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**Community Support Programs, Inc.
Shreveport, Louisiana**

Financial Statements

As of and for the Years Ended June 30, 1999 and 1998

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 23 2000.

Community Support Programs, Inc.

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COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
A. EDWARD BALL, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

RAYEBURN G. COOK (RET.)

VICKIE D. NOBLE, CPA
CHERYL H. MANGRUM, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
Community Support Programs, Inc.

We have audited the accompanying statements of financial position of Community Support Programs, Inc. as of June 30, 1999 and 1998, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Community Support Programs, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audits provide a reasonable basis for our opinion.

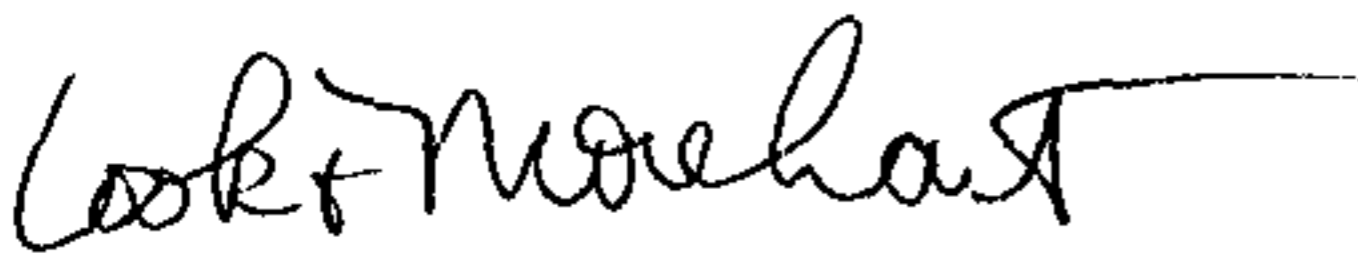
In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Community Support Programs, Inc. at June 30, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 1999 on our consideration of Community Support Programs, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. 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, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying information on page 15 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 16, 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 16 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 22, 1999

Community Support Programs, Inc.
 Statements of Financial Position
 June 30, 1999 and 1998

	1999	1998
Assets		
Current assets:		
Cash	\$ 87,600	\$ 76,523
Grant receivables	206,288	240,567
Other receivables	14,811	27
Total current assets	308,699	317,117
Property and equipment:		
Property and equipment	781,581	518,520
Accumulated depreciation	(135,018)	(108,653)
Net property and equipment	646,563	409,867
Total Assets	\$ 955,262	\$ 726,984
 Liabilities and Net Assets		
Current liabilities:		
Line of credit	\$ 197,926	\$ 199,308
Other note payable	49,373	
Accounts payable	82,081	50,205
Accrued expenses	71,344	52,593
Current portion of long-term debt	6,790	
Refundable advance	82,158	43,808
Total current liabilities	489,672	345,914
Long-term debt, less current portion	90,788	
Total liabilities	580,460	345,914
Net assets:		
Unrestricted:		
Operating	(271,761)	(28,797)
Fixed assets	646,563	409,867
Total net assets	374,802	381,070
Total Liabilities and Net Assets	\$ 955,262	\$ 726,984

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

Community Support Programs, Inc.
 Statements of Activities
 For the Years Ended June 30, 1999 and 1998

	Unrestricted	
	1999	1998
Revenues and Other Support:		
Contractual revenue - grants	\$ 1,561,252	\$ 1,429,194
Client fees	45,878	31,127
Development fees	61,400	20,000
Donations	2,385	20,000
Miscellaneous revenues	8,943	24,048
	<u>1,679,858</u>	<u>1,524,369</u>
Expenses:		
Program services	1,334,628	1,354,064
General administration	351,498	149,751
	<u>1,686,126</u>	<u>1,503,815</u>
Changes in net assets	<u>(6,268)</u>	<u>20,554</u>
Net assets, beginning of year, as previously reported	381,070	366,965
Prior period correction		<u>(6,449)</u>
Net assets, beginning of year, as restated	<u>381,070</u>	<u>360,516</u>
Net assets, end of year	<u>\$ 374,802</u>	<u>\$ 381,070</u>

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

Community Support Programs, Inc.
 Statements of Functional Expenses
 For the Years Ended June 30, 1999 and 1998

Expenses:	1999		
	Program	General	Total
Salaries and wages	\$ 826,515	\$ 96,982	\$ 923,497
Payroll taxes and benefits	133,058	13,145	146,203
Travel	20,368	13,655	34,023
Operating services	211,566	38,054	249,620
Program development		127,365	127,365
Supplies	40,219	6,401	46,620
Professional fees	71,243	19,837	91,080
Equipment		1,487	1,487
Interest		21,956	21,956
Depreciation	25,669	3,697	29,366
Miscellaneous	5,990	8,919	14,909
Total expenses	\$ 1,334,628	\$ 351,498	\$ 1,686,126

Expenses:	1998		
	Program	General	Total
Salaries and wages	\$ 812,134	\$ 58,895	\$ 871,029
Payroll taxes and benefits	121,842	9,029	130,871
Travel	23,387	12,313	35,700
Operating services	231,489	25,661	257,150
Supplies	45,183	7,018	52,201
Professional fees	90,088	3,029	93,117
Equipment	4,314	1,808	6,122
Interest		17,067	17,067
Depreciation	21,969	5,707	27,676
Loss on disposal of fixed assets		539	539
Miscellaneous	3,658	8,685	12,343
Total expenses	\$ 1,354,064	\$ 149,751	\$ 1,503,815

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

Community Support Programs, Inc.
 Statements of Cash Flows
 For the Years Ended June 30, 1999 and 1998

Operating Activities	<u>1999</u>	<u>1998</u>
Change in net assets	\$ (6,268)	\$ 20,554
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	29,366	27,676
Prior period correction		4,420
Loss on disposal of fixed assets		539
(Increase) decrease in operating assets:		
Grant receivables	34,279	(46,344)
Other receivables	(14,784)	13
Increase (decrease) in operating liabilities:		
Accounts payable	31,876	20,884
Accrued liabilities	18,751	5,242
Refundable advance	38,350	12,823
Net cash provided by operating activities	<u>131,570</u>	<u>45,807</u>
Investing Activities		
Payments for property and equipment	(266,062)	(51,939)
Net cash used in investing activities	<u>(266,062)</u>	<u>(51,939)</u>
Financing Activities		
Proceeds from line of credit	163,618	480,840
Payments on line of credit	(165,000)	(430,500)
Proceeds from other note payable	50,000	
Payments on other note payable	(627)	
Proceeds from long-term debt	125,000	
Payments of long-term debt	(27,422)	(12,545)
Net cash provided in financing activities	<u>145,569</u>	<u>37,795</u>
Net increase in cash	11,077	31,663
Cash as of beginning of year	<u>76,523</u>	<u>44,860</u>
Cash as of end of year	<u>\$ 87,600</u>	<u>\$ 76,523</u>

Supplemental Disclosure:

Operating activities reflect interest paid in 1999 and 1998 of \$21,678 and \$17,067, respectively.

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

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1999 and 1998

(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 exists to serve the client/family and to enhance each person's opportunity to live successfully in the community. Through the provision of advocacy, direct and indirect services, housing, and coordination with other social service providers, CSP, Inc. offers unique and innovative programs. The following programs are administered by CSP with their approximate percentages of total revenues:

Portals (13%) – Provides coordinated, site or home based Respite Care focused on alleviation of stress or crisis in the foster or adoptive home that endangers the permanence of the family for the child. Funding is provided by federal funds passed through the State of Louisiana, Department of Social Services, Office of Community Services.

Portico (5%) – Provides a child welfare family resource center which offers continuing family support, preservation, and reunification services to ensure the safety of each child in the community.

Crisis Line (.2%) – 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 Management (4%) – Ensures the safety and well-being of the staff and clients of the Shreveport Mental Health Center and assists the staff in emergencies with clients who are in crisis. Funding is provided by state funds from the State of Louisiana, Department of Health and Hospitals, Division of Mental Health.

Crossroads (9%) – Provides a 24-hour short term (45 days or less) 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 (20%) – Provides a resident facility with a capacity of nine beds for homeless dually diagnosed (mentally ill/chemical abusers) adults. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development.

Project Life (8%) – 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.

Transitions (6%) – Provides up to 24 months of supported living services for the homeless mentally ill. This program is funded with federal funds from the U.S. Department of Housing and Urban Development.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1999 and 1998
(Continued)

Emergency Shelter Grants (1%) – 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.

Community Services (3%) – Provides an array of services to eligible severe and persistently mentally ill children and adults. Funding is provided by state funds from the State of Louisiana, Department of Health and Hospitals, Office of Mental Health.

Project Empower (9%) – Provides services to develop, implement and manage a project whose purpose is to empower the citizens of District 4 through utilization of available governmental and social services in the community. Funding is provided by a cooperative endeavor agreement with the State of Louisiana Governor's Office of Urban Affairs and Development.

Bridges (16%) – Provides a safe, comfortable residence for persons diagnosed with severe mental illness who cannot or will not participate in available housing and social service programs. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development, passed through the City of Shreveport.

FEMA (.4%) – Provides funding to supplement agency's other programs in providing food and shelter for needy individuals. Funding is provided by federal funds from the U.S. Federal Emergency Management Agency.

Employee Assistance Program (.1%) – Provides evaluation and counseling services to employees of contracted companies. Funding is provided through fees for service contractual arrangements.

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.

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.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1999 and 1998
(Continued)

E. 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.

F. Cash and Cash Equivalents

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

G. Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. 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. Restricted and Unrestricted Revenue

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 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.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1999 and 1998
(Continued)

J. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject CSP to concentrations of credit risk consist principally of temporary cash investments and grant receivables. Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. CSP maintains cash balances at several financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$100,000 at each institution. At June 30, 1999 and 1998 there were no uninsured balances at these institutions. As of June 30, 1999 and 1998, CSP had no significant concentrations of credit risk.

(3) 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, 1999 and 1998, but received after that date.

(4) Property and Equipment

Property and equipment consisted of the following at June 30, 1999:

	Estimated Depreciable Life	Purchased With State Or Federal Funds	Purchased With Operating Funds	Total
Land	n/a	\$ 33,774	\$ 22,046	\$ 55,820
Buildings and improvements	20-30 years	624,105	27,234	651,339
Vehicles	5 years	14,750	-	14,750
Furniture and equipment	5-7 years	38,313	21,359	59,672
Accumulated depreciation		(115,485)	(19,533)	(135,018)
 Net investment in property and equipment		<u>\$ 595,457</u>	<u>\$ 51,106</u>	<u>\$ 646,563</u>

Depreciation expense for the year ended June 30, 1999 was \$29,366.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1999 and 1998
(Continued)

Property and equipment consisted of the following at June 30, 1998:

	Estimated Depreciable Life	Purchased With State Or Federal Funds	Purchased With Operating Funds	Total
Land	n/a	\$ 35,820	\$ 20,000	\$ 55,820
Buildings and improvements	20-30 years	375,720	-	375,720
Vehicles	5 years	14,750	-	14,750
Furniture and equipment	5-7 years	66,196	6,034	72,230
Accumulated depreciation		(105,764)	(2,889)	(108,653)
 Net investment in property and equipment		<u>\$ 386,722</u>	<u>\$ 23,145</u>	<u>\$ 409,867</u>

Depreciation expense for the year ended June 30, 1998 was \$27,676.

(5) Line of Credit

The agency has a line of credit at a local bank, with an adjustable interest rate of .5% per annum less than the prime lending rate of Bank One, Louisiana, National Association. The loan is secured by any and all of CSP's present and future accounts receivable, present and future inventory, related equipment, other personal property including present and future general intangibles and agency real estate. The line of credit has a limit of \$200,000, with an outstanding balance at June 30, 1999 and 1998 of \$197,926 and \$199,308, respectively.

(6) Other Note Payable

During the year ended June 30, 1999 CSP's Executive Director loaned CSP \$50,000. There are no formal loan documents and CSP is presently paying interest payments on the loan. The outstanding balance of the loan at June 30, 1999 was \$49,373.

(7) Refundable Advance

CSP records federal funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1999 and 1998
(Continued)

(8) Accrued Expenses

An analysis of accrued expenses at June 30, 1999 and 1998 follows:

	1999	1998
Accrued salaries and wages	\$ 30,974	\$ 27,761
Accrued leave payable	20,918	17,241
Accrued payroll taxes	19,452	7,591
	\$ 71,344	\$ 52,593

(9) Contractual Revenue – Grants

During the years ended June 30, 1999 and 1998, CSP received contractual revenue from federal and state grants in the amount of \$1,561,252 and \$1,429,194, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(10) Development fees

These balances represent fees received on the apartment complexes for which CSP serves as the Managing General Partner.

(11) Leases

The agency leases certain buildings and equipment under operating leases. The rental costs on these items for the years ended June 30, 1999 and 1998 were \$32,625 and \$61,379, respectively. Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 1999, are:

Years Ending June 30:	
2000	\$ 24,100
2001	22,050
	\$ 46,150

(12) Pension Plan

CSP has a defined contribution pension plan in which employees meeting certain criteria 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 years ended June 30, 1999 and 1998 was approximately \$29,343 and \$20,077, respectively.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1999 and 1998
(Continued)

(13) Long-term Debt

Long-term debt at June 30, 1999, consisted of the following:

Mortgage payable to a bank, with variable interest, payable in 119 monthly installments of \$1,238.34, including interest, with one final payment for the balance due February 20, 2009, secured by a collateral mortgage note	\$ 97,578
Less current installments	<u>(6,790)</u>
Long-term portion	<u>\$ 90,788</u>

Approximate maturities of long-term debt are summarized as follows:

For the Year Ending June 30,	Approximate Amount
2000	6,790
2001	7,393
2002	8,050
2003	8,765
2004	9,543
2005 and after	<u>57,037</u>
	<u>\$ 97,578</u>

For the year ended June 30, 1999, the Agency incurred interest expense of \$2,532.

(14) Partnership Investments

CSP has entered into limited partnerships as a General Partner for six (6) Louisiana Partnerships in Commendam. The partnerships are organized and operated for the construction, ownership and management of apartment complexes in Louisiana. The complexes are operated under the HOME Affordable Rental Housing Program through regulatory agreements with the Louisiana Housing Finance Agency. CSP entered into Management Sub-Contracts with Calhoun Property Management, Inc., in which they will co-manage the Partnerships. CSP's ownership percentage of each partnership is .05%. The six partnerships are as follows:

- Alexander Place Apartments
- Brookhaven Apartments
- Pecan Manor Apartments
- Forest Park Apartments
- Palmetto Place Apartments
- Brookhaven Apartments Partnership II

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 1999 and 1998
(Continued)

(15) Prior Period Correction

A prior period correction was made in 1998 which decreased net property and equipment by \$6,449. The correction was needed to adjust the reported amounts to agree with the agency's fixed asset records in accordance with the capitalization policy adopted during the year.

(16) Commitments and Contingencies

CSP became the general partner in a limited partnership formed to develop certain property for the purpose of providing affordable housing for qualified families and individuals. During the year ended June 30, 1999 certain initial development costs and expenses were incurred anticipating that the development would obtain necessary financing. Subsequent to June 30, 1999 it appears that the development will not obtain necessary financing.

Based upon the opinion of management of CSP the initial development costs incurred, but not paid, were incurred under contingency arrangements with various vendors, firms and individuals. Based upon CSP being the general partner of the limited partnership which incurred certain development costs, that have not been paid, there is a reasonable possibility that a loss may have been incurred by CSP. Due to the possible contingency nature of certain expenses incurred it is not reasonable to estimate the range of that loss.

Community Support Programs, Inc.
Combining Schedule of Activities
For the Year Ended June 30, 1999

	EAP	Crisis			Project			Emergency Shelter Grants	Community Services	Project Empower	Bridges	FEMA	General Administration	Total	
		Portals	Portico	Crisis Line	Management	Crossroads	Project Reach								Project Life
Revenues and Other Support:															
Contractual revenue-grants	\$ 3,200	\$ 219,456	\$ 86,018	\$ 4,442	\$ 66,069	\$ 149,816	\$ 323,124	\$ 133,000	\$ 89,478	\$ 19,030	\$ 42,340	\$ 148,470	\$ 272,958	\$ 7,051	\$ 1,561,252
Client fees					7,020	4,982	8,341								22,335
Development fees															61,400
Donations															2,385
Miscellaneous revenues					276	304	916								7,447
Total revenues and other support	3,200	219,456	86,018	4,442	66,069	157,112	328,410	133,000	97,819	19,030	42,340	149,386	272,958	7,051	1,679,858
Expenses and losses:															
Salaries and wages	1,747	143,061	52,475	2,704	46,309	96,216	242,617	78,683	53,275	25,978	25,978	58,457	24,993		96,982
Payroll taxes and benefits	269	19,535	8,092	295	7,664	15,240	39,565	14,776	8,751	4,709	4,709	10,628	3,534		13,145
Travel	100	2,071	1,932			1,516	1,795	5,170	1,623	2,086	2,086	3,336	739		13,655
Operating services	1,062	22,063	4,352	422	4,727	15,398	27,831	18,828	26,737	4,262	4,262	58,627	5,875	4,006	38,054
Program development															127,365
Supplies	15	1,891	417	45	200	12,143	11,180	1,149	6,767	268	268	489	2,902	1,099	6,401
Professional fees	196	30,835	16,807	500	1,000	1,699	1,106	2,450	700	500	500	214	15,236		19,837
Equipment															1,487
Interest															21,956
Depreciation		3,480	32			1,523	8,308	1,019	7,706	967	967	495	2,139		3,697
Miscellaneous						733	319		129			4,809			8,919
Total expenses and losses	3,389	222,936	84,107	3,966	59,900	144,468	332,721	122,075	105,688	19,030	38,770	137,055	55,418	5,105	351,498
Change in net assets	(189)	(3,480)	1,911	476	6,169	12,644	(4,311)	10,925	(7,869)	3,570	3,570	12,331	217,540	1,946	(257,931)
Net assets, beginning of year	695	18,212				40,480	200,363	2,971	84,658	(4,974)	4,916	4,916	14,764	2,052	16,933
Transfers:															
General administration				(476)	(7,079)	(16,052)	(14,250)	(15,803)	58,196						
Net assets, end of year	\$ 506	\$ 14,732	\$ 1,911	\$ (910)	\$ (910)	\$ 37,072	\$ 196,052	\$ (354)	\$ 76,789	\$ (5,940)	\$ 1,444	\$ 1,444	\$ 232,304	\$ 3,998	\$ (182,802)

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, 1999

	Crisis Line Contract #522391	Crisis Management Contract #522223	Crossroads Contract #523919	Project Life Contract #523990	Community Services Contract #523699
Revenues:					
Contract revenue	\$ 4,442	\$ 66,069	\$ 149,816	\$ 133,000	\$ 42,340
Client fees			7,296		
Total revenue	4,442	66,069	157,112	133,000	42,340
Expenditures:					
Personal services	2,704	46,309	96,216	78,683	25,978
Related benefits	295	7,664	15,240	14,776	4,709
Travel			1,516	5,170	2,086
Operating services	422	4,727	15,398	18,828	4,262
Supplies	45	200	12,143	1,149	268
Professional services	976	8,079	17,751	16,700	5,037
Capital assets					
Miscellaneous			733		
Total expenditures	4,442	66,979	158,997	135,306	42,340
Excess revenues (expenditures)	\$	\$ (910)	\$ (1,885)	\$ (2,306)	\$

Community Support Programs, Inc.
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Project Number</u>	<u>Grant Period</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program:				
Supportive Housing Program – Transitional Housing	14.235	LA48T91-1016	02/01/97-01/31/98	\$ 1,621
Supportive Housing Program – Transitional Housing	14.235	LA48B97-0803	02/01/98-01/31/99	50,734
Supportive Housing Program – Transitional Housing	14.235	LA48B80-1003	02/01/99-01/31/00	34,920
Supportive Housing Program – Project Reach	14.235	LA48A15-0818	10/01/95-12/31/99	323,124
Supportive Housing Program – Bridges	14.235	LA48B96-1303	N/A	163,522
Passed through the City of Shreveport:				
Emergency Shelter Grants Program				
Round XX – Transitions	14.231	N/A	03/19/97-07/01/98	187
Round XXI – Crossroads	14.231	N/A	07/01/97-12/31/98	4,318
Round XXI – Transitions	14.231	N/A	07/01/97-12/31/98	696
Round XXIII – Crossroads	14.231	N/A	07/01/98-12/31/99	1,180
Round XXIII – Transitions	14.231	N/A	07/01/98-12/31/99	2,997
Round XXIV – Crossroads	14.231	N/A	01/04/99-06/30/00	810
Round XXI – Project Reach	14.231	N/A	07/01/97-12/31/98	6,570
Round XXII – Project Reach	14.231	N/A	01/02/98-03/31/99	2,272
Community Development Block Grant (Bridges)				
	14.218	N/A	N/A	109,436
<u>U.S. Department of Health and Human Services</u>				
Passed through the State of Louisiana, Department of Social Services, Office of Community Services:				
Portals	93.556	370-700267	11/01/96-08/31/99	219,456
Portico	93.556	370-90069201	11/01/98-09/30/01	86,018
<u>U.S. Federal Emergency Management Agency</u>				
Emergency Food and Shelter	83.523	N/A	N/A	5,105
Total Federal Expenditures				<u>\$ 1,012,966</u>

NOTE: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
A. EDWARD BALL, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

RAYEBURN G. COOK (RFT.)

VICKIE D. NOBLE, CPA
CHERYL H. MANGRUM, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance and on Internal Control Over Financial Reporting 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, 1999, and have issued our report thereon dated October 22, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

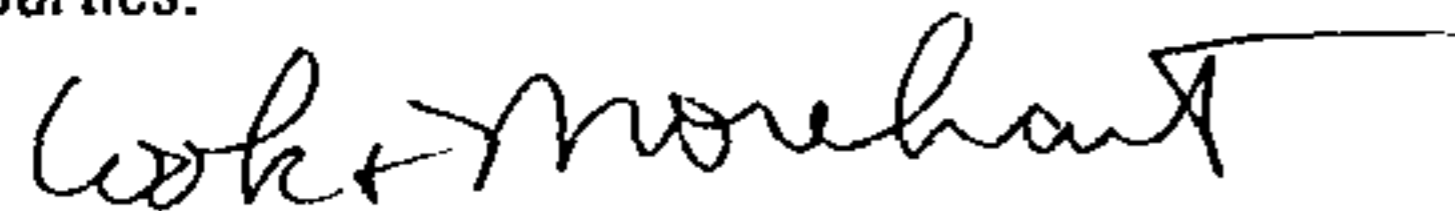
Compliance

As part of obtaining reasonable assurance about whether Community Support Programs, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain instance of noncompliance that is reported on the Schedule of Audit Findings for the Louisiana Legislative Auditor on page 22 of this report.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Support Programs, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
October 22, 1999

COOK & MOREHART

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A. EDWARD BALL, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

RAYEBURN G. COOK (RET.)

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AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS
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Report on Compliance With Requirements Applicable to Each
Major Program and Internal Control Over Compliance In
Accordance With OMB Circular A-133

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

Compliance

We have audited the compliance of Community Support Programs, Inc. with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. Community Support Programs, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Community Support Program, Inc.'s management. Our responsibility is to express an opinion on Community Support Program, Inc.'s compliance based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Support Program, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Community Support Program, Inc.'s compliance with those requirements.

In our opinion, Community Support Program, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

The management of Community Support Programs, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Community Support Program, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
October 22, 1999

Community Support Programs, Inc.
Summary Schedule of Prior Audit Findings
June 30, 1999

There were no findings or questioned costs for the prior audit period ending June 30, 1998.

Schedule of Findings and Questioned Costs
June 30, 1999

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Community Support Programs, Inc.
2. No reportable conditions are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Community Support Programs, Inc. were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program is reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for Community Support Programs, Inc. expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for Community Support Programs, Inc. reported in Part C. of this Schedule.
7. The programs tested as major programs were: Project Reach, Transitions, and Bridges, CFDA #14.235.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Community Support Programs, Inc. qualified as a low-risk auditee.

B. Findings – Financial Statements Audit: None

C. Findings and Questioned Costs – Major Federal Award Programs Audit: None

Community Support Programs, Inc.
Summary Schedule of Audit Findings for the Louisiana Legislative Auditor
June 30, 1999

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the prior year ended June 30, 1998.

Corrective Action Plan for Current Year Audit Findings

Reference No.:	Compliance Finding No. 99--1
Description of Finding:	Community Support Programs, Inc. did not submit its audit report for the year ended June 30, 1999 within six months of its year end as required by state law.
Corrective Action Planned:	Community Support Programs, Inc. will make every effort necessary to complete and submit its audit within six months after our year end.
Name of Contact Person:	Margaret Shemwell, Chief Executive Officer
Anticipated Completion Date:	N/A