



LUTHER SPEIGHT & COMPANY, LLC
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, 2017

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LUTHER SPEIGHT & COMPANY, LLC
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2017, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2017, 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 Matters

Other 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Compensation, Benefits and Other Payments to Agency Head, 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying statement of functional expenses - program services is presented for purposes of additional analysis and is not required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Urban Support's internal control over financial reporting and compliance.



Luther Speight & Company CPAs
New Orleans, Louisiana
December 18, 2017

URBAN SUPPORT AGENCY, INC.
Statement of Financial Position
as of June 30, 2017

ASSETS

Assets:		
Cash	\$	55,837
Grants Receivable		<u>24,261</u>
Total Assets	\$	<u><u>80,098</u></u>

LIABILITES AND NET ASSETS

Liabilities:		
Accounts Payable	\$	26,154
Line of Credit		2,850
Payroll Tax Payable		<u>3,123</u>
Total Liabilities		32,127
Net Assets:		
Unrestricted Net Assets		<u>47,971</u>
Total Net Assets		<u><u>47,971</u></u>
Total Liabilities and Net Assets	\$	<u><u>80,098</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, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
GRANT AND SUPPORT			
Department of Education	\$ -	\$ 1,761,849	\$ 1,761,849
Caddo Commission	-	20,000	20,000
Other Income	1,227	-	1,227
Releases From Restrictions	1,781,849	(1,781,849)	-
Total Grant and Support	<u>1,783,076</u>	<u>-</u>	<u>1,783,076</u>
EXPENDITURES			
Program Services			
21st Century Learning	390,242	-	390,242
Child and Adult Care Food Program	1,345,263	-	1,345,263
Caddo Parish Commission	19,188	-	19,188
Total Program Services	<u>1,754,693</u>	<u>-</u>	<u>1,754,693</u>
Support Services			
Management and General	12,272	-	12,272
Total Support Services	<u>12,272</u>	<u>-</u>	<u>12,272</u>
Change in Net Assets	16,111		16,111
Net Assets			
Beginning of Year	<u>31,860</u>	<u>-</u>	<u>31,860</u>
End of Year	<u>\$ 47,971</u>	<u>\$ -</u>	<u>\$ 47,971</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, 2017

	<u>Program Services</u>					
	21st Century Learning Centers	Child and Adult Care Food Program	Caddo Parish Commission	Total Program Services	Management & General	Total Expenses
Supplies	\$ 698	\$ 1,007,663	\$ 188	\$ 1,008,549	\$ 354	\$ 1,008,903
Personnel	307,521	261,860	-	569,381	8,000	577,381
Professional Services	13,201	17,827	19,000	50,028	432	50,460
Fringes	25,539	22,708	-	48,247	612	48,859
Rent	23,350	3,353	-	26,703	-	26,703
Travel	5,079	16,528	-	21,607	241	21,848
Transportation	8,000	5,482	-	13,482	-	13,482
Insurance	3,443	6,016	-	9,459	368	9,827
Communication	3,411	-	-	3,411	2,265	5,676
Office Expense	-	3,626	-	3,626	-	3,626
Enrichment	-	200	-	200	-	200
Total Expenses Before Depreciation	390,242	1,345,263	19,188	1,754,693	12,272	1,766,965
Depreciation	-	-	-	-	-	-
Total Expenses	<u>\$ 390,242</u>	<u>\$ 1,345,263</u>	<u>\$ 19,188</u>	<u>\$ 1,754,693</u>	<u>\$ 12,272</u>	<u>\$ 1,766,965</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, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 16,111
Adjustments to reconcile net income to net cash:	
Decrease in receivables	7,407
Decrease in payables	(6,625)
Cash provided by operating activities	<u>16,893</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in line of credit	2,850
Cash provided by financing activities	<u>2,850</u>
Net change in cash	19,743
Cash - beginning of period	36,094
Cash - end of period	<u><u>\$ 55,837</u></u>

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

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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 service 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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net Assets

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

- *Unrestricted Net Assets* – Net Assets not subject to donor-imposed restrictions.
- *Temporarily Restricted Net Assets* - Net Assets subject to donor-imposed restrictions that may be met either by an action and/or through the passage of time. As of June 30, 2017, Net Assets included no temporarily restricted net assets.
- *Permanently Restricted Net Assets* – Net Assets subject to donor-imposed restrictions that will not expire through the passage of time and/or an action. As of June 30, 2017, Net Assets included no permanently restricted net assets.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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 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, 2017

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 \$24,261 by the grantor awarding agency at June 30, 2017. The Agency received the full amount owed during July 2017.

NOTE 3 – SUMMARY OF GRANT FUNDING

Urban Support Agency recorded grant revenues from the following programs as follows for fiscal 2017:

	<u>Amount</u>
Child and Adult Care Food Program	\$ 1,371,178
21st Century Community Learning Centers	390,671
Caddo Parish Commission	<u>20,000</u>
Total	<u>\$ 1,781,849</u>

Grant revenues are reported as unrestricted support 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. It was extended through July 2017. Borrowings under the line of credit bear interest at 9.25%. The outstanding balance on the line of credit was \$2,850 at June 30, 2017.

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, 2017 was \$26,703.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 – CONTINGENCIES

As of June 30, 2017, there were no matters relating to existing or possible litigation, questioned costs nor refunds of grant proceeds.

NOTE 7 – INTERFUND ELIMINATION

The agency eliminates an interfund payable to the General Fund from the 21st Century program to maintain a cash balance. The 21st Century program is a reimbursement funding source, therefore, Urban Support records an interfund transaction for the initial start-up cash for the program.

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 – LOUISIANA DEPARTMENT OF EDUCATION SITE VISIT AND RESULTS

Louisiana Department of Education (LDOE) staff conducted on-site technical assistance visits on April 10-12, 2017 at four of the Agency's sites regarding their operation of the Child and Adult Care Food Program (CACFP). During these site visits, several deficiencies were noted in the Agency's operations of this program. Those deficiencies were related to record-keeping, program accountability, and administrative capability. The LDOE determined these were serious deficiencies and informed the Agency if they did not correct them by a certain date that they would terminate the Agency's agreement with the CACFP, disqualify the Agency from future participation of the program, and disqualify the Agency's responsible principals from future CACFP participation. The Agency did respond with a Corrective Action Plan, but the LDOE determined it was inadequate. As a result, the LDOE terminated the Agency's permanent agreement to participate in the CACFP effective June 1, 2017, disqualified the Agency from future participation, disqualified the Executive Director and Board Chairman from future participation, and disallowed all meals served at the sites the LDOE staff noted meals were being served outside of the approved meal time frames.

URBAN SUPPORT AGENCY, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 - SUBSEQUENT EVENTS

In preparing these financial statements, Urban Support Agency has evaluated events and transactions for potential recognition or disclosure through December 29, 2017, the date the financial statements were available to be issued. No additional disclosures are considered necessary.

URBAN SUPPORT AGENCY
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2017

<u>Grantor/State Pass-through/ Program name/ Location of Project</u>	<u>CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
United States Department of Education			
Louisiana Department of Education- Child and Adult Care Food Program <i>Shreveport, LA</i>	10.558	2014-030	\$ 1,345,094
United States Department of Education			
Louisiana Department of Education- Twenty First Century Community Learning Centers <i>Shreveport, LA</i>	84.287	676617	\$ 390,242
Total Federal Awards			<u>\$ 1,735,336</u>

The accompanying note is an integral part of this financial statement

URBAN SUPORT AGENCY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2017

NOTE A – Basis of Presentation

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 contained by Title 2 of U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards* (Uniform Guidance).



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), which comprise the statement of financial position as of June 30, 2017, 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, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Urban Support 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 the Organization’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.

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
December 18, 2017



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

We have audited Urban Support Agency's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2017. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Urban Support Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Continued,

Basis for Qualified Opinion on the Child Adult Care and Food Program

As described in the accompanying schedule of findings and costs, the Agency did not comply with requirements regarding CFDA 10.558 Child Adult Care and Food Program as described in finding numbers 2017-01 and 2017-02. Compliance with such requirements is necessary, in our opinion, for Urban Support Agency to comply with the requirements applicable to that program.

Qualified Opinion on the Child Adult Care and Food Program

In our opinion, except for the noncompliance described in the “Basis for Qualified Opinion” paragraph, 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 the Child Adult Care and Food Program for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2017-01 and 2017-02 to be material weaknesses. *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.

Continued,

The Agency's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Agency's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in blue ink, appearing to read "Luther Speight & Co".

Luther Speight & Company CPAs
New Orleans, Louisiana
December 18, 2017

**URBAN SUPPORT AGENCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	___ Yes ___ <input checked="" type="checkbox"/> No
Significant deficiency(s) identified not considered to be material weaknesses?	___ Yes ___ <input checked="" type="checkbox"/> None Reported
Noncompliance material to financial statements noted?	___ Yes ___ <input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	___ <input checked="" type="checkbox"/> Yes ___ No
Significant deficiency(s) identified not considered to be material weaknesses?	___ Yes ___ <input checked="" type="checkbox"/> None Reported
Type of auditor’s report issued on compliance for major programs:	Qualified
Any audit findings disclosed that are required To be reported in accordance with the Uniform Guidance?	___ <input checked="" type="checkbox"/> Yes ___ No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.558	US Department of Education Child and Adult Care Food Program

Dollar threshold used to distinguish between type A and type B Programs?	<u>\$750,000</u>
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Auditee qualified as a low-risk auditee?	___ <input checked="" type="checkbox"/> Yes ___ No
--	--

No Separate Management Letter Issued

URBAN SUPPORT AGENCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017

FINDING NO. 2017-01: FAILURE TO MAINTAIN ADEQUATE RECORDS

CRITERIA: The Child and Adult Care Food Program (CACFP) requires that participating institutions establish procedures to collect and maintain all program records required by the Code of Federal Regulations as well as any records required by the Louisiana Department of Education.

CONDITION: The Agency failed to maintain adequate records in compliance with CACFP recordkeeping requirements by the following:

- a) Serving meals outside of the meal time frames in the approved Facility Application for CACFP participation (all 4 sites).
- b) Enrollment and meal count/attendance were not available at the point of service to document students receiving meals (all 4 sites).
- c) Failing to conduct point of service meal counts taken during the meal service (all 4 sites).
- d) Failing to have health inspections available in the organization's name (all 4 sites).
- e) Serving At-Risk Snack meal was served at the same time as the At-Risk Supper (all 4 sites).
- f) Pre-filling student participation on meal count and attendance forms (all 4 sites).
- g) Failing to ensure that meals were consumed onsite (North Caddo High School and Northside Elementary School).
- h) Failing to have an adequate amount of At-Risk snack components available during the meal service (Westwood Elementary School).

CAUSE:

Several of the Agency's sites did not follow the CACFP compliance requirements related to documentation and feeding the children set forth by the Department of Education.

EFFECT:

The Agency's failure to comply with CACFP performance standards resulted in receiving serious deficiencies during an on-site visit from the Louisiana Department of Education (LDOE). The Agency's failure to address the deficiency with a proper Corrective Action Plan resulted in the LDOE shutting down the Agency's CACP.

RECOMMENDATION:

None. The LDOE shut down the CACFP and the Agency is not allowed to return the program.

MANAGEMENT RESPONSE:

The Agency's management accepts full responsibility of the deficiencies within the CACFP.

Management determined they would not appeal the LDOE's decision. The Agency still operates the 21st Century Learning program, which is their main focus.

URBAN SUPPORT AGENCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017

FINDING NO. 2017-02: FAILURE TO COMPLY WITH CACFP PERFORMANCE STANDARDS

CRITERIA: The CACFP requires institutions participating in the program to have appropriate and effective management practices in place to ensure that the program operates in accordance with administrative capability performance standards. In addition, the institutions must have internal controls and other management systems in place to ensure fiscal accountability and to ensure that the program will operate in accordance with performance standards outlined in the program accountability performance standards.

CONDITION: The Agency failed to comply with CACFP Performance standards with regards to administrative capability and program accountability of the CACFP.

CAUSE:

The Site Monitors at several of the Agency's feeding sites did not enforce the required CACFP rules and regulations. In addition, there was little oversight from management to ensure each feeding site was following the requirements of the program.

EFFECT:

The Agency's failure to comply with CACFP performance standards resulted in receiving a serious deficiency during an on-site visit from the LDOE. The Agency's failure to address the deficiency with a proper Corrective Action Plan resulted in the LDOE shutting down the Agency's CACP.

RECOMMENDATION:

None. The LDOE shut down the CACFP and the Agency is not allowed to return the program.

MANAGEMENT RESPONSE:

The Agency's management accepts full responsibility of the deficiencies within the CACFP. Management determined they would not appeal the LDOE's decision. The Agency still operates the 21st Century Learning program, which is their main focus.

URBAN SUPPORT AGENCY, INC.
JUNE 30, 2017
STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

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, 2017

Agency Head Name: Mr. Billy Wayne, Executive Director

Purpose	Amount
Salary	\$ 65,640
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	-