

**OFFICIAL
FILE COPY**
DO NOT SIGN OUT
Please notify
your home
office and place
date in box

CROSSROADS LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION

JUNE 30, 1986

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

Release Date 7-26-87 J

1000
1000
1000
1000
1000
1000

CROSSBORING LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)
JUNE 30, 1996

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Consolidated statement of financial position	2
Consolidated statement of activities	3
Consolidated statement of cash flows	4
Consolidated statement of functional expenses	5
Notes to consolidated financial statements	6 through 14
INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION	15
SUPPLEMENTARY INFORMATION	
Consolidated statement of activities and functional expenses by program	16
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	17 through 19
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	20 and 21

Bernard & Franks
A Corporation of Certified Public Accountants

4001 VICTORIAN BOULEVARD

71

SAINT LOUIS

11

NEWORLEANS, LOUISIANA 70002-0001

11

TELEPHONE (504) 582-0100
FAX (504) 424-9100

BIGLAL & ASSOCIATES, L.P.A.
2001 BELL CENTER 2, L.P.A.
BIRMINGHAM, MISSISSIPPI 38203
BIRMINGHAM, MISSISSIPPI 38203
MEMPHIS, MISSISSIPPI 38103
JACKSON, MISSISSIPPI 39201

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
INSTITUTE OF CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of Directors
Crossroads Louisiana, Inc.
New Orleans, Louisiana

We have audited the consolidated statement of financial position of Crossroads Louisiana, Inc. (a nonprofit organization) as of June 30, 1994 and the related consolidated statement of activities, consolidated statement of cash flows and consolidated statement of functional expenses for the year ended June 30, 1994. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 Crossroads Louisiana, Inc. as of June 30, 1994 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 6, 1994 on our consideration of Crossroads Louisiana, Inc.'s internal control structure and a report dated December 6, 1994 on its compliance with laws and regulations.

December 6, 1994

Bernard & Franks

CROSSROADS LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 1994

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$159,498
Accounts receivable, trade	199,300
Due from officer	5,649
Due from affiliates	3,779
Other loans receivable	777
Prepaid expenses	<u>18,438</u>
Total current assets	\$327,331
INVESTMENTS	\$ 91,511
PROPERTY AND EQUIPMENT	
Equipment and furniture and fixtures	\$165,983
leasehold improvements	<u>186,153</u>
	\$352,136
Accumulated depreciation and amortization	<u>(169,180)</u>
	\$182,956
OTHER ASSETS	
Deposits	\$ 1,366
Total assets	\$612,200

The Notes to Financial Statements are an integral part of these statements.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable, trade	\$ 53,058
Accrued expenses:	
Salaries and payroll taxes	74,832
Pension Plan	34,097
Other	5,138
Note payable - lessor, current portion	3,453
Note payable - equipment	1,052
Damage claim payable - current portion	<u>18,928</u>
Total current liabilities	\$185,155
LONG-TERM DEBT, less current portion	
Note payable - lessor	\$ 2,172
Deferred compensation	131,747
Deferred severance pay	35,000
Damage claim payable	<u>52,375</u>
Total long-term debt	\$181,295
NET ASSETS	
Unrestricted	\$242,360
Total net assets	\$242,360
	 \$424,450

CROSSROADS LOUISIANA, INC.
 (A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENT OF ACTIVITIES
 Year Ended June 30, 1988

UNRESTRICTED NET ASSETS

Revenues, gains and support:

Public support, government:	
Fees	\$1,538,751
Other income:	
Rents	74,868
Interest and other	<u>48,522</u>
Total revenues, gains and support, unrestricted	\$1,655,196

Expenses:

Program services:	
Civiler Street Group Home	\$ 58,757
Arts Street Program	25,015
State Street Program	204,804
Toledano Street Program	222,124
Timberwood Street Program	86,285
Hazel Street Program	291,347
RSP	48,027
Kelson Street / Char-Ami	<u>224,555</u>
Total program services	\$1,231,231
Supporting services:	
Management and general	\$ 324,825
Total expenses	\$1,556,256

Increase in unrestricted net assets	\$ 10,438
Net assets, beginning of year	<u>221,278</u>
Net assets, end of year	\$ <u>231,798</u>

The Notes to Financial Statements are an integral part of these statements.

CROSSROADS LOUISIANA, INC.
 (A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENT OF CASH FLOWS
 Year Ended June 30, 1996

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 16,436
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:	
Deferred compensation and severance pay plans	51,500
Depreciation and amortization	26,313
(Increase) decrease in accounts receivable, trade	(26,709)
(Increase) decrease in other receivables, advances	(4,764)
(Increase) decrease in prepaid expenses	(2,818)
(Increase) decrease in deposits	751
Increase (decrease) in accounts payable, trade	(1,564)
Increase (decrease) in accrued expenses	44,185
Increase (decrease) in due to State of Louisiana	(44,185)
Increase (decrease) in damage claim payable	(25,223)
Net cash provided by operating activities	\$ 43,530
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	\$ (11,627)
Purchase of investment, net of fees and changes in fair value	(92,512)
Net cash used by investing activities	\$ (104,139)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on notes payable	\$ (12,462)
Net cash provided by (used in) financing activities	\$ (12,462)
Net increase (decrease) in cash and cash equivalents	\$ (73,071)
Cash and cash equivalents at beginning of year	216,798
Cash and cash equivalents at end of year	\$ 143,727

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION
CASH PAYMENTS FOR:

INTEREST \$ 286

The Notes to Financial Statements are an integral part of these statements.

CROSSROADS LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 1998

	Program Services				
	Older Street Program	Arts Street Program	State Street Program	Tulahoma Street Program	Timberland Street Program
Compensation & related expenses					
Compensation	\$ 53,307	\$ 13,377	\$133,906	\$ 85,841	\$ 80,327
Employee benefits					
Insurance	109	--	110	110	--
Pensions	2,663	664	4,695	4,392	2,911
Deferred compensation	--	--	--	--	--
Payroll taxes	8,137	1,308	18,800	9,904	8,714
Fed fees	--	--	19,354	19,413	--
Depreciation	4,029	133	9,549	4,784	2,328
Food	3,717	1,804	8,479	8,324	3,880
Occupancy					
Repairs and maintenance	3,478	756	3,613	2,524	2,463
Lease rentals	14,929	2,250	8,100	13,509	8,480
Property taxes	--	--	--	15	--
Utilities, other	6,148	483	5,109	4,893	3,475
Local transportation	148	158	17,408	16,799	1,185
Miscellaneous	1,033	1,223	3,928	2,051	264
Professional services	771	323	41,018	43,324	648
Supplies	2,811	2,738	3,414	8,698	4,671
Telephone	888	325	713	828	583
	<u>\$ 99,251</u>	<u>\$ 23,615</u>	<u>\$184,824</u>	<u>\$123,131</u>	<u>\$ 98,288</u>

The Notes to Financial Statements are an integral part of these statements.

<u>Program Services</u>				<u>Supporting Services Management & General</u>	<u>Grand Totals</u>
<u>Basic Street Program</u>	<u>Police St. /Over-5mi Programs</u>	<u>SES</u>	<u>Program Totals</u>		
\$128,792	\$ 83,383	\$ 28,891	\$ 182,176	\$118,870	\$ 700,344
118	589	--	1,092	8,814	5,866
6,298	3,298	1,475	26,281	8,776	34,887
--	--	--	--	51,500	51,500
14,494	18,874	3,448	74,291	18,534	84,825
18,315	18,124	--	74,188	--	74,188
6,193	152	148	27,284	8,097	38,311
5,617	6,193	--	38,173	--	38,173
3,933	3,888	--	19,435	2,588	21,263
14,488	12,180	--	73,728	14,515	88,244
--	--	--	38	--	15
5,374	5,250	--	28,895	1,377	18,032
18,831	12,182	1,364	88,114	3,728	87,834
8,886	7,373	1,078	38,838	44,288	74,398
60,888	88,887	2,281	228,898	47,538	273,618
6,888	18,774	411	82,333	38,943	53,154
<u>287</u>	<u>1,647</u>	<u>288</u>	<u>2,184</u>	<u>3,884</u>	<u>8,188</u>
<u>\$221,347</u>	<u>\$228,363</u>	<u>6,48,827</u>	<u>\$1,313,331</u>	<u>\$128,838</u>	<u>\$3,638,264</u>

CROSSROADS LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1986

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Operations

Crossroads Louisiana, Inc. is a nonprofit corporation which provides residential treatment services for the psychologically handicapped in the New Orleans area and is substantially funded by the State of Louisiana.

Financial Statement Presentation

The Organization has adopted 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. In addition, the Organization is required to present a statement of cash flows. As permitted by this new Statement, the Organization has discontinued its use of fund accounting for external reporting and has, accordingly, reclassified its financial statements to present the three classes of net assets required.

At present, all of the Organization's funds are included in the Unrestricted category. Should the Organization receive funds that are donor restricted or should the Board of Directors decide to make some funds restricted, they would be classified as required by the new Statement.

Consolidated Financial Statements

Following the guidance of Statement of Position 94-3, the financial statements include the accounts of the Organization and the accounts of Cher-Ami Homes of Metairie, LA., Inc. The Organization obtained control of the Cher-Ami Home early in the fiscal year and has assumed control of its operations. All significant intercompany transactions and accounts are eliminated in consolidation. In the Statement of Functional Expenses for 1986, the operations of the Cher-Ami Home are labeled Selon Street/Cher-Ami.

CROSSBOWS LOUISIANA, INC.
[A NONPROFIT ORGANIZATION]

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Equipment and Improvements

Equipment and improvements are carried at cost. Depreciation is computed using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. The fair value of donated property is similarly capitalized.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Expenses

Most of the programs are reimbursed on a per diem rate based on costs and budgets reviewed annually by the State of Louisiana.

Some programs are funded by the State on a monthly basis as expenses are incurred. However, expense categories are capped by an approved budget.

At the conclusion of a grant award period, the Organization is liable to the State granting agency for the excess of program revenues over allowable costs on all grants funded in advance. Such amounts, if any, may be encumbered for allowable program costs in the next succeeding period or returned to the granting agency, at the option of such agency.

Some funding is also derived from reimbursement charges to clients, who have the ability to pay for services rendered and from solicitations or public contributions.

CRENSHAW LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1994

Note 1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Retirement Plan

The organization has a non-contributory defined contribution retirement plan covering substantially all of its employees. The organization's policy is to fund the retirement cost accrued on a current basis.

Allocated Expenses

Expenses by function have been allocated among program and supporting services classifications based on state of Louisiana rate setting classifications. Shared expenses are allocated among programs based on portion of direct expenses by program to total expenses.

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 those estimates.

Allowance For Doubtful Accounts

Since all accounts receivables, trade are due from governmental agencies, no allowance for doubtful accounts is considered necessary. Any billing adjustments needed are made in the year determined. Any refunds of over billing or cost adjustments due are netted against the accounts receivable account.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of operating funds maintained in checking and operating accounts. Any investments in money market accounts, certificates of deposit or other investments with maturities of three months or less would also be considered cash and cash equivalents. Investments of longer terms would be classified as investments.

CROSSROADS LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1988

Note 2. Due from Officers

The amount due from officer represents an unsecured advance to an officer. No interest payments are required.

Note 3. Equipment and Improvements

Equipment and improvements consists of the following:

	<u>Amount</u>	<u>Depreciation/ Amortization- Asset's Rates</u>
Leasehold improvements	\$143,187	5-20 percent
Equipment and furniture and fixtures	163,383	20 percent
	<u>\$306,570</u>	

Depreciation and amortization expense charged to income was \$38,313.

Note 4. Investments

The Organization's investments at June 30, 1988 consist of shares of various mutual funds. The investments are being held primarily to fund the obligations due on the deferred compensation plan and the severance plan obligation.

	<u>Cost</u>	<u>Market</u>	<u>Realized Loss</u>
Mutual funds	\$ 22,222	\$ 22,322	\$ 1,100

Investment fees of \$226 and the above realized loss for the year were charged against other income.

CHOCOBOLO LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1986

Note 5. Notes Payable

The note payable - loaner is a note payable for leasehold improvements in the original amount of \$18,000. The loan is dated January 15, 1983 and is payable in 36 monthly installments of \$370 and bears an interest rate of 9.5 percent per annum.

The note payable - equipment is a lease agreement dated January 24, 1984 and is payable in 36 monthly installments of \$317. The agreement has an effective interest rate of 12 percent and is secured by equipment.

Interest expense on all notes for year amounted to \$988.

The aggregate long-term debt maturing during the next five years is as follows:

1987	\$ 4,500
1988	2,173

Note 6. Leases

The organization leases its administrative and residential facilities under various lease agreements.

The Cleary St. administrative office is leased from an officer of the organization. The lease is executed on a year-to-year basis and payment is based on actual interest, real estate taxes, depreciation and repairs in accordance with State of Louisiana State Building Administration requirements. Total lease expense for the property total \$1,500 for the year.

The Olivier Street facility is leased from an officer of the organization. This lease is executed on a year-to-year basis and payment is based on fair market value. Total lease expense for the property totaled \$23,794 for the year. One third of the facility is used for administration and the other two thirds as a residential facility.

The Musee Street facility is leased from an officer of the organization for \$1,300 per month.

(Continued)

CRUCIFIXION LEISURE, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1984

Note 4. Leases (Continued)

The Solon Street residential facility was leased for \$1,300 per month beginning in October, 1981.

The State Street residential facility is leased for a six year term commencing August 1, 1981 and ending July 31, 1987. The monthly payment is adjusted annually for inflation and certain cost increases. The current payment is \$875 per month.

The Toledo Street residential facility is leased for a three year term commencing September 1, 1982 and ending August 31, 1985. The monthly payment is \$1,112.

The facility on Timberwood was leased from an officer of the Organization for \$700 per month.

The Arts Street residential facility was leased for three months at a monthly rental of \$750.

The State Street, Mason and Toledo facilities rent vans which are owned by an officer of the Organization for \$600 per month. Total van rentals for the year totaled \$28,500.

Rental expense for all facility leases totaled \$84,104 for the year ended June 30, 1984.

The following is a schedule of the future minimum lease payments for long-term lease contracts and assuming that all the leases are extended to June 30, 1987.

Year Ending June 30.

1987	\$114,844
1988	78,075
1989	25,400
	<u>\$218,319</u>

CRUCIFIGMS LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1994

Note 7. Retirement Plan

The Organization has a non-contributory defined contribution retirement plan which covers substantially all of its employees.

Contributions to the defined contribution retirement plan are determined at the discretion of the Organization's Board of Directors. Contributions were determined to be 5% of each employee's compensation for the year ended June 30, 1994. The expense totaled \$14,857 for the year. The plan is funded currently.

Note 8. Income Taxes

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the organization qualified for the charitable contribution deduction under Section 170(e)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Note 9. Officers Compensation

Officers compensation was as follows for the year ended June 30, 1994:

Executive Director	\$ 40,860
Assistant Director	<u>12,214</u>
	<u>\$ 53,074</u>

CROWDHOOD LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1994

Note 18. Related Party Transactions

The Organization paid Job Link, Inc. approximately \$153,000 in fees for professional services. Job Link, Inc. provides job development services for group home programs in accordance with State of Louisiana regulations. Job Link, Inc. is owned by members of the organizations Board of Directors. Approximately \$18,000 is due Job Link, Inc. as of June 30, 1994 and this amount is included in Accounts Payable, Trade.

The Organization also leases some property and equipment from an officer. See Note 4 for details.

During September, 1993 the Organization took over control of the operations of the Cher-Ami Homes of Gretna LA., Inc. Cher-Ami's major assets consisted of its contract with the State of Louisiana and the related accounts receivable and some property and equipment items with a book value of approximately \$12,000. Cher-Ami also had accounts payable due in the amount of approximately \$18,000, past due payroll taxes of approximately \$29,000 and a damage claim payable in the amount of \$20,200. As of June 30, 1994 the damage claim is being paid off in 48 monthly payments of \$1,100. This damage claim has been recorded at its net present value and \$18,450 of the claim has been classified as current. The intercompany account of \$49,000 at year end has been eliminated in consolidation.

Cher-Ami has signed a consulting services agreement with its former director which calls for twenty monthly payments of \$1,250 commencing on March 8, 1994.

COASTGUARD LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

Note 11. Deferred Compensation Agreement

The Organization has entered into a deferred compensation agreement with one of its officers effective July 1, 1993. The agreement provided that upon reaching age 65, the officers will receive monthly compensation commencing with retirement and continuing for the rest of his life. The monthly payment is calculated to be $(1/12)$ one twelfth of his deferred payment amount which will be equal to the average of his highest 3 consecutive calendar years compensation including bonuses. In the event of his death, on or after the participant's Normal Retirement Date, the participant's designated beneficiary shall be paid a death benefit equal to the present value of the future payments to which the participant would have been entitled. The liability related to this agreement is being accrued to age 65. The amount charged to expense totaled \$44,000 for the year ended June 30, 1996. The total liability under the agreement as of June 30, 1996 is \$131,767.

The Organization's actuary has calculated that eight annual installments of \$39,324 payable at the end of each fiscal year from July 1, 1998 through July 1, 2003 will be needed to fund the plan obligation.

The Organization also has an employment agreement with one of its officers which calls for the payment to her or her beneficiary the total in the Severance Pay account. The Organization shall set aside in a segregated corporate account the lesser of \$7,500 or 30% of the officers regular salary into this Severance Pay account. The amount charged to expense as of June 30, 1996 amounted to \$7,500.

The Organization has invested \$90,512 in mutual funds to provide funding for these two agreements. These funds are available to the Organization's general creditors.

SUPPLEMENTARY INFORMATION

Bernard & Franks
A Corporation of Certified Public Accountants

4040 W. BRADLEY BOULEVARD, SUITE 200, NEW ORLEANS, LOUISIANA 70119
TELEPHONE: 833-1111 FAX: 833-1112

BERNARD & FRANKS, L.P.A.
200 PINE ST. SUITE 200
NEW ORLEANS, LOUISIANA 70112
BERNARD & FRANKS, L.P.A.
200 PINE ST. SUITE 200
NEW ORLEANS, LOUISIANA 70112

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF CHARTERED ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT
ON THE SUPPLEMENTARY INFORMATION**

To The Board of Directors
Crossroads Louisiana, Inc.
New Orleans, Louisiana

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis 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.

Bernard & Franks

December 6, 1998

CROSSROADS LOUISIANA, INC.
 (A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENT OF ACTIVITIES AND
 FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 1996

	Program Services				
	Diviner Street Program	Arts Street Program	State Street Program	Telephone Street Program	Timberwood Street Program
Revenues:					
Public support, fees	\$128,878	\$ 21,104	\$102,148	\$280,182	\$218,403
Other revenues:					
Rents	13,968	2,407	23,381	18,094	--
Other	23	6	60	21	22
	<u>\$142,869</u>	<u>\$ 23,517</u>	<u>\$125,589</u>	<u>\$298,297</u>	<u>\$218,425</u>
Compensation and related expenses:					
compensation	\$ 58,283	\$ 12,277	\$122,806	\$ 85,843	\$ 58,227
Employee benefits:					
Insurance	188	--	318	228	--
Pensions	2,888	884	4,888	4,292	2,913
Deferred compensation	--	--	--	--	--
Payroll taxes	6,227	1,209	13,520	9,704	6,714
Bad fees	--	--	19,354	19,413	--
Depreciation	4,828	133	8,548	6,284	2,228
Food	2,727	2,024	8,479	6,224	2,888
Occupancy:					
Repairs & maintenance	2,478	784	2,813	2,824	2,843
Lease rentals	14,828	2,280	8,108	13,800	8,888
Property taxes	--	--	--	35	--
Utilities, other	6,240	483	5,108	4,893	3,475
Local transportation	340	350	17,408	16,708	1,883
Miscellaneous	1,831	1,223	7,820	5,851	944
Professional services	232	737	41,018	41,328	848
Supplies	2,821	2,778	7,414	6,886	4,873
Telephone	858	328	713	822	523
Total direct program costs	<u>\$ 99,252</u>	<u>\$ 25,015</u>	<u>\$304,804</u>	<u>\$222,131</u>	<u>\$ 96,285</u>
Management and general allocation	<u>\$ 22,888</u>	<u>\$ 3,168</u>	<u>\$ 62,922</u>	<u>\$ 43,882</u>	<u>\$ 23,884</u>
change in unrestricted net assets	<u>\$ 20,829</u>	<u>\$ 18,668</u>	<u>\$ 2,624</u>	<u>\$ 287</u>	<u>\$ 13,864</u>

Program Services			Program Totals	Supporting Services Management & General	Grand Totals
Street Program	Seion St. /Other-Rel Programs	SES			
\$344,902	\$127,800	\$ 48,418	\$1,540,893	\$ (302)	\$1,539,791
8,000	6,196	---	74,848	---	74,848
78	44	38	322	48,248	49,327
\$353,000	\$207,182	\$ 58,452	\$1,616,283	\$ 18,246	\$1,634,529
\$125,790	\$ 82,353	\$ 29,571	\$ 582,174	\$118,070	\$ 700,244
318	589	---	1,082	4,914	5,966
6,250	3,290	1,479	28,281	5,776	34,057
---	---	---	---	31,500	31,500
14,494	14,874	3,449	74,293	18,234	92,527
19,318	16,124	---	74,186	---	74,186
6,183	152	148	27,284	8,697	35,981
9,437	6,193	---	26,122	---	32,315
7,933	3,698	---	28,678	2,888	31,566
14,400	12,150	---	73,729	14,535	88,264
---	---	---	15	---	15
6,374	3,398	---	28,695	1,327	30,022
14,931	12,192	3,394	66,116	1,720	67,836
9,596	7,173	2,078	38,038	44,260	74,296
60,869	58,507	2,201	328,079	47,539	375,618
6,458	18,774	431	42,213	18,941	61,154
787	2,047	285	5,128	2,244	7,372
\$221,363	\$228,565	\$ 49,827	\$1,313,931	\$228,935	\$1,542,866
\$ 10,188	\$ 97,938	\$ 8,268	\$ 324,822	\$ (24,822)	\$ 300,000
\$ 1,884	\$168,108	\$ 29,143	\$ 129,812	\$ 18,981	\$ 298,923

Bernard & Franks
A Corporation of Certified Public Accountants

4011 VICTORIAN BUILDING

12

DAVEY BLDG.

13

NEW ORLEANS, LOUISIANA 70112

14

TELEPHONE (504) 588-4400
FAX (504) 488-8025

BERNARD & FRANKS, L.P.A.
CERTIFIED PUBLIC ACCOUNTANTS
MEMBERSHIP CERTIFIED PUBLIC ACCOUNTANTS
MEMBERSHIP CERTIFIED PUBLIC ACCOUNTANTS
MEMBERSHIP CERTIFIED PUBLIC ACCOUNTANTS
MEMBERSHIP CERTIFIED PUBLIC ACCOUNTANTS

MEMBERSHIP
MEMBERSHIP CERTIFIED PUBLIC ACCOUNTANTS
MEMBERSHIP CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Crescroads Louisiana, Inc.
New Orleans, Louisiana

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of Crescroads Louisiana, Inc. (a nonprofit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated December 1, 1996.

We conducted our audit in accordance with generally accepted auditing standards and the Government Auditing Standards issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Crescroads Louisiana, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Crossroads Louisiana, Inc. for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

The reportable conditions noted are as follows:

In small organizations, such as Crossroads Louisiana, Inc., proper separation of duties is difficult to maintain because of the limited number of people involved in the processing of transactions. Also, the cost-benefit relationship must be considered in implementing additional separation of the existing duties. Separation of duties means the flow of a transaction should be designed so that the work of one individual is either independent of or serves as a check on the work of another.

Separation of duty weaknesses exist in payroll, purchasing and disbursement areas of the accounting system.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Directors, management and State of Louisiana. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the State of Louisiana, is a matter of public record.

Bernard A. Frank
BERNARD A. FRANK
A CORPORATION OF CANADA

Metairie, Louisiana
December 8, 1956

Bernard & Franks
A Corporation of Certified Public Accountants

441 PETERS BUILDING

NEW ORLEANS, LA.

LA.

NEW ORLEANS, LOUISIANA, FEBRUARY

LA.

TELEPHONE: 524-8811 (2)
524-8812 (2)

MEMBER OF BERNARD & FRANKS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN SOCIETY OF CPAs
MEMBER OF AMERICAN ASSOCIATION OF UNIVERSITY AND COLLEGE CPAs
MEMBER OF AMERICAN SOCIETY OF CPAs
MEMBER OF AMERICAN SOCIETY OF CPAs

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

To the Board of Directors
Crossroads Louisiana, Inc.
New Orleans, Louisiana

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF THE BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH THE GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of Crossroads Louisiana, Inc. (a nonprofit organization) as of and for the year ended June 30, 1956, and have issued our report thereon dated December 1, 1956.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to Crossroads Louisiana, Inc. is the responsibility of Crossroads Louisiana, Inc.'s management. As part of obtaining reasonable assurance as to whether the financial statements are free of material misstatement, we performed tests of Crossroads Louisiana, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on overall compliance with such provisions was not an objective of our audit of the financial statements. 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.

This report is intended for the information of the Board of Directors, management and the State of Louisiana. This restriction is not intended to limit the distribution of this report, which, upon acceptance by State of Louisiana, is a matter of public record.

Bernard & Frank

BERNARD & FRANK
A CORPORATION OF CPA'S

Metalris, Louisiana
December 8, 1996