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Community Support Programs, Inc.
Shreveport, Louisiana

Financial Statements

June 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 12 1997

Community Support Programs, Inc.

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 15
Supplemental Information Schedules	
Combining Schedule of Activities by Natural Expense Classification	16 - 17
Schedule of Revenues and Expenditures - Contracts With the State of Louisiana	18
Federal Awards	
Report on Schedule of Federal Awards	19
Schedule of Federal Awards	20

(Continued)

**Table of Contents
(Continued)**

	<u>Page No.</u>
Reports in Accordance With Government Auditing Standards	
Report on Internal Control Structure Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	22 - 23
Compliance Report Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	24
Reports in Accordance With OMB Circular A-133	
Report on Internal Control Structure Used in Administering Federal Awards	26 - 28
Report on Compliance With General Requirements Applicable to Federal Programs	29
Report on Compliance With Specific Requirements Applicable to Nonmajor Federal Program Transactions	30
Schedule of Findings and Questioned Costs	31

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Independent Auditors' Report

To the Board of Directors
Community Support Programs, Inc.

We have audited the accompanying statement of financial position of Community Support Programs, Inc. (a nonprofit organization) as of June 30, 1996, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Organizations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Community Support Programs, Inc. at June 30, 1996, and the changes in its net assets and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 4, 1996 and shown on pages 22-23 on our consideration of Community Support Programs, Inc.'s internal control structure and a report dated October 4, 1996 and shown on page 24 on its compliance with laws and regulations.

The accompanying information on page 16-17 is presented for additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying supplemental schedule, listed as "Supplemental Information Schedule – Contracts with the State of Louisiana" in the table of contents and shown on page 18, is presented for the purpose of providing various funding sources of Community Support Programs, Inc. additional individual contract analysis and is not a required part of the basic financial statements. The information is prepared on a prescribed basis of the various funding sources of Community Support Programs, Inc. This schedule is not presented in accordance with *generally accepted accounting principles*. Accordingly, the schedule mentioned previously on page 18 is not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion is fairly stated on the basis of accounting practices prescribed by the various funding sources.



Cook & Morehart
Certified Public Accountants
October 4, 1996

Community Support Programs, Inc.
Statement of Financial Position
June 30, 1996

Assets

Current assets:

Cash	\$ 692
Grant receivables	85,813
Other receivables	20
Prepaid expenses	<u>534</u>
Total current assets	87,059

Noncurrent assets:

Property and equipment	327,987
Accumulated depreciation	<u>(77,423)</u>
Total noncurrent assets	250,564

Total Assets

\$ 337,623

Liabilities and Net Assets

Current liabilities:

Line of credit	\$ 31,587
Construction line of credit	75,888
Current portion of long-term debt	4,560
Accounts payable	10,106
Accrued expenses	<u>29,359</u>
Total current liabilities	151,500

Long-term debt, less current portion	<u>12,171</u>
Total liabilities	163,671

Net assets, restated:

Unrestricted:

Operating	(724)
Fixed assets	174,676

Total net assets

173,952

Total Liabilities and Net Assets

\$ 337,623

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

Community Support Programs, Inc.
Statement of Activities
For the Year Ended June 30, 1996

	<u>Unrestricted</u>
Revenues, Gains and Other Support:	
Contractual revenue – grants	\$ 919,008
Client fees	30,111
Miscellaneous revenues	17,369
Gain on sale of property	19,338
	<hr/>
Total revenues, gains, and other support	985,826
Functional Expenses:	
Program services	870,291
General administration	79,806
	<hr/>
Total expenses	950,097
Change in net assets	35,729
Net assets as of beginning of year, restated	138,223
	<hr/>
Net assets as of end of year	\$ 173,952

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

Community Support Programs, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 1996

	<u>Program Services</u>	<u>General Administration</u>	<u>Total</u>
Expenses:			
Salaries and wages	\$ 540,906	\$ 36,686	\$ 577,592
Payroll taxes and benefits	84,674	6,862	91,536
Operating services	159,594	18,781	178,375
Professional fees	6,653	3,635	10,288
Supplies	23,350	1,492	24,842
Travel	25,667	7,967	33,634
Interest	9,263	2,725	11,988
Depreciation	20,184	1,658	21,842
 Total expenses	 <u>\$ 870,291</u>	 <u>\$ 79,806</u>	 <u>\$ 950,097</u>

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

Community Support Programs, Inc.
Statement of Cash Flows
For the Year Ended June 30, 1996

Operating activities

Change in net assets	\$ 35,729
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	21,842
Gain on sale of property	(19,338)
(Increase) decrease in operating assets:	
Grant receivables	51,230
Prepaid expenses	(534)
Other assets	24
Increase (decrease) in operating liabilities:	
Accounts payable	(63,632)
Accrued liabilities	(3,659)
Net cash provided by operating activities	21,662

Investing Activities

Proceeds from sale of property	74,123
Payments for property and equipment	(128,407)
Net cash used in investing activities	(54,284)

Financing Activities

Proceeds from line of credit	358,422
Payments on line of credit	(401,622)
Proceeds from construction line of credit	75,888
Payments of long-term debt	(9,770)
Net cash provided in financing activities	22,918

Net (decrease) in cash and cash equivalents (9,704)

Cash and cash equivalents as of beginning of year 10,396

Cash and cash equivalents as of end of year \$ 692

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

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1996

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Community Support Programs, Inc., (CSP) is a nonprofit corporation under the laws of the State of Louisiana. CSP was established to serve persons with chronically severe and persistent mental illness and to enhance each client's opportunity to live successfully in the community. The following programs are administered by CSP with their approximate percentages of total revenues:

Case Management (22%) – Provides mentally ill adults and children services such as: assistance in securing decent and stable housing, encouraging self management of the client's mental illness, and enhancing social support networks. Funding is provided by an agreement with the State of Louisiana Medicaid Office based upon units of service provided.

Crisis Line (.7%) – Provides a 24-hour information and referral line as a contact point by which clients can access crisis intervention services. Funding is provided by state funds from the State of Louisiana, Department of Health and Hospitals, Division of Mental Health.

Crisis Transportation (7%) – Ensures the safety and well-being of the staff and clients of the Shreveport Mental Health Center and assists the Crisis Shelter staff in emergencies with residents who are in crisis. Funding is provided by state funds from the State of Louisiana, Department of Health and Hospitals, Division of Mental Health.

Crisis Shelter (17%) – Provides a 24-hour short term (less than 45 days) residence to homeless chronically mentally ill adults. Funding is provided by state funds from the State of Louisiana, Department of Health and Hospitals, Division of Mental Health.

Project Reach (1%) – Provides a resident facility with a capacity of nine beds for dually diagnosed adults. Funding is provided by state funds from the State of Louisiana, Department of Health and Hospitals, Division of Mental Health.

Project Life (14%) – Provides supportive services for severe and persistently mentally ill individuals who have resided in a treatment facility for at least one year or longer. Funding is provided by state funds from the State of Louisiana, Department of Health and Hospitals, Division of Mental Health.

Project Aspire (.1%) – Provides psychosocial skills training and other treatment modalities in a therapeutic manner to children with emotional/behavioral disorder and their families and/or adults with serious mental illness. Funding is provided by an agreement with the State of Louisiana Medicaid Office based upon units of service provided.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

Housing (12%) – Provides a housing program for homeless families and individuals diagnosed with severe and persistent mental illness who are clients of the Community Mental Health Centers. Funding is provided by state funds from the State of Louisiana, Department of Health and Hospitals, Division of Mental Health.

Community Housing Development Organization (3%) – Provides families with decent, safe, sanitary, and affordable housing and expands the long-term supply of affordable housing. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development passed through the Louisiana Housing Finance Agency.

Transitions (9%) – Provides up to 24 months of supported living services for the homeless mentally ill. This is a 5 year grant funded by the U.S. Department of Housing and Urban Development.

Emergency Shelter Grants (3%) – Account for certain expenditures designed to improve the quality of emergency shelters for the homeless. This program helps maintain the agency's crisis shelter and transitional housing. This program is funded by federal funds from the U.S. Department of Housing and Urban Development passed through the City of Shreveport.

Rehabilitation Services (7%) – Provides an array of services to eligible severe and persistently mentally ill children and adults. Funding is provided by an agreement with the State of Louisiana Medicaid Office based upon units of service provided.

CDBG (Community Development Block Grant) (4%) – Provided funds to enable CSP to purchase and renovate a house which was subsequently sold to a family with a mentally ill member. Funding was provided by federal funds from the U.S. Department of Housing and Urban Development passed through the City of Shreveport.

B. Basis of Accounting

The financial statements of CSP have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to 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.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

D. Income Tax Status

CSP is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code, and therefore, is not subject to income taxes. However, income from certain activities not directly related to CSP's tax-exempt purpose is subject to taxation as unrelated business income. CSP had no such income for this audit period.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

F. Cash and Cash Equivalents

CSP's cash, as stated for cash flow purposes, consists entirely of non-interest bearing bank accounts. CSP has no other assets which are considered cash equivalents.

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The State of Louisiana and the federal government have a reversionary interest in property purchased with state and federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to state and federal regulations.

H. Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contractual grant revenue is 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.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

I. Compensated Absences

Employees may accrue annual leave up to 15 days. Upon an employee's separation of employment, earned and/or accrued leave will be paid up to a maximum of 15 days. Employees can also accrue sick leave, but accumulated sick leave is forfeited upon separation of employment.

(2) Change in Accounting Principles

CSP elected to adopt Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made, during the year ended June 30, 1996. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. This adoption had no effect on the change in net assets for the year ended June 30, 1996.

During the year ended June 30, 1996, CSP elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, CSP is required to 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. In addition, CSP is required to present a Statement of Cash Flows. CSP has, accordingly reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for the year ended June 30, 1996.

(3) Concentrations of Credit Risk

Financial instruments that potentially subject CSP to concentrations of credit risk consist principally of temporary cash investments and grant revenue receivable.

Concentrations of credit risk with respect to grant revenue receivable are limited due to these amounts being due from governmental agencies under contractual terms. As of June 30, 1996, CSP had no significant concentrations of credit risk in relation to grant revenue receivable.

CSP maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At June 30, 1996 there were no uninsured balances at these institutions.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

(4) Grant Receivables

Various funding sources provide reimbursement of allowable costs and payment on units of service in connection with providing services under contracts or agreements. This balance represents amounts due from funding sources at June 30, 1996, but received after that date.

(5) Property and Equipment

Property and equipment consist of the following:

	Estimated Depreciable Life	Purchased With State Or Federal Funds	Purchased With Operating Funds	Total
Land	n/a	\$ 21,056	\$ -	\$ 21,056
Construction in progress	n/a	-	64,111	64,111
Buildings and improvements	20-30 years	158,828	-	158,828
Vehicles	5 years	14,750	-	14,750
Furniture and equipment	5-7 years	60,953	8,289	69,242
Accumulated depreciation		(71,582)	(5,841)	(77,423)
Net investment in property and equipment		<u>\$ 184,005</u>	<u>\$ 66,559</u>	<u>\$ 250,564</u>

Depreciation expense for the year ended June 30, 1996 was \$21,842.

(6) Line of Credit

The agency has a line of credit at a local bank, with an adjustable interest rate of 1.0% per annum above the prime lending rate of Chase Manhattan Bank. The loan is secured by any and all of CSP's; present and future accounts, accounts receivable, and other receivables; present and future inventory, related equipment and other personal property; present and future general intangibles.

Line of Credit Limit	\$ 125,000
Outstanding Loan Balance	31,587

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

(7) Construction Line of Credit

CSP received a letter of commitment from the City of Shreveport dated July 14, 1995 for a grant of \$200,000 Community Development Block Grant Funds. These funds were delayed while the City awaited their funds from the U.S. Department of Housing and Urban Development. In the interim, CSP used this letter of commitment to obtain a \$200,000 line of credit from the Charles T. Beard Foundation in order to begin construction of the new Project Reach facility for which these funds were intended.

As of June 30, 1996, CSP had an outstanding balance of \$75,888 against this line of credit. The line of credit has an interest rate of 5% per annum, with principal and interest due upon CSP's receipt of the funds from the city, but no later than December 31, 1996.

(8) Long-Term Debt

Community Support Programs, Inc., had long-term debt at June 30, 1996 as follows:

Note payable to a bank dated March 10, 1994, secured by all deposits and certificates of deposit at the bank, all accounts receivable owned or hereafter acquired, all inventory, raw materials used or consumed in the Agency's business, all Agency equipment owned or hereafter acquired, together with substitutes and replacements thereof, and all fixtures. The note's interest rate is 8% and is a five year amortization with payments of \$450 a month for 59 monthly payments and one final installment consisting of the remaining principal and interest due on March 10, 1999.

The following is a schedule of the debt maturing in subsequent fiscal years:

<u>June 30</u>	<u>Amount</u>
1997	\$ 4,560
1998	4,938
1999	<u>7,233</u>
	<u>\$ 16,731</u>

Total interest expense paid on all notes and debt during the year ended June 30, 1996 was \$11,988.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

(9) Accrued Expenses

An analysis of accrued expenses at June 30, 1996 follows:

Accrued salaries and wages	\$ 12,513
Accrued leave payable	15,282
Accrued payroll taxes	957
Accrued interest	<u>607</u>
	<u>\$ 29,359</u>

(10) Unrestricted, Operating Net Asset Deficits

The deficits for individual programs within the unrestricted, operating net assets totaling \$(24,385), are the result of overexpending funds in certain years. These deficits will be eliminated by transfers from unobligated funds as they become available.

The programs are as follows:

Case Management	\$ (23,659)
Rehabilitation Services	<u>(726)</u>
	<u>\$ (24,385)</u>

(11) Contractual Revenue – Grants

During the year ended June 30, 1996, CSP received contractual revenue from federal and state grants in the amount of \$919,008. The continued existence of these funds is based on annual contract renewals with various funding sources.

(12) Leases

CSP leases office space from unrelated parties under an operating lease. Rental costs for the year ended June 30, 1996 on that lease was \$30,834. There were no lease agreements that had initial or remaining non-cancellable terms in excess of one year.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

(13) Pension Plan

On June 1, 1993, CSP established a defined contribution pension plan. All employees of CSP are eligible to participate in the plan. CSP's employer's contribution on behalf of the participant is 4% of the participant's compensation. The amount contributed by CSP during the year end June 30, 1996 was approximately \$23,761.

(14) Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments", requires that CSP disclose estimated fair values for its financial instruments. The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents:

The carrying amount approximates fair value.

Line of credit:

The carrying amount approximates fair value.

Construction line of credit:

The carrying amount approximates fair value.

Long-term debt:

The fair value of long-term debt is estimated based on the current rates CSP could obtain on debt of the same remaining maturities.

The estimated fair values of CSP's financial instruments as of June 30, 1996 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash	\$ 692	\$ 692
Line of credit	31,587	31,587
Construction line of credit	75,888	75,888
Long-term debt	16,731	15,154

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1996
(Continued)

(15) Partnership Investments

During July, 1995, CSP entered into a limited partnership with the following details:

CSP serves as the Managing General Partner for Alexander Place Apartments, a Louisiana Partnership in Commendam, organized and operated for the construction, ownership and management of a forty unit apartment complex in Arcadia, Louisiana known as Alexander Place Apartments, permanent financing provided with funds provided by the Home Affordable Rental Housing Program through regulatory agreements with Louisiana Housing Finance Agency.

CSP entered into a Management Sub-Contract with Calhoun Property Management, Inc., in which they will co-manage the Partnership. CSP's ownership percentage of the partnership is .5%.

Community Support Programs, Inc.
 Combining Schedule of Activities by Natural Expense Classification
 June 30, 1996

	Case Management	Crisis Line	Crisis Transportation	Crisis Shelter	Project Reach	Project Life	Project Aspire
Revenues, Gains and Other Support:							
Contractual revenue - grants	\$ 220,847	6,719	66,069	149,816	10,000	132,942	916
Client fees	-	-	-	10,419	-	-	-
Miscellaneous revenues	3,000	-	-	5	-	193	953
Gain (loss) on sale of property	-	-	-	(227)	-	-	-
	<u>223,847</u>	<u>6,719</u>	<u>66,069</u>	<u>160,013</u>	<u>10,000</u>	<u>133,135</u>	<u>1,869</u>
Total revenues, gains and other support							
Expenses and losses:							
Salaries and wages	144,900	2,673	44,611	102,628	3,595	68,663	1,935
Payroll taxes and benefits	20,580	1,000	8,868	15,772	291	12,408	350
Operating services	36,764	615	3,681	11,654	235	29,093	4
Professional fees	2,000	100	400	560	-	1,193	-
Supplies	1,393	641	402	8,311	40	2,000	-
Travel	9,138	970	1,500	1,599	109	5,282	-
Interest	5,536	-	-	-	606	-	130
Depreciation	914	246	61	1,238	-	1,271	74
	<u>221,225</u>	<u>6,245</u>	<u>59,523</u>	<u>141,762</u>	<u>4,876</u>	<u>119,910</u>	<u>2,493</u>
Total expenses and losses							
Change in net assets	<u>2,622</u>	<u>474</u>	<u>6,546</u>	<u>18,251</u>	<u>5,124</u>	<u>13,225</u>	<u>(624)</u>
Net assets as of beginning of year	(40,228)	-	-	8,237	-	(634)	1,513
Restatement of fixed assets	<u>3,435</u>	<u>718</u>	<u>179</u>	<u>4,923</u>	<u>-</u>	<u>3,182</u>	<u>457</u>
Net assets, as of beginning of year, as restated	(36,793)	718	179	13,160	-	2,548	1,970
Transfers:							
Net assets	35,015	-	-	-	-	476	-
General administration	(24,503)	(720)	(6,607)	(16,052)	(1,071)	(14,340)	(257)
	<u>\$ (23,659)</u>	<u>\$ 472</u>	<u>\$ 118</u>	<u>\$ 15,359</u>	<u>\$ 4,053</u>	<u>\$ 1,909</u>	<u>\$ 1,089</u>
Net assets as of end of year							

(Continued)

Community Support Programs, Inc.
 Combining Schedule of Activities by Natural Expense Classification
 (Continued)
 June 30, 1996

	Housing	Community Housing Development Organization	Transitions	Emergency Shelter Grants	Rehabilitation Services	CDBG	General Administration	Total
Revenues, Gains and Other Support:								
Contractual revenue - grants	\$ 98,000	28,948	77,045	27,448	66,542	33,716	-	\$ 919,008
Client fees	5,750	-	12,300	-	1,642	-	-	30,111
Miscellaneous revenues	10,161	-	91	-	437	-	2,529	17,369
Gain (loss) on sale of property	8,969	-	-	-	-	10,596	-	19,338
Total revenues, gains and other support	<u>122,880</u>	<u>28,948</u>	<u>89,436</u>	<u>27,448</u>	<u>68,621</u>	<u>44,312</u>	<u>2,529</u>	<u>985,826</u>
Expenses and losses:								
Salaries and wages	52,444	20,689	59,664	-	39,104	-	36,686	577,592
Payroll taxes and benefits	8,163	2,410	9,139	-	5,693	-	6,862	91,536
Operating services	21,402	3,020	12,195	19,882	11,752	9,297	18,781	178,375
Professional fees	825	-	500	-	1,075	-	3,635	10,288
Supplies	65	188	1,208	7,566	1,536	-	1,492	24,842
Travel	2,110	2,476	1,938	-	545	-	7,967	33,634
Interest	-	-	-	-	2,991	-	2,725	11,988
Depreciation	2,791	1,000	11,423	-	1,166	-	1,658	21,842
Total expenses and losses	<u>87,800</u>	<u>29,783</u>	<u>96,067</u>	<u>27,448</u>	<u>63,862</u>	<u>9,297</u>	<u>79,806</u>	<u>950,097</u>
Change in net assets	35,080	(835)	(6,631)	-	4,759	35,015	(77,277)	35,729
Net assets as of beginning of year	1,169	(167)	(2,835)	-	(39,656)	-	12,039	(60,562)
Restatement of fixed assets	70,683	4,333	103,816	-	2,953	-	4,106	198,785
Net assets, as of beginning of year, as restated	71,852	4,166	100,981	-	(36,703)	-	16,145	138,223
Transfers:								
Net assets	(39,108)	-	-	-	39,108	(35,015)	(476)	-
General administration	(4,667)	-	-	-	(7,890)	-	76,107	-
Net assets as of end of year	<u>\$ 63,157</u>	<u>\$ 3,331</u>	<u>\$ 94,350</u>	<u>\$ -</u>	<u>\$ (726)</u>	<u>\$ -</u>	<u>\$ 14,499</u>	<u>\$ 173,952</u>

Community Support Programs, Inc.
 Schedule of Revenues and Expenditures
 Contracts with the State of Louisiana
 Department of Health and Hospitals
 Division of Mental Health
 For the Periods Ended June 30, 1996

		Project Reach Contract #	Crossroads Contract #	Clinical Services Contract #	Crisis Line Contract #	Crisis Transportation Contract #	Project Life Contract #
Housing	\$ 98,000	55888					
Contract revenue	\$ 10,000		\$ 149,816	\$ 107,000	\$ 6,719	\$ 66,069	\$ 132,942
Client fees	5,750		10,419				
Other	10,161		5				193
Total revenues	113,911	10,000	160,240	107,000	6,719	66,069	133,135
Expenditures:							
Personal services	52,444		102,628	64,652	2,673	44,611	68,663
Related benefits	8,163		15,772	9,665	1,000	8,868	12,408
Travel	2,110		1,599	2,000	970	1,500	5,282
Operating services	44,507		11,654	12,843	615	3,681	29,093
Supplies	65		8,310	1,855	641	402	2,000
Professional services	5,492	1,071	16,612	12,885	820	7,007	15,533
Capital assets	886	8,929	547	3,100	-	-	-
Total expenditures	113,667	10,000	157,122	107,000	6,719	66,069	132,979
Excess revenues (expenditures)	\$ 244	\$ -	\$ 3,118	\$ -	\$ -	\$ -	\$ 156

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Report on Schedule of Federal Awards

To the Board of Directors
Community Support Programs, Inc.
Shreveport, Louisiana

We have audited the financial statements of Community Support Programs, Inc. for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996. These financial statements are the responsibility of Community Support Programs, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Organizations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of Community Support Programs, Inc. taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Cook & Morehart
Certified Public Accountants
October 4, 1996

Community Support Programs, Inc.
 Shreveport, Louisiana
 Schedule of Federal Awards
 For the Year Ended June 30, 1996

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Project Number	Grant Period	Expenditures
NONMAJOR PROGRAMS				
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program:				\$
Supportive Housing Demonstration - Transitional Housing	14.235	LA48T91-1016	02/01/95 - 01/31/96 02/01/96 - 01/31/97	43,413 33,632
Passed through the City of Shreveport:				
Emergency Shelter Grants Program	14.231	N/A	01/01/95 - 09/30/95	3,091
Round XV	14.231	N/A	01/04/95 - 12/31/95	8,518
Round XVI - Crossroads	14.231	N/A	01/04/95 - 06/30/96	9,500
Round XVI - Transitions	14.231	N/A	07/01/95 - 09/30/96	1,123
Round XVII - Crossroads	14.231	N/A	07/01/95 - 09/30/96	5,216
Round XVII - Transitions				
Community Development Block Grant	14.218	N/A	N/A	33,716
Passed through Louisiana Housing Finance Agency:				
Community Housing Development Organization	14.239	M92SG220100-08	06/01/94 - 05/31/97	28,948
Total Federal Expenditures				<u>\$ 167,157</u>

**Reports Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

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Report on Internal Control Structure Based on an Audit of Financial
Statements Performed in Accordance With Government Auditing Standards

To the Board of Directors
Community Support Programs, Inc.
Shreveport, Louisiana

We have audited the financial statements of Community Support Programs, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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 of material misstatement.

The management of Community Support Programs, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Community Support Programs, Inc. for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that error or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management, the Board of Directors and the various funding sources of the Agency. This restriction is not intended to limit the distribution of this report.



Cook & Morehart
Certified Public Accountants
October 4, 1996

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Compliance Report Based on an Audit of Financial
Statements Performed in Accordance With Government Auditing Standards

To the Board of Directors
Community Support Programs, Inc.
Shreveport, Louisiana

We have audited the financial statements of Community Support Programs, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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 of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Community Support Programs, Inc. is the responsibility of Community Support Programs, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Community Support Programs, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on overall compliance with such provisions was not an objective of our audit of the financial statements. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management, the Board of Directors and the various funding sources of the organization. This restriction is not intended to limit the distribution of this report.



Cook & Morehart
Certified Public Accountants
October 4, 1996

Reports in Accordance With OMB Circular A-133

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Report on the Internal Control Structure Used in Administering Federal Awards

To the Board of Directors
Community Support Programs, Inc.
Shreveport, Louisiana

We have audited the financial statements of Community Support Programs, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered Community Support Programs, Inc.'s internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on Community Support Programs, Inc.'s financial statements and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal programs. We have addressed policies and procedures relevant to our audit of the financial statements in a separate report dated October 4, 1996.

The management of Community Support Programs, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal awards programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal programs in the following categories:

Accounting controls

- Cash
- Revenue, receivables and receipts
- Expenditures for goods and services and accounts payable
- Payroll and related liabilities
- Property, equipment and capital expenditures
- Debt and other liabilities
- Governmental financial assistance programs

Controls used in administering individual federal programs

General requirements

- Political activity
- Civil Rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Administrative requirements
- Drug-free workplace

Specific requirements

- Types of services
- Eligibility
- Matching level of effort
- Reporting
- Cost allocation
- Special requirements if any

Claims for advances and reimbursements

Amounts claimed or used for matching

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, Community Support Programs, Inc. had no major programs and expended 51% of its total federal awards under the following nonmajor program:

U.S. Department of Housing and Urban Development – Direct Program –
Supportive Housing Demonstration – Transitional Housing CFDA #14.235

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor program. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal awards program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of management, the Board of Directors and the various funding sources of the Agency. This restriction is not intended to limit the distribution of this report.



Cook & Morehart
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October 4, 1996

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Report on Compliance With General
Requirements Applicable to Federal Programs

To the Board of Directors
Community Support Programs, Inc.
Shreveport, Louisiana

We have audited the financial statements of Community Support Programs, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996.

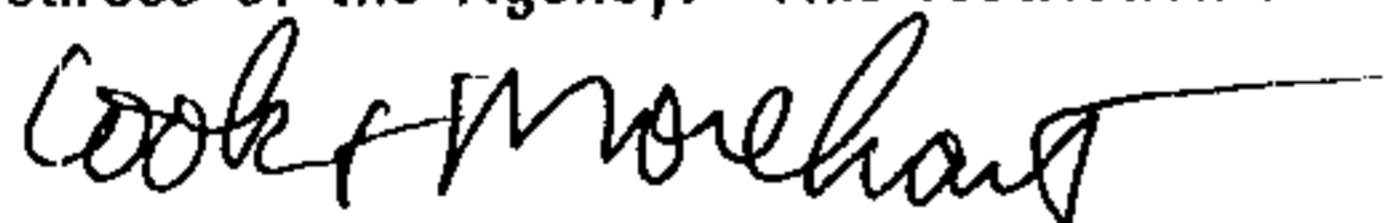
We have applied procedures to test Community Support Programs, Inc.'s compliance with the following requirements applicable to its federal programs, which are identified in the accompanying schedule of federal awards for the year ended June 30, 1996:

Political activity	Federal financial reports
Civil Rights	Allowable costs / costs principles
Cash management	Administrative requirements
Drug-free workplace	

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Community Support Programs, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Community Support Programs, Inc. had not complied, in all material respects, with those requirements.

This report is intended for the information of management, the Board of Directors and the various funding sources of the Agency. This restriction is not intended to limit the distribution of this report.



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October 4, 1996

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Report on Compliance With Specific Requirements Applicable to Nonmajor Federal Program Transactions

To the Board of Directors
Community Support Programs, Inc.
Shreveport, Louisiana

We have audited the financial statements of Community Support Programs, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996.

In connection with our audit of the financial statements of Community Support Programs, Inc., and with our consideration of Community Support Programs, Inc.'s internal control structure used to administer federal programs, as required by Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Organizations, we selected certain transactions applicable to its nonmajor federal programs for the year ended June 30, 1996. As required by OMB Circular A-133, we performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Community Support Programs, Inc.'s compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Community Support Programs, Inc., had not complied, in all material respects, with those requirements.

This report is intended for the information of management, the Board of Directors and the various funding sources of the Agency. This restriction is not intended to limit the distribution of this report.



Cook & Morehart
Certified Public Accountants
October 4, 1996

Community Support Programs, Inc.

Schedule of Findings and Questioned Costs

June 30, 1996

There were no findings or questioned costs for the year ended June 30, 1995.

There are no findings or questioned costs for this audit for the year ended June 30, 1996.