

Community Support Programs, Inc.

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Independent Auditors' Report

To the Board of Directors
Community Support Programs, Inc.

We have audited the accompanying statements of financial position of Community Support Programs, Inc. as of June 30, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Community Support Programs, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Support Programs, Inc. at June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2009, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Community Support Programs, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying information on pages 13-14 is presented for additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cook & Morehart

Cook & Morehart
Certified Public Accountants
April 16, 2009

Community Support Programs, Inc.
 Statements of Financial Position
 June 30, 2008 and 2007

	2008	2007
Assets		
Current assets:		
Cash	\$ 204,279	\$ 254,055
Grants receivable	179,577	156,127
Other asset		7,477
Total current assets	383,856	417,659
Property and equipment:		
Property and equipment	879,017	907,184
Accumulated depreciation	(404,596)	(411,683)
Net property and equipment	474,421	495,501
Total Assets	\$ 858,277	\$ 913,160
Liabilities and Net Assets		
Current liabilities:		
Line of credit	\$ 195,000	\$ 124,305
Accounts payable	28,202	9,647
Accrued expenses	42,184	41,912
Current portion of long-term debt	7,976	13,412
Refundable advance	139,034	178,201
Total current liabilities	412,396	367,477
Long-term debt, less current portion		9,365
Total liabilities	412,396	376,842
Net assets:		
Unrestricted:		
Operating	(295,709)	(226,352)
Designated	267,169	267,169
Fixed assets	474,421	495,501
Total net assets	445,881	536,318
Total Liabilities and Net Assets	\$ 858,277	\$ 913,160

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

Community Support Programs, Inc.
 Statements of Activities
 For the Years Ended June 30, 2008 and 2007

	Unrestricted	
	2008	2007
Revenues and Other Support:		
Contractual revenue - grants	\$ 1,591,965	\$ 1,631,530
Client fees	16,188	16,937
Donations	9,767	30,796
Development fees	31,650	60,392
Miscellaneous revenues	41,582	60,022
Total revenues and other support	1,691,152	1,799,677
Expenses:		
Program services	1,671,915	1,696,403
General administration	109,674	71,296
Total expenses	1,781,589	1,767,699
Changes in net assets	(90,437)	31,978
Net assets, beginning of year	536,318	504,340
Net assets, end of year	\$ 445,881	\$ 536,318

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

Community Support Programs, Inc.
 Statements of Functional Expenses
 For the Years Ended June 30, 2008 and 2007

Expenses:	2008		
	Program	General	Total
Salaries and wages	\$ 862,177	\$ 29,981	\$ 892,158
Payroll taxes and benefits	128,390	6,004	134,394
Travel	49,027	441	49,468
Operating services	163,536	12,693	176,229
Supplies	57,743	2,355	60,098
Professional fees	113,990	2,170	116,160
Housing assistance payments	183,826		183,826
Equipment	9,079	42	9,121
Utilities	42,098	2,583	44,681
Interest		13,158	13,158
Depreciation	34,324	6,241	40,565
Miscellaneous	27,725	34,006	61,731
Total expenses	\$ 1,671,915	\$ 109,674	\$ 1,781,589

Expenses:	2007		
	Program	General	Total
Salaries and wages	\$ 883,579	\$ 13,328	\$ 896,907
Payroll taxes and benefits	130,225	8,433	138,658
Travel	37,755	99	37,854
Operating services	164,919	13,418	178,337
Supplies	39,282	152	39,434
Professional fees	83,748	842	84,590
Housing assistance payments	213,589		213,589
Equipment	10,966	178	11,144
Utilities	50,957	1,098	52,055
Interest		16,443	16,443
Depreciation	42,575	3,432	46,007
Miscellaneous	38,808	13,873	52,681
Total expenses	\$ 1,696,403	\$ 71,296	\$ 1,767,699

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, 2008 and 2007

Operating Activities	2008	2007
Change in net assets	\$ (90,437)	\$ 31,978
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	40,565	46,007
Loss on disposal	459	
(Increase) decrease in operating assets:		
Grants receivable	(23,450)	64,502
Other assets	7,477	(7,477)
Increase (decrease) in operating liabilities:		
Accounts payable	18,555	(4,836)
Accrued liabilities	272	9,119
Refundable advance	(39,167)	89,869
Net cash provided by (used in) operating activities	(85,726)	229,162
 Investing Activities		
Payments for property and equipment	(19,944)	(43,559)
Net cash used in investing activities	(19,944)	(43,559)
 Financing Activities		
Proceeds from line of credit	240,720	552,518
Payments on line of credit	(170,025)	(623,966)
Payments of long-term debt	(14,801)	(12,393)
Net cash provided by (used in) financing activities	55,894	(83,841)
 Net Increase (decrease) in cash	(49,776)	101,762
 Cash as of beginning of year	254,055	152,293
 Cash as of end of year	\$ 204,279	\$ 254,055

Supplemental Disclosure:

Operating activities reflect interest paid in 2008 and 2007 of \$14,217 and \$16,385, respectively.

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

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2008 and 2007

(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 (23%) — Provides coordinated, site or home based Respite Care focused on alleviation of stress or crisis in the foster or adoptive home that endangers the permanence of the family for the child. Funding is provided by federal funds passed through the State of Louisiana, Department of Social Services, Office of Community Services.

Project Reach (17%) — Provides a resident facility with a capacity of nine beds for homeless dually diagnosed (mentally ill/chemical abusers) adults. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development.

Case Management (12%) — Provides case management and crisis services to clients of the Office of Mental Health. Funding is provided by state funds from the State of Louisiana, Department of Health and Hospitals, Office of Mental Health.

Transitions (3%) — Provides up to 24 months of supported living services for the homeless mentally ill. This program is funded with federal funds from the U.S. Department of Housing and Urban Development.

Emergency Shelter Grants (4%) — Account for certain expenditures designed to improve the quality of emergency shelters for the homeless. This program helps maintain the agency's crisis shelter and transitional housing. This program is funded by federal funds from the U.S. Department of Housing and Urban Development passed through the City of Shreveport.

Housing Development (2%) — Provides funding to develop housing for the homeless mentally ill. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development.

Section 8 Housing (14%) — 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.

Hearthstone (1%) — Provides assistance to low-income families as well as the city's faltering neighborhoods with the building of new energy efficient housing. Housing costs are leveraged to lower the cost for first-time homebuyers. Funding is provided by federal funds from the U.S. Department of Housing and Urban Development passed through the City of Shreveport.

CHDO (1%) — Provides operational support in coordination with agency programs for developing low-income housing. Funding is provided by federal funds passed through the City of Shreveport.

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

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Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2008 and 2007
(Continued)

Transportation (7%)— To increase access to mental health services and other needed social services for consumer's living in the catchment area of Region VII. The intent is to provide both direct transportation and funds for public transportation when there are no other means available. Funding is provided by federal funds passed through the State of Louisiana, Department of Health and Hospitals, Office of Mental Health.

B. Basis of Accounting

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

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Tax Status

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

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. Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2008 and 2007
(Continued)

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

I. **Compensated Absences**

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

J. **Expense Allocation**

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

(2) **Concentrations of Credit Risk**

Financial instruments that potentially subject CSP to concentrations of credit risk consist principally of temporary cash investments and 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. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$100,000 at each institution. At June 30, 2008, total cash balances held at financial institutions was \$248,064. Of this amount, \$161,537 was insured by FDIC and the remaining \$86,527 was unsecured. At June 30, 2007, total cash balances held at financial institutions was \$357,617. Of this amount, \$276,776 was insured by FDIC and the remaining \$80,841 was unsecured.

(3) **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, 2008 and 2007, but received after that date.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2008 and 2007
(Continued)

(4) Property and Equipment

Property and equipment consisted of the following at June 30, 2008:

	Estimated Depreciable Life	Purchased With State Or Federal Funds	Purchased With Operating Funds	Total
Land	n/a	\$ 53,774	\$ 22,046	\$ 75,820
Buildings and improvements	20-30 years	606,705	27,234	633,939
Vehicles	5 years	35,072	8,487	43,559
Furniture and equipment	5-7 years	100,740	24,959	125,699
Accumulated depreciation		<u>(365,381)</u>	<u>(39,215)</u>	<u>(404,596)</u>
Net investment in property and equipment		<u>\$ 430,911</u>	<u>\$ 43,510</u>	<u>\$ 474,421</u>

Depreciation expense for the year ended June 30, 2008 was \$40,565.

Property and equipment consisted of the following at June 30, 2007:

	Estimated Depreciable Life	Purchased With State Or Federal Funds	Purchased With Operating Funds	Total
Land	n/a	\$ 53,774	\$ 22,046	\$ 75,820
Buildings and improvements	20-30 years	606,705	27,234	633,939
Vehicles	5 years	35,072	8,488	43,559
Furniture and equipment	5-7 years	120,107	33,758	153,865
Accumulated depreciation		<u>(366,835)</u>	<u>(44,848)</u>	<u>(411,683)</u>
Net investment in property and equipment		<u>\$ 448,823</u>	<u>\$ 46,678</u>	<u>\$ 495,501</u>

Depreciation expense for the year ended June 30, 2007 was \$46,007.

(5) Line of Credit

The agency has a line of credit at a local bank, with an adjustable interest rate of .5% per annum less than the prime lending rate of Chase Bank. The loan is secured by any and all of CSP's present and future accounts receivable, present and future inventory, related equipment, other personal property including present and future general intangibles and agency real estate. The line of credit has a limit of \$200,000, with an outstanding balance at June 30, 2008 and 2007 of \$195,000 and \$124,305, respectively. Interest expense incurred on the line of credit for the years ended June 30, 2008 and 2007 was \$12,859 and \$13,843, respectively.

(6) Refundable Advance

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

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2008 and 2007
(Continued)

(7) Accrued Expenses

An analysis of accrued expenses at June 30, 2008 and 2007 follows:

	2008	2007
Accrued salaries and wages	\$ 15,116	\$ 15,841
Accrued leave payable	9,097	14,106
Accrued payroll taxes	17,971	11,965
	\$ 42,184	\$ 41,912

(8) Contractual Revenue – Grants

During the years ended June 30, 2008 and 2007, CSP received contractual revenue from federal and state grants in the amount of \$1,591,965 and \$1,631,530, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(9) Development fees

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

(10) Leases

The agency leases certain buildings and equipment under operating leases. The rental costs on these items for the years ended June 30, 2008 and 2007 were \$69,331 and \$63,299, respectively.

Commitments under lease agreements having initial remaining terms in excess of one year are as follows:

For the Year Ending June 30, <u>2009</u>	\$ <u>1,800</u>
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(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, 2008 and 2007 was approximately \$30,567 and \$24,691, 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%.

(Continued)

Community Support Programs, Inc.
Notes to Financial Statements
June 30, 2008 and 2007
(Continued)

(13) Long-term Debt

Long-term debt at June 30, 2008 and 2007, consisted of the following:

	2008	2007
Mortgage payable to a bank, interest rate 8.5%, payable in 119 monthly installments of \$1,238.34, including interest, with one final payment for the balance due February 20, 2009, secured by a collateral mortgage note	\$ 7,976	\$ 22,777
Less current installments	(7,976)	(13,412)
Long-term portion	\$ -	\$ 9,365

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

For the Year Ending June 30, 2009	Approximate Amount
	\$ 7,976

For the years ended June 30, 2008 and 2007, the Agency incurred interest expense of \$1,358 and \$2,542, respectively.

(14) Designated Assets

The designated net assets at June 30, 2008 and 2007 consisted of the following:

	2008	2007
Hearthstone Program:		
Proceeds from sale of homes – to be reinvested in future homes	\$ 96,914	\$ 96,914
Proceeds from sale of homes– to be used in renovations of HUD facilities	100,000	100,000
Section 8 Housing	70,255	70,255
	\$ 267,169	\$ 267,169

(15) Subsequent Events

On May 27, 2008, CSP sent a letter to the Legislative Auditor's Office concerning potential irregularities with regards to use of the agency's credit cards – charge accounts. It appears certain items that could be of a personal nature were charged on charge accounts–credit cards. It appears that those items may have been purchased by a former employee of the agency. The City of Shreveport Police Department and the Caddo Parish District Attorney's Office were notified and an arrest was made on May 22, 2008. The defendant pled guilty and was sentenced in July, 2008.

In August 2008, CSP entered into a contract for the construction of an apartment complex to be used for a supportive housing program for the homeless, chronically mentally ill for \$1,132,072. Total estimated costs of the project are approximately \$1,367,822. CSP expects to receive funding for this project from the following sources: Louisiana Housing Finance Agency HOME loan funds - approximately \$555,560, U.S. Department of Housing and Urban Development – approximately \$250,000; City of Shreveport CHDO Set-Aside funds – approximately \$400,000, and a mortgage of \$150,000. The mortgage is dated January 28, 2009, and is a multiple-indebtedness mortgage, with interest at 2.0% above Wall Street prime rate, interest payable monthly, principal due in full on January 28, 2010, secured by property.

Community Support Programs, Inc.
 Combining Schedule of Activities
 For the Year Ended June 30, 2008

	Portals	Project Reach	Case Management	Transitions	Emergency Shelter Grants	Housing Development	Section 8 Housing
Revenues and Other Support:							
Contractual revenue-grants	\$ 397,476	\$ 262,293	\$ 199,240	\$ 45,822	\$ 73,889	\$ 40,769	\$ 199,262
Client fees		15,788		400			
Donations	90	3,150					
Development fees			6,094				32
Miscellaneous revenues		3,489					
Total revenues and other support	397,566	284,700	205,334	46,222	73,889	40,769	199,294
Expenses and losses:							
Salaries and wages	238,604	207,967	130,059	29,239		7,488	2,624
Payroll taxes and benefits	36,685	29,411	16,282	5,171		7,100	397
Travel	27,060	2,143	12,581	700		2,483	61
Operating services	39,827	11,769	9,647	5,699	37,628	21,213	3,558
Supplies	10,591	7,053	5,586	264	3,330	3,459	76
Professional fees	27,372	13,463	7,882	2,016		35,033	8,559
Housing assistance payments							183,826
Equipment	2,267	1,158	494	204	3,695	70	38
Utilities	8,096	4,118	2,882	1,437	18,906	27	86
Interest							
Depreciation	1,900	10,114	4	4,478		810	
Miscellaneous	7,865	7,348	1,941	1,216	5,071	673	66
Total expenses and losses	400,287	294,564	187,358	50,424	68,630	78,356	199,294
Change in net assets	(2,721)	(9,864)	17,976	(4,202)	5,259	(37,587)	
Net assets, beginning of year	(6,462)	158,366	2,712	17,320	(15,187)	(55,312)	70,256
Transfers			(16,832)				
Net assets, end of year	\$ (9,203)	\$ 148,502	\$ 3,856	\$ 13,118	\$ (9,928)	\$ (92,989)	\$ 70,256

(Continued)

Community Support Programs, Inc.
Combining Schedule of Activities
For the Year Ended June 30, 2008
(Continued)

	Hearthstone	CHDO	Bridges	Transportation	General Administration	Total
Revenues and Other Support:						
Contractual revenue-grants	\$	14,344	\$ 250,667	\$ 108,203	\$	\$ 1,591,965
Client fees						16,188
Donations			3,150		3,377	9,767
Development fees					31,650	31,650
Miscellaneous revenues	292				31,695	41,582
Total revenues and other support	292	14,344	253,817	108,203	66,722	1,691,152
Expenses and losses:						
Salaries and wages		13,226	186,026	46,944	29,981	892,158
Payroll taxes and benefits		1,277	26,752	5,305	6,004	134,394
Travel		1,865	1,834	310	441	49,468
Operating services		5,020	11,641	17,533	12,693	176,229
Supplies		20	8,430	18,934	2,355	60,098
Professional fees		5,034	13,286	1,325	2,170	116,160
Housing assistance payments						183,626
Equipment		8	615	510	42	9,121
Utilities		13	4,434	2,097	2,583	44,681
Interest					13,158	13,158
Depreciation			8,466	8,552	6,241	40,565
Miscellaneous		248	2,525	772	34,006	61,731
Total expenses and losses		26,711	264,009	102,282	109,674	1,781,589
Change in net assets	292	(12,367)	(10,192)	5,921	(42,952)	(90,437)
Net assets, beginning of year	210,606	(7,674)	60,411	25,565	75,737	538,318
Transfers					16,832	
Net assets, end of year	\$ 210,898	\$ (20,041)	\$ 50,219	\$ 31,486	\$ 49,617	\$ 445,881

Community Support Programs, Inc.
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Project Number	Grant Period	Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Supportive Housing Program - Transitional Housing	14.235	LA48B602005	2/07 - 1/08	\$ 16,455
Supportive Housing Program - Project Reach	14.235	LA48B502013 & LA48B602008	1/07 - 12/07 & 1/08 - 12/08	281,200
Supportive Housing Program - Bridges	14.235	LA48B602012 & LA48B702012	4/07 - 3/08 & 4/08 - 03/09	250,667
Section 8 Housing Choice Vouchers	14.871	LA888VO	N/A	198,294
Passed through the City of Shreveport:				
Emergency Shelter Grants Program	14.231	N/A	1/07 - 12/07	5,200
Round XXXIX - Transitions	14.231	N/A	1/07 - 12/07	10,000
Round XXXIX - Bridges	14.231	N/A	1/07 - 12/07	10,000
Round XXXIX - Reach	14.231	N/A	1/08 - 12/08	8,304
Round XXXX - Bridges	14.231	N/A	1/08 - 12/08	9,572
Round XXXX - Reach	14.231	N/A	1/08 - 12/08	7,225
Round XXXXI - Bridges	14.231	N/A	1/08 - 12/08	6,982
Round XXXXI - Reach	14.231	N/A	1/08 - 12/08	5,625
Round XXXXII - Bridges	14.231	N/A	1/08 - 12/08	5,471
Round XXXXII - Reach	14.231	N/A	7/07 - 12/07	14,344
CHDO Operating	14.239	200700000376		
Passed through Louisiana Housing Finance Agency				
Home Investment Partnership Program - CHDO Operating	14.239	N/A	1/08 - 12/08	30,000
<u>U.S. Department of Health and Human Services</u>				
Passed through the State of Louisiana, Department of Social Services, Office of Community Services:				
Portals	93.556	628033	9/05 - 8/08	397,476
<u>U.S. Department of Health and Human Services</u>				
Passed through the State of Louisiana, Department of Health and Hospitals				
Social Services Block Grant - Transportation	93.667	N/A	7/07 - 06/08	93,730
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter	97.024	N/A	N/A	2,584
Total Federal Expenditures				<u>\$ 1,354,129</u>

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

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

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

We have audited the financial statements of Community Support Programs, Inc. (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated April 16, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Support Programs, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures 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 Programs, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Community Support Programs, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Community Support Programs, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Community Support Programs, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by Community Support Programs, Inc.'s internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2008-B1, 2008-B2, 2008-B3, 2008-B4, 2008-B5, and 2008-B7 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Community Support Programs, Inc.'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 2008-B1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Support Programs, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2008-B6.

We also noted certain other matters that we reported to management of Community Support Programs, Inc. in a separate letter dated April 16, 2009.

Community Support Programs, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit their response and, accordingly, we express no opinion on it.

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



Cook & Morehart
Certified Public Accountants
April 18, 2009

COOK & MOREHART

Certified Public Accountants

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

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

Compliance

We have audited the compliance of Community Support Programs, Inc. (a nonprofit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Community Support Programs, Inc.'s management. Our responsibility is to express an opinion on Community Support Programs, Inc.'s compliance based on our audit.

We conducted our audit 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on 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. Our audit does not provide a legal determination on Community Support Programs, Inc.'s compliance with those requirements.

In our opinion, Community Support Programs, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

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

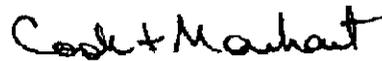
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Community Support Programs Inc.'s ability to administer a federal program that such that there is a more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Items 2008-C1, 2008-C2, and 2008-C3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Community Support Programs Inc.'s internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Community Support Programs Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit their response and accordingly, we express no opinion on it.

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



Cook & Morehart
Certified Public Accountants
April 16, 2009

Community Support Programs, Inc.
Summary Schedule of Prior Audit Findings
June 30, 2008

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

2007-C1 Supportive Housing Program – Project Reach, Transitions, Bridges – CFDA # 14.235; Portals Program – CFDA # 93.556

MATERIAL WEAKNESS

Statement of Condition: During our audit, we noted that bank reconciliations were not accurately prepared, reviewed or approved by a responsible individual during the year.

Recommendation: We recommend that bank reconciliations be prepared accurately and should be reviewed and approved by a responsible individual on a monthly basis.

Current Status: See repeat finding in current year audit.

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

2007-C2 Supportive Housing Program – Project Reach, Transitions, Bridges, – CFDA # 14.235; Portals Program – CFDA # 93.556

SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit, we noted that the balances in the accounts payable and accounts receivable accounts were not being reconciled on a periodic basis. Significant adjusting journal entries had to be proposed to correct the account balances.

Recommendation: We recommend that accounts payable and accounts receivable accounts be reviewed / reconciled on a periodic basis.

Current Status: See repeat finding in current year audit.

Community Support Programs, Inc.
Schedule of Findings and Questioned Costs
June 30, 2008

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Community Support Programs, Inc.
2. Six significant deficiencies are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Of these deficiencies, Item 2008-B1 is reported as a material weakness.
3. One instance of noncompliance material to the financial statements of Community Support Programs, Inc. was disclosed during the audit.
4. Three significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133. None of these deficiencies are reported as material weaknesses.
5. The auditor's report on compliance for the major federal award programs for Community Support Programs, Inc. expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs were: Project Reach, Transitions, Bridges, CFDA #14.235; and Portals, CFDA #93.556.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Community Support Programs, Inc. did not qualify as a low-risk auditee.

B. Findings – Financial Statements Audit:

2008-B1 - MATERIAL WEAKNESS

Statement of Condition: As of June 30, 2008, the agency had an operating net asset (deficit) of (\$295,709). The deficit for the prior year ended June 30, 2007 was (\$226,352).

Cause: The operating net asset (deficit) is the result of the agency's operations not being properly budgeted within the existing programs being administered by the agency.

Recommendation: We recommend that the agency employ better budgeting practices to eliminate deficit spending in the future and that management and the Board of Directors meet on a periodic basis to monitor the agency's financial position and to formulate financial plans to eliminate the deficits.

(Continued)

Community Support Programs, Inc.
Schedule of Findings and Questioned Costs
June 30, 2008
(Continued)

Management Response: The agency has implemented the following practices: financial reports will be issued on a monthly basis to each Division Director, the Deputy Director and Chief Executive Officer to monitor the agency's financial position and ensure programs are fiscally stable. If a program is not performing within budget parameters, actions will be taken to either increase revenue, decrease expenses and/or terminate the program. In addition, the Chief Executive Officer will recommend to the Board of Directors that a Finance Committee be established to monitor the agency's finances on a monthly basis. To mitigate the deficit, the agency should receive the following funds from the funders in the near future: Transitions final billing: \$26,841; Antares: \$28,175; LHFA: \$26,812; reimbursable expenses from the Crossroads II development dating back to 2004 - \$30,551 and the development fee of \$35,000. Should the agency receive all expected reimbursement, it will amount to over \$146,000. These funds will be utilized to reduce the current deficit. A request has been made to HUD that the agency be allowed to either sell or donate the two real estate properties used by the Transitions program. In the former case, the agency may realize some revenue; in the latter, the agency will not bear the insurance expense of vacant properties.

2008-B2 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit, we noted that bank reconciliations were not accurately prepared, reviewed or approved by a responsible individual during the year.

Cause: The agency did not have proper monitoring procedures in place during the year to ensure that bank reconciliations were prepared timely and accurately and appropriately reviewed.

Effect: Without accurate and timely reconciliations, errors and / or irregularities may occur and not be detected.

Recommendation: We recommend that bank reconciliations be prepared accurately and should be reviewed and approved by a responsible individual on a monthly basis.

Management Response: Management has contracted with an outside CPA firm to accurately prepare and review the bank reconciliations. After the CPA firm has completed the bank reconciliations, the Chief Executive Officer and the management staff will review them for accuracy and to detect errors and/or irregularities.

2008-B3 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our disbursement testing, we noted several instances where payments were made for credit card charges without having the detailed supporting documents to support the amounts paid. Payments were made based upon statements received from the vendors.

Criteria: Internal control procedures should be in place to ensure charges on statements are reconciled to vendor invoices prior to payment.

Effect: Unauthorized charges could be made on credit cards / charge accounts and not be detected.

Recommendation: We recommend that no payments be made for credit cards charges without reconciliation of detailed vendor invoices / receipts to amounts appearing on statements.

Management Response: These procedures were in effect but not followed by the bookkeeper. Management will reinforce these practices to ensure that vendor invoices/receipts are reconciled to the amounts appearing on the statements.

(Continued)

Community Support Programs, Inc.
Schedule of Findings and Questioned Costs
June 30, 2008
(Continued)

2008-B4 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit, we noted there were numerous posting errors in the agency's general ledger. Significant adjusting journal entries had to be proposed to correct the account balances.

Criteria: Internal control procedures should be in place to provide for a monitoring of the general ledger and a reconciliation of each account on a periodic basis.

Effect: Misstatements in the account balances could occur and not be detected by management in a timely period.

Recommendation: We recommend that the agency's general ledger be reviewed / reconciled on a periodic basis.

Management Response: The agency has instituted a procedure that each ledger will be reviewed by management staff to ensure correct account balances. These will be completed on a monthly basis to avoid significant journal entries to correct year-end account balances.

2008-B5 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit testing, we noted that the agency has not timely filed its Form 5500 return for its 403(b) retirement plan, as required by the Internal Revenue Service, for at least the past three years.

Criteria: The Internal Revenue Service required filings of Form 5500 on an annual basis.

Cause: Communication between the agency and the third-party plan administrator was not adequate to ensure timely filings.

Effect: Failure to file Form 5500 timely could result in substantial penalties and disqualification of the plan.

Recommendation: We recommend that the agency file all required Form 5500 returns.

Management Response: The agency has engaged a professional to complete and file all Forms 5500. In addition, the agency will develop a calendar to ensure timely filing in the future.

2008-B6 - FINDING

Statement of Condition: Community Support Programs, Inc. did not submit its audit report for the year ended June 30, 2008, within six months of its year end as required by state law.

Recommendation: We recommend that the agency implement procedures to ensure that the audit report is submitted in accordance with state audit law.

Management Response: The agency is currently preparing for the 2009 audit and will have the accounting practices and procedures in place to submit a timely audit.

(Continued)

Community Support Programs, Inc.
Schedule of Findings and Questioned Costs
June 30, 2008
(Continued)

2008-B7 - SIGNIFICANT DEFICIENCY

Deficiency: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare their annual financial statements. This condition is intentional by management based upon the Agency's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation: As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Management Response: The agency agrees with the auditor's recommendation that it is not cost effective or practical to cure this deficiency.

C. Findings and Questioned Costs – Major Federal Award Programs Audit:

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

2008-C1 Supportive Housing Program – Project Reach, Transitions, Bridges – CFDA # 14.235; Portals Program – CFDA # 93.556

SIGNIFICANT DEFICIENCY

As discussed in Significant Deficiency 2008-B2, we noted that bank reconciliations were not accurately prepared, reviewed or approved by a responsible individual during the year.

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

2008-C2 Supportive Housing Program – Project Reach, Transitions, Bridges, – CFDA # 14.235; Portals Program – CFDA # 93.556

SIGNIFICANT DEFICIENCY

Statement of Condition: As discussed in Significant Deficiency 2008-B4, during our audit, we noted there were numerous posting errors in the agency's general ledger. Significant adjusting journal entries had to be proposed to correct the account balances.

(Continued)

Community Support Programs, Inc.
Schedule of Findings and Questioned Costs
June 30, 2008
(Continued)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

2008-C3 Supportive Housing Program – Transitions – CFDA # 14.235

SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit, we noted that the agency incurred a deficit in the Transitions program of approximately \$24,500. There was approximately \$26,700 of funds remaining in this contract at the end of the grant period of January 31, 2008 which had not been requested.

Cause: The agency did not have appropriate controls in place to provide for an accurate monitoring of grant revenues and expenditures to ensure all funds were requested timely.

Effect: The agency's general ledger reflects a deficit for the Transitions program of approximately \$24,500. We understand that the agency has contacted its funding source regarding this issue and that the funding source has agreed to fund the deficit upon receipt of appropriate documentation of the requested expenditures.

Recommendation: We recommend that the agency implement procedures to ensure a monitoring of all grant revenues and expenditures on an on-going basis, and that a final review be performed at the end of each grant period.

Management Response: The agency has submitted supporting documentation to the funding source and has been assured that all the funds remaining can be received. The controls of monthly financial statement and general ledger review should prevent this situation from reoccurring.

Community Support Programs, Inc.
Summary Schedule of Audit Findings for the Louisiana Legislative Auditor
June 30, 2008

Summary Schedule of Prior Audit Findings

Prior audit findings relative to federal awards are addressed in the accompanying Summary Schedule of Prior Audit Findings. Prior audit findings relative to the financial statements (Yellow Book findings) are addressed below.

2007-B1 - MATERIAL WEAKNESS

Statement of Condition: As of June 30, 2007, the agency had an operating net asset (deficit) of (\$226,352). The deficit for the prior year ended June 30, 2006 was (\$260,778).

Recommendation: We recommend that the agency employ better budgeting practices to eliminate deficit spending in the future and that management and the Board of Directors meet on a periodic basis to monitor the agency's financial position and to formulate financial plans to eliminate the deficits.

Current Status: See repeat finding in current year audit.

2007-B2 - MATERIAL WEAKNESS

Statement of Condition: During our audit, we noted that bank reconciliations were not accurately prepared, reviewed or approved by a responsible individual during the year.

Recommendation: We recommend that bank reconciliations be prepared accurately and should be reviewed and approved by a responsible individual on a monthly basis.

Current Status: See repeat finding in current year audit.

2007-B3 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our disbursement testing, we noted several instances where payments were made for credit card charges without having the detailed supporting documents to support the amounts paid. Payments were made based upon statements received from the vendors.

Recommendation: We recommend that no payments be made for credit cards charges without reconciliation of detailed vendor invoices / receipts to amounts appearing on statements.

Current Status: See repeat finding in current year audit.

2007-B4 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit, we noted that the balances in the accounts payable and accounts receivable accounts were not being reconciled on a periodic basis. Significant adjusting journal entries had to be proposed to correct the account balances.

Recommendation: We recommend that accounts payable and accounts receivable accounts be reviewed / reconciled on a periodic basis.

Current Status: See repeat finding in current year audit.

(Continued)

Community Support Programs, Inc.
Summary Schedule of Audit Findings for the Louisiana Legislative Auditor
June 30, 2008
(Continued)

2007-B5 - SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit testing, we noted that the agency has not timely filed its Form 5500 return for its 403(b) retirement plan, as required by the Internal Revenue Service, for at least the past two years.

Recommendation: We recommend that the agency file all required Form 5500 returns.

Current Status: See repeat finding in current year audit.

2007-B6 - FINDING

Statement of Condition: Community Support Programs, Inc. did not submit its audit report for the year ended June 30, 2007, within six months of its year end as required by state law.

Recommendation: We recommend that the agency implement procedures to ensure that the audit report is submitted in accordance with state audit law.

Current Status: See repeat finding in current year audit.

Current status of prior year management letter comments are as follows:

Comment #1: Voided Checks

See repeat comment in current year audit.

Comment #2: Cost Allocation Plan

See repeat comment in current year audit.

Comment #3: Section 8 Housing Reports

See repeat comment in current year audit.

(Continued)

Community Support Programs, Inc.
Summary Schedule of Audit Findings for the Louisiana Legislative Auditor
June 30, 2008
(Continued)

Corrective Action Plan for Current Year Audit Findings

Findings for the current year audit for the year ended June 30, 2008, are noted in the accompanying schedule of findings and questioned costs. There were three management letter comments for the current year audit period ended June 30, 2008. Management's response to those comments is as follows:

Comment #1: Voided Checks

All cancelled and or voided checks are now retained and filed in numerical order with the signature properly mutilated to prevent future use.

Comment #2: Cost Allocation Plan

A time study has been completed and updated at least annually to substantiate the salary component of the cost allocation being used. The time study has been completed for both 2008/09 and is revised yearly or if funds are lost or gained.

Comment #3: Section 8 Housing Reports

The agency is reconciling its reports to the general ledger prior to submission. The reports are current.

COOK & MOREHART

Certified Public Accountants

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Management Letter

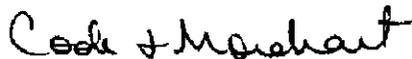
April 16, 2009

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

In planning and performing our audit of the financial statements of Community Support Programs, Inc., as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

However, during our audit, we became aware of certain matters which present an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated April 16, 2009, on the financial statements of Community Support Programs, Inc..

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with agency personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.



Cook & Morehart
Certified Public Accountants

Management Letter Points

Comment #1: VOIDED CHECKS

During our audit testing, we selected supporting document for several checks which the agency indicated were voided checks. The agency was unable to provide us with the original voided checks.

We recommend that all voided checks be retained and filed in numerical order, with the signature lines properly mutilated to prevent future use.

Comment #2: COST ALLOCATION PLAN

During our audit, we noted that the agency completed a time study in April 2008 and updated its cost allocation plan at that time.

We recommend that the agency continue to update its cost allocation plan on a periodic basis, at least annually or as program components change.

Comment #3: SECTION 8 HOUSING REPORTS

During our audit, we noted that the final reports submitted to the Department of Housing and Urban Development for the agency's Section 8 Housing Program were not reconciled with the agency's general ledger on a timely basis.

We recommend that the agency reconcile its reports to the general ledger prior to submission.