

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

Financial Statements

As of and for the Years Ended June 30, 2022 and 2021

Community Support Programs, Inc.

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Community Support Programs, Inc., (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Support Programs, Inc., (a nonprofit organization) as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Support Programs, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Support Programs, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of Community Support Programs, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Support Programs, Inc.'s ability to continue as a going concern for a reasonable period of time.

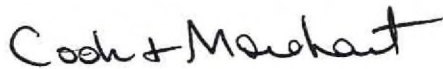
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, shown on pages 21-22, and the supplemental information schedules presented on pages 23 - 26, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of Community Support Programs, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Support Programs, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Support Programs, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 15, 2022

Community Support Programs, Inc.
 Statements of Financial Position
 June 30, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 418,537	\$ 403,644
Restricted cash		100,646
Grants receivable	315,258	188,706
Other receivable	113,789	17,330
Prepaid expenses	26,432	35,990
Total current assets	874,016	746,316
Property and equipment:		
Property and equipment	3,823,898	3,834,948
Accumulated depreciation	(1,395,987)	(1,281,556)
Net property and equipment	2,427,911	2,553,392
Total Assets	\$ 3,301,927	\$ 3,299,708
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 48,999	\$ 65,399
Accrued expenses	65,558	70,290
Security deposit liability	2,660	2,660
Line of credit	147,319	
Current portion of long-term debt	11,717	11,119
Refundable advance	30,494	43,845
Total current liabilities	306,747	193,313
Long-term debt, less current portion	561,002	572,533
HOME loan obligations	855,560	855,560
Accrued interest - HOME loans	341,145	309,614
Total liabilities	2,064,454	1,931,020
Net assets:		
Without donor restrictions	1,118,145	1,092,234
With donor restrictions	119,328	276,454
Total net assets	1,237,473	1,368,688
Total Liabilities and Net Assets	\$ 3,301,927	\$ 3,299,708

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

Community Support Programs, Inc.
Statement of Activities
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support:			
Contractual revenue - grants	\$ 2,332,545	\$	\$ 2,332,545
Client fees	171,342		171,342
Contributions of cash and other financial assets	26,511		26,511
Management fees	25,405		25,405
Interest and dividends	14,747		14,747
Miscellaneous revenues	53,007		53,007
Net assets released from restriction			
Satisfaction of program restrictions	157,126	(157,126)	
Total revenues, gains, and other support	2,780,683	(157,126)	2,623,557
Expenses:			
Program services			
Portals	338,872		338,872
Project reach II	511,088		511,088
Healthy babies	21,693		21,693
FEMA	1,250		1,250
Section 8 housing	275,636		275,636
Project aware	38,736		38,736
LA partnership for success II	152,826		152,826
Cora allen housing	187,530		187,530
Crossroads II housing	372,705		372,705
Impact	351,151		351,151
Adult consumer care	65,718		65,718
Drug free	130,911		130,911
Total program expense	2,448,116		2,448,116
General administration	306,656		306,656
Total expenses	2,754,772		2,754,772
Changes in net assets	25,911	(157,126)	(131,215)
Net assets, beginning of year	1,092,234	276,454	1,368,688
Net assets, end of year	\$ 1,118,145	\$ 119,328	\$ 1,237,473

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

Community Support Programs, Inc.
Statement of Activities
For the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains, and Other Support:			
Contractual revenue - grants	\$ 2,491,757	\$ 71,740	\$ 2,563,497
Client fees	166,404		166,404
Contributions of cash and other financial assets	17,417		17,417
Management fees	33,150		33,150
Interest	13,581		13,581
Miscellaneous revenues	47,688		47,688
Net assets released from restriction			
Satisfaction of program restrictions	<u>6,984</u>	<u>(6,984)</u>	
Total revenues, gains, and other support	<u>2,776,981</u>	<u>64,756</u>	<u>2,841,737</u>
Expenses:			
Program services			
Portals	331,304		331,304
Project reach II	426,809		426,809
FEMA	11,250		11,250
Section 8 housing	293,267		293,267
Project aware	77,587		77,587
LA partnership for success II	150,725		150,725
Cora allen housing	171,217		171,217
Crossroads II housing	397,516		397,516
Impact	360,356		360,356
Adult consumer care	70,528		70,528
Drug free	<u>97,670</u>		<u>97,670</u>
Total program expense	2,388,229		2,388,229
General administration	<u>458,429</u>		<u>458,429</u>
Total expenses	<u>2,846,658</u>		<u>2,846,658</u>
Changes in net assets	(69,677)	64,756	(4,921)
Net assets, beginning of year	<u>1,161,911</u>	<u>211,698</u>	<u>1,373,609</u>
Net assets, end of year	<u>\$ 1,092,234</u>	<u>\$ 276,454</u>	<u>\$ 1,368,688</u>

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, 2022

	Program Services						
	Portals	Project Reach II	FEMA	Section 8 Housing	Project Aware	Cora Allen Housing	LA Partnership for Success II
Salaries and wages	\$ 149,707	\$ 184,284	\$	\$	\$ 14,655	\$ 11,096	\$ 67,906
Payroll taxes and benefits	21,950	28,158			3,860	2,216	11,609
Travel	3,490	722				663	1,334
Operating services	104,433		1,250		1,947		4,357
Client needs		92,895					
Supplies	7,661	6,057			13,168		21,025
Professional fees	27,119	88,821			4,621		2,127
Housing assistance payments				275,636			
Equipment	12,430						
Utilities	6,770	32,687					
Interest						30,465	
Interest - HOME loan						9,000	
Depreciation		10,653				60,527	
Miscellaneous	5,312	66,811			485	73,563	44,468
Total Expenses	\$ 338,872	\$ 511,088	\$ 1,250	\$ 275,636	\$ 38,736	\$ 187,530	\$ 152,826

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

(Continued)

Community Support Programs, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2022
(Continued)

	Program Services					General Administration	Total
	Heathly Babies	Crossroads II Housing	Impact	Adult Consumer Care	Drug Free		
Salaries and wages	\$	\$ 133,442	\$ 123,141	\$ 18,713	\$ 79,849	\$ 125,952	\$ 908,745
Payroll taxes and benefits		23,653	25,523	4,079	16,586	23,761	161,395
Travel		305	601		4,829	2,495	14,439
Operating services		41,886	20,088	17,854	4,570	22,559	218,944
Client needs	21,693		113,043				227,631
Supplies		248		1,339	2,456	29,653	81,607
Professional fees		94,187	11,402	442	2,008	30,190	260,917
Housing assistance payments							275,636
Equipment			2,028	773		13,653	28,884
Utilities		13,803	35,715	17,181		6,761	112,917
Interest						375	30,840
Interest - HOME loan		22,531					31,531
Depreciation		42,650	1,550			10,101	125,481
Miscellaneous			18,060	5,337	20,613	41,156	275,805
Total Expenses	\$ 21,693	\$ 372,705	\$ 351,151	\$ 65,718	\$ 130,911	\$ 306,656	\$ 2,754,772

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, 2021

	Program Services						
	Portals	Project Reach II	FEMA	Section 8 Housing	Project Aware	Cora Allen Housing	LA Partnership for Success II
Salaries and wages	\$ 210,385	\$ 110,547	\$	\$	\$ 45,910	\$ 5,499	\$ 60,569
Payroll taxes and benefits	37,707	22,537			12,127	1,244	10,723
Travel	195					1,082	
Operating services	46,348		11,250		2,994		3,097
Client needs		97,512					
Supplies	8,982	3,415			1,396	90	24,356
Professional fees	13,194	55,606			11,728	350	2,124
Housing assistance payments				293,267			
Equipment	3,970						
Utilities	2,421	33,814					
Interest						31,863	
Interest - HOME loan						9,000	
Depreciation		8,877				60,527	
Miscellaneous	8,102	94,501			3,432	61,562	49,856
Total Expenses	\$ 331,304	\$ 426,809	\$ 11,250	\$ 293,267	\$ 77,587	\$ 171,217	\$ 150,725

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

(Continued)

Community Support Programs, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2021
(Continued)

	Program Services					Total
	Crossroads II	Impact	Adult		General	
	Housing		Consumer Care	Drug Free	Administration	
Salaries and wages	\$ 72,431	\$ 159,899	\$ 13,884	\$ 61,299	\$ 258,843	\$ 999,266
Payroll taxes and benefits	18,768	28,991	3,317	6,532	36,833	178,779
Travel		261			1,700	3,238
Operating services	72,355	5,440	22,164	2,291	27,087	193,026
Client needs		101,657				199,169
Supplies	513	11,336	30	1,573	26,638	78,329
Professional fees	126,480	1,870	840	11,028	41,218	264,438
Housing assistance payments						293,267
Equipment		740	5,120		12,241	22,071
Utilities	16,125	30,243	9,465		6,550	98,618
Interest					2,548	34,411
Interest - HOME loan	22,531					31,531
Depreciation	42,650	3,609	7,446		2,349	125,458
Miscellaneous	25,663	16,310	8,262	14,947	42,422	325,057
Total Expenses	\$ 397,516	\$ 360,356	\$ 70,528	\$ 97,670	\$ 458,429	\$ 2,846,658

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, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	\$ (131,215)	\$ (4,921)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	125,481	125,458
(Increase) decrease in operating assets:		
Grants receivable	(126,552)	25,807
Other receivables	(96,459)	(17,330)
Prepaid insurance	9,558	(4,729)
Increase (decrease) in operating liabilities:		
Accounts payable	(16,400)	27,786
Accrued liabilities	(4,732)	9,667
Accrued interest - HOME loan	31,531	31,531
Refundable advance	(13,351)	4,901
Net cash provided by (used in) operating activities	(222,139)	198,170
Investing Activities		
Payments for property and equipment		(60,622)
Net cash provided by (used in) investing activities		(60,622)
Financing Activities		
Proceeds from line of credit	330,627	675,446
Payments on line of credit	(183,308)	(722,403)
Payments of long-term debt	(10,933)	(9,535)
Net cash provided by (used in) financing activities	136,386	(56,492)
Net increase (decrease) in cash and cash equivalents	(85,753)	81,056
Cash, cash equivalents and restricted cash as of beginning of year	504,290	423,234
Cash, cash equivalents and restricted cash as of end of year	\$ 418,537	\$ 504,290
Reconciliation of cash, cash equivalents, and restricted cash balances:		
Cash and cash equivalents	\$ 418,537	\$ 403,644
Cash restricted from sale of building		100,646
Total cash, cash equivalents, and restricted cash	\$ 418,537	\$ 504,290

Supplemental Disclosure:

Operating activities reflect interest paid in 2022 and 2021 of \$30,840 and \$34,411, respectively.

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

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2022 and 2021

(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 (15%) — Provides parenting education (in group and individual setting), family skill building, and visit coaching. Program operates with two main goals; to increase family stability and to reduce incidents of child abuse and neglect. Program serves Bienville, Bossier, Caddo, Claiborne, Jackson, and Webster parishes. Funding is provided by federal funds passed through the State of Louisiana, Department of Social Services, Office of Community Services.

Project Reach II (21%) – Provides a residential facility that can accommodate twenty three participants to aide them in attaining affordable housing. The supportive services portion of the grant focuses overcoming barriers by advocating for public benefits, vocational and employment programs, mental health and substance abuse programs. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development.

FEMA (1%) – Provides funding to purchase food and shelter for people in emergency situations. Funding is provided by federal funds from the U.S. Department of Homeland Security.

Section 8 Housing (11%) – Provides Section 8 housing to eligible disabled clients in need by allowing clients to locate their own housing units and by supplementing their rent or utilities at the unit. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development.

Project Aware (2%) – Provides funding for mental health awareness issues among school-aged youth, and to provide training for school personnel and other adults who interact with school-aged youth to detect and respond to mental health issues. Funding is provided by federal funds through the U.S. Department of Health and Human Services.

Cora Allen Housing (5%) – Community Support runs a twelve unit apartment complex for low income individuals and their families. Funding is provided by rent and fees from the tenants.

Crossroads II Housing (14%) – Provides funding for sixteen one-bedroom apartments with supportive services to individuals who are homeless and chronically mentally ill. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development.

Drug Free (6%) – To increase the capacity of community coalitions to reduce substance abuse, and overtime, to reduce substance abuse among adults through strengthening collaboration among communities, public and private entities. Funding is provided by federal funds through the U.S. Department of Health and Human Services.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

Impact (15%) – Provides funding for a permanent supportive housing program for women and men who have substance abuse issues, including case management activities designed to assist the women with gaining their independence and achieving recovery from their addiction. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development.

Louisiana Partnership for Success II (7%) – Provides funding for coalition building in high need communities. Funding is provided by federal funds passed through the Northwest Louisiana Human Services District.

Consumer Care Resources (3%) – Provides funding for needed support, services, or goods to achieve, maintain, or improve individual/family community living status and level of functioning in order to continue living in the community as well as provide for Peer Support services. Funding is provided by federal and state funds passed through the Northwest Louisiana Human Services District.

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. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

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

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CSP or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. CSP has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

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

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

had no such income for this audit period. The Organization's Form 990, Return of Organization exempt from Income Tax, for the years ended June 30, 2022, 2021, 2020, and 2019 are subject to examination by the IRS, generally three years after they were filed.

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 \$5,000 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 there from is subject to state and federal regulations.

H. Contributions

Contributions received are recorded as increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

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.

J. Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged to the function they benefit. Facility related expenses are allocated to each function based upon square footage utilized by the function.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

(2) Concentrations of Credit Risk

Financial instruments that potentially subject CSP to concentrations of credit risk consist principally of temporary cash investments and grants receivable. Concentrations of credit risk with respect to grants receivable are limited due to these amounts being due from governmental agencies under contractual terms. CSP maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At June 30, 2022 and 2021, total cash balances held at financial institutions was \$469,037 and \$576,949, respectively, all of which was secured by FDIC.

(3) Restricted Cash

Restricted cash at June 30, 2021 consists of funds received from the sale of property purchased by and used in the HUD Transitions program. The restriction on these funds was released during the year ended June 30, 2022.

(4) Grants Receivable

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, 2022 and 2021, but received after those dates.

(5) 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.

(6) Contractual Revenue – Grants

During the years ended June 30, 2022 and 2021, CSP received contractual revenue from federal and state grants in the amount of \$2,332,545 and \$2,563,497, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(7) Accrued Expenses

An analysis of accrued expenses at June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Accrued leave payable	\$ 17,728	\$ 17,728
Accrued salaries	41,313	33,161
Accrued payroll taxes	6,517	19,401
	<u>\$ 65,558</u>	<u>\$ 70,290</u>

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

(8) Property and Equipment

Property and equipment consisted of the following at June 30, 2022:

	Estimated Depreciable Life	Purchased With State Or Federal Funds	Purchased With Operating Funds	Total
Land	n/a	\$ 46,607	\$ 49,169	\$ 95,776
Buildings and improvements	20–30 years	2,964,021	627,712	3,591,733
Vehicles	5 years	6,271	8,488	14,759
Furniture and equipment	5–7 years	112,496	9,134	121,630
Accumulated depreciation		<u>(1,126,257)</u>	<u>(269,730)</u>	<u>(1,395,987)</u>
Net investment in property and equipment		<u>\$ 2,003,138</u>	<u>\$ 424,773</u>	<u>\$2,427,911</u>

Depreciation expense for the year ended June 30, 2022 was \$125,481.

Property and equipment consisted of the following at June 30, 2021:

	Estimated Depreciable Life	Purchased With State Or Federal Funds	Purchased With Operating Funds	Total
Land	n/a	\$ 46,607	\$ 49,169	\$ 95,776
Buildings and improvements	20–30 years	2,964,021	627,712	3,591,733
Vehicles	5 years	6,271	8,488	14,759
Furniture and equipment	5–7 years	123,546	9,134	132,680
Accumulated depreciation		<u>(1,054,019)</u>	<u>(227,537)</u>	<u>(1,281,556)</u>
Net investment in property and equipment		<u>\$ 2,086,426</u>	<u>\$ 466,966</u>	<u>\$2,553,392</u>

Depreciation expense for the year ended June 30, 2021 was \$125,458.

(9) Line of Credit

The agency has a line of credit at a local bank, with an adjustable interest rate of .5% per annum plus than the prime lending rate of Chase Bank (6.25% at June 30, 2022). The loan is secured by certain real estate owned by CSP. The line of credit has a limit of \$200,000 and had an outstanding balance as of June 30, 2022 and 2021 of \$147,319 and \$0, respectively. Interest expense incurred on the line of credit for the years ended June 30, 2022 and 2021 was \$375 and \$2,548, respectively.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

(10) Leases

The agency leases certain property under operating leases. The rental costs on those leases for the years ended June 30, 2022 and 2021 were \$260,734 and \$245,074, respectively. Commitments under lease agreements having initial or remaining non-cancellable terms in excess of one year are as follows:

<u>For the Year Ending June 31,</u>	
2023	\$ 148,175
2024	<u>15,839</u>
Total minimum future rentals	<u>\$ 164,014</u>

(11) 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, 2022 and 2021 was approximately \$26,752 and \$40,440, respectively.

(12) Partnership Investments

CSP has entered into limited partnerships as a General Partner for various 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, in which they will co-manage the Partnerships. CSP's ownership percentage of each partnership is .05%.

(13) Net Assets

Net assets at June 30, 2022 and 2021, consisted of the following:

	2022	2021
Net Assets Without Donor Restrictions:		
Undesignated	\$ 42,783	\$ (97,676)
Net investment in property and equipment	999,632	1,114,180
Designated for Section 8	<u>75,730</u>	<u>75,730</u>
Total net assets without donor restrictions	<u>1,118,145</u>	<u>1,092,234</u>
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose –		
Restricted for Transition program		100,646
Restricted for Adult Consumer Care program	21,414	24,937
Restricted for Safe and Healthy Babies program		25,000
Restricted for LA Partnership for Success II	13,885	16,892
Restricted for Section 8 housing	72,364	90,905
Restricted for Drug Free	11,665	12,189
Restricted for Opioid program		<u>5,885</u>
Total net assets with donor restrictions	<u>119,328</u>	<u>276,454</u>
Total Net Assets	<u>\$ 1,237,473</u>	<u>\$ 1,368,688</u>

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

(14) Liquidity and Availability of Financial Assets

CSP monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. CSP has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

	2022	2021
Financial assets at year-end:		
Cash and cash equivalents	\$ 418,537	\$ 403,644
Restricted cash		100,646
Grant receivables	315,258	188,706
Other receivables	113,789	17,330
Total financial assets	847,584	710,326
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(119,328)	(276,454)
Less designated net assets which are designated for program use	(75,730)	(75,730)
Financial assets available to meet cash needs for general expenditures within one year	\$ 652,526	\$ 358,142

As reflected above, certain designated assets are designated for program use. These assets limited to use, as reflected in Note 13, are not available for general expenditures within the next year and are, therefore, deducted from the amounts noted above. However, designated amounts could be made available, if necessary.

In addition to financial assets available to meet general expenditures over the year, CSP operates with a balanced budget and anticipates covering its general expenditures using the income generated from contractual agreements with governmental agencies and contributions. The Statement of Cash Flows identifies the sources and uses of the CSP's cash and shows negative cash generated by operations of \$(222,139) for the year ended June 30, 2022 and positive cash generated by operations of \$198,170 for the year ended June 30, 2021. CSP also has a \$200,000 line of credit available to meet cash flow needs. Balance outstanding on the line of credit at June 30, 2022, was \$147,319.

(15) Long-term Debt

Long-term debt at June 30, 2022 and 2021 consisted of the following:

	2022	2021
Mortgage payable to a bank, interest rate 5.25%, payable in 120 monthly installments of \$3,450, including interest with one final payment due on August 25, 2027, secured by real estate.	\$ 572,719	\$ 583,652
Less current installments	(11,717)	(11,119)
Long-term portion	\$ 561,002	\$ 572,533

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

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

For the Year Ending June 30,	Approximate Amount
2023	\$ 11,717
2024	12,347
2025	13,011
2026	13,711
2027	14,448
2028 and after	<u>507,485</u>
	<u>\$ 572,719</u>

For the years ended June 30, 2022 and 2021, CSP incurred interest expense of \$30,465 and \$31,863, respectively.

(16) HOME Loan Obligations

CSP entered into a mortgage with Louisiana Housing Corporation (LHC) pursuant to a Home Affordable Rental Housing Program Regulatory Agreement. The loan proceeds were utilized in the funding of construction of the Crossroads II project. The mortgage has a stated interest rate of 4% per annum; payable in annual installments in the amount equal to 75% of surplus cash of the project due on the first day of April, 2010; provided, however, that all payments due hereunder shall be payable only out of and to the extent of the net cash flow to be determined after payment of all operating expenses approved by LHFA and after a cash distribution to the Owner of not more than 25% of the surplus cash determined by LHFA. Any accrued but unpaid amounts due under this note shall be paid on April 1, 2039, the note maturity date. No payments were made on this loan during the years ended June 30, 2022 and 2021.

CSP entered into a mortgage with the City of Shreveport pursuant to a Home CHDO Funds Multifamily Rental Housing Loan Agreement dated January, 2017. The loan proceeds were used to construct twelve (12) two and three bedrooms townhome units of affordable rental housing for low-income families. The mortgage has a stated interest rate of 3% per annum; payable in annual installments in the amount equal to 100% of surplus cash of the project due on the first day of April, 2017; provided, however, that all payments due hereunder shall be payable only out of and to the extent of the net cash flow to be determined after payment of all operating expenses, payment of all sums due or currently required to be paid under the terms of any permanent mortgage loan encumbering the project that is senior to this note and the promissory note secured by such permanent mortgage loan, and payment of all amounts required to be deposited into any reserve funds. The note is secured by a second mortgage and security interest on all land, buildings, and improvements located on the project site, and movable property. Interest on the note may be compounded no more frequently than annually. Any accrued but unpaid amounts due under this note shall be paid on April 1, 2046, the note maturity date, when all sums due under this note shall be due and payable (unless forgiven as provided for in the note and mortgage). No payments were made on this loan during the years ended June 30, 2022 and 2021.

Outstanding loan balances on each of the HOME loans as of June 30, 2022 and 2021 were as follows:

Home Loan – LHC	\$ 555,560
Home Loan – City of Shreveport	<u>300,000</u>
Total	<u>\$ 855,560</u>

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

(17) Accrued Interest HOME Loan

This amount represents accrued interest payable on the HOME loan obligations, subject to the payment terms, as detailed in the mortgage with Louisiana Housing Corporation and the City of Shreveport. No interest was paid on these loans during the years ended June 30, 2022 and 2021.

(18) Subsequent Events

Subsequent events have been evaluated through December 15, 2022, the date the financial statements were available to be issued.

(19) Contingency

CSP is a defendant in a lawsuit, the ultimate outcome of which is not presently determinable. An estimate of possible loss or range of loss cannot be reasonably estimated at this time.

(20) Other Receivables

Other receivables at December 31, 2022 and 2021, consist of reimbursements for expenses, insurance proceeds, and other miscellaneous amounts.

Community Support Programs, Inc.
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Project Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Supportive Housing Program - Project Reach II	14.267	LA0246L6H021904 & LA0246L6H022005	\$	\$ 532,686
Supportive Housing Program - Crossroads II	14.267	LA0152L6H022012 & LA0152L6H022113		344,600
Continuum of Care Program - Impact	14.267	LA0034L6H022013 & LA0034L6H022114		376,872
Housing Voucher Cluster				
Direct Program				
Mainstream Vouchers	14.879	LA888		311,844
Total Housing Voucher Cluster				<u>311,844</u>
Passed through the City of Shreveport				
CHDO Home Set-Aside Funds	14.239	2017 - 00000017		300,000
Passed through Louisiana Housing Corporation				
Home Investment Partnership Program	14.239	N/A		555,560
Total U.S. Department of Housing and Urban Development				<u>2,421,562</u>
<u>U.S. Department of Health and Human Services</u>				
Direct Programs:				
Bienville Community Coalition's Drug Free Community Project	93.276	1H79SP080097-01		142,361
Bossier/Shreveport Project AWARE	93.243	1H79SM081426-01		39,989
Passed through the State of Louisiana, Department of Children and Family Services				
Portals	93.556	18640		372,608
Passed through the Northwest Louisiana Human Services District				
Consumer Care Resources	93.958	N/A		54,918
Louisiana Partnership for Success II	93.243	N/A		163,116
Total U.S. Department of Health and Human Services				<u>772,992</u>
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter	97.024	N/A		1,250
Total Federal Expenditures			\$	<u>\$ 3,195,804</u>

See accompanying notes to the schedule of expenditures of federal awards.

Community Support Programs, Inc.
 Shreveport, Louisiana
 Notes to the Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2022

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Community Support Programs, Inc. under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community Support Programs, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Support Programs, Inc.

NOTE 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: Indirect Cost Rate

Community Support Programs, Inc. does not utilize an indirect cost rate.

NOTE 4: Loan Balances Outstanding

Community Support Programs, Inc. has the following loan balances outstanding at June 30, 2022:

<i>Federal Assistance</i> <u>Listing #</u>	<u>Program Name</u>	<i>Outstanding Balance at June 30, 2022</i>
14.239	Home Investment Partnership Program	\$ 555,560
14.239	Home Investment Partnership Program	300,000

Community Support Programs, Inc.
Shreveport, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2022

Agency Head: Veronica Glover, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 113,862
Benefits - insurance	5,341
Benefits - retirement	4,538
Benefits - group life/disability insurance	2,262
Reimbursements	600
Continuing professional education	375

Community Support Programs, Inc.
Supplemental Information Schedule
Schedule of Financial Position - Crossroads II Program
June 30, 2022

Assets	
Current assets:	
Cash	\$ 66,112
Grants receivable	62,909
Other receivable	50,000
Interagency receivable	11,951
Total current assets	190,972
Property and equipment:	
Property and equipment	1,299,510
Accumulated depreciation	(564,362)
Net property and equipment	735,148
Total Assets	\$ 926,120
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 3,204
Accrued expenses	8,116
Total current liabilities	11,320
HOME loan obligation	555,560
Accrued interest - HOME loan	296,145
Total liabilities	863,025
Net assets:	
Without donor restrictions	63,095
Total net assets	63,095
Total Liabilities and Net Assets	\$ 926,120

Community Support Programs, Inc.
 Supplemental Information Schedule
 Schedule of Activities - Crossroads II Program
 For the Year Ended June 30, 2022

Revenues and Other Support:

Contractual revenue - grants	\$ 353,928
Client fees - rent	32,767
Miscellaneous revenues	<u>2,652</u>
Total revenues and other support	<u>389,347</u>

Expenses:

Salaries and wages	144,636
Payroll taxes and benefits	25,654
Travel	312
Operating services	46,552
Supplies	248
Professional fees	97,356
Utilities	13,971
Interest - HOME loan	22,531
Depreciation	42,650
Miscellaneous	<u>9,707</u>
Total expenses	<u>403,617</u>

Changes in net assets	(14,270)
Net assets, beginning of year	<u>77,365</u>
Net assets, end of year	<u><u>\$ 63,095</u></u>

Community Support Programs, Inc.
 Supplemental Information Schedule
 Schedule of Cash Flows - Crossroads II Program
 For the Year Ended June 30, 2022

Operating Activities	
Change in net assets	\$ (14,270)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	42,650
(Increase) decrease in operating assets:	
Grants receivable	(35,752)
Other receivable	(50,000)
Interagency receivable	67,389
Increase (decrease) in operating liabilities:	
Accounts payable	(8,614)
Accrued expenses	2,462
Accrued interest - HOME loan	22,531
Net cash provided by operating activities	<u>26,396</u>
Net increase in cash	26,396
Cash as of beginning of year	<u>39,716</u>
Cash as of end of year	<u><u>\$ 66,112</u></u>

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Report on Internal Control Over Financial Reporting and on Compliance
And Other Matters Based on an Audit of Financial Statements Performed
in Accordance With Government Auditing Standards

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Community Support Programs, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Support Programs, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Support Programs, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Community Support Programs, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

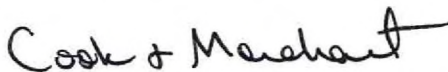
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Support Programs, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 15, 2022

COOK & MOREHART

Certified Public Accountants

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Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By the Uniform Guidance

Independent Auditors' Report

To the Board of Directors
Community Support Programs, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Support Programs, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Support Programs, Inc.'s major federal programs for the year ended June 30, 2022. Community Support Programs, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Support Programs, Inc. complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibility under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Support Programs, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Community Support Programs, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, regulations, rules, and provisions of contracts or grant agreements applicable to Community Support Programs, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Community Support Programs, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Community Support Programs, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Community Support Programs, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Community Support Programs, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Community Support Programs, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.


Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 15, 2022

Community Support Programs, Inc.
 Shreveport, Louisiana
 Summary Schedule of Prior Audit Findings
 June 30, 2022

There were no findings or questioned costs for the prior year audit for the year ended June 30, 2021.

Schedule of Findings and Questioned Costs
 June 30, 2022

A. Summary of Audit Results

Significant deficiencies identified : yes none reported

Noncompliance material to financial statements noted : yes no

Federal Awards

Internal control over major programs :
 Material weaknesses identified : yes no
 Significant deficiencies identified : yes none reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) yes no

Identification of major federal programs :

Federal Assistance Listing
 CHDO Home Set-Aside Funds - AL# 14.239
 Home Investment Partnership Program - AL# 14.239

Dollar threshold used to distinguish between type A and type B programs : \$750,000

Auditee qualified as low risk : yes no

B. Findings – Financial Statements Audit: None.

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

Community Support Programs, Inc.
Shreveport, Louisiana
Summary Schedule of Prior Year Audit Findings
Schedule for Louisiana Legislative Auditor
June 30, 2022

There were no findings or questioned costs for the prior year audit ended June 30, 2021.

Summary Schedule of Current Year Audit Findings
Schedule for Louisiana Legislative Auditor
June 30, 2022

There are no findings or questioned costs for the current year audit period ended June 30, 2022.

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS
Independent Accountants' Report on
Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Community Support Programs, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Community Support Programs, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collection for each type of revenue or agency fund additions.
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statutes (R.S.)42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosures/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Management provided written policies and procedures addressing all of the above, as applicable.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Procedures performed. No exceptions noted.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all

accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Management provided the requested information, along with management's representation that the listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures performed. Noted the following exceptions:

Exception: Bank reconciliations selected for testing appear to have been prepared more than 2 months of the related statement closing date.

Exception: Management has not documented that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Management provided the requested information, along with management's representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Procedures performed. No exceptions noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Procedures performed. No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. No exceptions noted.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Management provided the requested information, along with management's representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Procedures performed. Noted the following exceptions:

Exception: The employee responsible for processing payments is the same employee that adds/modifies vendor files.

Exception: The employee who processes payments is the same employee that mails the payments after signed.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Procedures performed. Noted the following exceptions:

Exception: The employee responsible for processing payments is the same employee that adds/modifies vendor files.

Exception: The employee who processes payments is the same employee that mails the payments after signed.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Management provided the requested information, along with management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.].
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Procedures performed. No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing)14. For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny. For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt (i.e., identifies precisely what was purchased)
- 2) Written documentation of the business/public purpose.
- 3) Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Procedures performed. No exceptions noted.

Travel and Travel - Related Expense Reimbursement (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedures performed. No exceptions noted.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Procedures performed. No exceptions noted.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Management provided the requested information, along with management's representation that the listing is complete.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Procedures performed. No exceptions noted.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Management provided the requested information, along with management's representation that the listing is complete.

Procedures performed. No exceptions noted.

19. Obtain management's representation that employer and employee portions of third party payroll-related amounts (payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums, etc.) have been paid, and associated forms have been filed by required deadlines.

Procedures performed. No exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Not applicable to nonprofit organizations.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable to nonprofit organizations.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management provided representation that there were not any misappropriations of public funds and assets during the fiscal period.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds

We observed that CSP has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Not applicable.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Not applicable.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

a) Number and percentage of public servants in the agency who have completed the training requirements;

b) Number of sexual harassment complaints received by the agency;

c) Number of complaints which resulted in a finding that sexual harassment occurred;

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

e) Amount of time it took to resolve each complaint.

Not applicable.

We were engaged by Community Support Programs, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Community Support Programs, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Cook & Morehart

Cook & Morehart
Certified Public Accountants
December 15, 2022



Community

Support Programs

December 15, 2022

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

Community Support Programs, Inc. submits the following responses to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended June 30, 2022:

Exception: Bank reconciliations selected for testing appear to have been prepared more than 2 months from the related statement closing date.

Response: Controls will be implemented to ensure that bank reconciliations are prepared within two months of the statement closing date.

Exception: Management has not documented that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Response: Management will research items outstanding for more than 12 months and will document such review.

Exception: The employee responsible for processing payments is the same employee that adds/modifies vendor files.

Response: All vendor payments are approved by management.

Exception: The employee who processes payments is the same employee that mails the payments after signed.

Response: Additional controls will be considered over mailing the payments after signatures are obtained.

Sincerely,



Veronica Glover
Executive Director

