

Community Receiving Home, Inc.
d/b/a Renaissance

Alexandria, Louisiana

June 30, 2018

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2018**

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report.....		1-2
Financial Statements		
Statement of Financial Position.....	A	3
Statement of Activities.....	B	4
Statement of Cash Flows.....	C	5
Notes to Financial Statements.....		6-12
	<u>Statement</u>	
Supplemental Information.....		13
Schedule of Compensation, Benefits, and Other Payments to the Agency Head or Chief Executive Officer.....	D	14
Other Report Required by <i>Government Auditing Standards</i>		15
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 <i>Government Auditing Standards</i>		16-18
Schedule of Findings and Responses.....		19
Management's Summary Schedule of Prior Audit Findings.....		20



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance

Report on the Financial Statements

We have audited the accompanying financial statements of Community Receiving Home, Inc. d/b/a Renaissance (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities 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.

Auditor's 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 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.

REBECCA B. MORRIS, C.P.A.
MICHAEL A. JUNEAU, C.P.A.
CINDY L. HUMPHRIES, C.P.A.

DEBORAH R. DUNN, C.P.A.
REBECCA G. NATION, C.P.A.
EVELYN T. RENFROW, C.P.A.



1419 METRO DRIVE • P.O. BOX 13200
ALEXANDRIA, LA 71315-3200
PH: (318) 443-1093 • FAX: (318) 443-2515



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Receiving Home, Inc. d/b/a Renaissance as of June 30, 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 schedule of compensation, benefits, and other payments to the agency head or chief executive officer 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 October 23, 2018, on our consideration of Community Receiving Home, Inc. d/b/a Renaissance'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 solely 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 effectiveness of Community Receiving Home, Inc. d/b/a Renaissance's 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 Community Receiving Home, Inc. d/b/a Renaissance's internal control over financial reporting and compliance.

Payne, Moore & Herrington, LLP
Certified Public Accountants
Alexandria, Louisiana

October 23, 2018

**Community Receiving Home, Inc.
d/b/a Renaissance
Statement of Financial Position
June 30, 2018**

Exhibit A

Assets		
Cash and cash equivalents		\$ 1,102,791
Certificate of deposit		24,030
Accounts receivable		95,678
Accrued interest receivable		398
Dietary inventory		8,139
Prepaid expenses		48,583
Property and equipment - net of depreciation		<u>2,824,570</u>
Total Assets		<u>\$ 4,104,189</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable		\$ 64,483
Deposits held for others		427
Payroll taxes and other employee withholdings		2,166
Accrued salaries		54,680
Accrued vacation pay		53,121
Deferred income		<u>6,909</u>
Total Liabilities		181,786
 Net Assets		
Unrestricted		
Undesignated		3,878,199
Designated for public information		15,905
Designated for shelter care		1,233
Designated for scholarships		<u>457</u>
Total Unrestricted Net Assets		3,895,794
Temporarily restricted		16,609
Permanently restricted		<u>10,000</u>
Total Net Assets		<u>3,922,403</u>
Total Liabilities and Net Assets		<u>\$ 4,104,189</u>

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

**Community Receiving Home, Inc.
d/b/a Renaissance
Statement of Activities
Year Ended June 30, 2018**

Exhibit B

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and Support				
Local government	\$ 1,635,938	\$ -	\$ -	\$ 1,635,938
State government	837,229	-	-	837,229
Grants	-	91,986	-	91,986
Interest	550	109	-	659
Subleases	23,633	-	-	23,633
Miscellaneous	56,540	-	-	56,540
Net assets released from restrictions	91,986	(91,986)	-	-
Total Revenues and Support	<u>2,645,876</u>	<u>109</u>	<u>-</u>	<u>2,645,985</u>
Expenses				
Detention	657,263	-	-	657,263
Girls Residential/Shelter	377,321	-	-	377,321
Boys Residential/Shelter	460,016	-	-	460,016
Management and general	1,267,841	-	-	1,267,841
Total Expenses	<u>2,762,441</u>	<u>-</u>	<u>-</u>	<u>2,762,441</u>
Change in Net Assets	(116,565)	109	-	(116,456)
Net Assets, Beginning of Year	<u>4,012,359</u>	<u>16,500</u>	<u>10,000</u>	<u>4,038,859</u>
Net Assets, End of Year	<u>\$ 3,895,794</u>	<u>\$ 16,609</u>	<u>\$ 10,000</u>	<u>\$ 3,922,403</u>

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

**Community Receiving Home, Inc.
d/b/a Renaissance
Statement of Cash Flows
Year Ended June 30, 2018**

Exhibit C

Cash Flows from Operating Activities	
Change in net assets	\$ (116,456)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	175,131
Changes in operating assets and liabilities:	
Accounts receivable	(17,770)
Dietary inventory	362
Prepaid expenses	(4,608)
Accounts payable	(3,145)
Payroll taxes and other employee withholdings	(1,603)
Accrued salaries	1,814
Accrued vacation pay	10,364
Deferred income	1,845
Net Cash Provided by (Used in) Operating Activities	<u>45,934</u>
Cash Flows from Investing Activities	
Purchase of property and equipment	(53,280)
Maturity of investments	23,923
Purchase of investments	(24,030)
Net Cash Provided by (Used in) Investing Activities	<u>(53,387)</u>
Cash Flows from Financing Activities	<u>-</u>
Increase (Decrease) in Cash and Cash Equivalents	(7,453)
Cash and Cash Equivalents, Beginning of Year	<u>1,110,244</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,102,791</u></u>

Additional Required Disclosures:

1. The Organization considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.
2. There was no interest paid during the year ended June 30, 2018.
3. No income taxes were paid during the year ended June 30, 2018.
4. There were no material noncash investing or financing transactions during the year ended June 30, 2018 that affected recognized assets and liabilities.

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

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2018**

Notes to Financial Statements

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

Community Receiving Home, Inc. d/b/a Renaissance is a nonprofit corporation located in Alexandria, Louisiana, which provides community based multifunction juvenile justice support intervention. Programs include:

- The Detention program provides secure care for juveniles accused of delinquent acts until their trial and placement.
- The Girls and Boys Shelter Care provides a safe haven for abused, neglected, runaway and throwaway children.
- The Girls and Boys Residential Home provides long-term treatment and rehabilitation for children who deserve a second chance.

The range of children served includes children who may be delinquent, in need of supervision, neglected, and/or abused.

Primary funding is derived from a parish-wide ad valorem tax administered by the Rapides Parish Police Jury and fees received from the State of Louisiana for various youth services.

Significant Accounting Policies

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The financial statements have been prepared on an accrual basis and in conformity with standards promulgated by the American Institute of Certified Public Accountants, and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Renaissance prepares its financial statements in accordance with Financial Accounting Standards Board. Renaissance 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.

A classified balance sheet and the liquidity of assets and liabilities are not presented. Management believes the classifications themselves adequately disclose the long-term nature of assets and liabilities.

Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2018

Notes to Financial Statements

Subsequent Events

Management has evaluated subsequent events through October 23, 2018, the date which the financial statements were available for issue.

Cash and Cash Equivalents

Cash and cash equivalents consist of petty cash, checking and savings accounts, and certificates of deposit with a maturity within three months of the date acquired.

Certificates of Deposit

Certificates of deposit with maturity dates greater than three months are stated at cost, which approximates market value.

Accounts Receivable

Accounts receivable are charged to expense when they become uncollectible. There were no receivables included in the financial statements considered uncollectible by management at June 30, 2018. An allowance for doubtful accounts, if any, would not be material to the accompanying financial statements.

Dietary Inventory

Dietary inventory is carried at lower of cost or market by use of the first-in, first-out method of accounting.

Property and Equipment

All significant acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets in excess of \$500 are capitalized. Property and equipment, including improvements thereto, are stated at cost or, if acquired by gift, at the estimated market value on the date of gift or on date of recordation in the books of Renaissance. The gifts are recorded as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Renaissance reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Renaissance reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Deferred Income

Rental payments are received for land subleased annually. A portion of these payments totaling \$6,909 are considered unearned and reflected in the statement of financial position as deferred income.

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2018**

Notes to Financial Statements

Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition

The Rapides Parish Policy Jury receives ad valorem taxes late in the calendar year. These taxes are held by the Police Jury and distributed ratably on a monthly basis. Revenue derived from these taxes is recorded on a monthly basis as the Police Jury approves the monthly disbursement.

Donated Materials and Services

Donated materials are reflected as contributions at their estimated value at the date of receipt and are recorded as expenses for current operations. In addition, Renaissance receives at no cost certain agricultural commodities from the State of Louisiana. These commodities are recorded as grant revenue based upon a market valuation placed thereon by the Department of Agriculture, Food Distribution Division.

No amounts have been reflected in the financial statements for donated services. Renaissance pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Renaissance with specific assistance programs, solicitations, and various committee assignments.

Compensated Absences

Vested or accumulated vacation leave and compensatory time earned is recorded as an expense and liability as the benefits accrue to the employees. An accrual for non-vesting accumulating rights to receive sick pay benefits has not been made in these financial statements because Renaissance does not pay their employees sick time earned upon termination.

Income Taxes

Renaissance is a nonprofit organization exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and comparable Louisiana law. Accordingly, no provision for income taxes has been made in the accompanying financial statements. Renaissance's tax returns remain subject to audit by the IRS for three years after filing. At June 30, 2018, the returns for tax years 2015, 2016, and 2017 remain open. Renaissance has been classified as an organization that is not a private foundation under Section 509(a)(2) of the code.

Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2018

Notes to Financial Statements

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$2,254 for the year ended June 30, 2018.

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.

2. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following:

Cash on hand	\$ 300
Interest-bearing checking and savings accounts	<u>1,102,491</u>
	\$ 1,102,791

Custodial credit risk is the risk that in the event of a bank failure, Renaissance's deposits may not be returned. As of June 30, 2018, Renaissance's bank balance of \$1,126,749 was not exposed to custodial credit risk in that \$328,592 was insured through FDIC insurance coverage, and \$798,157 was collateralized by securities held by the pledging bank in Renaissance's name.

3. Certificate of Deposit

The certificate of deposit is held in a financial institution located in the Central Louisiana area. This certificate has a stated interest rate of forty-five hundredths of a percent (.45%) per annum and will mature within seven months of the statement of financial position date.

4. Accounts Receivable

State of Louisiana – Office of Juvenile Justice	\$ 68,831
State of Louisiana – Department of Education – Bureau of Food and Nutrition	3,831
Other parishes and municipalities	1,295
Other	<u>21,721</u>
	\$ 95,678

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2018**

Notes to Financial Statements

5. Property and Equipment

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Buildings and improvements:			
Office and detention	\$ 2,346,468	\$ (1,297,503)	\$ 1,048,965
Group home	367,493	(194,276)	173,217
Shelter care	704,311	(325,999)	378,312
School	1,368,617	(334,088)	1,034,529
Maintenance building	28,196	(7,935)	20,261
Furniture and equipment:			
Office	84,170	(75,755)	8,415
Detention	237,399	(193,225)	44,174
Group home	111,959	(90,262)	21,697
Shelter care	69,100	(55,480)	13,620
School	20,553	(17,763)	2,790
Other	271,982	(252,897)	19,085
Transportation equipment	155,674	(106,019)	49,655
Construction in progress	9,850	-	9,850
	<u>\$ 5,775,772</u>	<u>\$ (2,951,202)</u>	<u>\$ 2,824,570</u>

The depreciation provision for the year ended June 30, 2018 amounted to \$175,131.

6. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2018 of \$14,030 are available to be used in the event of an emergency, and temporarily restricted net assets of \$2,579 are available to be used for future fixed asset purchases.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Purpose restriction accomplished:	
Child Sexual Abuse Counseling Program (LCLE grant)	\$ 36,925
School Food Program	51,974
School Food Commodities	<u>3,087</u>
	<u>\$ 91,986</u>

7. Permanently Restricted Net Assets

Permanently restricted net assets consist of a \$10,000 donation. The donor stipulated a permanent endowment of the \$10,000 and restricted the earnings on the endowment to be used in the event of an emergency. The endowment is held in the form of a certificate of deposit in the amount of \$24,030 at year-end, which includes interest earned to date on the donation. The interest earned on the donation from the date of origination totals \$14,030 and is included in temporarily restricted net assets.

Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2018

Notes to Financial Statements

8. Leases and Subleases

Renaissance as Lessee

Renaissance leases land and certain buildings from the State of Louisiana, Department of Health and Hospitals under a ninety-nine (99) year lease expiring in 2071. Consideration for the lease is the public benefit to be derived from the operations of Renaissance.

Renaissance as Lessor

On January 1, 2013, the formal lease agreement between Walter and Ann Vanderlick and Renaissance was renewed providing an annual payment of \$10,127. The lease term expired on December 31, 2017. On January 1, 2018, this lease was renewed under the same terms expiring on December 31, 2022.

In 1988, Renaissance entered into an agreement with Randolph A. Mansour and Donald A. Mansour to sublease approximately three-fourths (3/4) of an acre of land for thirty (30) years for the purpose of constructing a building thereon to be subleased. Under the terms of the sublease, minimum rentals are \$160 per month for a period of sixty (60) months minus the construction period months; \$168 per month beginning January 1, 1994, and during the next sixty (60) months; \$177 per month during the next sixty (60) months; \$185 per month during the next sixty (60) months; \$195 per month during the next sixty (60) months; and \$204 per month during the next sixty (60) months. Upon the September 15, 2018 scheduled termination of this sublease, any land improvements will revert to Renaissance.

On July 7, 2012, a formal lease agreement was entered into with the City of Alexandria providing an annual lease payment of \$9,365 (\$125/acre X 74.92 acres) payable on the 15th day of May each year. The rent will increase by 2.75% each year for the term of the lease which will expire on September 31, 2031. The term commenced on September 15, 2011.

Total income from subleases totaled \$23,633 for the current fiscal year.

Year ending June 30,	
2019	\$ 22,062
2020	21,762
2021	22,082
2022	22,410
2023	17,685
2024-2028	68,508
2029-2031	<u>45,794</u>
	\$ 220,303

9. Retirement Plan

Effective January 1, 2000, Renaissance adopted a deferred profit sharing plan covering all employees eligible to participate in the plan. Contributions to the plan are made for the benefit of the employee by Renaissance in an amount equal to three percent (3%) of an individual's regular annual salary. Participants shall be permitted to make elective deferrals in any amount from one percent (1%) to ten percent (10%) of their compensation. Renaissance will also match up to three percent (3%) of elective deferrals. Contributions to the plan for the year ended June 30, 2018, totaled \$16,825.

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2018**

Notes to Financial Statements

10. Concentrations of Revenues and Significant Funding Sources

Renaissance received \$1,611,436 from the parish-wide ad valorem tax during the year ended June 30, 2018. This tax, which was renewed in 2014 for an additional ten years, represented approximately sixty-one percent (61%) of the total revenues and support for the current year.

Additionally, Renaissance has a contract with the State of Louisiana Office of Juvenile Justice (OJJ) to provide juvenile group home residential treatment. This contract was renewed through March of 2018. Total amounts received from the State under this contract totaled \$837,229 or thirty-two percent (32%) of the total revenues for the current year.

Supplemental Information

**Community Receiving Home, Inc.
d/b/a Renaissance
Schedule of Compensation, Benefits, and Other Payments
to the Agency Head or Chief Executive Officer
June 30, 2018**

Statement D

Agency Head: Angela Chustz, Executive Director

Salary	\$ 69,939
Benefits - insurance	640
Benefits - retirement	4,231
	<u>\$ 74,810</u>

See independent auditor's report.

**Other Report Required by
*Government Auditing Standards***

**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***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

**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
Community Receiving Home, Inc.
d/b/a Renaissance

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 Community Receiving Home, Inc. d/b/a Renaissance (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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 October 23, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Renaissance'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 Renaissance's internal control. Accordingly, we do not express an opinion on the effectiveness of Renaissance'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.





PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance

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 Renaissance'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 Renaissance's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Renaissance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Payne, Moore & Herrington, LLP
Certified Public Accountants
Alexandria, Louisiana

October 23, 2018

**Community Receiving Home, Inc.
d/b/a Renaissance
Schedule of Findings and Responses
Year Ended June 30, 2018**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Management's Corrective Action Plan Not applicable

Management's Summary Schedule of Prior Audit Findings See attached

Memorandum of Other Comments and Recommendations None issued

Federal Awards Not applicable

Section II – Financial Statement Findings

None.

Section III – Federal Award Finding and Questioned Costs

Not applicable.

**Community Receiving Home, Inc.
d/b/a Renaissance
Management's Summary Schedule of Prior Audit Findings
Year Ended June 30, 2018**

Finding 2017-001 – Untimely Deposits and Recording of Receipts

Condition and Context: The June 2017 ad valorem tax receipt was held for a number of days until it was deposited in July 2017. Also, the receipt was not posted to cash as a deposit in transit or against the receivable in a timely manner.

Current Status: Resolved.

Community Receiving Home, Inc.
d/b/a Renaissance

Statewide Agreed-Upon Procedures Report

Alexandria, Louisiana

June 30, 2018



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Community Receiving Home, Inc. d/b/a Renaissance (Entity) 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 July 1, 2017 through June 30, 2018. The Entity'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 results are as follows:

Written Policies and Procedures

1. **Procedure:** Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - 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.

REBECCA D. MORRIS, C.P.A.
MICHAEL A. JUNEAU, C.P.A.
CINDY L. HUMPHRIES, C.P.A.

DEBORAH R. DUNN, C.P.A.
REBECCA G. NATION, C.P.A.
EVELYN T. RENFROW, C.P.A.



1419 METRO DRIVE • P.O. BOX 13200
ALEXANDRIA, LA 71315-3200
PH: (318) 443-1893 • FAX: (318) 443-2515



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance
and the Louisiana Legislative Auditor

- 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. 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) **Ethics**, 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 entity'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.

Results: No exceptions noted.

Board or Finance Committee

2. **Procedure:** 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:



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance
and the Louisiana Legislative Auditor

- 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-to-actual comparisons, if budgeted) for major proprietary funds. *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 entity'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.

Results: Not applicable – no prior year exceptions noted.

Bank Reconciliations

3. **Procedure:** 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 entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (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.

Results: Not applicable – no prior year exceptions noted.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance
and the Louisiana Legislative Auditor

Collections

4. **Procedure:** Obtain a listing of deposit sites 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).

Results: No exceptions noted.

5. **Procedure:** For each deposit site selected, obtain a listing of collection locations 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.

Results: No exceptions noted.

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

Results: No exceptions noted.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance
and the Louisiana Legislative Auditor

7. **Procedure:** 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). *Alternately, the practitioner may use a source 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.

Results: In our test of six (6) deposits, we noted the following exceptions:

- 1) One (1) deposit in which no pre-numbered receipts were issued for all cash received.
- 2) One (1) deposit in which there was no documentation for the collection.
- 3) One (1) deposit in which the deposit was not made within one business day of receipt at the collection location.

Management's Response: Collection procedures for the agency shall be amended to indicate that all cash received, regardless of source of origination, shall be substantiated by the issuance of a sequentially numbered receipt. Any receipt from a vendor, as in the sale of recycled materials shall be attached to the agency receipt. Further the Administrative Services Manager will be designated to make deposits in a timely manner in the absence of the Fiscal Director who is the usual and customary depositor of funds.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance
and the Louisiana Legislative Auditor

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

8. **Procedure:** 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).

Results: No exceptions noted.

9. **Procedure:** 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.

Results: No exceptions noted.

10. **Procedure:** For each location selected under #8 above, obtain the entity'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.

Results: No exceptions noted.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance
and the Louisiana Legislative Auditor

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Procedure: Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: No exceptions noted.

12. Procedure: Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: In our test of five (5) monthly credit card statements, we noted the following exceptions:

- 1) Three (3) instances in which there was no evidence that the statement was reviewed and approved by someone other than the authorized card holder.
- 2) One (1) instance in which a late fee was assessed on the selected account.

Managements Response: The procedure governing the cyclical payment to vendors for goods and services shall be increased to a weekly schedule thereby avoiding the possibility of late fees or having service charges assessed. The executive director will review not only invoices presented for payment but also statements issued and will indicate such has been done by initialing the statement.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance
and the Louisiana Legislative Auditor

- 13. Procedure:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: No exceptions noted.

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

- 14. Procedure:** 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.

Results: Not applicable – no prior year exceptions noted.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home. Inc.
d/b/a Renaissance
and the Louisiana Legislative Auditor

Contracts

- 15. Procedure:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: Not applicable – no prior year exceptions noted.

Payroll and Personnel

- 16. Procedure:** 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.

Results: Not applicable – no prior year exceptions noted.

- 17. Procedure:** 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:



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance
and the Louisiana Legislative Auditor

- 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 entity's cumulative leave records.

Results: Not applicable – no prior year exceptions noted.

18. **Procedure:** 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' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files

Results: Not applicable – no prior year exceptions noted.

19. **Procedure:** 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.

Results: Not applicable – no prior year exceptions noted.

Ethics

20. **Procedure:** Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: Ethics requirements are not applicable to nonprofits.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance
and the Louisiana Legislative Auditor

Debt Service

21. Procedure: Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Results: Debt service requirements are not applicable to nonprofits.

22. Procedure: Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Results: Debt service requirements are not applicable to nonprofits.

Other

23. Procedure: Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: No exceptions noted.

24. Procedure: Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions noted.

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.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Community Receiving Home, Inc.
d/b/a Renaissance
and the Louisiana Legislative Auditor

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.

Payne, Moore + Herrington, LLP

Payne, Moore & Herrington, LLP
Alexandria, Louisiana

October 23, 2018