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COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE

ALEXANDRIA, LOUISIANA

JUNE 30, 1998

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE

JUNE 30, 1998

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PAYNE, MOORE & HERRINGTON, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheet of Community Receiving Home, Inc., d/b/a Renaissance (a nonprofit corporation) as of June 30, 1998, and the related statements of support and revenue and expenses and changes in fund balances for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Renaissance as of June 30, 1998, and the results of its operations and changes in its fund balances for the year then ended in conformity with generally accepted accounting principles.

Marian A. Juneau, C.P.A. | Robert L. Litton, C.P.A. | Rebecca B. Morris, C.P.A.
H. Fred Rankin, C.P.A. | Robert W. Hudnall, C.P.A. | Michael A. Juneau, C.P.A.
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Board of Directors
Community Receiving Home, Inc.
d/b/a Renaissance

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 1998, on our consideration of Renaissance's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 10, 1998

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE
BALANCE SHEET
JUNE 30, 1998

EXHIBIT A

	CURRENT FUNDS	ENDOWMENT FUND	PLANT FUND	TOTAL ALL FUNDS
ASSETS				
Cash	$166,278	$ 7,474	$	$ 173,752
Certificates of deposit	54,166	15,823		69,989
Accounts receivable	140,090			140,090
Accrued interest receivable	559	346		905
Dietary inventory	1,815			1,815
Prepaid expenses	15,788			15,788
Property and equipment - depreciated cost			639,250	639,250
TOTAL ASSETS	$378,696	$23,643	$639,250	$1,041,589
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 52,777	$	$	$ 52,777
Deposits held for others	2,554			2,554
Payroll taxes and other employee withholdings	4,021			4,021
Accrued salaries	39,654			39,654
Accrued vacation pay	32,765			32,765
Deferred lease income	16,769			16,769
Total Liabilities	148,540	-0-	-0-	148,540
FUND BALANCES (Exhibit C)				
Unrestricted:				
Designated for public information	5,528			5,528
Designated for Shelter Care		1,472		1,472
Undesignated	224,628			224,628
Total Unrestricted	230,156	1,472	-0-	231,628
Restricted		22,171		22,171
Net investment in plant			639,250	639,250
Total Fund Balances	230,156	23,643	639,250	893,049
TOTAL LIABILITIES AND FUND BALANCES	$378,696	$23,643	$639,250	$1,041,589

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

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE
STATEMENT OF SUPPORT AND REVENUE AND EXPENSES
YEAR ENDED JUNE 30, 1998

EXHIBIT B

	...........CURRENT FUNDS.........			ENDOWMENT	PLANT	TOTAL
	DESIGNATED	UNDESIGNATED	TOTAL	FUND	FUND	ALL FUNDS
SUPPORT AND REVENUE						
Local government	$	$ 759,806	$ 759,806	$	$	$ 759,806
State government		573,989	573,989			573,989
Grants		80,242	80,242			80,242
Interest	156	3,826	3,982	927		4,909
Subleases		25,502	25,502			25,502
Contributions		6,997	6,997			6,997
Gain on sale of assets		180	180			180
Miscellaneous		2,385	2,385			2,385
Total Support and Revenue	156	1,452,927	1,453,083	927	-0-	1,454,010
EXPENSES						
Salaries		849,983	849,983			849,983
Depreciation					85,053	85,053
Client food and clothing		101,153	101,153			101,153
Payroll taxes		73,130	73,130			73,130
Utilities		35,412	35,412			35,412
Group insurance		41,979	41,979			41,979
Maintenance and repairs		46,930	46,930			46,930
Insurance		48,724	48,724			48,724
Retirement		14,499	14,499			14,499
Office and postage		25,725	25,725			25,725
Accounting and other professional fees		8,331	8,331			8,331
Counseling fees		14,111	14,111			14,111
Travel and seminars		16,645	16,645			16,645
Client supplies and allowances		7,842	7,842			7,842
Telephone		11,820	11,820			11,820
Dues and subscriptions		8,298	8,298			8,298
Automobile expense		6,390	6,390			6,390
Accreditation expense		4,536	4,536			4,536
Advertising		929	929			929
Medical supplies and fees		16,257	16,257			16,257
Equipment rentals		25,614	25,614			25,614
Total Expenses	-0-	1,358,308	1,358,308	-0-	85,053	1,443,361
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES BEFORE CAPITAL ADDITIONS	156	94,619	94,775	927	(85,053)	10,649
CAPITAL ADDITIONS						
Contributions				470		470
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES AFTER CAPITAL ADDITIONS	$156	$ 94,619	$ 94,775	$1,397	$(85,053)	$ 11,119

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

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1998

EXHIBIT C

	...........CURRENT FUNDS..........			ENDOWMENT	PLANT	TOTAL
	DESIGNATED	UNDESIGNATED	TOTAL	FUND	FUND	ALL FUNDS
FUND BALANCES, BEGINNING OF YEAR	$5,372	$227,309	$232,681	$22,246	$627,003	$881,930
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE						
OVER EXPENSES (Exhibit B)	156	94,619	94,775	1,397	(85,053)	11,119
Plus (Less):	5,528	321,928	327,456	23,643	541,950	893,049
TRANSFERS						
Plant/equipment acquisitions		(97,300)	(97,300)		97,300	-0-
FUND BALANCES, END OF YEAR	$5,528	$224,628	$230,156	$23,643	$639,250	$893,049

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

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Community Receiving Home, Inc., d/b/a Renaissance is a quasi-governmental corporation located in Alexandria, Louisiana, which provides community based multifunction juvenile justice support intervention. Programs provided include secure detention, home detention, group home rehabilitation, shelter care, and aftercare. 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. Support from the tax is recognized when allocation is approved by the Police Jury, in accordance with a contract between the two parties dated December 9, 1975.

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 Governmental Accounting Standards Series Statement No. 29 of the Governmental Accounting Standards Board, *The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities*.

Basis of Presentation

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by the following fund groups:

1. Current funds represent expendable funds used to carry out the operations of the Organization in accordance with its bylaws.

2. Endowment funds represent the principal amount of gifts accepted with the donor stipulation that the principal be maintained intact in perpetuity, with only the income to be utilized.

3. Plant funds are designed to account for funds expended for plant assets. Plant fund acquisitions are financed through current operations and accounted for as transfers to plant funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

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, the Organization 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.

Donated services have not been reflected in the accompanying financial statements since no objective basis is available to measure the value of such services.

Accounts Receivable

Accounts receivable are charged to income when they become uncollectible. In the opinion of management, all receivables were collectible, and an allowance for doubtful accounts was not considered necessary at June 30, 1998.

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

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets. The cost of maintenance and repairs is charged to income as incurred; however, significant renewals and improvements are capitalized.

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.

2. CASH

Current Funds	
Cash on hand	$ 600
Noninterest-bearing checking accounts	2,743
Interest-bearing checking and savings accounts	162,935
	$166,278
Endowment Fund	
Interest-bearing checking account	$ 7,474

3. CERTIFICATES OF DEPOSIT

Certificates of deposit are invested in various financial institutions located in the central Louisiana area. These certificates have a stated interest rate ranging from 4.83 percent to 5.25 percent per annum and will mature within seven months of the balance sheet date.

4. ACCOUNTS RECEIVABLE

Rapides Parish Police Jury	$ 62,000
State of Louisiana - Department of Public Safety and Corrections	44,457
State of Louisiana - Department of Social Services	20,527
State of Louisiana - Department of Education - Bureau of Food and Nutrition	3,026
Other parishes and municipalities	3,651
Other	6,429
	$140,090

5. **PROPERTY AND EQUIPMENT**

	COST	ACCUMULATED DEPRECIATION	NET
Buildings and improvements:			
Office and detention	$ 729,837	$501,580	$228,257
Group home	155,280	130,842	24,438
Shelter care	310,010	71,697	238,313
Furniture and equipment:			
Office	74,744	54,256	20,488
Detention	91,950	59,449	32,501
Group home	59,090	36,046	23,044
Shelter care	55,298	42,113	13,185
Other	70,407	34,705	35,702
Transportation equipment	52,928	29,606	23,322
	$1,599,544	$960,294	$639,250

The depreciation provision for the year ended June 30, 1998 amounted to $85,053.

6. **LEASES AND SUBLEASES**

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.

Approximately eighty-five (85) percent of the land area covered under the above lease was subleased on February 16, 1993, at an annual minimum rental of $22,652. The sublease expired on December 31, 1997, by mutual consent and was renewed for an additional five years with an annual minimum rental of $25,154. Deferred lease income reflected in Exhibit A resulted from sublease payments received through December, 1998.

In 1988, the Organization 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 purposes of constructing a building thereon to be subleased by them to Central Louisiana Electric Company, Inc. 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 termination of the sublease, any land improvements will revert to Renaissance.

Future minimum rentals for land due under the subleases for the five (5) years ending after June 30, 1998, and in the aggregate are as follows:

1999	$ 27,224
2000	27,278
2001	27,278
2002	27,278
2003	27,278
Thereafter	36,102
	$172,438

7. RETIREMENT PLAN

Renaissance has a defined contribution plan covering all employees eligible to participate in the plan. The plan, a flexible annuity retirement plan, is funded through a group annuity contract issued by Mutual of America Life Insurance Company. Contributions to the plan are made for the benefit of the employee by the Organization in an amount equal to three (3) percent of an individual's regular annual salary. Contributions to the plan for the year ended June 30, 1998, net of surrender credits, totaled $14,499.

Surrender credits are generated when a nonvested employee becomes ineligible to participate in the plan through separation of service from the Organization. The administrator of the plan will issue a surrender credit based on contributions made on behalf of the nonvested employee. Total surrender credits issued during the year ended June 30, 1998 were $4,335.

8. GENERAL

Renaissance received $744,000 from the parish-wide ad valorem tax during the year ended June 30, 1998. This tax, which was renewed in 1995 and extended to the year 2004, represented approximately 51 percent of the total support and revenue for the current year.

Additionally, Renaissance negotiated a contract with the State of Louisiana Department of Public Safety and Corrections to provide juvenile justice support intervention, which expires December 31, 1998. Renaissance also negotiated a contract with the State of Louisiana Department of Social Services to provide shelter care crisis intervention, which expires on August 31, 1998. Amounts received from the State totaled $573,989 or 40 percent of the total support and revenue for the current year.

As of June 30, 1998 the Rapides Parish Police Jury held $315,604 to be disbursed to Renaissance in accordance with contract terms. (See Note I) This amount is not reflected in the financial statements for the year ended June 30, 1998.

9. SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

Cash in checking and savings accounts and certificates of deposit are deposited with several financial institutions in the Central Louisiana area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $100,000. At June 30, 1998 Renaissance's bank balance at one financial institution totaled $224,514. Part of this balance is secured from risk by $100,000 of federal deposit insurance. The remaining balance of $124,514 is collateralized with securities held by the pledging financial institution, but not in Renaissance's name.

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

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

PM H

PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of Community Receiving Home, Inc., d/b/a Renaissance (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued our report thereon dated September 10, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

In planning and performing our audit, we considered Renaissance's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Marvin A. Juneau, C.P.A. | Robert L. Litton, C.P.A. | Rebecca B. Morris, C.P.A.
B. Eric Ransom, C.P.A. | Robert W. Dvorak, C.P.A. | Michael A. Juneau, C.P.A.
Ernest F. Sasser, C.P.A. | Dale P. De Selle, C.P.A. | J. Paul Hood, C.P.A.

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PM&H

PAYNE, MOORE & HERRINGTON, LLP

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

This report is intended for the information of the board of directors, management, federal awarding agencies, and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 10, 1998

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1998

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weaknesses identified?	____ yes	x no
Reportable conditions identified that are not considered to be material weaknesses?	____ yes	x none reported
Noncompliance material to financial statements noted?	____ yes	x no
Prior Year Audit Findings	None	
Federal Awards	Not Applicable	