

NZBC URBAN CORPORATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
NZBC Urban Corporation, Inc.
Minden, Louisiana

I have reviewed the accompanying financial statements of NZBC Urban Corporation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities 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, I 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.

Accountant's Responsibility

My 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. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am 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.

The accompanying schedule of compensation, benefits, and other payments to the agency head, political subdivision head, or chief executive officer 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. The information was subject to my review engagement; however, I have not audited the supplementary information, and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.



Judy Moncrief CPA LLC
Shreveport, Louisiana
August 24, 2022

NZBC URBAN CORPORATION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021

	As Of December 31, 2021
ASSETS:	
Cash	\$ 151,615
	<u>\$ 151,615</u>
 LIABILITIES AND NET ASSETS:	
 LIABILITIES	
SBA Loan	<u>72,000</u>
Total Liabilities	72,000
 NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS	<u>79,615</u>
	<u>\$ 151,615</u>

The accompanying notes are an integral part of these financial statements.
See Accountant's Review Report

NZBC URBAN CORPORATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDING DECEMBER 31, 2021

	For the Year Ended December 31, 2021
REVENUES	
Parent Payment Received	\$ 8,131
Public Funding	434,793
Interest Income	41
Other Income	<u>5,702</u>
TOTAL REVENUES	\$ 448,667
EXPENSES	
Advertising	\$ 2,714
Contract Services	2,350
Dues, Memberships, and Licenses	1,916
Insurance	339
Interest Expense	7,310
Legal and Other Professional Fees	22,198
Meals and Entertainment	6,667
Miscellaneous Expense	2,498
Office Supplies	3,771
Payroll Expense	230,995
Payroll Taxes	21,240
Repairs and Maintenance	629
Supplies	41,248
Utilities and Telephone	<u>5,164</u>
TOTAL EXPENSES	349,039
CHANGE IN NET ASSETS	99,628
BEGINNING NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTION	(20,013)
ENDING NET ASSETS (DEFICIT) WITHOUT DONOR RESTRIC	\$ <u>79,615</u>

The accompanying notes are an integral part of these financial statements.
See Accountant's Review Report

NZBC URBAN CORPORATION, INC.
STATEMENTS OF ACTIVITIES (Continued)
FUNCTIONAL ALLOCATION FOR THE YEAR ENDING DECEMBER 31, 2021

	<u>Administrative</u>	<u>Program</u>	For the Year Ended December 31, 2021
REVENUES			
Parent Payment Received	\$	\$ 8,131	\$ 8,131
Public Funding		434,793	434,793
Interest Income		41	41
Other Income		5,702	5,702
TOTAL REVENUES	<u>\$ -</u>	<u>\$ 448,667</u>	<u>\$ 448,667</u>
EXPENSES			
Advertising	\$	\$ 2,714	\$ 2,714
Contract Services		2,350	2,350
Dues, Memberships, and Licenses		1,916	1,916
Insurance		339	339
Interest		7,310	7,310
Legal and Other Professional Fees		22,198	22,198
Meals and Entertainment		6,667	6,667
Miscellaneous Expense		2,498	2,498
Office Supplies		3,771	3,771
Payroll Expense		230,995	230,995
Payroll Taxes		21,240	21,240
Repairs and Maintenance		629	629
Supplies		41,248	41,248
Utilities and Telephone		5,164	5,164
TOTAL EXPENSES	<u>-</u>	<u>349,039</u>	<u>349,039</u>
CHANGE IN NET ASSETS			99,628
BEGINNING NET ASSETS WITHOUT DONOR RESTRICTIONS			<u>(20,013)</u>
ENDING NET ASSETS WITHOUT DONOR RESTRICTIONS			<u><u>\$ 79,615</u></u>

The accompanying notes are an integral part of these financial statements.
See Accountant's Review Report

**NZBC URBAN CORPORATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDING DECEMBER 31, 2021**

	For the Year Ended December 31, 2021
CASH FLOWS FROM OPERATIONS	
Parent Payment Received	\$ 8,131
Public Funding	434,793
Interest Income	41
Other Income	<u>5,702</u>
TOTAL RECEIPTS	\$ 448,667
EXPENSES	
Advertising	\$ 2,714
Contract Services	2,350
Dues, Memberships, and Licenses	1,916
Insurance	339
Interest	7,310
Legal and Other Professional Fees	22,198
Meals and Entertainment	6,667
Miscellaneous Expense	2,498
Office Supplies	3,771
Payroll Expense	230,995
Payroll Taxes	21,240
Repairs and Maintenance	629
Supplies	41,248
Utilities and Telephone	<u>5,164</u>
TOTAL EXPENDITURES	<u>349,039</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	99,628
PROVIDED BY INVESTING ACTIVITIES	
Loans	<u>-</u>
NET INCREASE (DECREASE) IN CASH	99,628
CASH AT BEGINNING OF YEAR	<u>51,987</u>
CASH AT END OF YEAR	\$ <u><u>151,615</u></u>

The accompanying notes are an integral part of these financial statements.
See Accountant's Review Report

NZBC URBAN CORPORATION, INC.
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEAR ENDING DECEMBER 31, 2020

	For the Year Ended December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets	\$ 99,628
Depreciation	-
Accounts Payable	-
Other	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 99,628

The accompanying notes are an integral part of these financial statements.
See Accountant's Review Report

NZBC URBAN CORPORATION, INC.
NOTES TO FINANCIAL STATEMENTS
AT AND FOR THE YEAR ENDING DECEMBER 31, 2021

NOTE 1 – ORGANIZATION

NZBC Urban Corporation, Inc. (the Corporation) is organized as a tax-exempt corporation under the laws of the State of Louisiana and recognized under IRS code section 501(C)(3). The Corporation operates ABC Learning Center which offers preschool and childcare for infants and toddlers in the Shreveport-Bossier City, Louisiana area.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Cash Equivalents

For the statement of cash flows, all unrestricted investment instruments with original maturities of three months or less are cash equivalents. The Corporation has no cash equivalents at December 31, 2021.

Trade Accounts Receivable

Typically, no accounts receivable exists for the Corporation as collections are advance payments for preschool and childcare services.

Impairment of Long-Lived Assets

The Corporation reviews long lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Depreciation

Depreciation is provided on buildings and equipment using the straight-line method in amounts sufficient to write off the cost of such assets over their estimated useful lives. Maintenance and repairs are charged against operation while renewals and betterments are capitalized. Buildings and improvements are depreciated over forty and ten years respectively while all other assets are depreciated over a three, five- or seven-year time period. As of December 31, 2021, the Corporation uses the buildings and equipment of the sponsoring church and does not maintain fixed assets within the Corporation.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Net Assets

Net assets of the Corporation are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Corporation. Certain restrictions may need to be maintained in perpetuity.

These notes are an integral part of the accompanying financial statements.

NZBC URBAN CORPORATION, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
AT AND FOR THE YEAR ENDING DECEMBER 31, 2021

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

All net assets of the Corporation at December 31, 2021 were considered to be net assets without donor restrictions.

Income Taxes

The NZBC Urban Corporation, Inc. has received an exemption from Federal income taxes under Section 501(C)(3) of the Internal Revenue Code of 1954, as amended. There was no unrelated business income for the period ended December 31, 2021, which is not covered by this exemption.

Advertising

Advertising costs are expensed as incurred or the first time the advertising takes place. Current year advertising costs totaled \$2,714.

Functional Allocation of Expenses

Expenditures incurred in connection with Corporation operations have been summarized as follows:

Program Services	\$349,039
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Subsequent Events

The Corporation has evaluated subsequent events through August 24, 2022, the date that the financial statements are available to be issued for events requiring recording or disclosure in the Corporation's financial statements.

NOTE 3 – ADOPTION OF ACCOUNTING PRONOUNCEMENT

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three classes to two – net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Corporation, including required disclosures about liquidity and availability of resources and increased disclosures on functional expenses. The new standard is effective for the Corporation's year ending December 31, 2018, and thereafter and must be applied on a retrospective basis. The Corporation adopted the ASU effective July 1, 2018. Adoption of the ASU did not result in any reclassifications or restatements to net assets or changes in net assets.

NOTE 4 – LIQUIDITY

At December 31, 2021, the Corporation has \$151,615 cash and equivalents available to meet needs for general expenditures consisting of cash of \$151,615 and no accounts receivable. None of the financial assets are subject to donor or other contractual restrictions. Accordingly, all such funds are available to meet the cash needs of the Corporation in the next twelve months.

The Corporation manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Corporation are expected to be met on a monthly basis from the grant funds collected.

These notes are an integral part of the accompanying financial statements.

NZBC URBAN CORPORATION, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
AT AND FOR THE YEAR ENDING DECEMBER 31, 2021

NOTE 5 – FUNCTIONAL EXPENSES

The Corporation operates a preschool and childcare facility serving the Shreveport-Bossier City, Louisiana area. The cost of providing program services and supporting activities has been summarized on a functional basis in the table below. Expenses directly attributable to a specific functional activity of the are reported as expenses of those functional activities. There are no functional expenses that require allocation between activities.

	Program Services
Advertising	2,714
Contract Services	2,350
Dues, Memberships, and Licenses	1,916
Insurance	339
Interest Expense	7,310
Legal and Other Professional Fees	22,198
Meals and Entertainment	6,667
Miscellaneous	2,886
Office Supplies	3,383
Payroll Expense	230,995
Payroll Taxes	21,240
Repairs and Maintenance	629
Supplies	41,248
Utilities and Telephone	5,164
	<u>349,039</u>

NOTE 6 – STATE FINANCIAL ASSISTANCE

At December 31, 2021, the Corporation has a program which qualified as State of Louisiana financial assistance. During the year, the Corporation received \$434,793 in the form of grant proceeds from the Louisiana Department of Education.

NOTE 7 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Corporation's primary source of revenue is from the Louisiana Department of Education. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, the Louisiana Department of Education. Such administrative directives, rules and regulations are subject to change by an act of state regulation, or an administrative change mandated by Louisiana Department of Education. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

These notes are an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

NZBC URBAN CORPORATION, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDING DECEMBER 31, 2021

		For the Year Ended	
		December 31, 2021	
AGENCY HEAD NAME: Lauren S. Allen-Givens and Ashley N. Jenkins		<u>Allen- Givens</u>	<u>Jenkins</u>
Salaries		\$ 47,500.00	\$ 47,500.00
Benefits-Insurance		0.00	0.00
Benefits-Retirement		0.00	0.00
Deferred Compensation (Contributions Made by the Agency)		0.00	0.00
Benefits-Other		0.00	0.00
Car Allowance		0.00	0.00
Vehicle Provided by Government		0.00	0.00
Cell Phone		0.00	0.00
Dues		0.00	0.00
Vehicle Rental		0.00	0.00
Per Diem		0.00	0.00
Reimbursements		0.00	0.00
Travel		0.00	0.00
Registration Fees		0.00	0.00
Conference Travel		0.00	0.00
Housing		0.00	0.00
Unvouchered Expenses		0.00	0.00
Special Meals		0.00	0.00
Other		0.00	0.00
		<u>\$ 47,500.00</u>	<u>\$ 47,500.00</u>

NZBC URBAN CORPORATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING DECEMBER 31, 2021

2021-001 Late Submission of Review Report

Condition: The Corporation did not submit its review report by the required due date of June 30, 2022.

Criteria: The Louisiana Legislative Auditor requires reports to be filed by the end of the sixth month following the fiscal year end.

Cause: Reviewing the financial statements was delayed due to additional information needed that was provided after the due date.

Effect: Noncompliance with the Louisiana Legislative Auditor's requirements regarding report submission.

Recommendation: The Corporation should issue that reports are submitted timely for future years.