

URBAN HOUSING OF AMERICA, INC. LOUISIANA

SHREVEPORT, LOUISIANA

REVIEWED FINANCIAL STATEMENTS

AND ATTESTATION REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2021

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2021

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- Accounting & Auditing
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Urban Housing of America, Inc. Louisiana
Shreveport, Louisiana

We have reviewed the accompanying financial statements of Urban Housing of America, Inc. Louisiana (a nonprofit corporation), which comprise the statement of financial position as of December 31, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and the standard applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion. We

are required to be independent of Urban Housing of America, Inc. Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Report on Other Legal and Regulatory Requirements

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated May 3, 2022, on the results of our agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standard applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Governmental Audit Guide's agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Johnson Perry Roussel & Cuthbert, L.L.P.

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
Monroe, Louisiana
May 3, 2022

URBAN HOUSING OF AMERICA, INC. LOUISIANA
 SHREVEPORT, LOUISIANA
 STATEMENT OF FINANCIAL POSITION
 AS OF DECEMBER 31, 2021

	<u>2021</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash and Cash Equivalents	\$ 49,086
Accounts Receivable	6,061
Investments	<u>214,577</u>
<u>TOTAL CURRENT ASSETS</u>	<u>269,724</u>
<u>PROPERTY AND EQUIPMENT</u>	
Buildings and Improvements	1,090,025
Furniture and Equipment	66,474
Improvements	<u>5,000</u>
<u>Total Fixed Assets</u>	1,161,499
Less: Accumulated Depreciation	<u>(281,176)</u>
<u>Net Fixed Assets</u>	880,323
Land	<u>415,662</u>
<u>TOTAL PROPERTY AND EQUIPMENT</u>	<u>1,295,985</u>
<u>RESTRICTED CASH</u>	
Tenant Security Deposits	<u>2,256</u>
<u>TOTAL RESTRICTED CASH</u>	<u>2,256</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,567,965</u>

See Independent Accountants' Review Report and accompanying notes.

URBAN HOUSING OF AMERICA, INC. LOUISIANA
 SHREVEPORT, LOUISIANA
 STATEMENT OF FINANCIAL POSITION
 AS OF DECEMBER 31, 2021

	2021
<u>CURRENT LIABILITIES</u>	
Accounts Payable - Trade	\$ -
Notes Payable - Current Portion	132,571
	132,571
<u>TOTAL CURRENT LIABILITIES</u>	132,571
<u>TENANT SECURITY DEPOSITS LIABILITY</u>	2,256
<u>LONG TERM LIABILITIES</u>	
Notes Payable - Less Current Portion	248,486
Home Loan	423,813
Accrued Interest - Home Loan	99,661
	771,960
<u>TOTAL LONG TERM LIABILITIES</u>	771,960
<u>TOTAL LIABILITIES</u>	906,787
<u>NET ASSETS</u>	
Without Donor Restrictions	661,178
With Donor Restrictions	0
	661,178
<u>TOTAL NET ASSETS</u>	661,178
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 1,567,965

See Independent Accountants' Review Report and accompanying notes.

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUE</u>			
Fees	\$ 30,993	-	\$ 30,993
Rent Income	87,821	-	87,821
Tenant Charges	3,577	-	3,577
Dividends and Interest	3,087	-	3,087
Gain (Loss) on Investments	18,360	-	18,360
<u>TOTAL REVENUE</u>	<u>143,838</u>	<u>0</u>	<u>143,838</u>
<u>EXPENSES</u>			
Program Services	139,034	0	139,034
Support Services			
Management and General	42,740	-	42,740
Fundraising	-	-	-
<u>Total Support Services</u>	<u>42,740</u>	<u>0</u>	<u>42,740</u>
<u>TOTAL EXPENSES</u>	<u>181,774</u>	<u>0</u>	<u>181,774</u>
<u>CHANGE IN NET ASSETS</u>	<u>(37,936)</u>	<u>0</u>	<u>(37,936)</u>
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>699,114</u>	<u>0</u>	<u>699,114</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 661,178</u>	<u>0</u>	<u>\$ 661,178</u>

See Independent Accountants' Review Report and accompanying notes.

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Expenses	Management and General	Fundraising	Total
Advertising	\$ -	\$ -	-	\$ -
Legal and Professional	-	5,625	-	5,625
Bad Debts	-	-	-	-
Insurance	19,597	-	-	19,597
Interest	37,881	-	-	37,881
Miscellaneous	1,848	3,197	-	5,045
Taxes	366	-	-	366
Rent	-	-	-	-
Supplies Expense	-	84	-	84
Utilities	7,192	-	-	7,192
Payroll Expenses	5,260	23,768	-	29,028
Donations	-	-	-	-
Management Fees	-	3,653	-	3,653
Development Expense	13,709	-	-	13,709
Community Activities	-	-	-	-
Repairs and Maintenance	20,850	-	-	20,850
<u>Total Functional Expenses</u>				
<u>Before Depreciation</u>	106,703	36,327	0	143,030
Depreciation Expense	32,331	6,413	0	38,744
<u>TOTAL EXPENSES</u>	<u>\$ 139,034</u>	<u>\$ 42,740</u>	<u>0</u>	<u>\$ 181,774</u>

See Independent Accountants' Review Report and accompanying notes.

URBAN HOUSING OF AMERICA, INC. LOUISIANA
 SHREVEPORT, LOUISIANA
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2021

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Net Income (Loss)	\$ (37,936)
Depreciation and Amortization	41,052
(Increase) Decrease in:	
Accounts Receivable	41,899
Investments	(19,113)
Increase (Decrease) in:	
Accounts Payable – 30 Days	(2,524)
Accrued Interest	12,715
Tenant Security Deposit Liability	(1,307)
	34,786
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of Fixed Assets	-
	0
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
Payments on Loans	(25,838)
Proceeds from Loans	-
	(25,838)
<u>NET INCREASE (DECREASE) IN CASH</u>	8,948
<u>CASH AND RESTRICTED CASH AT BEGINNING OF YEAR</u>	42,394
<u>CASH AND RESTRICTED CASH AT END OF YEAR</u>	\$ 51,342
Reconciliation of Cash and Restricted Cash:	
Cash	49,086
Tenant Security Deposits Held	2,256
Total Cash and Restricted Cash	51,342
<u>ADDITIONAL DISCLOSURES:</u>	
Interest Paid	\$ 35,572
Income Tax Paid	\$ -

See Independent Accountants' Review Report and accompanying notes.

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 ORGANIZATION:

Urban Housing of America, Inc. Louisiana (Urban Housing) is a Louisiana not-for-profit organization incorporated under the laws of the State of Louisiana on May 19, 1997. It was established to undertake, promote, develop and carry on low income housing development, management, ownership, and charitable work; to engage in the business of developing, maintaining, managing, and owning low income housing and providing charitable services dedicated to the improvement of living conditions of low income families; providing them with other services, i.e. childcare, job placement, family counseling, food purchasing programs, and personal financial planning targeting better living skills in order to improve their living and working conditions.

HUD Home Funds

Urban Housing is a Community Housing Development Organization or CHDO as defined by 24 CFR Part 92. Through their respective authorized agencies, The City of Shreveport, Louisiana facilitated HUD Home Funds to Urban Housing to be used for low income property acquisition and development and operating cost.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Method of Accounting

The financial statements are presented on the accrual method of accounting and are prepared in accordance with current recommendations of the American Institute of Certified Public Accountants for Not-for-Profit Organizations. The significant accounting policies are described below:

Basis of Presentation

The financial statements have been prepared in accordance with U.S generally accepted accounting principles ("US GAAP"), which require the organization to report information regarding its financial position and activities according to the following net asset classifications:

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation (Continued)

Net Assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization and the board of directors.

Net Assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, program and support service expenses are specifically identified with or allocated to Urban Housing's various functions. Expenses requiring allocation include services provided by Urban Housing'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

Urban Housing is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Urban Housing qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use 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.

Cash

Cash includes amounts in petty cash, demand deposits, interest-bearing demand deposits, and time deposits. Urban Housing considers money market funds and short-term investments, with a maturity of less than ninety days from the acquisition date to be cash equivalents. As of December 31, 2021, there are no cash equivalents.

The City of Shreveport requires that funds for Ashton Place Homes be held in a separate checking account.

Restricted Cash

Tenant Security Deposits

Tenant security deposits are held in a separate bank account in the name of the project and are not available for operating purposes.

Property and Equipment

Acquisitions of property and equipment with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Major outlays for property development and improvements are capitalized as projects are constructed.

Interest incurred, net of interest earned on specific project related debt, during the construction phase of development is included as part of the capitalized value of the assets constructed.

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment (Continued)

Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other property and equipment acquisitions that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following useful lives:

Furniture and Equipment	5 Years
Land Improvements	15 Years
Buildings	30-40 Years
Building Improvements	15 Years

Revenues

Urban Housing receives rents from operating Alston Place Homes, an eight-unit project in Shreveport, Louisiana. The Organization leases space of its office building to commercial tenants. The Organization also earns fees for services to various low-income housing developments.

Rents are recognized as income under the accrual basis as they are earned. Advance receipts of rental income are deferred and classified as liabilities until earned. All leases between the Organization and tenants of the property are considered to be operating leases.

Revenue Recognition

Revenue from Exchange Transactions: The Council recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Council records the following exchange transaction revenue in its statements of activities and changes in net assets for the year ending December 31, 2021:

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue Recognition (Continued)

The Organization earns fees for services to various low-income housing organizations. Fees are set by the Organization. Each service provided is considered a separate performance obligation. Fees are earned when the service is provided and payment is due in 30 days.

The accounting and reporting of grants is determined by the underlying substance of the transaction. A grant may be accounted for as contribution, an exchange transaction, or a combination of the two. If it is determined to be a contribution, a grant may be considered a conditional or an unconditional grant.

Allowance for Doubtful Accounts

Accounts receivable have been reviewed by management and it has been determined that there is no requirement for an allowance for doubtful accounts as of December 31, 2021. Management reviews accounts receivable quarterly to determine bad debts.

Advertising Costs

The organization expenses advertising costs as they are incurred. For the year ended December 31, 2021, advertising expense was \$-0-.

Investment Policies

Marketable equity securities for which a fair market value is not readily determinable are recorded at estimated amortized cost. Investments in debt securities and marketable equity securities for which fair market value is readily determinable are reported at fair value. Gains and losses on all investments are recorded as increases or decreases (as appropriate) in net assets in the accompanying Statement of Activities.

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Deferred Fees and Amortization

Deferred loan fees totaling \$11,542 related to the note payable to Carter's Credit Union were capitalized and are amortized over the life of the loan. Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the note payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan. Accumulated amortization totals \$9,232 as of December 31, 2021.

NOTE 3 CONCENTRATION OF CREDIT RISK:

Custodial credit risk is the risk that in the event of a bank failure, the organization's deposits may not be returned to it. At December 31, 2021, cash consisted of two demand deposit accounts at two local banks which are insured up to \$250,000. At various times during the year the accounts exceeded the FDIC coverage and were at risk.

NOTE 4 PROPERTY:

Property and equipment activity for the year ended December 31, 2021 was as follows:

	Balance at <u>1/01/2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>12/31/2021</u>
<u>Property and Equipment</u>				
Land	415,662	-	-	415,662
Land Improvements	5,000	-	-	5,000
Building & Improvements	1,090,025	-	-	1,090,025
Furniture & Equipment	66,474	-	-	66,474
<u>Total</u>	<u>1,577,161</u>	<u>-0-</u>	<u>-0-</u>	<u>1,577,161</u>
<u>Less Accumulated Depreciation</u>				
Land Improvements	2,700	334	-	3,034
Building & Improvements	185,258	30,410	-	215,668
Furniture & Equipment	54,474	8,000	-	62,474
<u>Total</u>	<u>242,432</u>	<u>38,744</u>	<u>-0-</u>	<u>281,176</u>
<u>Net Property and Equipment</u>	<u>1,334,729</u>	<u>(38,744)</u>	<u>-0-</u>	<u>1,295,985</u>

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 5 DEBT:

Long-term debt consists of the following at December 31, 2021:

Note payable to Carter's Credit Union in monthly installments of \$2,699, including interest at 5.75% due in March 2023, secured by a commercial building	268,244
Mortgage note payable to a local bank in monthly installments of \$864.14, including interest at 5.65%, due in October 2022, secured by commercial building	86,807
Second mortgage note payable to a local bank in monthly installments of \$494.59, including interest at 5.45%, due in October 2022, secured by commercial building	<u>30,316</u>
Total	385,367
Less: Current Portion	<u>(132,571)</u>
<u>Long-Term Debt, Less Current Portion</u>	<u>252,796</u>

Future maturities of long-term debt are as follows as of December 31, 2021:

2022	132,571
2023	252,796
2024	-0-
2025	-0-
2026	-0-

Home Loan with City of Shreveport. This loan accrues interest at 3% and is only payable from surplus cash. The balance of this loan at December 31, 2021 was \$301,500.

CHDO Loan with City of Shreveport. This loan accrues interest at 3% and is only payable from surplus cash. The balance of this loan at December 31, 2021 was \$122,313.

Debt issuance costs, net of accumulated amortization, totaled \$2,310 as of December 31, 2021 and are primarily related to the note payable to Carter's Credit Union. Amortization of debt issuance costs on the above loan is being amortized using an imputed interest rate of 1.42%.

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 5 DEBT: (Continued)

Fair Value of Debt

The fair values of the above loans and mortgages are estimated based on the current rates offered to the organization for debt of the same remaining maturities. At December 31, 2021, the fair value of the loans and mortgages payable approximate the amounts recorded in the financial statements.

NOTE 6 RELATED PARTY:

Urban Housing has no employees. Personnel services are provided by its wholly owned subsidiary, Pines Road, LLC. Urban Housing's investment in Pines Road, LLC is accounted for under the cost method. The investment is less than \$1 and, therefore, not presented in the financial statements. By agreement, Urban Housing has no influence over Pines Road, LLC. As a nonprofit, Urban Housing under FASB FIN 46R, *Consolidation of Variable Interest Entities*, is not required to consider a Variable Interest Entity relationship between itself and Pines Road, LLC. For these reasons, Urban Housing does not present financial statements consolidating itself and Pines Road, LLC.

NOTE 7 SUBSEQUENT EVENTS:

The Organization is required to evaluate events or transactions that may occur after the balance sheet date for potential recognition or disclosure in the financial statements. The Organization performed such an evaluation through May 3, 2022, the date the financial statements were available to be issued. Subsequent to year end, the United States and global markets experienced significant declines in value resulting from uncertainty caused by the worldwide coronavirus pandemic. The Organization is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The Organization's financial statements do not include adjustments to fair value that have resulted from these declines.

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 8 UNCERTAIN TAX POSITIONS:

The Organization is subject to examination by various taxing authorities. Management has reviewed the organization's activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements. The tax returns for the years 2021, 2020, 2019, and 2018 are open for examination by various taxing authorities.

NOTE 9 IMPAIRMENT OF LONG-LIVED ASSETS:

In accordance with the accounting guidance for the impairment or disposal of long-lived assets, the organization reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized to date.

NOTE 10 DONATED SERVICES:

No amounts have been reflected in the financial statements for donated services as no objective basis is available to measure the value of such services and the donated services do not meet the criteria for recognition as contributions in accordance with professional standards.

NOTE 11 INVESTMENTS:

Investments are stated at fair values as determined by market quotes on the investments, and are summarized as follows as of December 31, 2021:

	Fair and Carrying Values
Cash and Cash Equivalents	5,346
U.S. Government Agencies Debt	-
Equities and Convertibles	209,231
Alternative Assets	-
<u>Total</u>	<u>214,577</u>

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 11 INVESTMENTS: (Continued)

All income is unrestricted and may be used as designated by the board and, accordingly, is recorded as income in the appropriate fund.

NOTE 12 INVESTMENT INCOME:

Sources of investment income are as follows:

Realized Gain (Loss) on Investments	-0-
Unrealized Gain (Loss) on Investments	18,360
Interest, Dividends and Other	<u>3,087</u>
<u>Total</u>	<u>21,447</u>

The investment expense paid by the organization for 2021 was \$2,317.

NOTE 13 SUMMARY OF FAIR VALUE EXPOSURE:

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The organization has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis (ASC 820-10).

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e., an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 13 SUMMARY OF FAIR VALUE EXPOSURE: (Continued)

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the organization's financial assets and liabilities are not indicators of the risks associated with those instruments.

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2021.

<u>Description</u>	<u>Investments in Securities</u>
Level 1: Quoted Prices	214,577
Level 2: Other Significant Observable Inputs	-
Level 3: Significant Unobservable Inputs	-
<u>Total Fair Value</u>	<u>214,577</u>

The following methods and assumptions were used to estimate the fair values of the assets and liabilities in the table above:

LEVEL 1: FAIR VALUE MEASUREMENTS

Investments in Securities

The fair value of the Organization's investments in marketable equity and debt securities is based on quoted market prices.

LEVEL 3: FAIR VALUE MEASUREMENTS

Investments in Securities

The fair value of the Organization's alternative investments has been established utilizing the net asset value of the fund allocated to the organization's percentage ownership in the fund. These estimates are compared to the Organization's counterparty values for reasonableness.

URBAN HOUSING OF AMERICA, INC. LOUISIANA
 SHREVEPORT, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2021

NOTE 13 SUMMARY OF FAIR VALUE EXPOSURE: (Continued)

LEVEL 3: FAIR VALUE MEASUREMENTS (Continued)

The following table reconciles the Organization's assets and liabilities classified as Level 3 measurements during the year ended December 31, 2021:

Balance, December 31, 2020	-
Purchases, Issuances, and Settlements	-
Net Realized and Unrealized Losses Included in Earnings	<u>-</u>
Balance, December 31, 2021	<u>-0-</u>
Net Unrealized Losses During Year on Level 3 Securities Held at December 31, 2021	<u>-0-</u>

At December 31, 2021, assets measured at fair value on a nonrecurring basis are comprised of noncurrent pledges receivable totaling \$-0-. Fair value of noncurrent pledges receivable is based on observable inputs, which make up a Level 1 asset. The fair value is estimated by discounting expected cash inflows to their present value. The discount is not material.

NOTE 14 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Organization's financial assets as of the balance sheet date of December 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial Assets at December 31, 2021	271,980
Restricted Cash - Tenant Security Deposits	<u>2,256</u>
	<u>2,256</u>
Financial assets availability to meet cash needs for general expenditure, within one year	<u>269,724</u>

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 14 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS: (Continued)

In addition to financial assets available to meet general expenditures over the year, the Organization anticipates covering its general expenditures using the income generated from fees for services to low-income housing projects and rental income.

SUPPLEMENTAL INFORMATION

URBAN HOUSING OF AMERICA, INC. LOUISIANA
 SHREVEPORT, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 FOR THE PERIODS ENDED DURING FISCAL YEAR DECEMBER 31, 2021

AGENCY HEAD NAME/TITLE: CAMILE ANDERSON/ President

<u>Purpose</u>	<u>Amount Paid with State Funds</u>
Salary	-0-
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-Social Security & Medicare	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Car allowance	-0-
Vehicle provided by government (enter amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference travel	-0-
Housing	-0-
Unvouchered expenses (example: travel advances, etc.)	-0-
Special meals	-0-
Other	-0-

See Independent Accountants' Review Report and accompanying notes.

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
FINANCIAL STATEMENTS - ASHTON PLACE HOMES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS

Cash in Bank	1,092
Tenant Accounts Receivables	6,061
Other Receivables	<u>23,310</u>

TOTAL CURRENT ASSETS 30,463

RESTRICTED DEPOSITS

Tenant Security Deposits	<u>2,256</u>
--------------------------	--------------

TOTAL RESTRICTED DEPOSITS 2,256

FIXED ASSETS

Land	53,775
Ashton Place Homes	679,233
Accumulated Depreciation	(127,357)
<u>TOTAL FIXED ASSETS</u>	<u>605,651</u>

TOTAL ASSETS 638,370

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	<u>-</u>
---------------------------------------	----------

TOTAL CURRENT LIABILITIES -0-

TENANT SECURITY DEPOSITS LIABILITY

2,256

LONG-TERM LIABILITIES

Home Loan - City of Shreveport	301,500
CHDO Loan - City of Shreveport	122,313
Accrued Interest	<u>99,661</u>

TOTAL LONG-TERM LIABILITIES 523,474

TOTAL LIABILITIES 525,730

NET ASSETS

Without Donor Restrictions	112,640
With Donor Restrictions	<u>-</u>

TOTAL NET ASSETS 112,640

TOTAL LIABILITIES AND NET ASSETS 638,370

See Independent Accountants' Review Report and accompanying notes.

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
FINANCIAL STATEMENTS - ASHTON PLACE HOMES
STATEMENT OF PROFIT AND LOSS
DECEMBER 31, 2021

REVENUE

Rental Income	41,236
Tenant Charges	3,577
Miscellaneous	-

TOTAL REVENUE 44,813

EXPENSES

Advertising	-
Insurance	12,201
Depreciation	16,981
Interest Expense	12,714
Office Expenses	84
Management Fees	3,653
Legal	150
Miscellaneous Administrative Expenses	124
Maintenance Supplies	76,905
Maintenance Contracts	8,604
Utilities	427
Exterminating	-
Property Taxes	356
Site Manager Payroll	5,260

TOTAL EXPENSES 67,459

PROFIT (LOSS) (22,646)

See Independent Accountants' Review Report and accompanying notes.

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

VIOLET M. ROUSSEL, CPA, APC
JAY CUTHBERT, CPA, APAC
DAWN WHITSTINE, CPA, APC

PAM BATTAGLIA, CPA
JOHN R. FORSELL, IV, CPA
NICK RICHARDSON, CPA

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CHARLES JOHNSON, JR., CPA-Retired



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- Accounting & Auditing
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Urban Housing of America, Inc. Louisiana
Shreveport, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed by the management of Urban Housing of America, Inc. Louisiana (Urban Housing), the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Urban Housing's compliance with certain laws and regulations during the year ended December 31, 2021, included in the accompanying *Louisiana Attestation Questionnaire*. Management of Urban Housing is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Urban Housing's total federal, state, and local award expenditures for the fiscal year are as follows:

<u>Federal, State, or Local Grant Name</u>	<u>Grant Year</u>	<u>CFDA No. (if applicable)</u>	<u>Amount</u>
Home Loan and CHDO Loan - Department of Community Development - City of Shreveport, Louisiana	2021	N/A	<u>12,714</u>
<u>Total Expenditures</u>			<u>12,714</u>

2. For each federal, state, and local award, we randomly selected six disbursements from each award administered during the period under examination, provided that no more than thirty disbursements were selected.

Six disbursements from the City of Shreveport loans were tested.

3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We examined the supporting documentation for each of the six disbursements and found that the payment was for the proper amount and made to the correct payee. No exceptions were noted.

4. For the items selected in procedure 2, we determined that the six disbursements selected were properly coded to the correct fund and general ledger account.

All six payments were properly coded to the correct fund and general ledger account. No exceptions were noted.

5. For the items selected in procedure 2, we determined that the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated proper approval.

6. For the items selected in procedure 2, for federal, state, and local awards, we determined the disbursements complied with the grant agreement relating to:

Activities allowed or not allowed:

We reviewed the sample of six disbursements for types of services allowed or not allowed. Services related to each of the disbursements appeared to be allowable.

Eligibility:

We reviewed the sample of six disbursements for types of services allowed or not allowed. Disbursements were made within the terms of the grant.

Reporting:

We reviewed the sample of six disbursements for types of services allowed or not allowed. Disbursements were properly reported in accordance with the terms of the grant.

7. For the programs selected for testing in item 2, that have been closed out during the period under review, compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

There were no required close-out reports for the programs and period under review.

Meetings

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:13 (the open meetings law).

Management asserts the following:

As defined in LSA-RS 42:1 through 42:13, Urban Housing of America, Inc. Louisiana is a not-for-profit organization, and a not-for-profit organization is not a Public Body. Therefore, it is not subject to the open meetings law.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget to those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Urban Housing of America, Inc. Louisiana provided a comprehensive budget, including purpose and duration, to the local grantor agency noted. The budget provided to the agency included specific goals and objectives and measures of performance.

Prior Comments and Recommendations

10. We reviewed the prior review/attestation report for any suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

All prior year findings were resolved.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Urban Housing of America, Inc. Louisiana, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Perry, Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
May 3, 2022

URBAN HOUSING OF AMERICA, INC. LOUISIANA
SHREVEPORT, LOUISIANA
SCHEDULE OF FINDINGS, QUESTIONED COSTS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

SUMMARY OF ACCOUNTANTS' REPORT

INDEPENDENT ACCOUNTANTS' REVIEW REPORT:

We have reviewed the statement of financial position of Urban Housing of America, Inc. Louisiana as of December 31, 2021, and the related statements of activities and cash flows for the year then ended. We conducted the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

APPLICATION OF AGREED-UPON PROCEDURES REPORT

There were no findings noted during the application of agreed-upon procedures.

REPORTING

There were no findings regarding reporting.

COMPLIANCE

There were no compliance findings.

QUESTIONED COST

There were no questioned costs.

URBAN HOUSING OF AMERICA, INC. LOUISIANA

P.O. BOX 3401

SHREVEPORT, LOUISIANA 71133

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

There were no findings for the year ended December 31, 2020.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

04/25/22 (Date Transmitted)

Johnson, Perry, Roussel & Cuthbert, LLP (CPA Firm Name)
3007 Armand Street (CPA Firm Address)
Monroe, LA 71201 (City, State, Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of Dec 31, 2021 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [x] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [x] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [x] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [x] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [x] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [x] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [x] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [x] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [x] No []

The previous responses have been made to the best of our belief and knowledge.

Thomas Edwards	<u>Tom E Edwards</u>	Secretary	<u>5/3/22</u>	Date
Dottie Bell	<u>Dottie Bell</u>	Treasurer	<u>5/3/22</u>	Date
Camille Anderson	<u>Camille Anderson</u>	President	<u>5/03/22</u>	Date