

OUR HOUSE, INC.
dba
CHRISTOPHER YOUTH CENTER

Financial Statements
For the Year Ended December 31, 2018



OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

INDEX

	<u>Page</u>
Independent Auditors' Report -----	1-2
Statement of Financial Position -----	3
Statement of Activities -----	4
Statement of Functional Expenses -----	5-6
Statement of Cash Flows -----	7
Notes to Financial Statements -----	8-13

Other Information

Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> -----	14-15
Schedule of Findings and Responses -----	16-17
Summary Schedule of Prior Audit Findings-----	18
Schedule of Compensation, Benefits and Other Payments to Agency Head-----	19

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INDEPENDENT AUDITORS' REPORT

Board of Trustees of
Our House, Inc. dba Christopher Youth Center

Report on the Financial Statements

We have audited the accompanying financial statements of Our House, Inc. dba Christopher Youth Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 Our House, Inc. dba Christopher Youth Center, as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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 Compensation, Benefits and Other Payments to Agency Head is presented for purposes of additional analysis and is 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 May 3, 2019 on our consideration of Our House Inc. dba Christopher Youth Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Our House Inc. dba Christopher Youth Center's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
May 3, 2019

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 516,704	\$ -	\$ 516,704
Certificates of Deposit	519,292	-	519,292
Investments	86,044	-	86,044
Grants Receivable	89,033	-	89,033
Promises to Give - United Way	-	23,637	23,637
Prepaid Insurance	19,179	-	19,179
Total Current Assets	1,230,252	23,637	1,253,889
Property and Equipment:			
Depreciable Fixed Assets	643,983	-	643,983
Accumulated Depreciation	(371,704)	-	(371,704)
Net Depreciable Property and Equipment	272,279	-	272,279
Land	25,395	-	25,395
Net Property and Equipment	297,674	-	297,674
<u>TOTAL ASSETS</u>	\$ 1,527,926	\$ 23,637	\$ 1,551,563
<u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities:			
Accounts Payable	\$ 8,836	\$ -	\$ 8,836
<u>NET ASSETS</u>			
Without Donor Restrictions			
Undesignated	1,221,416	-	1,221,416
Invested in property and equipment, net of related debt	297,674	-	297,674
With Donor Restrictions			
Time restricted for future periods	-	23,637	23,637
Total Net Assets	1,519,090	23,637	1,542,727
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 1,527,926	\$ 23,637	\$ 1,551,563

The accompanying notes are an integral part of this financial statement.

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<u>PUBLIC SUPPORT AND GRANT REVENUE</u>			
Public Support:			
Contributions	\$ 9,169	\$ -	\$ 9,169
Grants	750,635	-	750,635
United Way Funding	-	47,273	47,273
Net Assets Released from Restrictions	53,636	(53,636)	-
Total Public Support and Grant Revenue	813,440	(6,363)	807,077
Other Support:			
Interest Income	5,168	-	5,168
Other	349	-	349
Unrealized Loss on Investments	(7,394)	-	(7,394)
Total Other Support	(1,877)	-	(1,877)
<u>TOTAL PUBLIC SUPPORT, GRANT REVENUE AND OTHER SUPPORT</u>			
	811,563	(6,363)	805,200
<u>EXPENSES</u>			
Program Services:			
DHHS Transitional Living	241,182	-	241,182
DHHS Teen Shelter	204,740	-	204,740
Outreach	59,144	-	59,144
Homeless Prevention	71,800	-	71,800
Rapid Rehousing	69,590	-	69,590
Front Door	2,261	-	2,261
Total Program Services	648,717	-	648,717
Supporting Services:			
Management and General	238,411	-	238,411
<u>TOTAL PROGRAM SERVICES, SUPPORTING SERVICES AND OTHER EXPENSES</u>			
	887,128	-	887,128
<u>INCREASE (DECREASE) IN NET ASSETS</u>	(75,565)	(6,363)	(81,928)
<u>NET ASSETS AT BEGINNING OF YEAR</u>	1,594,655	30,000	1,624,655
<u>NET ASSETS AT END OF YEAR</u>	\$ 1,519,090	\$ 23,637	\$ 1,542,727

The accompanying notes are an integral part of this financial statement.

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Salaries and Related Expenses</u>	<u>DHHS - Transitional Living</u>	<u>DHHS - Teen Shelter</u>	<u>Outreach</u>	<u>Homeless Prevention</u>
Salaries	124,255	105,480	30,471	36,991
Payroll Taxes and Benefits	9,948	8,445	2,440	2,962
<u>Other Expenses</u>				
Audit	4,064	4,064	-	-
Advertising	-	18	1,175	-
Contract Labor	9,349	3,608	-	-
Dues/Subscriptions	2,470	2,410	-	-
Food/Shelter	1,085	10,613	981	-
Insurance	16,249	26,875	-	-
Office Expenses	998	1,625	957	-
Copy Machine Lease	1,054	1,018	466	-
Printing/Publishing	-	-	584	-
Supplies	793	3,962	69	-
Telephone	2,603	3,559	3,345	-
Training	528	3,366	22	-
Utilities	11,060	9,184	3,866	984
Client Services	4,972	3,463	-	-
Educational	53	40	500	-
Medical	892	38	-	-
Travel	1,182	3,169	528	-
Rent	42,400	-	12,000	30,863
Depreciation	-	-	-	-
Repairs & Maintenance	6,317	12,381	1,709	-
Auto Expense	210	1,422	-	-
Other Expenses	700	-	31	-
	<u>\$ 241,182</u>	<u>\$ 204,740</u>	<u>\$ 59,144</u>	<u>\$ 71,800</u>

<u>Rapid Rehousing</u>	<u>Front Door</u>	<u>Management and General</u>	<u>Total Expenses</u>
35,852	1,165	122,693	\$ 456,907
2,870	93	9,834	36,592
-	-	4,064	12,191
-	-	415	1,608
-	-	2,409	15,366
-	-	1,775	6,655
-	-	40	12,719
-	-	35,780	78,904
-	789	2,151	6,520
-	-	-	2,538
-	-	120	704
-	-	46	4,870
-	214	188	9,908
-	-	-	3,916
1,893	-	73	27,061
-	-	439	8,875
-	-	-	593
-	-	-	930
125	-	3,252	8,256
28,850	-	-	114,113
-	-	35,819	35,819
-	-	15	20,423
-	-	941	2,573
-	-	18,357	19,088
<u>\$ 69,590</u>	<u>\$ 2,261</u>	<u>\$ 238,411</u>	<u>\$ 887,128</u>

The accompanying notes are an integral part of this financial statement.

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Cash Flows from Operating Activities:</u>	
Decrease in Net Assets	\$ (81,928)
Depreciation	35,819
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
CDs	53,753
Investments	23,306
Grants Receivable	17,542
Prepaid Insurance	(2,727)
Accounts Payable	2,098
Net Cash Provided by Operating Activities	47,863
 <u>Cash Flows from Investing Activities:</u>	
Purchase of Fixed Assets	(3,376)
Net Cash Used by Investing Activities	(3,376)
 <u>Increase in Cash and Cash Equivalents</u>	
	44,487
 <u>Cash and Cash Equivalents, Beginning of Year</u>	
	472,217
 <u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	
	\$ 516,704

The accompanying notes are an integral part of this financial statement.

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Nature of Activity

Effective from August 22, 2015, the name of the Organization was changed from Our House, Inc. to Our House, Inc. dba Christopher Youth Center. Our House, Inc. dba Christopher Youth Center is a nonprofit organization that is based in Monroe, Louisiana. The Organization provides "hotline" services for runaway and troubled teens. The Organization's services also include providing shelter and transportation for troubled teens.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The financial statements of Our House, Inc. dba Christopher Youth Center have been prepared on the accrual basis and, accordingly, reflect all significant receivables and payables.

Basis of Presentation

ASC section 958-605 *Not-for-Profit Entities, Revenue Recognition* requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

Net assets, revenues, expenses, and changes in net assets are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor – imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor – imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor – imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both. As of the year ended December 31, 2018 Our House, Inc. dba Christopher Youth Center does not have any donor – imposed restrictions that are perpetual in nature.

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Cash and Cash Equivalents

Our House, Inc. dba Christopher Youth Center considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

In February 2015, GASB issued Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, designed to enhance the comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. GASB 72 amended the definitions of fair value and investments, provided guidance for determining a fair value measurement for assets and liabilities required to be reported at fair value, provided guidance for applying fair value to investments required to be reported at fair value, and provided for disclosures in addition to those already required by GASB Statements No. 3, 31, 40, and 53 for all investments measured at fair value.

Grants Receivable

Grants receivable represent amounts that have been expensed for grant purposes and are to be reimbursed in full by the grantor and have been promised over the next twelve months.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets using the straight-line method:

	<u>Years</u>
Buildings	40
Building Improvements	5-40
Residences	40
Vehicles	3-5
Furniture, Fixtures and Equipment	3-10

Public Support and Revenue

Annual contributions are recorded as revenue when received and are generally available for unrestricted use unless specifically restricted by the donor.

Grant income is deferred until the revenue is received. Unreimbursed expenses are recorded as income and as grants receivable when requests for reimbursement are submitted to the grants.

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-

financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Functional Allocation of Expenses

The cost of providing the various programs and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair Value of Financial Instruments

ASC section 820 *Fair Value Measurements and Disclosures* and ASC section 825 *Financial Instruments* require all entities to disclose the fair value of financial instruments for which it is practicable to estimate fair value.

The carrying amount of cash and cash equivalents, accrued interest receivable, and bequests receivable approximates fair value because of the short maturity of these financial instruments. The carrying value, which is the fair value of investments and funds held in trust by others, is based upon quoted market values. In the limited cases where such values are not available, historical cost is used as an estimate of market value.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$516,704
Investments	86,044
Certificates of deposit maturing within one year	440,447
Accounts receivable to be collected within one year	89,033
Grants receivable to be collected within one year	<u>23,637</u>
Total	<u>\$1,155,865</u>

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 3 - Cash and Cash Equivalents

Our House, Inc. dba Christopher Youth Center maintains its cash balances in five local financial institutions. The bank balances of \$530,083 are covered by FDIC Insurance of up to \$250,000 at each bank.

Our House, Inc. dba Christopher Youth Center also has six certificates of deposit. The certificates of deposit have a fair value of \$519,660 and are not considered cash equivalents. \$518,589 of these certificates of deposit are covered by FDIC insurance.

Note 4 - Income Taxes

Our House, Inc. dba Christopher Youth Center is a nonprofit corporation exempted from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should the Organization engage in activities unrelated to its exempt purpose, taxable income could result. The Organization had no material unrelated business income for the year ended December 31, 2018. The earliest income tax year that is subject to examination is 2015.

Note 5 - Lease Expense

Our House, Inc. dba Christopher Youth Center has several six-month to one-year noncancelable operating leases for several apartments for their residents. Lease expense for the year ended December 31, 2018 was \$114,113.

Minimum future rental payments under non-cancelable operating leases as of December 31, 2018 for each of the next five years and in aggregate are as follows:

December 31, 2019	<u>\$19,400</u>
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Note 6 - Property and Equipment

A summary of land, buildings, equipment and accumulated depreciation at December 31, 2018 is as follows:

Land	\$25,395
Buildings	400,838
Autos & Trucks	117,066
Furniture & Equipment	126,079
Accumulated Depreciation	<u>(371,704)</u>
Net Property and Equipment	<u>\$ 297,674</u>

Depreciation expense for the year ended December 31, 2018 was \$35,819.

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 7 - **Investments**

Investments are presented in the financial statements at fair market value based on quoted prices in active markets (level 1) of the securities on a recurring basis at December 31, 2018.

	Quoted Prices in Active Markets for Identical Assets <u>(Level 1 Inputs)</u>	Other Observable Inputs <u>(Level 2 Inputs)</u>	Significant Unobservable Inputs <u>(Level 3 Inputs)</u>
Mutual Funds	<u>\$ 86,044</u>	<u>\$ _____</u>	<u>\$ _____</u>

Investment return at December 31, 2018 consisted of net realized and unrealized losses of \$7,394.

Note 8 - **Grants Receivable**

Grants receivable consisted of the following at December 31, 2018

Front Door Grant	\$ 6,376
Youth Transitions	10,040
ESGP I Grant	15,703
LCLE Victims of Crimes	18,001
DHHS Teen Shelter	18,168
DHHS Transitional Living	14,956
OCS Grant	<u>5,789</u>
Total Grants Receivable	<u>\$89,033</u>

Note 9 - **Promises to Give**

Unconditional promises to give consist of the following:

United Way	<u>\$23,637</u>
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Note 10 - **Net Assets With Donor Restrictions**

Net assets were released from donor restrictions by time restrictions specified by donors as follows:

Time Restrictions Expired:	
United Way of Northeast Louisiana	<u>\$30,000</u>

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 11 - In-Kind Contributions

In-kind contributions for funds receiving government grants consist of time donated by volunteer workers established by state and federal regulatory agencies providing the grant funds; also, donated food, clothing, medical facilities, advertising and other items valued at estimated fair market value. The volunteer hours and donated food and clothing are not recorded in the financial statements.

Note 12 - Commitments and Contingencies

Economic Dependence

The Organization receives a substantial amount of its support from federal and state government grants and from the United Way. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

Note 13 - Related Parties

Our House, Inc. dba Christopher Youth Center employs Takewell & Hanna, CPAs to assist in bookkeeping and reconciling of accounts. Karen Hanna is a Trustee on the Board of Trustees of Our House, Inc. dba Christopher Youth Center. For the year ended December 31, 2018, Our House, Inc. dba Christopher Youth Center paid Takewell & Hanna, CPAs \$4,438.

Note 14 - Subsequent Events

Subsequent events have been evaluated through May 3, 2019, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

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INDEPENDENT AUDITORS' 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

Board of Trustees of
Our House, Inc. dba Christopher Youth Center

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 Our House, Inc. dba Christopher Youth Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 3, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Our House, Inc. dba Christopher Youth Center's internal control over financial reporting 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 Our House dba Christopher Youth Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Our House, Inc. dba Christopher Youth Center'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 Our House, Inc. dba Christopher Youth Center'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 Our House, Inc. dba Christopher Youth Center'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 is required to be reported under the *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, the communication is not suitable for any other purpose.

Cameron Hines & Company (APAC)

West Monroe, Louisiana
May 3, 2019

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018

To The Board of Trustees
Our House, Inc.
Monroe, Louisiana

We have audited the financial statements of Our House, Inc. dba Christopher Youth Center as of and for the year ended December 31, 2018, and have issued our report thereon dated May 3, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2018, resulted in an unmodified opinion.

SECTION I - Summary of Auditors' Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

B. Federal Awards **N/A NO SINGLE AUDIT IS REQUIRED**

Material Weakness Identified yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Type of Opinion on Compliance for Major Programs

Unmodified Modified

Disclaimer Adverse

Are their findings required to be reported in accordance with Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart F? **N/A**

C. Identification of Major Programs:

Name of Federal Program (or cluster): **N/A**

Dollar threshold used to distinguish between Type A and Type B Programs. **N/A**

Is the auditee a "low-risk" auditee, as defined by Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart F? **N/A**

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

Section II - Financial Statement Findings

There were no findings in this section.

Section III - Federal Award Findings and Responses

N/A

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

Internal Control and Compliance Material to the Financial Statements

This section is not applicable.

Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Management Letter

This section is not applicable

OUR HOUSE, INC. dba CHRISTOPHER YOUTH CENTER
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
DECEMBER 31, 2018

Agency Head

Ella Nimmers
Executive Director

Purpose

Salary	\$ 83,170
Benefits - Payroll Taxes and Insurance	13,146
Travel	<u>1,225</u>
Total Compensation, Benefits and Other Payments	<u><u>\$ 97,541</u></u>

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Christopher Youth Center DBA Our House, Inc. and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Christopher Youth Center DBA Our House, Inc. (CYC) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The CYC's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the CYC's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the CYC's operations):¹
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g.

¹ For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization's operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics²**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the CYC's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: Seven exceptions noted where the written policies and procedures of the CYC did not contain the detailed requirements of the Louisiana Legislative Auditor listed above.

Board or Finance Committee³

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-

² The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the non-profit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as sheriff or assessor.

to-actual comparisons, if budgeted) for major proprietary funds.⁴ *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the CYC's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Findings: No exceptions noted.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the CYC's main operating account. Select the CYC's main operating account and randomly select 4 additional accounts⁵ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: Five exceptions noted where the bank reconciliations did not include evidence that a member of management who does not handle cash, post ledgers, or issue checks had reviewed each bank reconciliation.

⁴ Major funds are defined under GASB standards. The related procedure addresses major funds as a way to verify that boards are provided with financial information necessary to make informed decisions about significant THE CYC operations, including proprietary operations that are not required to be budgeted under the LGBA.

⁵ Accounts selected may exclude savings and investment accounts that are not part of the THE CYC's daily business operations.

Collections

4. Obtain a listing of deposit sites⁶ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Findings: We obtained the listing and management's representation.

5. For each deposit site selected, obtain a listing of collection locations⁷ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Findings: No exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Findings: All employees who have access to cash are covered by a bond or insurance policy for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day)⁸. *Alternately, the practitioner may use a source*

⁶ A deposit site is a physical location where a deposit is prepared and reconciled.

⁷ A collection location is a physical location where cash is collected. An THE CYC may have one or more collection locations whose collections are brought to a deposit site for deposit.

⁸ If "bank reconciliations" have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for bank reconciliations.

document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Findings: One exception noted where the deposit was not made within one business day of receipt at the collection location.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Findings: We obtained the listing and management's representation.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Findings: One exception noted where the employee responsible for processing payments was not prohibited from adding/modifying vendor files, with no other employee responsible for

periodically reviewing changes to vendor files. One exception noted where the employee responsible for mailing checks was also responsible for processing payments.

10. For each location selected under #8 above, obtain the CYC's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings: Five exceptions noted where the disbursement documentation did not include evidence of segregation of duties tested under #9.

Travel and Travel-Related Expense Reimbursements⁹ (excluding card transactions)

11. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: Five exceptions noted where the reimbursement was not supported by documentation of the business/public purpose of the expense.

⁹ Non-travel reimbursements are not required to be tested under this category.

Payroll and Personnel

12. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Findings: No exceptions noted.

13. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the CYC's cumulative leave records.

Findings: No exceptions noted.

14. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Findings: No exceptions noted.

15. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Findings: No exceptions noted.

Management's Response

We concur with the results of the procedures and are working diligently to improve controls.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Cameron Hines & Company (APAC)

West Monroe, Louisiana
May 3, 2019