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CRENSHAW LOBBYISTS, INC.
(A NONPROFIT ORGANIZATION)

**FINANCIAL REPORT
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 1957 AND 1956

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 Jan 1, 1958

CROSSROADS LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)
JUNE 30, 1987 AND 1988

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Bernard & Franks
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

We have audited the consolidated statements of financial position of Crescorps Louisiana, Inc. (a nonprofit organization) as of June 30, 1997 and 1996 and the related consolidated statements of activities, consolidated statements of cash flows and consolidated statements of functional expenses for the years ended June 30, 1997 and 1996. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards and 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. An audit involves 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 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 Crescorps Louisiana, Inc. as of June 30, 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 a report dated December 15, 1997 on our consideration of Crescorps Louisiana, Inc.'s internal control structure and its compliance with laws and regulations.

December 15, 1997

Bernard & Franks

CROSSROADS LOUISIANA, INC.
 (A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 1997 AND 1996

ASSETS	1997	1996
CURRENT ASSETS		
Cash and cash equivalents	\$218,023	\$153,439
Accounts receivable, trade	188,053	199,300
Due from officer	11,000	3,440
Due from affiliates	18,881	1,379
Other loans receivable	987	377
Prepaid expenses	18,882	18,438
Total current assets	\$461,123	\$328,363
INVESTMENTS	\$247,373	\$ 93,512
PROPERTY AND EQUIPMENT		
Equipment and furniture and fixtures	\$374,783	\$483,983
Leasehold improvements	311,882	188,357
	\$686,665	\$672,340
Accumulated depreciation and amortization	(488,933)	(482,397)
	\$197,732	\$190,000
OTHER ASSETS		
Deposits	\$ 1,417	\$ 1,366
License to operate	11,258	--
	\$ 12,675	\$ 1,366
Total assets	\$810,823	\$624,000

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

LIABILITIES AND NET ASSETS		
	1997	1998
CURRENT LIABILITIES		
Accounts payable, trade	\$ 59,870	\$ 55,856
Accrued expenses:		
Salaries and payroll taxes	55,107	78,832
Pension plan	82,822	38,057
Other	7,744	5,310
Note payable - lease, current maturities	2,173	3,457
Note payable - equipment	--	1,583
Damage claim payable - current maturities	<u>15,600</u>	<u>15,600</u>
Total current liabilities	\$192,312	\$189,385
LONG-TERM DEBT, less current maturities		
Note payable - lease	\$ --	\$ 2,273
Deferred compensation	172,881	131,287
Deferred severance pay	51,383	18,800
Damage claim payable	<u>86,244</u>	<u>82,275</u>
	\$210,508	\$234,335
NET ASSETS		
Unrestricted	\$288,796	\$242,200
Total net assets	\$288,796	\$242,200
	<u>\$480,821</u>	<u>\$431,600</u>

CROSSROADS LITERARIA, INC.
(A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENTS OF ACTIVITIES
Year Ended June 30, 1997 and 1996

UNRESTRICTED NET ASSETS	<u>1997</u>	<u>1996</u>
Revenues, gains and support:		
Public support, government:		
Fees	\$1,867,022	\$1,839,751
Other incomes		
Seats	105,869	74,868
Investment income and other	<u>7,339</u>	<u>49,331</u>
Total revenues, gains and support, unrestricted	\$1,979,430	\$1,963,950
Expenses:		
Program services		
Oliver Street Program	\$ 103,200	\$ 99,757
Arts Street Program	91,808	25,835
State Street Program	322,547	304,804
Toledano Street Program	214,462	222,311
Timberwood Street Program	96,513	96,285
Faxon Street Program	283,064	283,367
R&D	58,164	40,027
Harcock Street / cheer-And	<u>287,388</u>	<u>234,363</u>
Total program services	\$1,460,248	\$1,313,732
Supporting services		
Management and general	\$ 258,105	\$ 324,835
Total expenses	\$1,718,353	\$1,638,567
Increase in unrestricted net assets	\$ 245,096	\$ 325,383
Net assets, beginning of year	<u>242,300</u>	<u>227,278</u>
Net assets, end of year	\$ 487,396	\$ 552,661

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

CROSSCOUNTRY LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENTS OF CASH FLOWS
Year Ended June 30, 1997 and 1996

	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$145,094	\$ 14,410
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Deferred compensation and severance pay plans	52,304	51,500
Depreciation and amortization	33,731	35,313
(Increase) decrease in accounts receivable, trade	2,648	(28,706)
(Increase) decrease in other receivables, advances	(19,352)	(8,364)
(Increase) decrease in prepaid expenses	(3,475)	(2,810)
(Increase) decrease in deposits	(53)	751
Increase (decrease) in accounts payable, trade	(13,788)	(3,554)
Increase (decrease) in accrued expenses	8,654	44,385
Increase (decrease) in due to State of Louisiana	--	(44,385)
Increase (decrease) in damage claim payable	(12,133)	(28,221)
Net cash provided by operating activities	\$184,621	\$ 82,509
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	\$(40,315)	\$(31,007)
Purchase of investment, net of fees and changes in fair value	(84,041)	(83,512)
Purchase of license to operate	(11,288)	---
Net cash used by investing activities	\$(135,644)	\$(198,329)

(Continued)

CROSSROADS LOUISIANA, INC.
 (A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENTS OF CASH FLOWS
 (CONTINUED)
 Year Ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	\$ 18,308	\$ 15,487
Net cash provided by (used in) financing activities	\$ 18,308	\$ 15,487
Net increase (decrease) in cash and cash equivalents	\$ 44,563	\$ (67,271)
Cash and cash equivalents at beginning of year	153,438	220,709
Cash and cash equivalents at end of year	<u>\$218,001</u>	<u>\$153,438</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAYMENTS FOR:		
INTEREST	\$ 412	\$ 282

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

CHERRYBASS LOUISIANA, INC.
 (A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended June 30, 1997

	PROGRAM SERVICES				
	Olivier Street Program	ATIS Street Program	State Street Program	Teleline Street Program	Timberwood Street Program
Compensation & related expenses					
Compensation	\$ 50,088	\$ 57,328	\$141,455	\$ 82,048	\$ 60,850
Employee benefits					
Insurance	58	588	336	326	54
Pensions	2,750	2,883	7,985	4,182	3,288
Payroll taxes	6,151	6,933	16,576	9,365	6,788
Inferred compensation	--	--	--	--	--
Fed fees	--	--	28,388	23,374	--
Depreciation	4,883	461	8,829	2,683	2,042
Food	4,483	3,812	10,201	4,348	2,738
Occupancy					
Repairs, buildings	777	362	300	--	973
Repairs, furniture	1,387	521	1,574	858	183
Maintenance	1,688	388	1,582	1,399	1,322
O/S Services	771	738	1,125	1,058	821
Lease rentals	14,929	9,008	8,108	12,808	8,400
Property taxes	--	--	--	--	--
Utilities	9,818	3,121	5,088	4,841	2,888
Local transportation	887	888	15,158	15,201	870
Miscellaneous	1,882	1,888	10,818	6,825	1,888
Professional services	333	422	64,451	41,382	878
Supplies	2,819	2,888	9,871	6,824	2,283
Telephones	481	882	888	728	782
	\$102,288	\$ 32,928	\$122,682	\$228,282	\$ 24,612

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

<u>Program Services</u>			<u>Program Totals</u>	<u>Supporting Services Management & General</u>	<u>Grand Totals</u>
<u>Name Street Program</u>	<u>Block Street Program</u>	<u>\$\$\$</u>			
\$227,842	\$198,688	\$ 45,681	\$ 670,842	\$183,908	\$ 860,882
218	1,681	--	2,838	5,238	8,077
4,382	8,434	2,274	13,948	9,598	43,044
18,832	12,487	2,804	28,174	14,368	52,542
--	--	--	--	22,388	22,388
21,374	21,374	--	42,511	--	42,511
8,746	2,182	148	20,282	7,489	27,771
8,488	7,814	--	40,384	--	40,384
304	800	--	3,138	--	3,138
327	80	--	4,924	80	5,007
1,416	2,146	35	8,924	487	12,431
1,168	1,546	--	7,818	221	7,418
14,488	21,388	--	60,639	10,481	100,894
--	--	--	--	--	--
8,878	4,812	--	12,288	808	12,718
12,328	18,187	1,878	65,842	2,728	68,568
2,788	2,818	2,127	14,922	14,848	48,868
63,648	72,888	38	241,128	44,318	285,418
8,881	10,383	282	28,887	8,843	35,830
832	1,384	384	8,404	4,288	9,472
<u>\$281,688</u>	<u>\$297,482</u>	<u>\$ 58,188</u>	<u>\$1,480,242</u>	<u>\$258,182</u>	<u>\$1,824,252</u>

CROWNSHORE LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 1988

	Program Services				
	Olivier Street Program	Arts Street Program	State Street Program	Tulane Street Program	Wishwood Street Program
	Expense	Expense	Expense	Expense	Expense
Compensation & related expenses					
Compensation	\$ 51,307	\$ 19,377	\$133,988	\$ 85,841	\$ 50,277
Employee benefits					
Insurance	109	--	118	128	--
Pensions	2,660	644	8,891	4,383	2,911
Deferred compensation	--	--	--	--	--
Payroll taxes	4,127	1,288	15,508	9,984	6,714
Self fees	--	--	19,254	19,413	--
Depreciation	4,628	173	9,549	4,784	2,226
Food	3,717	1,834	8,479	6,224	3,880
Occupancy					
Repairs and maintenance	3,479	756	3,813	2,524	2,461
Lease rentals	14,828	2,258	8,100	13,808	8,400
Property taxes	--	--	--	18	--
Utilities, other	6,340	643	5,100	4,893	3,475
Local transportation	240	188	17,406	16,708	2,185
Miscellaneous	1,831	1,227	7,830	5,651	864
Professional services	723	737	61,838	41,328	648
Supplies	2,811	2,778	7,416	6,698	4,671
Telephone	822	328	328	832	523
	<u>\$ 89,752</u>	<u>\$ 25,012</u>	<u>\$204,804</u>	<u>\$128,111</u>	<u>\$ 78,775</u>

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

<u>Program Services</u>				<u>Supporting</u>	
<u>House</u>	<u>Police St.</u>		<u>Program</u>	<u>Services</u>	
<u>Street</u>	<u>/Over-Adm</u>		<u>Total</u>	<u>Management</u>	<u>Grand</u>
<u>Programs</u>	<u>Programs</u>	<u>Exp</u>		<u>& General</u>	<u>Total</u>
\$125,700	\$ 83,553	\$ 29,571	\$ 542,374	\$118,870	\$ 700,244
118	589	--	1,853	4,214	5,956
6,280	3,280	1,478	28,281	5,776	34,057
--	--	--	--	21,500	53,500
14,484	16,874	3,448	74,281	10,334	84,615
18,315	18,124	--	34,104	--	52,419
6,193	152	348	27,214	8,887	36,101
6,617	6,191	--	28,133	--	34,326
3,933	3,899	--	19,875	3,588	23,463
14,480	12,150	--	73,728	14,515	88,243
--	--	--	15	--	15
5,374	3,280	--	28,688	1,327	30,015
16,931	12,182	1,384	86,114	1,320	87,434
5,588	7,173	1,878	38,030	44,280	74,310
60,860	58,507	2,201	226,070	47,139	273,209
6,858	18,778	411	62,313	10,941	73,254
247	4,012	286	3,124	3,022	6,146
<u>\$281,387</u>	<u>\$219,165</u>	<u>\$ 48,827</u>	<u>\$1,113,811</u>	<u>\$129,835</u>	<u>\$1,453,706</u>

CROSSROADS LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

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 84-3, the financial statements include the accounts of the Organization and the accounts of Cher-Ami Homes of Gretna, LA., Inc. The Organization obtained control of the Cher-Ami Home early in the 1996 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 1996, the operations of the Cher-Ami Home are labeled Solon Street/Cher-Ami. For 1997, the operations are labeled Hancock Street.

GREENSHADE LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1993 AND 1996

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.

Revenues

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 old 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 of public contributions.

CRUCIFIXES LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

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 State Meeting 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 receivable, 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, 1997 AND 1998

Note 2. Due from Officer

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

Note 3. Equipment and Improvements

equipment and improvements consists of the following:

	<u>1997</u>	<u>1998</u>	Depreciation/ Amortization/ Annual Rate
Leasehold improvements	\$211,402	\$158,157	5-20 percent
Equipment and furniture and fixtures	174,762	145,582	30 percent
	<u>\$386,164</u>	<u>\$303,739</u>	

Depreciation and amortization expense charged to income was \$33,731 for 1997 and \$18,313 for 1998.

CROSSROADS LOUISIANA, INC.
 (A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997 AND 1996

NOTE 4. INVESTMENTS

The Organization's investments at June 30, 1997 and 1996 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 Gain (Loss)</u>
1997			
Mutual Funds	\$183,000	\$247,933	\$64,933
1996			
Mutual Funds	\$33,302	\$53,533	\$20,231

Investment income for 1997 is summarized as follows:

Dividend income	\$ 4,748
Realized gains and (losses), net	(3,748)
Unrealized gain and (losses), net	8,218
	<u>\$ 9,218</u>

Investment loss of \$26 and the above realized loss for 1996 were charged against other income.

NOTE 5. NOTES PAYABLE

The note payable - lender is a note payable for leasehold improvements in the original amount of \$10,000. The loan is dated January 15, 1994 and is payable in 36 monthly installments of \$310 and bears an interest rate of 9.5 percent per annum.

The note payable - equipment is a lease agreement dated January 24, 1994 and is payable in 36 monthly installments of \$217. The agreement has an effective interest rate of 12 percent and is secured by equipment.

(Continued)

CROSSROADS LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1993 AND 1994

Note 5. Notes Payable (Continued)

Interest expense on all notes amounted to \$419 for 1997 and \$988 for 1994.

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

1994	\$ 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 Rate Setting Administration requirements. Total lease expense for the property was \$3,800 for each of the years 1997 and 1994.

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 \$22,394 for each of the years 1997 and 1994. One third of the facility is used for administration and the other two thirds as a residential facility.

The Sures Street facility is leased from an officer of the organization for \$1,200 per month.

The Salus Street residential facility was leased for \$1,350 per month beginning in October, 1993 and ending in December, 1994.

The Hancock Street residential facility is leased from an officer of the Organization on a monthly basis for \$1,200 per month.

(Continued)

CROSSROADS LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

Note 6. Leases (Continued)

The State Street residential facility is leased for a six year term commencing August 1, 1991 and ending July 31, 1997. The monthly payment is adjusted annually for inflation and certain cost increases. The current payment is \$675 per month.

The Toledo Street residential facility is leased for a three year term commencing September 1, 1996 and ending August 31, 1999. The monthly payment is \$1,125.

The facility on Timberwood was leased from an officer of the organization for \$750 per month.

The Arts Street residential facility was leased for three months at a monthly rental of \$350.

The State Street, Nunez and Toledo and Hancock facilities rent were which are owned by an officer of the organization for \$500 per month. Total van rentals for the year totaled \$24,485 for 1997 and \$10,498 for 1996.

Rental expense for all facility leases totalled \$188,094 and \$84,194 for the years ended June 30, 1997 and 1996.

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, 1999.

Year Ending June 30.

1996	\$106,194
1999	..33,344
	<u>\$139,538</u>

CROSSBORDS LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

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 years ended June 30, 1997 and 1996. The expense totaled \$43,048 and \$34,057 for the years 1997 and 1996. 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(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 109(a)(2).

Note 9. Officers Compensation

Officers compensation was as follows for the years ended June 30, 1997 and 1996:

	<u>1997</u>	<u>1996</u>
Executive Director	\$101,154	\$ 40,880
Assistant Director	<u>39,185</u>	<u>39,234</u>
	<u>\$140,339</u>	<u>\$ 80,114</u>

CRIBBERSHAW LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

Note 1B. Related Party Transactions

The Organization paid Job Link, Inc. approximately \$180,000 in 1997 and \$153,980 in 1996 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 Organization's Board of Directors. Approximately \$18,000 was due Job Link, Inc. as of June 30, 1996 and this amount was included in Accounts Payable, Trade. At June 30, 1997, \$15,391 was due from Job Link, Inc. and is shown on fees from Affiliates.

The Organization also leases some property and equipment from an officer. See Note 6 for details.

During September, 1996 the Organization took over control of the operations of the Ober-Ami Home of Gretna La., Inc. Ober-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 \$13,000. Ober-Ami also had accounts payable due in the amount of approximately \$10,800, past due payroll taxes of approximately \$29,000 and a damage claim payable in the amount of \$63,300. The damage claim is being paid off in 48 monthly payments of \$1,300. This damage claim has been recorded at its net present value and \$15,500 of the claim has been classified as current. The intercompany account of \$29,429 and \$40,088 at years ends 1997 and 1996 has been eliminated in consolidation.

Ober-Ami has signed a consulting services agreement with its former director which calls for twenty monthly payments of \$1,250 commencing on March 1, 1996.

CROSSROADS LOUISIANA, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 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 provides 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 \$48,880 for the years ended June 30, 1997 and 1996. The total liability under the agreement as of June 30, 1997 is approximately \$174,000.

The Organization's actuary has calculated that eight annual installments of \$28,354 payable at the end of each fiscal year from July 1, 1998 through July 1, 2002 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 not aside in a segregated corporate account the lesser of \$7,500 or 20% of the officers regular salary into this Severance Pay account. The amount charged to expense in June 30, 1997 and 1996 amounted to \$7,500 for each year.

The Organization has invested \$147,533 in mutual funds to provide funding for these two agreements. These funds are available to the Organizations general creditors.

SUPPLEMENTARY INFORMATION

Bernard & Franks
A Corporation of Certified Public Accountants

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MEMBERSHIP IN THE SOCIETY OF CHARTERED ACCOUNTANTS OF THE UNITED STATES

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

To the Board of Directors
Crescentaire 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 15, 1987

CROCODRINE LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

**CONSOLIDATED STATEMENT OF ACTIVITIES AND
 FUNCTIONAL EXPENSES BY PROGRAM
 For the Year Ended June 30, 1997**

	Program Services				
	Olivier Street Program	Arts Street Program	State Street Program	Tulalano Street Program	Timberwood Street Program
Revenues:					
Public support, fees	\$117,348	\$122,894	\$499,779	\$288,857	\$116,768
Other Revenues:					
Donations	11,482	15,176	36,543	18,970	--
Investment income	7	7	20	14	3
Other	1	1	23	1	--
Total revenues	<u>\$129,838</u>	<u>\$138,178</u>	<u>\$636,311</u>	<u>\$307,842</u>	<u>\$116,771</u>
Compensation and related expenses:					
Compensation	\$ 25,098	\$ 27,328	\$141,295	\$ 82,845	\$ 60,950
Employee benefits:					
Indemnities	59	598	116	218	55
Fees/com	2,793	2,861	7,688	4,282	3,648
Payroll taxes	6,181	6,823	14,578	9,286	6,748
Deferred compensation	--	--	--	--	--
Red fees	--	--	20,389	21,374	--
Depreciation	4,091	461	8,929	2,883	2,842
Food	4,181	5,832	10,101	6,249	2,739
Occupancy:					
Repairs, buildings	377	262	300	--	973
Repairs, furniture	1,327	521	1,234	959	142
Maintenance	2,685	359	1,562	1,299	1,322
O/S Services	371	739	1,125	1,838	823
Lease rentals	14,929	9,880	8,180	13,800	8,486
Property taxes	--	--	--	--	--
Utilities	8,830	3,321	8,080	4,841	2,889
Local transportation	497	956	18,154	15,201	630
Miscellaneous	1,442	1,950	18,618	6,878	1,888
Professional services	333	412	64,451	41,380	974
Supplies	2,819	2,846	7,071	6,824	3,263
Telephones	481	468	660	722	745
Total direct program costs	<u>\$123,282</u>	<u>\$ 81,808</u>	<u>\$222,647</u>	<u>\$218,282</u>	<u>\$ 86,813</u>
Management and general allocation	<u>\$ 23,482</u>	<u>\$ 20,313</u>	<u>\$ 73,415</u>	<u>\$ 42,276</u>	<u>\$ 23,268</u>
Change in unrestricted net assets	<u>\$ 2,156</u>	<u>\$ 28,437</u>	<u>\$ 21,109</u>	<u>\$ 42,884</u>	<u>\$ (12,810)</u>

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

PROGRAM SERVICES				Supporting	
Varsa Street Program	Hancock Street Program	SES	Program Totals	Services Management & General	Grand Totals
\$412,742	\$327,282	\$ 91,242	\$1,887,022	\$ --	\$1,887,022
9,255	21,483	--	105,888	--	105,888
20	28	4	293	7,205	7,308
1	1	--	32	1	33
\$422,018	\$348,794	\$ 91,246	\$1,992,236	\$ 7,206	\$1,999,442
\$127,842	\$188,668	\$ 45,482	\$ 678,982	\$181,286	\$ 860,268
218	1,682	--	2,828	--	2,828
6,282	5,428	2,274	32,248	5,238	6,072
14,922	12,487	5,804	79,124	9,095	41,044
--	--	--	--	14,268	93,245
21,274	21,274	--	--	52,206	52,206
5,748	2,282	248	84,512	--	84,511
5,608	7,514	--	26,282	7,448	33,730
--	--	--	48,208	--	48,208
204	892	--	--	--	--
227	83	--	3,228	--	3,228
1,418	2,146	28	4,924	82	5,007
1,288	1,246	--	9,224	487	10,421
14,888	21,288	--	7,228	211	7,429
--	--	--	88,628	10,455	188,084
5,975	4,922	--	--	--	--
18,254	28,187	--	22,288	686	32,224
8,765	8,825	1,872	45,842	2,224	68,266
60,648	72,858	2,227	24,821	24,248	49,812
2,261	28,282	26	241,288	44,228	285,818
822	1,208	282	38,987	5,882	44,869
--	--	284	5,484	4,055	9,472
\$222,884	\$277,482	\$ 58,268	\$1,488,288	\$254,285	\$1,742,573
\$ 68,822	\$ 28,222	\$ 22,222	\$ 288,288	\$ (218,288)	\$ --
\$ 81,224	\$ (22,288)	\$ 28,288	\$ 245,288	\$ --	\$ 245,288

CROSSROADS LOUISIANA, INC.
(A NONPROFIT ORGANIZATION)

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

	Program Services				
	Divisier Street Program	Arts Street Program	State Street Program	Tulane Street Program	Timberwood Street Program
Revenues:					
Public support, fees	\$116,874	\$ 21,104	\$152,140	\$250,162	\$116,483
Other revenues:					
Bart's	11,948	2,407	23,181	18,894	--
Other	21	6	69	51	22
	<u>\$148,843</u>	<u>\$ 23,517</u>	<u>\$175,390</u>	<u>\$269,107</u>	<u>\$116,505</u>
Compensation and related expenses:					
Compensation	\$ 83,207	\$ 11,277	\$113,906	\$ 86,843	\$ 88,227
Employee benefits:					
Insurance	108	--	118	118	--
Pensions	2,468	884	6,483	4,292	2,911
Deferred compensation	--	--	--	--	--
Payroll taxes	6,127	1,269	15,926	9,984	6,714
Bad debt	--	--	19,294	19,433	--
Depreciation	4,028	333	9,943	4,784	2,226
Food	1,717	1,634	6,476	6,224	1,088
Conspirey:					
Repairs & maintenance	1,479	766	3,433	3,514	2,481
Lease rentals	14,928	2,288	8,188	12,188	8,488
Property taxes	--	--	--	18	--
Utilities, other	6,148	463	9,188	4,893	1,473
Local transportation	148	158	17,486	16,788	1,185
Miscellaneous	1,051	1,883	7,928	5,853	966
Professional services	773	327	61,888	41,328	888
Supplies	2,811	2,376	7,416	6,486	4,671
Telephones	605	315	718	812	523
Total direct program costs	<u>\$ 188,707</u>	<u>\$ 28,815</u>	<u>\$204,884</u>	<u>\$229,111</u>	<u>\$ 96,285</u>
Management and general allocation	<u>\$ 20,508</u>	<u>\$ 2,168</u>	<u>\$ 62,962</u>	<u>\$ 45,888</u>	<u>\$ 21,804</u>
Change in unrestricted net assets	<u>\$ 22,484</u>	<u>\$ 16,883</u>	<u>\$ 7,626</u>	<u>\$ 282</u>	<u>\$ 13,664</u>

Program Services				Supporting Services	
State Street Program	State St. /Other-Ami Programs	FTE	Program Totals	Management & Services	Grant Totals
\$346,982	\$257,959	\$ 48,418	\$1,848,083	\$ (302)	\$1,538,750
8,028	9,388	--	74,868	--	74,868
78	44	38	332	48,842	48,872
<u>\$338,088</u>	<u>\$267,391</u>	<u>\$ 48,452</u>	<u>\$1,923,253</u>	<u>\$ 48,540</u>	<u>\$1,971,793</u>
\$128,792	\$ 82,333	\$ 28,871	\$ 882,174	\$118,870	\$ 788,244
118	888	--	1,682	4,814	5,896
6,250	1,388	1,478	28,281	5,776	24,507
--	--	--	--	51,580	51,580
14,484	18,874	3,449	74,281	10,234	84,515
19,315	18,134	--	74,386	--	74,386
6,183	182	148	27,814	8,887	26,927
5,817	4,181	--	55,533	--	55,533
2,833	3,899	--	19,635	2,588	22,223
14,480	12,158	--	73,728	14,818	88,546
--	--	--	18	--	18
5,374	3,258	--	28,888	1,337	30,225
16,931	12,182	1,284	66,114	1,728	67,842
5,286	7,173	1,078	30,036	44,268	74,304
60,868	88,887	3,293	226,078	43,538	273,616
6,438	10,374	411	42,813	18,942	60,755
<u>782</u>	<u>1,842</u>	<u>288</u>	<u>5,124</u>	<u>1,288</u>	<u>6,412</u>
<u>\$222,282</u>	<u>\$134,563</u>	<u>\$ 48,022</u>	<u>\$1,313,921</u>	<u>\$228,838</u>	<u>\$1,542,759</u>
\$ 88,188	\$ 37,918	\$ 4,388	\$ 324,838	\$(324,838)	\$ _____
<u>\$ 3,258</u>	<u>\$(18,388)</u>	<u>\$ 28,161</u>	<u>\$ (22,512)</u>	<u>\$ 28,842</u>	<u>\$ 28,430</u>

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

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

We have audited the financial statements of Crossroads Louisiana, Inc. as of and for the year ended June 30, 1997, and have issued our report thereon dated December 19, 1997. 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 Crossroads Louisiana, Inc.'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 Crossroads Louisiana, Inc.'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. However, we noted certain matters involving the internal control over financial

reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Greenroads Louisiana, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

The reportable conditions noted are as follows:

In small organizations, such as Greenroads 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 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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe more 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 and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Richard A. Frank
RICHARD A. FRANK
A CORPORATION OF CPA'S

December 15, 1997