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BRIDGE HOUSE CORPORATION

NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

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

Release Date 7/15/98

Ericksen, Krentel, Canton & LaPorte, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

4227 Canal Street

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Erickson, Krentel, Canton & LaPorte, L.L.P.

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New Orleans, Louisiana 70119-5996

John J. Cantel
John C. DeLoach
Bryan G. Krentel
David H. Canton, A.C.
Curt M. LaPorte
Curtis M. Cantel

Business Objectives

Success: J. DeLoach (Retired) 1999
TV Shows: Krentel (Retired) 1992
Success: H. Cantel (Retired) 1990

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Bridge House Corporation
1180 Camp Street
New Orleans, Louisiana 70130

We have audited the accompanying statement of financial position of Bridge House Corporation (a non-profit organization) as of December 31, 1997 and 1996, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, the Louisiana Governmental Audit Guide and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridge House Corporation as of December 31, 1997 and 1996, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our Report Dated May 22, 1998, on our consideration of Bridge House Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

To the Board of Directors
Bridge House Corporation
May 22, 1998
Page 2

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Bridge House Corporation 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.

May 22, 1998


Erickson, Kuntz, Cantor & LaPorte
Certified Public Accountants

BRIDGE BOARDE CORPORATION
STATEMENTS OF FINANCIAL POSITION
December 31, 1997 and 1996

	1997	1996
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 388,507	\$ 261,564
Accounts receivable	88,739	107,480
Prepaid expenses	22,353	22,637
Investments	2,252	1,184
Land, buildings, and equipment - at cost, less accumulated depreciation of \$399,183 in 1997 and \$281,777 in 1996 (Note 4)	326,881	311,980
Total assets	\$ 828,740	\$ 704,835
 <u>LIABILITIES:</u>		
Accounts payable and accrued expenses	\$ 34,617	\$ 31,811
Notes payable (Note 5)		
Current portion	10,881	15,648
Long-term portion	23,736	16,163
Total liabilities	58,354	47,982
 <u>NET ASSETS:</u>		
Unrestricted	788,386	656,853
Total net assets	788,386	656,853
Total liabilities and net assets	\$ 828,740	\$ 704,835

See accompanying NOTES TO FINANCIAL STATEMENTS

HEIDEC HEINE CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
<u>UNRESTRICTED NET ASSETS</u>		
<u>Public Support:</u>		
Contributions	\$ 447,625	\$ 397,666
State of Louisiana contracts	362,690	294,982
Veterans Administration contracts	144,460	228,080
JEOP Grant	3,381	3,421
City of New Orleans contract	9,000	5,000
Food stamps	33,720	24,634
innovative Homeless Program contracts	32,460	32,375
Supportive Housing contract	51,363	-
Epidemiological Research Studies of AIDS and HIV infection	3,311	-
Total unrestricted public support	1,084,000	987,118
<u>Other Revenues:</u>		
Client service fees	123,961	183,233
Funding	23,468	18,058
Merch store sales	471,275	363,659
Other income	18,902	5,283
Total unrestricted other revenue	637,606	569,233
Total unrestricted public support and unrestricted other revenue	1,721,606	1,556,351
<u>Expenses:</u>		
Program services	1,293,508	1,873,222
Supporting services:		
Management and general	117,693	79,763
Fund raising	131,222	175,626
Total supporting services	248,915	255,389
Total expenses	1,542,423	1,928,611
Increase in unrestricted net assets	179,183	114,367
Net assets, beginning of year	577,736	463,369
Net assets, end of year	\$ 756,919	\$ 577,736

See accompanying NOTES TO FINANCIAL STATEMENTS

BRIDGE HOUSE CORPORATION
STATEMENTS OF CASH FLOWS
DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Increase in net assets	\$ 118,781	\$ 114,557
Adjustments to reconcile change in net assets to net cash used by operating activities:		
depreciation	47,304	41,477
Deposited fixed assets included in support	-	(28,609)
(Increase) decrease in accounts receivable	11,863	(8,863)
(Increase) decrease in prepaid expenses	286	6,788
(Increase) (decrease) in accounts payable and accrued expenses	<u>3,886</u>	<u>794</u>
Net cash provided by operating activities	<u>172,858</u>	<u>128,255</u>
<u>CASH FLOWS USED BY INVESTING ACTIVITIES:</u>		
Increase in investments	11,850	-
Purchases of furniture, fixtures, and equipment	<u>(53,321)</u>	<u>(40,243)</u>
Net cash used by investing activities	<u>(41,471)</u>	<u>(40,243)</u>
<u>CASH FLOWS USED BY FINANCING ACTIVITIES:</u>		
Principal payments on notes payable	<u>(15,221)</u>	<u>(15,214)</u>
Net cash used by financing activities	<u>(15,221)</u>	<u>(15,214)</u>
Net increase in cash and cash equivalents	102,553	66,080
Cash and cash equivalents at beginning of period	<u>261,964</u>	<u>195,884</u>
Cash and cash equivalents at end of period	<u>\$ 364,517</u>	<u>\$ 261,964</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

SECURE SOURCE CORPORATION
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED DECEMBER 31, 1997

	Program Services		Supporting Services		Total
	Salaries	Benefits	Management and General	Plant Building	
Salaries	\$ 163,328	\$ -	\$ 397,817	\$ 397,817	\$ 1,069,069
Benefits	48,352	-	9,356	9,356	67,064
Total salaries and related expenses	211,680	-	407,173	407,173	1,136,133
Direct attendance	-	-	3,000	-	3,000
Plant relating	14,782	-	-	74,889	89,671
Boarding members	58,322	-	-	-	58,322
Food	8,494	-	-	-	8,494
Administrative materials	74,754	-	-	-	74,754
Utilities	18,225	-	-	-	18,225
Telephone	128,389	-	-	-	128,389
Supplies	15,713	-	-	-	15,713
Travel	35,482	-	-	-	35,482
Printing	65,522	-	-	-	65,522
Communications	22,292	-	-	-	22,292
Gas	48,736	-	-	-	48,736
Electricity	63,287	-	-	-	63,287
Business and repairs	32,577	-	-	-	32,577
Program wear	7,493	-	-	-	7,493
Interest	4,883	-	-	-	4,883
License and lease	-	-	-	-	-
Total expense before depreciation	1,256,284	-	417,493	417,493	1,673,777
Depreciation of building and equipment	42,329	-	-	-	42,329
Total expenses	\$ 1,298,613	\$ -	\$ 417,493	\$ 417,493	\$ 1,716,106

See accompanying notes to financial statements

BEHIND HOUSE APPROPRIATION
PROCEEDS OF FINANCIAL SERVICES
FOR THE YEAR ENDED DECEMBER 31, 1983

	Program activities		Supporting activities		Total	
		Management and facilities	Facilities	Food		
Relating	4	71,000	4	191,000	4	262,000
Capital items	21,000	5,000		3,000		29,000
	<u>25,000</u>					
Total salaries and related expenses	155,700	71,000	110,000			336,700
Client allocations	-	1,000	-	-		1,000
Fund relating	-	-	80,000	-		80,000
Working facilities	10,700	-	-	-		10,700
Food	4,000	-	-	-		4,000
Administrative services	6,000	-	-	-		6,000
Utilities	8,000	-	-	-		8,000
Telephone	10,000	-	-	-		10,000
Travel	100,000	-	-	-		100,000
Office	10,000	-	-	-		10,000
Transportation	20,000	-	-	-		20,000
Supplies	20,000	-	-	-		20,000
Materials and repairs	20,000	-	-	-		20,000
Program cost	20,000	-	-	-		20,000
Salaries	10,000	-	-	-		10,000
License and taxes	5,000	-	-	-		5,000
Total expenses before depreciation	<u>302,000</u>		<u>79,000</u>			<u>381,000</u>
Depreciation of building and equipment	61,000	-	-	-		61,000
Total expenses	<u>363,000</u>		<u>79,000</u>			<u>442,000</u>

See accompanying notes to financial statements

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997 AND 1996

140 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Bridge House Corporation (Bridge House) is a non-profit corporation organized to provide treatment and long-term residential aftercare for individuals with drug and alcohol addictions. Bridge House is supported primarily through donor contributions, thrift store sales, and governmental contracts.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash Equivalents

For purposes of the statement of cash flows, Bridge House considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Fixed Assets

Bridge House follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$500. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings	30	Years
Furniture, fixtures and equipment	5-15	Years
Building improvements	7-30	Years
Leasehold improvements	27.5	Years
Automobiles	5-7	Years
Computer software	3	Years

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

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

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1987 AND 1986

(1) NAIURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Restricted and Unrestricted Contributions

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restrictions expires in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Donated Materials and Services

Donated materials are reflected as contributions in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the organization's program services and in its fund-raising campaigns.

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Any expenditures not directly chargeable are allocated to a program based on related salary expenses.

Income Tax Status

Bridge House is exempt from federal income tax under Section 501(c)(2) of the Internal Revenue Code and from state income taxes under Section 1314 of Title 47 of the Louisiana Revised Statutes of 1982. However, income from certain activities not directly related to the organization's tax-exempt purposes is subject to taxation as unrelated business income. In addition, the Organization qualified for the charitable contribution deduction under Section 170(b)(1)(C) and has been classified as an organization that is not a private foundation under Section 588(a)(2).

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1997 AND 1996

131 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Advertising

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. Advertising expense for the year ended December 31, 1997 and 1996 was \$1,650 and \$2,708, respectively.

132 STATEMENT OF CASH FLOWS SUPPLEMENTARY DISCLOSURES

Supplemental disclosures of cash flow information:

Cash paid during the year for:

	<u>1997</u>	<u>1996</u>
Interest	6 7,663	\$ 10,365

133 CONTRACTS

Bridge House recognizes revenue arising from contracts with the State of Louisiana - Department of Health and Hospitals and Unity for the Homeless, Inc. Terms of the contracts provide for reimbursement of certain program costs up to specified maximum amounts or on a per diem basis for each patient in the program.

In addition, Bridge House maintains several contracts with various Veterans's Administration districts whereby revenue is received on a per diem basis for each patient in the program.

No allowance has been made for uncollectible receivables as it has been Bridge House's experience that all contracts are collected in full.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1997 AND 1996

(4) FIXED ASSETS AND DEPRECIATION

The cost of such assets at December 31, 1997 and 1996 are as follows:

	<u>1997</u>	<u>1996</u>
Land and buildings	\$ 143,000	\$ 143,000
Furniture, fixtures and equipment	243,138	216,413
Building improvements	87,350	87,350
Leasehold improvements	4,388	-
Automobiles	88,007	88,887
Computer software	<u>13,455</u>	<u>7,588</u>
	415,948	563,857
Less accumulated depreciation	<u>(288,161)</u>	<u>(251,717)</u>
	<u>\$ 127,787</u>	<u>\$ 312,140</u>

Depreciation expense for the year ended December 31, 1997 and 1996 was \$47,384 and \$41,477, respectively.

(5) NOTES PAYABLE

Notes payable at December 31, 1997 and 1996 consisted of the following:

	<u>1997</u>		<u>1996</u>	
	<u>Due Within one Year</u>	<u>Due After One Year</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>

Note payable to Americo Management, Inc., as receiver for American Savings and Loan Association, secured by 1st mortgage on property located at 1141 Brynania Street, New Orleans, Louisiana. Payable in monthly installments of \$1,217 which included principal and interest. Interest is variable, currently at 2-125% and the note matures June 30, 2005.

	\$ 8,180	\$ 69,535	\$ 7,182	\$ 77,390
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Note payable to General Motors Acceptance Corporation, secured by 1996 Chevrolet truck. Payable in monthly installments of \$473 which includes principal and interest. Interest accrues at 18.5% and the note matures April 7, 1998.

	1,691	-	4,326	1,691
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BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1997 AND 1996

(6) NOTES PAYABLE (CONTINUED)

	1997		1996	
	Due Within One Year	Due After One Year	Due Within One Year	Due After One Year
	Note payable to General Motors Acceptance Corporation, secured by 1989 Chevrolet truck. Payable in monthly installments of \$164 which includes principal and interest. Interest accrued at 18.5% and the note matures April 30, 1997.	-	-	2,120
	<u>\$ 18,081</u>	<u>\$ 49,535</u>	<u>\$ 18,648</u>	<u>\$ 19,899</u>

Following are maturities of notes payable for each of the next five years:

1998	\$ 20,083
1999	8,413
2000	5,433
2001	10,530
2002	<u>11,511</u>
	<u>\$ 45,719</u>

Interest costs incurred and charged to expense for the years ended December 31, 1997 and 1996 was \$7,603 and \$10,705, respectively.

(8) LEASES

Bridge House makes payments monthly for the use of eight of its nine treatment and housing facilities. In addition, Bridge House makes payments for the use of two properties for the thrift store. Presently, Bridge House has short term agreements with the owners of these properties and these arrangements could be terminated at the discretion of either party to the rental agreements. Rent expense for 1997 and 1996 was \$129,380 and \$136,234, respectively.

(7) COMMODITY ASSISTANCE

Bridge House participated in the United States Department of Agriculture Food Distribution Program for the year ended December 31, 1997 and 1996. The program provides food commodities to Bridge House to use in the preparation of meals for clients of Bridge House. The value of the donated commodities was \$5,400 for the year ended December 31, 1997, and \$13,365 for the year ended December 31, 1996. These amounts are not listed as revenues or expenditures on the accompanying statement of activities.

BRIDGE HOUSE CORPORATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1997 AND 1996

(B) CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject Bridge House to credit risk consist principally of trade receivables. Bridge House's policy is to not require these amounts to be collateralized.

Bridge House invests the majority of its excess cash in demand deposit accounts with federally insured financial institutions located in New Orleans, Louisiana. The bank balances of the Corporation's demand deposit accounts in these banks exceeded the \$100,000 federally insured limit by \$41,218 in 1997 and \$35,923 in 1996.

BRIDGE HOME CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1972

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
Department of Housing and Urban Development			
<u>Unity for the Homeless, Inc.</u>			
Supportive Housing Program	14-235	1446895-0817C	\$ 143,351 *
OTHER FEDERAL AWARDS AND SPECIAL PROGRAMS			
Department of Health and Human Services			
<u>Louisiana Department of Health and Hospitals, Office of Alcohol and Drug Abuse</u>			
Project Grants for Health Services to the Homeless	93-151	93-HEPB-023	5,800
Substance Abuse Treatment Conference Grant	93-218	83757/86833	93,038
Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	93-194	83903/56956	58,904
HIV Prevention Activities - Health Department Report	93-248	835434	34,429
Tulane University Medical Center Epidemiology Cooperative Agreements	93-231	864100813329-3	3,311
Federal Emergency Management Agency			
<u>United Way - City of New Orleans</u>			
Emergency Food and Shelter National Board Program	83-523	15-3458-08-028E3 14-3458-08-028E3	3,361
U.S. Department of Agriculture			
<u>Louisiana Department of Agriculture</u>			
Commodity Supplemental Food Program	16-585	-	5,403

BRIDGE HOUSE CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1997

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Disbursements/ Expenditures
Department of Housing and Urban Development			
City for the Homeless, Inc.			
Supportive Housing Program	14.208	1A22097-0202	32,400
Supportive Housing Program Youth/Substance Abuse	14.203	1A40090-1404	<u>51,253</u>
Total			<u>\$ 83,653</u>
* Major Program			

Note: The schedule of expenditures of federal awards is a summary of the activity of Bridge House Corporation's federal award programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

Ericksen, Krentel, Canton & LaPorte, L.L.P.
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Sam J. Cantor
Sam E. LaPorte
Steven D. Krentel
George S. Canton, A.C.
Kevin M. Miller
Candice M. Broussard

MEMBERSHIP INFORMATION

Samuel J. Cantor, Fellow, 1998
George S. Canton, Fellow, 1998
Steven D. Krentel, Fellow, 1998
Kevin M. Miller, Fellow, 1998

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Bridge House Corporation
1180 Camp Street
New Orleans, Louisiana 70130

We have audited the financial statements of Bridge House Corporation, as of and for the year ended December 31, 1997, and have issued our report thereon dated May 22, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Bridge House Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

Bridge House Corporation
May 22, 1998
Page 2

That misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Louisiana Legislative Auditor and federal assisting agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

May 22, 1998


Erickson Krentel Cannon & LaPorte
Certified Public Accountants

Ericksen, Krentel, Canton & LaPorte, L.L.P.

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Raymond J. Cantel (Retired 1998)
J. Lynn Moore (Retired 1995)
Kurtis T. Soloman (Retired 1995)

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Bridge House Corporation
3148 Camp Street
New Orleans, Louisiana 70130

Compliance

We have audited the compliance of Bridge House Corporation, with the types of compliance requirements described in the O. R. Office of Management and Budget (OMB) circular A-133 Compliance Supplement that is applicable to its major federal program for the year ended December 31, 1997. Bridge House Corporation's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Bridge House Corporation's management. Our responsibility is to express an opinion on Bridge House Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards: the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bridge House Corporation'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 Bridge House Corporation's compliance with those requirements.

Bridge House Corporation
May 22, 1988
Page 2

In our opinion, Bridge House Corporation, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1987.

Internal Control Over Compliance

The management of Bridge House Corporation, 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 Bridge House Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Louisiana Legislative Auditor and Federal receiving agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

May 22, 1988

Ernst, Krentel, Carter & LaPorta
Certified Public Accountants

BRIDGE HOUSE CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1987

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Bridge House Corporation.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the general financial statements of Bridge House Corporation were disclosed during the audit.
4. No reportable conditions in internal control over its major programs were disclosed during the audit of the major federal award program.
5. The auditors' report on compliance for the major federal award program for Bridge House Corporation expresses an unqualified opinion.
6. The audit did not disclose any audit findings relating to major programs.
7. The program tested as a major program was the Supportive Housing Program OCFDA number 14.2351.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Bridge House Corporation was determined to be a low risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT

None

CORRECTIVE ACTION PLAN RELATIVE TO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

May 22, 1998

Department of Housing and Urban Development

Bridge House Corporation respectfully submits the following
corrective action plan for the year ended December 31, 1997.

Name and address of independent public accounting firm:

ERIKSSON, BENTON, CANTON & LAFORET, L.L.P.

4127 Canal Street

New Orleans, Louisiana 70119

Contact: Ronald H. Damon, Jr.

Audit Period: 01/31/97 to 12/31/97

There were no current year or prior year findings or questioned
costs required to be reported.

Sincerely,



Executive Director

Executive Director
Title

CORRECTIVE ACTION PLAN RELATIVE TO
MANAGEMENT LETTER ITEMS

May 22, 1998

Louisiana Legislative Auditor

Bridge House Corporation respectfully submits the following
corrective action plan for the year ended December 31, 1997.

Name and address of independent public accounting firm:
Erickson, Krentel, Canton & LaPorte, L.L.P.
4227 Canal Street
New Orleans, Louisiana 70119
Contact: Ronald E. Newton, Jr.

Audit Period: 01/01/97 to 12/31/97

No management letter was issued for current or prior years.

Sincerely,



Signature

Ronald E. Newton, Jr.

Executive Director

Title

Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS

Complete this form, as required by 48 CFR (Federal Acquisition Regulation) 301.103, 301.103-4, and 301.103-5, for States, Local Governments, and Non-Profit Organizations.

Return to: Single Audit Clearinghouse
1201 E. 19th Street
Arlington, VA 22202

PART I GENERAL INFORMATION (To be completed by auditee, except for Item 7)

<p>1. Fiscal year ending date for this submission annually 12/31/07</p>	<p>2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit</p>
<p>3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 2 <input type="checkbox"/> Other - Months 3 <input type="checkbox"/> Biennial</p>	<p>FOIA(b)(7)(C) Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor, or reviewed, edited and other appropriate public officials. This report is available for public inspection at the discretion of the Auditor.</p>
<p>4. Employer Identification Number (EIN) a. Auditor EIN 72-6027074 b. Are multiple EINs used? <input type="checkbox"/></p>	<p>7. AUDITEE INFORMATION a. Auditor name b. Auditor address (Number and street) c. Auditor city, state and zip code</p>
<p>5. AUDITEE INFORMATION a. Auditee name Bridge House Corporation b. Auditee address (Number and street) Street 1700 Camp Street City New Orleans State Louisiana ZIP Code 70130</p>	<p>7. AUDITEE INFORMATION a. Auditee name b. Auditee address (Number and street) Street 4207 Canal Street City New Orleans State Louisiana ZIP Code 70118</p>
<p>6. Auditor contact Name Richard General Title Executive Director</p>	<p>c. Auditor contact Name Joseph H. Dawson, Jr., C.P.A. Title Partner</p>
<p>8. Auditor contact (e-mail) (Optional) 94-523-2704 e. Auditor contact FAX (Optional) 504-524-3888 f. Auditor contact E-mail (Optional)</p>	<p>8. Auditor contact (e-mail) (Optional) 9. Auditor contact FAX (Optional) 504-524-3888 f. Auditor contact E-mail (Optional) elect@audops.com</p>

LSA-RS 24:516 provides that this report shall be available for public inspection for a period of not less than one year from the date of release.

PARISH CLERK OF COURT

2) AUDITOR CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditor has: (1) Engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, items 1 and 2, (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular, and, (3) the information included in Parts I, 3, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

3) AUDITOR STATEMENT - The data elements and information included in this form are listed in those prescribed by OMB Circular A-133. The information included in Parts II and III of this form, except for Part III, items 5 and 6, was transferred from the auditor's records for the period described in Part I, items 1 and 2, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's reports. A copy of the reporting package required by OMB Circular A-133, which includes, for complete auditor's reports, is retained in its entirety from the auditor at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

[Signature]
 Name of certifying official
 6-24-98
 Date

[Signature]
 Name of auditor
 Date

PART I GENERAL INFORMATION - Continued

1. Indicate whether the facility has either a Federal cognizant or oversight agency for audit. (Mark (X) one box.)
 1 Cognizant agency 2 Oversight agency

2. Name of Federal cognizant or oversight agency for audit. (Check (X) one box)

- | | | | |
|---|--|--|---|
| <input type="checkbox"/> African Development Foundation | <input type="checkbox"/> Federal Emergency Management Agency | <input type="checkbox"/> Justice | <input type="checkbox"/> Peace Corps |
| <input type="checkbox"/> Agency for International Development | <input type="checkbox"/> Federal Medication and Consultation Service | <input type="checkbox"/> Labor | <input type="checkbox"/> Small Business Administration |
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> General Services Administration | <input type="checkbox"/> National Aeronautics and Space Administration | <input type="checkbox"/> State Security Administration |
| <input type="checkbox"/> Commerce | <input type="checkbox"/> Health and Human Services | <input type="checkbox"/> National Archives and Records Administration | <input type="checkbox"/> State |
| <input type="checkbox"/> Cooperation for National and Community Service | <input checked="" type="checkbox"/> Housing and Urban Development | <input type="checkbox"/> National Endowment for the Arts | <input type="checkbox"/> Transportation |
| <input type="checkbox"/> Defense | <input type="checkbox"/> Institute for Museum Services | <input type="checkbox"/> National Endowment for the Humanities | <input type="checkbox"/> Treasury |
| <input type="checkbox"/> Education | <input type="checkbox"/> Inter-American Foundation | <input type="checkbox"/> National Science Foundation | <input type="checkbox"/> United States Information Agency |
| <input type="checkbox"/> Energy | <input type="checkbox"/> Interior | <input type="checkbox"/> Office of National Drug Control Policy | <input type="checkbox"/> Veterans Affairs |
| <input type="checkbox"/> Environmental Protection Agency | | | <input type="checkbox"/> Other - Specify |

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (X) one box)
 1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No

3. Is a reportable condition disclosed? 1 Yes 2 No - GPSP to Item 5

4. Is any reportable condition reported as a material weakness? 1 Yes 2 No

5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Type of audit report on major program compliance:

- Unqualified opinion
 Qualified opinion
 Adverse opinion
 Disclaimer of opinion

2. What is the dollar threshold to distinguish Type A and Type B programs? \$ 328,000

3. Did the auditee qualify as a low-risk auditee (LRA)?

- Yes
 No

4. Are there any audit findings required to be reported under § 312(a)?

- Yes
 No

5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)

- | | | | |
|--|--|---|--|
| <input type="checkbox"/> 01 Adult Development Foundation | <input type="checkbox"/> 06 Federal Emergency Management Agency | <input type="checkbox"/> 16 Justice | <input type="checkbox"/> 08 Peace Corps |
| <input type="checkbox"/> 02 Agency for International Development | <input type="checkbox"/> 07 Federal Maritime and Coastal Service | <input type="checkbox"/> 17 Labor | <input type="checkbox"/> 09 Small Business Administration |
| <input type="checkbox"/> 03 Agriculture | <input type="checkbox"/> 08 General Services Administration | <input type="checkbox"/> 18 National Aeronautics and Space Administration | <input type="checkbox"/> 10 Social Security Administration |
| <input type="checkbox"/> 04 Commerce | <input type="checkbox"/> 09 Health and Human Services | <input type="checkbox"/> 19 National Archives and Records Administration | <input type="checkbox"/> 11 State |
| <input type="checkbox"/> 05 Cooperation for National and Community Service | <input type="checkbox"/> 10 Housing and Urban Development | <input type="checkbox"/> 20 National Endowment for the Arts | <input type="checkbox"/> 12 Transportation |
| <input type="checkbox"/> 06 Defense | <input type="checkbox"/> 11 Institute for Museum Services | <input type="checkbox"/> 21 National Endowment for the Humanities | <input type="checkbox"/> 13 Treasury |
| <input type="checkbox"/> 07 Education | <input type="checkbox"/> 12 Inter-American Foundation | <input type="checkbox"/> 22 National Science Foundation | <input type="checkbox"/> 14 United States Information Agency |
| <input type="checkbox"/> 08 Energy | <input type="checkbox"/> 13 Interior | <input type="checkbox"/> 23 Office of National Drug Control Policy | <input type="checkbox"/> 15 Veterans Affairs |
| <input type="checkbox"/> 09 Environmental Protection Agency | | | <input type="checkbox"/> 16 None |
| | | | <input type="checkbox"/> Other - Specify: |

PART III FEDERAL PROGRAMS - Continued
4. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

F. AUST PROGRAMS AND SUBRENTS COSTS

CFDA number	Name of Federal program	Awards expended	Major program	Type of compliance requirement	Amount of transaction costs	Internal control number	Audit finding reference number
						0-1	0-1
01-200	Subsistence Housing Program	\$ 143,321	0-1 Yes 1 00 No 2 00 No	0	0	0-1	0-1
01-205	Community Supplemental Food Program	\$ 5,400	1 00 Yes 2 00 No	0	0	0	0
04-205	Supportive Housing Program Youth Substance Abuse	\$ 57,353	1 00 Yes 2 00 No	0	0	0	0
04-205	Intensive Homeless Initiative	\$ 32,450	1 00 Yes 2 00 No	0	0	0	0
01-503	Emergency Food and Shelter National Board Program	\$ 2,387	1 00 Yes 2 00 No	0	0	0	0
01-501	Project Grants for Health Services to the Community	\$ 5,000	1 00 Yes 2 00 No	0	0	0	0
01-506	Cooperative Agreements for Drug Abuse Treatment and Assessment Programs in Target Cities	\$ 19,334	1 00 Yes 2 00 No	0	0	0	0
01-510	Substance Abuse Treatment Challenge Grants	\$ 10,000	1 00 Yes 2 00 No	0	0	0	0
01-531	Epidemiology Cooperative Agreements	\$ 2,311	1 00 Yes 2 00 No	0	0	0	0
01-540	STD Prevention Activities - Health Department Based	\$ 34,425	1 00 Yes 2 00 No	0	0	0	0

TOTAL FEDERAL AWARDS EXPENDED \$ 437,650

IF ADDITIONAL LINES ARE NEEDED, PLEASE REFER TO THE INSTRUCTIONS FOR THIS CIRCULAR OR USE WORD-PROCESSING TEMPLATE.

1 Do other modeling methods when the learning of Peppers (classical) requires (pre)defined a set variables.

1 Type of simulation requirement affects the ability of it to apply to each biology and environment (not supported for agent-based approach)

- A. Multiple simulation requirements
- B. Simulation of individual processes
- C. Open management
- D. Data: Base/flat
- E. Simplicity
- F. Evolutionary and social process management

2 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

3 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

4 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

5 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

6 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

7 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

8 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

9 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

10 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

11 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

12 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

13 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

14 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

15 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

16 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

17 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

18 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated

19 Type of internal-control (biology, plant) of that apply

- A. Natural environment
- B. Regulated conditions
- C. Inoculated
- D. Inoculated
- E. Inoculated