

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

Alexandria, Louisiana

June 30, 2017

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2017**

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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, 2017, 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. JONEAU, C.P.A.
CINDY L. HUMPHRIES, C.P.A.

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





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, 2017, 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 November 9, 2017, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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

November 9, 2017

Community Receiving Home, Inc.
d/b/a Renaissance
Statement of Financial Position
June 30, 2017

Exhibit A

Assets		
Cash and cash equivalents		\$ 1,110,244
Certificate of deposit		23,923
Accounts receivable		77,908
Accrued interest receivable		398
Dietary inventory		8,501
Prepaid expenses		43,975
Property and equipment - net of depreciation		<u>2,946,421</u>
Total Assets		<u><u>\$ 4,211,370</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable		\$ 67,628
Deposits held for others		427
Payroll taxes and other employee withholdings		3,769
Accrued salaries		52,866
Accrued vacation pay		42,757
Deferred income		<u>5,064</u>
Total Liabilities		<u>172,511</u>
Net Assets		
Unrestricted		
Undesignated		3,995,290
Designated for public information		15,836
Designated for shelter care		<u>1,233</u>
Total Unrestricted Net Assets		<u>4,012,359</u>
Temporarily restricted		16,500
Permanently restricted		<u>10,000</u>
Total Net Assets		<u>4,038,859</u>
Total Liabilities and Net Assets		<u><u>\$ 4,211,370</u></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, 2017**

Exhibit B

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and Support				
Local government	\$ 1,600,122	\$ -	\$ -	\$ 1,600,122
State government	764,016	-	-	764,016
Grants	-	75,333	-	75,333
Interest	1,331	109	-	1,440
Subleases	22,953	-	-	22,953
Loss on disposal of asset	(2,283)	-	-	(2,283)
Miscellaneous	76,845	-	-	76,845
Net assets released from restrictions	75,333	(75,333)	-	-
Total Revenues and Support	<u>2,538,317</u>	<u>109</u>	<u>-</u>	<u>2,538,426</u>
Expenses				
Detention	701,557	-	-	701,557
Girls Residential/Shelter	396,111	-	-	396,111
Boys Residential/Shelter	453,580	-	-	453,580
Management and general	1,142,929	-	-	1,142,929
Total Expenses	<u>2,694,177</u>	<u>-</u>	<u>-</u>	<u>2,694,177</u>
Change in Net Assets	(155,860)	109	-	(155,751)
Net Assets, Beginning of Year	<u>4,168,219</u>	<u>16,391</u>	<u>10,000</u>	<u>4,194,610</u>
Net Assets, End of Year	<u>\$ 4,012,359</u>	<u>\$ 16,500</u>	<u>\$ 10,000</u>	<u>\$ 4,038,859</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, 2017**

Exhibit C

Cash Flows from Operating Activities	
Change in net assets	\$ (155,751)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	168,072
Loss on disposal of assets	2,283
Changes in operating assets and liabilities:	
Accounts receivable	129,967
Dietary inventory	(435)
Prepaid expenses	(4,381)
Accounts payable	(15,242)
Deposits held for others	(250)
Payroll taxes and other employee withholdings	(405)
Accrued salaries	6,843
Accrued vacation pay	(3,229)
Deferred income	(1,739)
Net Cash Provided by (Used in) Operating Activities	125,733
Cash Flows from Investing Activities	
Purchase of property and equipment	(87,139)
Maturity of investments	23,815
Purchase of investments	(23,923)
Net Cash Provided by (Used in) Investing Activities	(87,247)
Cash Flows from Financing Activities	-
Increase (Decrease) in Cash and Cash Equivalents	38,486
Cash and Cash Equivalents, Beginning of Year	1,071,758
Cash and Cash Equivalents, End of Year	\$ 1,110,244

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, 2017.
3. No income taxes were paid during the year ended June 30, 2017.
4. There were no material noncash investing or financing transactions during the year ended June 30, 2017 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, 2017**

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, 2017

Notes to Financial Statements

Subsequent Events

Management has evaluated subsequent events through November 9, 2017, 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.

Certificate 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, 2017. 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 \$5,064 are considered unearned and reflected in the statement of financial position as deferred income.

Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2017

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, 2017, the returns for tax years 2014, 2015, and 2016 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, 2017

Notes to Financial Statements

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$5,378 for the year ended June 30, 2017.

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
Noninterest-bearing checking accounts		467
Interest-bearing checking and savings accounts		<u>1,109,477</u>
	\$	1,110,244

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, 2017, Renaissance's bank balance of \$998,896 was not exposed to custodial credit risk in that \$328,475 was insured through FDIC insurance coverage, and \$670,421 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	\$	54,970
State of Louisiana – Department of Education – Bureau of Food and Nutrition		4,093
Other parishes and municipalities		10,138
Other		<u>8,707</u>
	\$	77,908

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2017**

Notes to Financial Statements

5. Property and Equipment

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Buildings and improvements:			
Office and detention	\$ 2,328,824	\$ (1,239,467)	\$ 1,089,357
Group home	367,493	(188,263)	179,230
Shelter care	704,311	(308,931)	395,380
School	1,365,744	(297,738)	1,068,006
Maintenance building	28,196	(6,981)	21,215
Furniture and equipment:			
Office	81,308	(76,191)	5,117
Detention	246,570	(196,140)	50,430
Group home	109,189	(89,541)	19,648
Shelter care	62,701	(54,340)	8,361
School	20,553	(16,960)	3,593
Other	270,876	(244,595)	26,281
Transportation equipment	155,674	(81,571)	74,103
Construction in Progress	5,700	-	5,700
	<u>\$ 5,747,139</u>	<u>\$ (2,800,718)</u>	<u>\$ 2,946,421</u>

The depreciation provision for the year ended June 30, 2017 amounted to \$168,072.

6. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2017 of \$13,923 are available to be used in the event of an emergency, and temporarily restricted net assets of \$2,577 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)		\$ 19,775
School Food Program		51,112
School Food Commodities		<u>4,446</u>
		<u>\$ 75,333</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 \$23,923 at year-end, which includes interest earned to date on the donation. The interest earned on the donation from the date of origination totals \$13,923 and is included in temporarily restricted net assets.

Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2017

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 expires on December 31, 2017.

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 \$22,953 for the current fiscal year.

Year ending June 30,	
2018	\$ 18,532
2019	11,936
2020	11,635
2021	11,955
2022	12,284
2023-2027	66,674
2028-2031	<u>60,248</u>
	\$ 193,264

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, 2017, totaled \$50,943.

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2017**

Notes to Financial Statements

10. Concentrations of Revenues and Significant Funding Sources

Renaissance received \$1,559,872 from the parish-wide ad valorem tax during the year ended June 30, 2017. 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 \$764,016 or thirty percent (30%) 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, 2017**

Statement D

Agency Head: Angela Chustz, Executive Director

Salary	\$ 70,071
Benefits - insurance	618
Benefits - retirement	4,204
Travel	188
	<u>\$ 75,081</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, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2017.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a material weakness as Finding 2017-001.

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*.

Renaissance's Response to Findings

Renaissance's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Renaissance's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

November 9, 2017

**Community Receiving Home, Inc.
d/b/a Renaissance
Schedule of Finding and Responses
Year Ended June 30, 2017**

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?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no
<i>Management's Corrective Action Plan</i>	See attached
<i>Management's Summary Schedule of Prior Audit Findings</i>	Not applicable
<i>Memorandum of Other Comments and Recommendations</i>	None issued
<i>Federal Awards</i>	Not applicable

Section II – Financial Statement Findings

Finding 2017-001 – Untimely Deposits and Recording of Receipts

Criteria: All receipts should be deposited in a timely manner to ensure that they are posted in the proper period and adequately safeguarded against misplacement or misappropriation.

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.

Cause and Effect: The June 2017 ad valorem tax receipt was not deposited or recorded in a timely manner. As a result, the accounts receivable balance was materially overstated, and the cash balance was materially understated. In addition, this receipt is not adequately safeguarded against misplacement or misappropriation.

Recommendation: We recommend that all receipts be deposited and recorded on a timely basis.

Management's Response: See Management's Corrective Action Plan.

**Community Receiving Home, Inc.
d/b/a Renaissance
Schedule of Finding and Responses
Year Ended June 30, 2017**

Section III – Federal Award Finding and Questioned Costs

None.

Management's Corrective Action Plan



The Community Receiving Home, Inc. d/b/a Renaissance respectfully submits the following corrective action plan for the year ended June 30, 2017.

Independent Public Accounting Firm: Payne, Moore & Herrington, LLP
P. O. Box 13200
Alexandria, LA 71315-3200
(318) 443-1893

Auditee Contact Person: Angela Chustz, Executive Director
Community Receiving Home, Inc.
d/b/a Renaissance
P.O. Box 7997
Alexandria, LA 71306
(318) 473-0530

Audit Period: July 1, 2016 through June 30, 2017

The findings from the Schedule of Findings and Responses are discussed below, numbered consistently with the numbers assigned in the Schedule. See Parts II, and III, Schedule of Findings and Responses, for criteria, condition and context, cause and effect, and auditor recommendations relating to the findings to the financial statements.

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.

Recommendation: We recommend that all receipts be deposited and recorded on a timely basis.

Action Taken: The agency policy and procedure manual, Fiscal Procedures Section, shall be amended effective November 15, 2017, under Procedures Section, Subtopic Cash Management labeled Item A as follows:

All monies collected within the facility or received by the facility shall be secured in the office of the Fiscal Director, who is responsible for the proper accounting and recording of all funds. Funds received in the form of checks shall be recorded by the Administrative Services Manager. The recording process shall be completed by making two photocopies of all items received and date stamping one copy of each item indicating the date received by the agency. Once recorded, the Administrative Services

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Richard Burgess

Chairman

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W. Harry Ingalls
Azar Kayal
Corey Lair
Rodney G. McNeal
Det. David Rundell

Angela Chustz

Executive Director

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Alexandria, LA

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fax: 318/473-8866

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Manager will make the deposit slip, placing it and all items to be deposited in the deposit bag and turn in to the Fiscal Director who will deposit with the proper financial institution within twenty-four (24) hours of receipt. At the time of deposit, the general journal entry for the deposit will be made by the fiscal director, and one copy of the deposited items will be attached to the deposit slip. The second copy of the deposited items will be individually attached to invoices sent by the agency as evidence of receipt of funds. All funds should be secured within the administrative office before the close of business each day.

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In addition the Standard Operating Procedure under the bank deposit section for the Fiscal Department, will be amended as indicated below:

The majority of deposits received by the agency are done through electronic funds transfer (EFT), however some funds are still received as drawn checks via the postal service or in cash. The procedure for the deposit of funds received in house are as follows:

1. The Administrative Services Manager will receive mail containing checks unopened. They will then open and proceed to record receipt by making two (2) photocopies of each check. One copy will be date stamped to record date of receipt. They will then make the deposit slip stamping each item with the proper endorsement stamp. The deposit slip and all the related checks will then be place in the deposit bag and turn it over to the Fiscal Director together with the two (2) photocopies of each item.
2. The Fiscal Director will receive the deposit from the Administrative Services Manager and will within twenty-four (24) hours make the deposit with the proper financial institution. Once made, the Fiscal Director will make the proper journal entry recording the deposit. One set of photocopies of items deposited will be attached to the deposit slip, and the other set will be individually attached to corresponding invoices to evidence receipt of funds billed.

Community Receiving Home, Inc.
d/b/a Renaissance
Statewide Agreed-Upon Procedures Report

Alexandria, Louisiana

June 30, 2017



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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, 2016 through June 30, 2017. 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 the Entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Entity does not have any written policies and procedures), as applicable:
 - 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**, including receiving, recording, and preparing deposits.
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.





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- 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, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: The Entity does not have formal written policies and procedures for payroll/personnel or credit cards. The written policies and procedures for: purchasing does not address how vendors are added to the vendor list; receipts does not address recording deposits; and contracting does not address the types of services requiring written contracts, standard term and conditions, legal review, or the monitoring process.

Management's Response: When services are to be provided utilizing a new vendor the prospective vendor will be supplied and asked to complete a Form W-9. When completed and returned to the agency the W-9 will be submitted to the Executive Director for approval to be added as a vendor, assent will be noted by stamping "Approved" and initialed or signed by the executive director. The authorized W-9 will be provided to the Fiscal Director who will then assign a vendor number to the vendor and enter all necessary payment information within the accounting system.

All monies collected within the facility or received by the facility shall be secured in the office of the Fiscal Director, who is responsible for the proper accounting and recording of all funds. Funds received in the form of checks shall be recorded by the Administrative Services Manager. The recording process shall be completed by making two photocopies of all items received and date stamping one copy of each item indicating the date received by the agency. Once recorded the Administrative Services Manager will make the deposit slip, placing it and all items to be deposited in the deposit bag and return to the Fiscal Director who will deposit it with the proper financial institution within twenty four (24) hours of receipt. At the time of deposit the general journal entry for the deposit will be made by the fiscal director, and one copy of the deposited items will be attached to the deposit slip. The second copy of the deposited items will be individually attached to invoices sent by the agency as evidence of receipt of funds. All funds should be secured within the administrative office before the close of business each day.



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Going forward contracts issued by the agency will be for professional services not covered by agency employees or for purposes of fulfilling licensing requirements should staff be out due to illness or on leave of absence and unable to perform their normal duties. Such contracts shall be for a standard term of one year with the stipulated condition that each party to the contract has the right to cancel with written 30 day notice. Review and monitoring of contracts by legal counsel shall be by the agency attorney of record and will be on an as needed basis.

Board (or Finance Committee, if applicable)

2. **Procedure:** Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the Entity's prior audit (GAAP-basis).
 - 1. If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: No exceptions noted.

Bank Reconciliations

3. **Procedure:** Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
- Results:** No exceptions noted.
4. **Procedure:** Using the listing provided by management, select all of the Entity's bank accounts [if five (5) accounts or less] or one-third of the bank accounts on a three year rotating basis [if more than five (5) accounts]. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund*



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accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;
- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than six (6) months as of the end of the fiscal period.

Results: No exceptions noted.

Collections

5. **Procedure:** Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: No exceptions noted.

6. **Procedure:** Using the listing provided by management, select all of the Entity's cash collection locations [if five (5) locations or less] or one-third of the collection locations on a three year rotating basis [if more than five (5) locations]. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.



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- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 1. Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 2. Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: We noted the following exceptions:

- a) The Entity does not have written documentation supporting the policy or procedure stating that the employee responsible for collecting cash is not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account.
- b) The Entity does not have written documentation supporting the policy or procedure to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source, by a person who is not responsible for cash collections.
- c)
 1. The Entity does not stamp collections with the date when received. Therefore, we were unable to determine if the collection was deposited within one day of receipt.
 2. We noted no supporting documentation for four (4) out of eight (8) collections tested for the month of April 2017.

Management's Response: It shall be the responsibility of the Administrative Services Manager to collect all cash receipts coming into the agency, both cash and checks, to make two (2) photocopies of each check item, and to date stamp the copy indicating the date received. It will be the responsibility of the Fiscal director to make deposits to the bank, as well as to reconcile all statements of collection to the general and subsidiary ledgers. The Fiscal director will attach to each bank validated deposit slip a date stamped photocopy of the item or items represented within the deposit.

7. **Procedure:** Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the Entity has a process specifically defined (identified as such by the Entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.



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Results: The Entity does not have formal written policies and procedures for determining the completeness of all collections for each revenue source by a person who is not responsible for those collections.

Management's Response: It shall become the procedure for the Fiscal Director to attach to each invoice for services rendered a copy of the date stamped check that has been deposited as payment. For electronic funds transfers shall be for which notification is received via the OSRAP system a copy of the printed payee detail attached to the invoice.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. **Procedure:** Obtain a listing of Entity disbursements from management or, alternately, obtain the general ledger and sort/filter for Entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Results: No exceptions noted.

9. **Procedure:** Using the disbursement population from #8 above, randomly select twenty-five (25) disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Entity had less than twenty-five (25) transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Results: No exceptions noted.

10. **Procedure:** Using Entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the Entity's purchasing/disbursement system.



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Results: The Entity does not have formal written policies and procedures regarding who is responsible for adding vendors to the purchasing/disbursement system.

Management's Response: When services are to be provided utilizing a new vendor, the prospective vendor will be supplied and asked to complete a Form W-9. When completed and returned to the agency, the W-9 will be submitted to the Executive Director for approval to be added as a vendor, assent will be noted by stamping "Approved" and initialed or signed by the executive director. The authorized W-9 will be provided to the Fiscal Director who will then assign a vendor number to the vendor and enter all necessary payment information within the accounting system.

11. **Procedure:** Using Entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: The Entity does not have formal written policies and procedures stating that persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating purchases.

Management's Response: The policy governing purchases for the agency is that requests for items or services be initiated through the Fiscal Director, Administrative Services Manager, or Compliance Officer who is to submit a completed sequentially numbered duplicate copy purchase order for the consideration of the Executive Director. The Executive Director is to complete the request by signing the purchase order and returning to the initiator for purchase of the goods or service.

12. **Procedure:** Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review Entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: No exceptions noted.

13. **Procedure:** If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Results: No exceptions were noted.



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

- 14. Procedure:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

- 15. Procedure:** Using the listing prepared by management, randomly select ten (10) cards [or at least one-third of the cards if the entity has less than ten (10) cards] that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation 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) Report whether finance charges and/or late fees were assessed on the selected statements.

Results: We noted the following exceptions:

- a) 1. No evidence that the credit card statement itself was reviewed and approved by management.
2. One instance where the credit card charge was not approved by someone other than the authorized card holder.
3. One instance where there was no supporting documentation for the credit card charge.
4. One instance where the credit card was inadvertently used by the card holder for a personal purchase. The card holder subsequently repaid Renaissance for this purchase.
- b) One instance where interest was charged in the amount of \$14.52 in the month of October 2016.



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Management's Response: It shall become the policy of the agency to have all credit card statements reviewed by the Executive Director prior to processing for payment and disbursement. The procedure to secure approval for payment will be that when statements are received they will be matched with the indicated invoices and purchase orders and submitted in total for review by the Executive Director. If all documents are presented they will stamp "Approved" and either initial or sign. Disbursements should be made in a timely manner to avoid the incurring of any interest or penalty charges.

- 16. Procedure:** Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the ten (10) cards selected [i.e. each of the ten (10) cards should have one (1) month of transactions subject to testing].
- a) For each transaction, report whether the transaction is supported by:
 1. An original itemized receipt (i.e., identifies precisely what was purchased).
 2. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 3. Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
 - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
 - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: As previously noted in procedure #15, the following exceptions were noted:

- a) One instance where there was no supporting documentation for the credit card charge.
- c) One instance where the credit card was inadvertently used by the card holder for a personal purchase. The card holder subsequently repaid Renaissance for this purchase.



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Management's Response: In review of statements for approval to be paid by the Executive Director, missing documents will be left unpaid until such time as a duplicate copy is provided by the Credit Card Company or business issuing the credit card. The agency prohibits the use of an agency credit card for personal items or services, however should an inadvertent occurrence happen it is required that immediate repayment be made to the agency.

Travel and Expense Reimbursement

- 17. Procedure:** Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
- Results:** No exceptions noted.
- 18. Procedure:** Obtain the Entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
- Results:** No exceptions noted.
- 19. Procedure:** Using the listing or general ledger from #17 above, select the three (3) persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three (3) travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 1. An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 2. Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 3. Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)



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- c) Compare the Entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were noted.

Contracts

20. Procedure: Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results: No exceptions noted.

21. Procedure: Using the listing above, select the five (5) contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - 1. If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - 2. If no, obtain supporting contract documentation and report whether the Entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.



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- d) Select the largest payment from each of the five (5) contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Results: No exceptions noted.

Payroll and Personnel

- 22. **Procedure:** Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five (5) employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: No exceptions noted.
- 23. **Procedure:** Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select twenty-five (25) employees/officials (or randomly select one-third of employees/officials if the Entity had less than twenty-five (25) employees during the fiscal period), and:
 - a) Report whether 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) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the Entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.



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Results: No exceptions noted.

24. **Procedure:** Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two (2) largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two (2) employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results: No exceptions noted.

25. **Procedure:** Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: No exceptions noted.

Other

26. **Procedure:** Inquire of management whether the Entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the Entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the Entity is domiciled.

Results: No exceptions noted.

27. **Procedure:** Observe and report whether the Entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: We observed that the Entity has not posted the notice required by R.S. 24:523.1 on its premises and website.

Management's Response: The notice required by R.S. 24:523.1 concerning the misappropriation, fraud, waste or abuse of public funds has been posted in the administrative office and is being incorporated and added to our website.



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28. Procedure: If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

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.

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.

A handwritten signature in black ink that reads "Payne, Moore & Herrington, LLP". The signature is written in a cursive, flowing style.

Payne, Moore & Herrington, LLP
Alexandria, Louisiana

November 9, 2017