

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

Financial Statements

As of and for the Year Ended June 30, 2019

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 Financial Statements

We have audited the accompanying financial statements of Community Support Programs, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Support Programs, Inc., as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

Effect of Adopting New Accounting Standard

As described in Note 2 to the financial statements, Community Support Programs, Inc. adopted the Financial Accounting Standards Board's Accounting Standard Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Community Support Programs, Inc.'s financial statements as of and for the year ended June 30, 2018, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 27, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived

Other Matters

Other 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, shown on pages 20 – 21, and the supplemental information schedules presented on pages 17 – 19 and 22 - 24, 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 auditing standards generally accepted in the United States of America. 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 19, 2019, 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 19, 2019

Community Support Programs, Inc
Statement of Financial Position
June 30, 2019
(With Comparative Amounts for 2018)

	2019	2018
Assets		
Current assets:		
Cash	\$ 184,384	\$ 107,087
Restricted cash	100,646	100,646
Grants receivable	423,862	327,282
Prepaid expenses	47,543	19,861
Total current assets	756,435	554,876
Property and equipment:		
Property and equipment	3,860,449	3,909,378
Accumulated depreciation	(1,103,728)	(1,009,132)
Net property and equipment	2,756,721	2,900,246
Total Assets	\$ 3,513,156	\$ 3,455,122
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 24,277	\$ 30,516
Accrued expenses	68,846	64,213
Security deposit liability	2,660	2,660
Line of credit	174,124	
Current portion of long-term debt	10,013	9,502
Refundable advance	57,951	77,443
Total current liabilities	337,871	184,334
Long-term debt, less current portion	593,203	603,033
HOME loan obligations	855,560	855,560
Accrued interest - HOME loans	246,490	214,959
Total liabilities	2,033,124	1,857,886
Net assets		
Without donor restrictions	1,236,670	1,427,498
With donor restrictions	243,362	169,738
Total net assets	1,480,032	1,597,236
Total Liabilities and Net Assets	\$ 3,513,156	\$ 3,455,122

The accompanying notes are an integral part of the financial statements

Community Support Programs, Inc.
Statement of Activities
For the Year Ended June 30, 2019
(With Comparative Amounts for 2018)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2019	2018
Revenues and Other Support:				
Contractual revenue - grants	\$ 2,318,796	\$ 142,716	\$ 2,461,512	\$ 2,345,152
Client fees	174,570		174,570	166,030
Donations	13,309		13,309	12,953
Management fees	30,818		30,818	32,217
Miscellaneous revenues	37,205		37,205	76,772
Net assets released from restriction				
Satisfaction of program restrictions	69,092	(69,092)		
Total revenues and other support	2,643,790	73,624	2,717,414	2,633,124
Expenses:				
Program expenses				
Portals	277,597		277,597	254,385
Project reach II	493,897		493,897	598,592
Opiod	63,577		63,577	56,734
FEMA	7,500		7,500	9,000
Section 8 housing	249,339		249,339	263,132
Project aware	80,181		80,181	
LA partnership for success II	68,920		68,920	
Cora Allen housing	177,491		177,491	204,793
Crossroads II housing	465,270		465,270	394,171
Transportation				10,575
Center for womens issues	346,337		346,337	298,018
LA partnership for success	92,961		92,961	165,355
Adult consumer care	81,475		81,475	130,888
Drug free	100,657		100,657	53,141
I-drive	10,536		10,536	5,443
Total program expenses	2,515,738		2,515,738	2,444,227
General administration	318,880		318,880	306,397
Total expenses	2,834,618		2,834,618	2,750,624
Changes in net assets	(190,828)	73,624	(117,204)	(117,500)
Net assets, beginning of year	1,427,498	169,738	1,597,236	1,714,736
Net assets, end of year	\$ 1,236,670	\$ 243,362	\$ 1,480,032	\$ 1,597,236

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, 2019
(With Comparative Amounts for 2018)

	Program Services							
	Portals	Project Reach II	Opioid	FEMA	Section 8 Housing	Project Aware	LA Partnership for Success II	Cora Allen Housing
Salaries and wages	\$ 152,113	\$ 176,450	\$ 42,165	\$	\$	\$ 34,138	\$ 22,290	\$ 14,693
Payroll taxes and benefits	21,449	34,165	6,075			8,256	2,201	2,694
Travel	6,949	1,398	7,852				3,139	110
Operating services	52,132			7,500		771		
Client needs		94,888						
Supplies	11,241	10,458	1,950			10,467	27,949	165
Professional fees	16,079	64,806	2,219			2,926		1,307
Housing assistance payments					249,339			
Equipment	4,126							
Utilities	4,809	32,904						
Interest								32,079
Interest - HOME loan								9,000
Depreciation		15,561						60,527
Miscellaneous	8,699	63,267	3,316			23,623	13,341	56,916
Total Expenses	\$ 277,597	\$ 493,897	\$ 63,577	\$ 7,500	\$ 249,339	\$ 80,181	\$ 68,920	\$ 177,491

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, 2019
(With Comparative Amounts for 2018)
(Continued)

	Program Services						General Administration	Total 2019	Total 2018
	Crossroads II Housing	Center for Womens Issues	LA Partnership for Success	Adult Consumer Care	Drug Free	I-Drive			
Salaries and wages	\$ 163,581	\$ 129,465	\$ 25,839	\$ 23,395	\$ 46,937	\$	\$ 138,207	\$ 969,273	\$ 902,257
Payroll taxes and benefits	28,299	25,978	5,081	4,851	8,619		26,225	173,893	176,072
Travel	195	690	5,716	8	18,338		5,791	50,186	37,514
Operating services	67,606	8,013	943	9,791	812		22,166	169,734	238,934
Client needs		106,239		13,954				215,081	186,680
Supplies	1,922	8,315	14,607	6,441	4		22,782	116,301	81,022
Professional fees	119,746	606	2,260	5,727	11,130		29,409	256,215	285,591
Housing assistance payments								249,339	263,132
Equipment			24	53			7,425	11,628	18,632
Utilities	12,450	26,322	637	7,429			5,627	90,178	91,367
Interest							7,943	40,022	36,338
Interest - HOME loan	22,531							31,531	31,531
Depreciation	47,483	6,578		720		2,218	2,120	135,207	136,517
Miscellaneous	1,457	34,131	37,854	9,106	14,817	8,318	51,185	326,030	265,037
Total Expenses	\$ 465,270	\$ 346,337	\$ 92,961	\$ 81,475	\$ 100,657	\$ 10,536	\$ 318,880	\$ 2,834,618	\$ 2,750,624

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

Community Support Programs, Inc
Statement of Cash Flows
For the Year Ended June 30, 2019
(With Comparative Amounts for 2018)

	2019	2018
Operating Activities		
Change in net assets	\$ (117,204)	\$ (117,500)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	135,207	136,517
Loss on disposal	8,318	6,441
(Increase) decrease in operating assets:		
Grants receivable	(96,580)	(50,162)
Prepaid insurance	(27,682)	4,750
Increase (decrease) in operating liabilities:		
Accounts payable	(6,239)	(1,903)
Accrued liabilities	4,633	1,251
Accrued interest - HOME loan	31,531	31,531
Refundable advance	(19,492)	(76,050)
Net cash provided by (used in) operating activities	(87,508)	(65,125)
Investing Activities		
Payments for property and equipment		(11,090)
Net cash (used in) investing activities		(11,090)
Financing Activities		
Proceeds from line of credit	324,124	114,903
Payments on line of credit	(150,000)	(250,105)
Proceeds from long-term debt		245,915
Payments of long-term debt	(9,319)	(6,879)
Net cash provided by (used in) financing activities	164,805	103,834
Net increase in cash	77,297	27,619
Cash as of beginning of year	107,087	79,468
Cash as of end of year	\$ 184,384	\$ 107,087

Supplemental Disclosure:

Operating activities reflect interest paid in 2019 of \$7,943.

The accompanying notes are an integral part of the financial statements

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2019

(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 (12%) — 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 (19%) – 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.

Opioid (3%) – To enhance existing statewide prevention, treatment, and recovery support services offered for individuals experiencing or a risk for opioid use disorder. Funding is provided by federal funds passed through the Northwest Louisiana Human Services District.

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 (3%) – 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.

Louisiana Partnership for Success II (4%) – Provides funding for coalition building in high need communities. Funding is provided by state funds passed through the Northwest Louisiana Human Services District.

Cora Allen Housing (4%) – Community Support operates 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 (16%) – 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.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2019
(Continued)

Center for Womens Issues (14%) – Provides funding for a permanent supportive housing program for women 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 (4%) – Provides funding for coalition building in high need communities. Funding is provided by state funds passed through the Northwest Louisiana Human Services District.

Consumer Care Resources (4%) – 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.

Drug Free (5%) – 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.

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.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2019
(Continued)

D. Income Tax Status

CSP is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code, and therefore, is not subject to income taxes. However, income from certain activities not directly related to CSP's tax-exempt purpose is subject to taxation as unrelated business income. CSP had no such income for this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2016, 2017, 2018, 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.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2019
(Continued)

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 Allocation of Expense

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.

K. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with general accepted accounting principles. Accordingly, such information should be read in conjunction with CSP's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

(2) Adoption of New Accounting Pronouncement

For the year ended June 30, 2019, CSP adopted the Financial Accounting Standard Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. A key change required by ASU 2016-14 are the net asset classes used in the financial statements. Amount previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

(3) 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, 2019, total cash balances held at financial institutions was \$328,542. All of the balances held at financial institutions were secured by FDIC.

(4) Restricted Cash

Restricted cash at June 30, 2019 consists of funds received from the sale of property purchased by and used in the HUD Transitions program.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2019
(Continued)

(5) 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, 2019, but received after that date. Management has determined that the allowance for bad debts is not material.

(6) 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:

Financial assets at year-end	
Cash and cash equivalents	\$ 184,384
Restricted cash	100,646
Grant receivables	<u>423,862</u>
Total financial assets	708,892
Less amounts not available to be used within one year:	
Restricted cash	(100,646)
Net assets with donor restrictions	(243,362)
Less designated net assets which are designated for program use	<u>(75,730)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 289,154</u>

As reflected above, certain designated assets are designated for program use. These assets limited to use, as reflected in Note 8, 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. 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, 2019, was \$174,124. The Statement of Cash Flows identifies the sources and uses of CSP's cash and shows negative cash generated by operations of \$(87,508) for fiscal year ending June 30, 2019.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2019
(Continued)

(7) Property and Equipment

Property and equipment consisted of the following at June 30, 2019:

	<u>Estimated Depreciable Life</u>	<u>Purchased With State Or Federal Funds</u>	<u>Purchased With Operating Funds</u>	<u>Total</u>
Land	n/a	\$ 49,307	\$ 49,169	\$ 98,476
Buildings and improvements	20–30 years	2,988,321	627,712	3,616,033
Vehicles	5 years	6,271	8,488	14,759
Furniture and equipment	5–7 years	107,994	23,187	131,181
Accumulated depreciation		<u>(1,064,229)</u>	<u>(39,499)</u>	<u>(1,103,728)</u>
Net investment in property and equipment		<u>\$ 2,087,664</u>	<u>\$ 669,057</u>	<u>\$2,756,721</u>

Depreciation expense for the year ended June 30, 2019 was \$135,207.

(8) Net Assets

Net assets at June 30, 2019, consisted of the following:

Net Assets Without Donor Restrictions.		
Undesignated		\$ (137,004)
Net investment in property and equipment		1,297,944
Designated for Section 8 housing		<u>75,730</u>
Total net assets without donor restrictions		<u>1,236,670</u>
Net Assets With Donor Restrictions		
Subject to expenditure for specified purpose –		
Restricted for Transition program		100,646
Restricted for Adult Consumer Care program		27,332
Restricted for LA Partnership for Success		14,575
Restricted for LA Partnership for Success II		20,503
Restricted for Section 8 housing		61,756
Restricted for Drug Free		8,500
Restricted for Opioid program		7,613
Restricted for Project Aware		<u>2,437</u>
Total net assets with donor restrictions		<u>243,362</u>
Total Net Assets		<u>\$ 1,480,032</u>

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2019
(Continued)

(9) Contractual Revenue – Grants

During the year ended June 30, 2019, CSP received contractual revenue from federal and state grants in the amount of \$2,461,512. The continued existence of these funds is based on annual contract renewals with various funding sources.

(10) Leases

The agency leases certain property under operating leases. The rental costs on those leases for the year ended June 30, 2019 was \$256,332. 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>		
2020	\$	61,305
2021		62,388
2022		<u>15,668</u>
Total minimum future rentals		<u>\$ 139,361</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 year ended June 30, 2019 was approximately \$29,258.

(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) 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.

(14) Accrued Expenses

An analysis of accrued expenses at June 30, 2019 consisted of the following:

	<u>2019</u>
Accrued leave payable	\$ 17,728
Accrued salaries	18,823
Accrued payroll taxes	<u>32,295</u>
	<u>\$ 68,846</u>

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2019
(Continued)

(15) Long-term Debt

Long-term debt at June 30, 2019 consisted of the following:

	<u>2019</u>
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 property.	603,216
Less current installments	(10,013)
Long-term portion	<u>\$ 593,203</u>

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

For the Year Ending June 30,	Approximate Amount
2020	\$ 10,013
2021	10,551
2022	11,119
2023	11,717
2024	12,347
2025 and after	547,469
	<u>\$ 603,216</u>

For the year ended June 30, 2019, CSP incurred interest expense of \$32,079.

(16) 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 Chase Bank (6.00% at June 30, 2019). 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 and had an outstanding balance as of June 30, 2019 of \$174,124. Interest expense incurred on the line of credit for the year ended June 30, 2019 was \$7,943.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2019
(Continued)

(17) HOME Loan Obligations

CSP entered into a mortgage with Louisiana Housing Finance Agency (LHFA) 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 year ended June 30, 2019.

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 year ended June 30, 2019.

Outstanding loan balances on each of the HOME loans as of June 30, 2019 were as follows:

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

(18) 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 year ended June 30, 2019.

(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) Subsequent Events

Subsequent events have been evaluated through December 19, 2019, the date the financial statements were available to be issued.

Community Support Programs, Inc.
Combining Schedule of Activities
For the Year Ended June 30, 2019
(With Comparative Totals for 2018)

	Portals	Project Reach II	Opioid	Housing Development	FEMA	Section 8 Housing	Hearthstone	Project Aware	LA Partnership for Success II	Cora Allen Housing
Revenues and Other Support:										
Contractual revenue-grants	\$ 310,402	\$ 497,447	\$ 76,645	\$	\$ 7,500	\$ 292,072	\$	\$ 89,589	\$ 96,237	\$
Client fees		20,426								87,147
Donations	2,000									
Management fees										
Miscellaneous revenues							383			
Total revenues and other support	312,402	517,873	76,645		7,500	292,072	383	89,589	96,237	87,147
Expenses and losses:										
Program:										
Salaries and wages	152,113	176,450	42,165					34,138	22,290	14,693
Payroll taxes and benefits	21,449	34,165	6,075					8,256	2,201	2,694
Travel	6,949	1,398	7,852						3,139	110
Operating services	52,132				7,500			771		
Client needs		94,888								
Supplies	11,241	10,458	1,950					10,467	27,949	165
Professional fees	16,079	64,806	2,219					2,926		1,307
Housing assistance payments						249,339				
Equipment	4,126									
Utilities	4,809	32,904								
Interest										32,079
Interest - HOME loan										9,000
Depreciation		15,561								60,527
Miscellaneous	8,699	63,267	3,316					23,623	13,341	56,916
Total program	277,597	493,897	63,577		7,500	249,339		80,181	68,920	177,491
Administrative:										
Salaries and wages	22,496	10,228	5,211			27,745		2,968	2,204	
Payroll taxes and benefits	4,926	1,625	751			5,313		718	218	
Travel		104	970			14			310	
Operating services						5,278		67		1,485
Supplies		14,409	241			335		910	2,764	176
Professional fees		11,096	274			900		254		1,341
Equipment						64				
Utilities						1,400				
Interest										
Depreciation										
Miscellaneous		8,155	410			1,495		2,054	1,319	592
Total general and administrative	27,422	45,617	7,857			42,544		6,971	6,815	3,594
Total expenses	305,019	539,514	71,434		7,500	291,883		87,152	75,735	181,085
Change in net assets	7,383	(21,641)	5,211			189	383	2,437	20,502	(93,938)
Net assets, beginning of year	(17,775)	63,143	2,402	(81,997)		157,446	210,259			931,009
Net assets, end of year	\$ (10,392)	\$ 41,502	\$ 7,613	\$ (81,997)	\$	\$ 157,635	\$ 210,642	\$ 2,437	\$ 20,502	\$ 837,071

(Continued)

Community Support Programs, Inc.
Combining Schedule of Activities
For the Year Ended June 30, 2019
(With Combining Totals for 2018)
(Continued)

	Crossroads II Housing	Transportation	Center for Womens Issues	LA Partnership for Success	Adult Consumer Care	Drug Free	I-Drive	General Administration	Total 2019	Total 2018
Revenues and Other Support:										
Contractual revenue-grants	\$ 361,469	\$ 38,876	\$ 374,930	\$ 105,636	\$ 94,803	\$ 115,906	\$	\$	\$ 2,461,512	\$ 2,345,152
Client fees	62,885		4,112						174,570	166,030
Donations				1,675				9,634	13,309	12,953
Management fees								30,818	30,818	32,217
Miscellaneous revenues	120							36,702	37,205	76,772
Total revenues and other support	424,474	38,876	379,042	107,311	94,803	115,906		77,154	2,717,414	2,633,124
Expenses and losses:										
Program:										
Salaries and wages	163,581		129,465	25,839	23,395	46,937			831,066	779,216
Payroll taxes and benefits	28,299		25,978	5,081	4,851	8,619			147,668	151,946
Travel	195		690	5,716	8	18,338			44,395	33,585
Operating services	67,606		8,013	943	9,791	812			147,568	209,886
Client needs			106,239		13,954				215,081	186,680
Supplies	1,922		8,315	14,607	6,441	4			93,519	60,437
Professional fees	119,746		606	2,260	5,727	11,130			226,806	232,205
Housing assistance payments									249,339	263,132
Equipment				24	53				4,203	11,693
Utilities	12,450		26,322	637	7,429				84,551	88,700
Interest									32,079	34,011
Interest - HOME loan	22,531								31,531	31,531
Depreciation	47,483		6,578		720		2,218		133,087	134,159
Miscellaneous	1,457		34,131	37,854	9,106	14,817	8,318		274,845	227,046
Total program	465,270		346,337	92,961	81,475	100,657	10,536		2,515,738	2,444,227
Administrative:										
Salaries and wages	9,852		15,797	2,556	2,891	5,215		31,044	138,207	123,041
Payroll taxes and benefits	1,691		2,579	503	600	958		6,343	26,225	24,126
Travel	138		42	565	1	2,037		1,610	5,791	3,929
Operating services	7,090		5,066	93	1,210	90		1,787	22,166	29,048
Supplies	18			1,445	796			1,688	22,782	20,585
Professional fees	7,620		5,043	223	708	1,237		713	29,409	53,386
Equipment				2	6			7,353	7,425	6,939
Utilities				63	918			3,246	5,627	2,667
Interest								7,943	7,943	2,327
Depreciation					89			2,031	2,120	2,358
Miscellaneous	9,548		9,554	3,743	1,125	1,646		11,544	51,185	37,991
Total general and administrative	35,957		38,081	9,193	8,344	11,183		75,302	318,880	306,397
Total expenses	501,227		384,418	102,154	89,819	111,840	10,536	75,302	2,834,618	2,750,624
Change in net assets	(76,753)	38,876	(5,376)	5,157	4,984	4,066	(10,536)	1,852	(117,204)	(117,500)
Net assets, beginning of year	279,598		17,689	9,418	12,935	4,435	10,681	(2,007)	1,597,236	1,714,736
Net assets, end of year	\$ 202,845	\$ 38,876	\$ 12,313	\$ 14,575	\$ 17,919	\$ 8,501	\$ 145	\$ (155)	\$ 1,480,032	\$ 1,597,236

Community Support Programs, Inc.
Shreveport, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2019

Agency Head: Margaret Shemwell, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 49,255
Benefits - insurance	4,065
Benefits - retirement	2,006
Conference travel	411

Community Support Programs, Inc.
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA 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	14.235	LA0246L6H021601 & LA0246L6H021702		485,803
Supportive Housing Program - Crossroads II	14.235	LA0152L6H021709 & LA0152L6H021810		354,184
Continuum of Care Program - Center for Womens Issues	14.267	LA0034L6H021710 & LA0034L6H021811		374,930
Housing Voucher Cluster				
Direct Program				
Mainstream Vouchers	14.879	LA888	_____	286,453
Total Housing Voucher Cluster			_____	286,453
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			_____	2,356,930
<u>U.S. Department of Health and Human Services</u>				
Direct Programs:				
Bienville Community Coalition's Drug Free Community Project	93.276	1H79SP080097-01		113,486
Bossier/Shreveport Project AWARE	93.243	1H79SM081426-01		88,680
Passed through the State of Louisiana, Department of Social Services, Office of Community Services				
Portals	93.556	7843		310,402
Passed through the Northwest Louisiana Human Services District				
Consumer Care Resources	93.958	731588		65,126
Louisiana Partnership for Success	93.959	NA		103,730
Louisiana Partnership for Success II	93.243	NA		88,385
Opioid State Targeted Response Initiative (STR)	93.788	NA		72,535
Total U.S. Department of Health and Human Services			_____	842,344
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter	97.024	N/A		7,500
Total Federal Expenditures			\$ _____	\$ 3,206,774

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, 2019

NOTE A: 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, 2019. 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 B: Summary of Significant Accounting Policies

- (1) The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.
- (2) Community Support Programs, Inc. does not utilize an indirect cost rate.

NOTE C: Loan Balances Outstanding

Community Support Programs, Inc. has the following loan balances outstanding at June 30, 2019:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance at June 30, 2019</u>
14.239	Home Investment Partnership Program	\$ 555,560
14.239	Home Investment Partnership Program	300,000

Community Support Programs, Inc.
Supplemental Information Schedule
Schedule of Financial Position - Crossroads II Program
June 30, 2019

Assets	
Current assets:	
Cash	\$ 61,889
Grants receivable	111,603
Total current assets	<u>173,492</u>
Property and equipment:	
Property and equipment	1,347,835
Accumulated depreciation	<u>(480,307)</u>
Net property and equipment	<u>867,528</u>
 Total Assets	 <u>\$ 1,041,020</u>
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 3,228
Accrued expenses	12,167
Interagency payable	38,729
Total current liabilities	<u>54,124</u>
HOME loan obligation	555,560
Accrued interest - HOME loan	<u>228,491</u>
Total liabilities	<u>838,175</u>
Net assets:	
Without donor restrictions	<u>202,845</u>
Total net assets	<u>202,845</u>
 Total Liabilities and Net Assets	 <u>\$ 1,041,020</u>

Community Support Programs, Inc.
 Supplemental Information Schedule
 Schedule of Activities - Crossroads II Program
 For the Year Ended June 30, 2019

Revenues and Other Support:

Contractual revenue - grants	\$	361,469
Client fees - rent		62,885
Miscellaneous revenues		<u>120</u>
Total revenues and other support		<u>424,474</u>

Expenses:

Salaries and wages		173,433
Payroll taxes and benefits		29,990
Travel		333
Operating services		74,696
Supplies		1,940
Professional fees/contract labor		127,366
Utilities		12,450
Interest - HOME loan		22,531
Depreciation		47,483
Miscellaneous		<u>11,005</u>

Total expenses		<u>501,227</u>
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Changes in net assets		(76,753)
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Net assets, beginning of year		<u>279,598</u>
-------------------------------	--	----------------

Net assets, end of year		<u><u>\$ 202,845</u></u>
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Community Support Programs, Inc
 Supplemental Information Schedule
 Schedule of Cash Flows - Crossroads II Program
 For the Year Ended June 30, 2019

Operating Activities	
Change in net assets	\$ (76,753)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	47,483
(Increase) decrease in operating assets:	
Grants receivable	(51,167)
Interagency receivable	11,676
Increase (decrease) in operating liabilities	
Accounts payable	(194)
Accrued expenses	4,847
Interagency payable	38,729
Accrued interest - HOME loan	22,531
Net cash (used in) operating activities	<u>(2,848)</u>
Net decrease in cash	(2,848)
Cash as of beginning of year	<u>64,737</u>
Cash as of end of year	<u>\$ 61,889</u>

COOK & MOREHART

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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, the financial statements of Community Support Programs, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 19, 2019.

Internal Control Over Financial Reporting

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

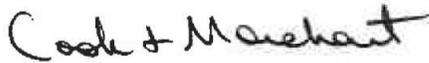
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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 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 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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 19, 2019

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.
Shreveport, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Community Support Programs, Inc.'s, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Community Support Programs, Inc.'s major federal program for the year ended June 30, 2019. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Community Support Programs, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance 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 Programs, 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 on compliance for the major federal program. However, our audit does not provide a legal determination of Community Support Programs, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Community Support Programs, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

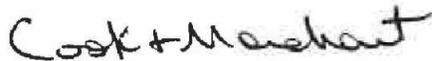
Report on Internal Control Over Compliance

Management of Community Support Programs, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Support Programs, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Support Programs, Inc.'s 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
December 19, 2019



Community Support Programs, Inc.

open hearts. open minds.

Summary Schedule of Prior Audit Findings

There were two findings for prior year audit period ended June 30, 2018, as follows:

FINDING – FINANCIAL STATEMENT AUDIT

2018-001 – Significant Deficiency

Condition: During our audit, we noted that rent payments collected from clients were not always made in the correct amounts and were not always deposited timely.

Recommendation: We recommended that the agency strengthen its internal controls with regards to collection of rents from clients to ensure that the proper amounts are charged, collected, and deposited. We recommend someone independent of the collection process monitor the collection and depositing of tenants rents to ensure they are collected in the correct amounts and that they are deposited timely.

Current Status: All rental amounts have been collected in the correct amounts. It should be noted that when a new tenant moves in during the middle of the month, the rent is prorated based upon the number of days remaining in the month. Deposits are being made in a timelier manner.

FINDING – FEDERAL AWARD PROGRAMS AUDIT

2018-002 - SIGNIFICANT DEFICIENCY

US Department of Housing and Urban Development - Home Investment Partnership Program – CFDA #14.239: Grant period – Year ended June 30, 2019

Condition: - *Significant Deficiency:* During our audit, we noted the following with regards to eligibility:

- Two tenants were not paying the correct rent amounts.
- One rental agreement could not be located.

Recommendation: We recommend that someone independent of eligibility determinations review all client files to ensure rent amounts charged to clients are correct and that client files contain copies of all applicable eligibility documentation, including lease agreements.

Current Status: All rental amounts have been collected in the correct amounts. It should be noted that when a new tenant moves in during the middle of the month, the rent is prorated based upon the number of days remaining in the month. Leases and supporting documentation are filed in each tenant file.

Community Support Programs, Inc.
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
June 30, 2019

A. Summary of Audit Results

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

Material weaknesses identified : _____ yes v no
Significant deficiencies identified : _____ yes v none reported

Noncompliance material to financial statements noted :

_____ yes v no

Federal Awards

Internal control over major programs :

Material weaknesses identified : _____ yes v no
Significant deficiencies identified : _____ yes v 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 v no

Identification of major federal programs :

CFDA# 14.239 - Home Investment Partnership Program

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

Auditee qualified as low risk : v yes _____ no

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, 2019

Summary Schedule of Prior Audit Findings

There were two findings for the prior year audit period ended June 30, 2018, as described in the accompanying Summary Schedule of Prior Audit Findings.

Corrective Action Plan for Current Year Audit Findings

There are no findings for the current year audit period ended June 30, 2019.

COOK & MOREHART

Certified Public Accountants

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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, which were agreed to by the Community Support Programs, Inc. (a nonprofit organization), and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Community Support Programs, Inc.'s (CSP) management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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 that 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 collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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 (e.g., determining the reasonableness of fuel card purchases)
- 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 Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.

CSP provided written policies and procedures addressing all of the above.

Board (or Finance Committee, if applicable)

Testing not required for this area for the fiscal period July 1, 2018 through June 30, 2019, due to no exceptions being noted in prior year.

Bank Reconciliations

Testing not required for this area for the fiscal period July 1, 2018 through June 30, 2019, due to no exceptions being noted in prior year.

Collections

- 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:

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

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Employees 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.

The employee responsible for collecting cash is not responsible for preparing/making bank deposits.

- 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.

The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers.

- 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.

The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledger, by revenue source is not responsible for collecting cash.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

All employees are covered by a blanket insurance policy for theft.

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.

CSP does not utilize sequentially pre-numbered receipt books.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

For the deposits selected for testing, all were traced to the deposit slips.

Exception: Receipts could not be provided for 4 of the 6 deposit slips tested.

Management's Response: Management has strengthened its controls over collections to ensure that receipts are written for all rent revenue received. Effective January 2019, receipts are written for rent revenues deposited. The time period tested was prior to that date.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

For the deposits selected for testing, the actual deposit was traced to 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)

For the deposits selected for testing, all were deposited within one business day of receipt, except as noted below:

Exception: 1 of the 6 deposit slips tested was not deposited until 4 business days later.

Management's Response: Management will strengthen its controls over collections to ensure that deposits are made timely.

- e) Trace the actual deposit per the bank statement to the general ledger

For the deposits selected for testing, all were traced to the general ledger

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.

CSP's written policies and procedures and employee job duties provide for the segregation of duties as noted above, except for as noted below:

Exception: Purchase requests are initiated and approved by the same employee. In addition, the employee responsible for processing payments is the same employee that mails out the signed checks

Management's Response: Management will review its controls over purchasing and disbursements and explore the feasibility of adding additional controls in this area

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 that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable

Management provided the requested information, along with management's representation that the listing is complete. For the transactions selected for testing, the disbursement matched the related original invoice and included evidence of segregation of duties, except as noted below:

Exception: Purchase requests are initiated and approved by the same employee. In addition, the employee responsible for processing payments is the same employee that mails out the signed checks.

Management's Response: Management will review its controls over purchasing and disbursements and explore the feasibility of adding additional controls in this area.

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

Testing not required for this area for the fiscal period July 1, 2018 through June 30, 2019, due to no exceptions being noted in prior year.

Travel and Expense Reimbursement

Testing not required for this area for the fiscal period July 1, 2018 through June 30, 2019, due to no exceptions being noted in prior year.

Contracts

Testing not required for this area for the fiscal period July 1, 2018 through June 30, 2019, due to no exceptions being noted in prior year.

Payroll and Personnel

Testing not required for this area for the fiscal period July 1, 2018 through June 30, 2019, due to no exceptions being noted in prior year.

Ethics (excluding nonprofits)

Not applicable to nonprofit organizations.

Debt Service (excluding nonprofits)

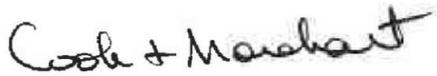
Not applicable to nonprofit organizations.

Other

Testing not required for this area for the fiscal period July 1, 2018 through June 30, 2019, due to no exceptions being noted in prior year.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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
Certified Public Accountants
December 19, 2019