$ 189,471</u>
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The accompanying notes are an integral part of these financial statements.

URBAN SUPPORT AGENCY, INC.
Statement of Activities
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
GRANT AND SUPPORT			
Department of Education	\$ -	\$ 749,983	\$ 749,983
Caddo Commission	-	5,000	5,000
Other Income	44,010	-	44,010
Releases From Restrictions	754,983	(754,983)	-
Total Grant and Support	798,993	-	798,993
EXPENDITURES			
Program Services			
21st Century Learning	749,983	-	749,983
Caddo Parish Commission	15,740	-	15,740
Total Program Services	765,723	-	765,723
Support Services			
Management and General	5,274	-	5,274
Total Support Services	5,274	-	5,274
Change in Net Assets	27,996		27,996
Net Assets			
Beginning of Year	13,558	-	13,558
End of Year	\$ 41,554	\$ -	\$ 41,554

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, 2021

	<u>Program Services</u>			<u>Management & General</u>	<u>Total Expenses</u>
	<u>21st Century Learning Centers</u>	<u>Caddo Parish Commission</u>	<u>Total Program Services</u>		
Personnel	\$ 559,406	\$ -	\$ 559,406	\$ -	\$ 559,406
Fringes	53,906	-	53,906	-	53,906
Professional Services	43,330	14,250	57,580	720	58,300
Rent	31,220	-	31,220	-	31,220
Transportation	3,650	-	3,650	-	3,650
Supplies	39,352	1,487	40,839	3,133	43,972
Travel	12,627	-	12,627	-	12,627
Insurance	728	-	728	-	728
Communication	4,572	3	4,575	1,421	5,996
Office Expense	1,192	-	1,192	-	1,192
Total Expenses	<u>\$ 749,983</u>	<u>\$ 15,740</u>	<u>\$ 765,723</u>	<u>\$ 5,274</u>	<u>\$ 770,997</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, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 27,996
Adjustments to reconcile net income to net cash:	
Increase in receivables	(54,499)
Decrease in accounts payable	(55,568)
Increase in accrued payroll	90,777
Increase in payroll tax payable	<u>26,947</u>
Cash provided by operating activities	<u>35,653</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Payments of line of credit, net	(5,460)
Payments of note payable, net	<u>(42,427)</u>
Cash used by financing activities	<u>(47,887)</u>
 Net change in cash	 (12,234)
 Cash - beginning of period	 29,972
 Cash - end of period	 <u><u>\$ 17,738</u></u>

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

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, 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, 2021, the Agency had no net assets with donor restrictions.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, 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 94% 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, 2021

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. Exchange transactions are reimbursed based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed

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, 2021. The Organization is currently evaluating the effects of this ASU.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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 \$171,733 by the grantor awarding agency at June 30, 2021. The Agency received the full amount owed during July 2021. An allowance for doubtful accounts was not necessary at June 30, 2021.

NOTE 3 – SUMMARY OF GRANT FUNDING

Urban Support Agency recorded grant revenues from the following programs as follows for fiscal 2021:

21st Century Community Learning Centers	\$ 749,983
Caddo Parish Commission	<u>5,000</u>
	<u>\$ 754,983</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 at June 30, 2021.

NOTE 5 – NOTE PAYABLE

The Agency obtained \$42,427 loan from the United States Small Business Administration (SBA) in May 2020. The note bears a fixed interest rate of 1.00%. Based on the agreement, the Agency is able to request loan forgiveness, as long as the funds were spent on allowable payroll costs. During the year ended June 30, 2021, loan was forgiven and recorded in Other Income.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – 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, 2021 was \$31,220.

NOTE 7 – CONTINGENCIES

As of June 30, 2021, there were no matters relating to existing or possible litigation, questioned costs nor refunds of grant proceeds.

NOTE 8 – 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.

NOTE 9 – 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	\$	17,738
Grants Receivable		<u>171,733</u>
	\$	<u>189,471</u>

NOTE 10 – 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, 2021.

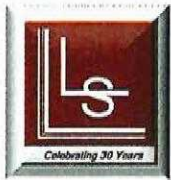
URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – COVID-19 Global Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) spread across multiple countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include disruptions to the Organization's operations and the ability for the Organization's employees to perform their tasks.

NOTE 11 - SUBSEQUENT EVENTS

Management evaluated subsequent events as of January 25, 2022, which is the date these financial statements were available to be issued. Management has noted that there are no additional disclosures or adjustments to these financial statements required.



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, 2021, 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 January 25, 2022.

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.

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.



Luther Speight & Company CPAs
New Orleans, Louisiana
January 25, 2022

URBAN SUPPORT AGENCY, INC.
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
JUNE 30, 2021

There were no findings noted during the year ended June 30, 2021.

URBAN SUPPORT AGENCY, INC.
JUNE 30, 2021
STATUS OF PRIOR YEAR FINDINGS

There were no findings noted during the prior year ended June 30, 2020.

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, 2021

Agency Head Name: Mr. Billy Wayne, Executive Director

Purpose	Amount
Salary	\$ 53,400
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	-