

**CROSSROADS  
YOUTH & FAMILY SERVICES, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL REPORTS**

**June 30, 2017 and 2016**

# CROSSROADS YOUTH & FAMILY SERVICES, INC.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Crossroads Youth & Family Services, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Crossroads Youth & Family Services, Inc., (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crossroads Youth & Family Services, Inc., as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited Crossroads Youth & Family Services, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 13, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Matters***

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Revenues and Expenses by State Funding Source and Contract, as required by the State of Oklahoma, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2018, on our consideration of Crossroads Youth & Family Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control over financial reporting and compliance.



February 8, 2018

# CROSSROADS YOUTH & FAMILY SERVICES, INC.

## STATEMENTS OF FINANCIAL POSITION JUNE 30, 2017 and 2016

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### ASSETS

	<u>2017</u>	<u>2016</u>
Current assets:		
Cash	\$ 493,941	\$ 377,856
Certificate of deposit	402,253	200,267
Government claims receivable	267,906	632,166
Other assets	<u>64,667</u>	<u>52,066</u>
Total current assets	<u>1,228,767</u>	<u>1,262,355</u>
Property and equipment:		
Land	25,941	25,941
Buildings	2,854,333	2,614,069
Leasehold improvements	1,867,859	1,837,619
Vehicles	387,201	401,534
Furniture and equipment	1,171,048	1,125,044
Computers and software	184,582	184,582
Less: accumulated depreciation	<u>(2,576,544)</u>	<u>(2,316,666)</u>
Property and equipment, net	<u>3,914,420</u>	<u>3,872,123</u>
TOTAL ASSETS	<u>\$ 5,143,187</u>	<u>\$ 5,134,478</u>

### LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 190,653	\$ 274,709
Accrued expenses	<u>297,258</u>	<u>279,066</u>
Total current liabilities	<u>487,911</u>	<u>553,775</u>
Net assets		
Unrestricted	4,637,900	4,567,109
Temporarily restricted	<u>17,376</u>	<u>13,594</u>
Total net assets	<u>4,655,276</u>	<u>4,580,703</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,143,187</u>	<u>\$ 5,134,478</u>

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

## CROSSROADS YOUTH & FAMILY SERVICES, INC.

### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2017 and 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2017</u>	<u>Totals 2016</u>
<b>Revenues, gains (losses), and other support:</b>				
Federal contracts	\$ 9,243,307	\$ -	\$ 9,243,307	\$ 8,681,937
In-kind contributions related to federal contracts	1,387,019	-	1,387,019	1,479,783
State contracts	2,195,756	-	2,195,756	2,400,751
Municipal revenue	120,000	-	120,000	135,000
Client fees	308,737	-	308,737	348,705
Contributions	11,276	10,233	21,509	12,049
Investment income	2,716	-	2,716	392
Other	65,581	-	65,581	44,487
	<u>13,334,392</u>	<u>10,233</u>	<u>13,344,625</u>	<u>13,103,104</u>
<b>Operating Expenses:</b>				
Program services	11,943,271	6,451	11,949,722	11,782,827
Management and general	1,320,330	-	1,320,330	1,296,374
	<u>13,263,601</u>	<u>6,451</u>	<u>13,270,052</u>	<u>13,079,201</u>
<b>Increase (decrease) in net assets</b>	70,791	3,782	74,573	23,903
<b>Net assets at beginning of year</b>	<u>4,567,109</u>	<u>13,594</u>	<u>4,580,703</u>	<u>4,556,800</u>
<b>Net assets at end of year</b>	<u>\$ 4,637,900</u>	<u>\$ 17,376</u>	<u>\$ 4,655,276</u>	<u>\$ 4,580,703</u>

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

## CROSSROADS YOUTH & FAMILY SERVICES, INC.

### STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED JUNE 30, 2017 and 2016

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	2017			2016
	Program Services	Management & General	Total	Total
Salary and benefits	\$ 8,259,515	\$ 1,020,385	\$ 9,279,900	\$ 8,981,272
Rent, utilities and communications	1,214,931	71,779	1,286,710	1,305,364
Repairs and maintenance	622,964	19,459	642,423	623,958
Supplies, postage and printing	428,089	22,843	450,932	545,911
Professional fees and dues	115,461	102,650	218,111	204,936
Program costs	598,813	356	599,169	565,664
Depreciation	301,700	-	301,700	309,711
Other	408,249	82,858	491,107	542,385
Total Functional Expenses	<u>\$ 11,949,722</u>	<u>\$ 1,320,330</u>	<u>\$ 13,270,052</u>	<u>\$ 13,079,201</u>

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

# CROSSROADS YOUTH & FAMILY SERVICES, INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2017 and 2016

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	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 74,573	\$ 23,903
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	301,700	309,711
(Increase) decrease in government claims receivable	364,260	115,506
(Increase) decrease in other assets	(12,601)	(6,396)
Increase (decrease) in accounts payable	(84,056)	55,068
Increase (decrease) in accrued expenses	<u>18,192</u>	<u>68,671</u>
Net cash provided (used) by operating activities	662,068	566,463
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property and equipment purchases	(343,997)	(331,244)
Purchases of certificates of deposit	<u>(201,986)</u>	<u>(200,267)</u>
Net cash provided (used) by investing activities	<u>(545,983)</u>	<u>(531,511)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>116,085</u>	<u>34,952</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>377,856</u>	<u>342,904</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 493,941</u></u>	<u><u>\$ 377,856</u></u>

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



# CROSSROADS YOUTH & FAMILY SERVICES, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization** – Crossroads Youth & Family Services, Inc. (the "Organization"), located in Norman, Oklahoma, was incorporated April 16, 1985, under the laws of the State of Oklahoma as a not-for-profit corporation. The Organization is a social service agency that supports the healthy lifestyles and emotional well-being of children, youth and families through the provision of effective, community-based programs and services. Funding and support for the Organization is derived primarily from the state and federal governments along with contributions and donations of supplies and services from the public and the local business community.

**Financial Statement Presentation** – These financial statements have been prepared in conformity with U.S. generally accepted accounting principles and are presented in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) No. 958, *Financial Statements of Not-For-Profit Organizations*.

**Accounting Estimates** – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the use of accounting estimates by management. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents** – For the purpose of the statements of cash flows, the Organization considers as cash and cash equivalents all highly liquid investments which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase.

**Concentration of Credit Risk** – The Organization holds cash in several financial institutions. Cash accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2017 cash balances at one financial institution exceeded FDIC coverage by approximately \$36,000. At June 30, 2016 all balances were fully insured.

**Government Claims Receivable** – Government claims receivable are directly related to federal and state grants, and the Organization considers them to be fully collectible; accordingly, no allowance for doubtful accounts is required.

**Property and Equipment** – Property and equipment is stated at cost, less accumulated depreciation. The capitalization threshold is \$5,000. Depreciation is charged to operating expense and is computed using the straight-line method over the estimated useful lives of the assets, which range from three to thirty-one years. Maintenance and repairs are charged to operations when incurred and improvements are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is reflected in operations. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

# CROSSROADS YOUTH & FAMILY SERVICES, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

**Income Taxes** – The Organization qualifies as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is subject to a tax on income from any unrelated business, as defined by Section 509(a)(1) of the Code. The Organization has not identified any uncertain tax positions as of June 30, 2017 and 2016.

Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, the Organization has no open examinations with the Internal Revenue Service or the Oklahoma Tax Commission.

**Accrued Compensated Absences** – Employees of the Organization are entitled to paid vacation depending on length of service and other factors. Upon termination, an employee is compensated for any accrued but unpaid vacation pay up to 160 hours. At June 30, 2017 and 2016, the Organization had accrued \$85,568 and \$81,562, respectively, for unpaid vacation.

**Donated Services** – The Organization receives donated services in its activities and programs and records those that create or enhance nonfinancial assets or require specialized skills as in-kind contributions. Those amounts are as follows for the years ended June 30:

	2017	2016
Contributed services	\$ 754,681	\$ 790,540
Facilities usage	632,338	689,243
Total	<u>\$ 1,387,019</u>	<u>\$ 1,479,783</u>

The Organization also receives donated services from parent and community volunteers and board members. These donated services do not meet the recognition criteria for inclusion in the financial statements; however, they were valued at \$860,868 and \$662,160 at June 30, 2017 and 2016 respectively.

**Reclassifications** – Certain reclassifications have been made to the 2016 amounts in order to conform to the 2017 presentation. Such reclassifications did not affect net assets as previously reported.

**Subsequent Events** – Management has evaluated subsequent events through February 8, 2018, the date the financial statements were available to be issued.

## **CROSSROADS YOUTH & FAMILY SERVICES, INC.**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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#### **2. NET ASSETS**

Net assets are classified based on the existence or absence of donor-imposed restrictions as follows:

- Unrestricted- Net assets which are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties.
- Temporarily restricted- Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.
- Permanently restricted- Net assets subject to donor-imposed restrictions that must be maintained permanently by the Organization.

#### **3. 401(k) PLAN**

The Organization sponsors a 401(k) savings plan for its employees. The Organization matches employee contributions up to 4% of compensation under the 401(k) savings plan and employee contributions are limited to IRS limitations. The costs of the 401(k) savings plan were \$114,409 and \$109,014 for the years ended June 30, 2017 and 2016, respectively.

#### **4. CONTINGENCIES**

The Organization is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Organization maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Organization.

The Organization receives a substantial portion of its total revenues from contracts with the State of Oklahoma and the Federal government. These contracts are subject to audit by the state and federal governments or their representatives. Such audits could lead to requests for reimbursement to the state or federal governments for expenditures disallowed, the amount of which, if any, cannot be determined at this time. Additionally, future funding could be affected by government cutbacks.

## CROSSROADS YOUTH & FAMILY SERVICES, INC.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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#### 5. LEASE OBLIGATIONS

The Organization leases several buildings with various expiration dates, with leases expiring through fiscal 2020. Minimum future rental payments under the non-cancelable operating leases are summarized as follows:

Year Ending June 30,	
2018	\$ 300,022
2019	131,307
2020	43,770
Total	<u>\$ 475,099</u>

Rent expense on these leases was \$333,228 and \$299,030 for the periods ending June 30, 2017 and 2016, respectively.

#### 6. RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization carries insurance coverage to protect against losses related to general, property and auto liabilities, workers' compensation, and employee medical claims.

#### 7. CONCENTRATIONS

The Organization receives the majority of its support from the federal government through contracts or grants with the U.S. Department of Health and Human Services and state contracts with the State of Oklahoma, Office of Juvenile Affairs. Although the likelihood of such funding being terminated is not considered probable, the loss of this support would require the Organization to increase revenue from other sources or reduce the scope of its operations.

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**CROSSROADS YOUTH & FAMILY SERVICES, INC.**

**SUPPLEMENTAL INFORMATION**



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
Crossroads Youth & Family Services, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Crossroads Youth & Family Services, Inc., (a nonprofit organization), (the “Organization”), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 8, 2018.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Arledge & Associates, P.C.*

February 8, 2018



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Crossroads Youth & Family Services, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited Crossroads Youth & Family Services, Inc.'s (the "Organization's"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2017. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's, major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

**Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing



an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Arledge & Associates, P.C." The signature is written in a cursive, flowing style.

February 8, 2018

**CROSSROADS YOUTH & FAMILY SERVICES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

Funding Agency	Program Title	CFDA#/ Contract Number	Expenses
<u>Administration for Children and Families, U.S. Department of Health &amp; Human Services</u>			
	Head Start/Early Head Start	93.600	\$ 9,587,331
<u>Pass-through State of Oklahoma- U.S. Dept. of Agriculture</u>			
	Child and Adult Care Food Program	10.558	<u>775,688</u>
	Total Federal Awards		<u>10,363,019</u>
<u>State of Oklahoma:</u>			
	Office of Juvenile Affairs--Community-Based		674,184
	Office of Juvenile Affairs - Community At-Risk Services		71,100
	DHS - Food Reimbursement		14,712
	DHS - Residential Care		15,860
	State-Appropriated Head Start		141,718
	Title XIX		91,451
	Title XX		<u>362,138</u>
	Total State of Oklahoma		<u>1,371,163</u>
	Total Expenditures Related to Financial Awards		<u>\$ 11,734,182</u>

The accompanying notes are an integral part of this schedule.

**CROSSROADS YOUTH & FAMILY SERVICES, INC.**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE, 30, 2017**

**1. Basis of Presentation**

The schedule of expenditures of federal and state awards includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the schedule of expenditures of federal and state awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**3. Subrecipients**

During the year ended June 30, 2017, the Organization did not provide any federal awards to subrecipients.

**CROSSROADS YOUTH & FAMILY SERVICES, INC.**

**SCHEDULE OF REVENUES AND EXPENSES BY STATE FUNDING SOURCE AND CONTRACT  
FOR THE YEAR ENDED JUNE 30, 2017**

	State of Oklahoma								
	Pass-through- U.S. Dept. of Agriculture - Child and Adult Care Food Program	Office of Juvenile Affairs-- Community- Based	State of Oklahoma- Head Start Funding	Office of Juvenile Affairs-- Community At Risk services	Title XIX	Title XX	Department of Human Services - Food Reimbursement Shelter	Department of Human Services - Residential Care - Shelter	Total
Revenues:									
State contracts	\$ 775,688	\$ 674,184	\$ 141,718	\$ 61,634	\$ 149,822	\$ 362,138	\$ 14,712	\$ 15,860	\$ 2,195,756
Total revenues	<u>775,688</u>	<u>674,184</u>	<u>141,718</u>	<u>61,634</u>	<u>149,822</u>	<u>362,138</u>	<u>14,712</u>	<u>15,860</u>	<u>2,195,756</u>
Expenses:									
Program services	<u>775,688</u>	<u>674,184</u>	<u>141,718</u>	<u>71,100</u>	<u>91,451</u>	<u>362,138</u>	<u>14,712</u>	<u>15,860</u>	<u>2,146,851</u>
Total expenses	<u>775,688</u>	<u>674,184</u>	<u>141,718</u>	<u>71,100</u>	<u>91,451</u>	<u>362,138</u>	<u>14,712</u>	<u>15,860</u>	<u>2,146,851</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,466)</u>	<u>\$ 58,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,905</u>

**CROSSROADS YOUTH & FAMILY SERVICES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2017**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

**Financial Statements**

Type of auditor's report issued on whether the financial statements were in accordance with GAAP:

*Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?

yes  no

**Federal Awards**

Internal Control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Type of auditor's report issued on compliance for major federal programs:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes  no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start

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

Auditee qualified as low-risk auditee?  yes  no

**CROSSROADS YOUTH & FAMILY SERVICES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

SECTION II – FINANCIAL STATEMENT FINDINGS

Compliance Findings

*There are no findings requiring reporting under this section.*

Internal Control Findings

*There are no findings requiring reporting under this section.*

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Compliance Findings

*There are no findings requiring reporting under this section.*

Internal Control Findings

*There are no findings requiring reporting under this section.*

**CROSSROADS YOUTH & FAMILY SERVICES, INC.**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2017**

SECTION II – FINANCIAL STATEMENT FINDINGS

Compliance Findings

*None noted in prior year audit.*

Internal Control Findings

*None noted in prior year audit.*

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Compliance Findings

*None noted in prior year audit.*

Internal Control Findings

*None noted in prior year audit.*