

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

Alexandria, Louisiana

June 30, 2023

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2023**

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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 Audit of the Financial Statements

Opinion

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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Receiving Home, Inc. d/b/a Renaissance as of June 30, 2023, 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.

Basis for Opinion

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Receiving Home, Inc. d/b/a Renaissance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
Cindy L. Humphries, C.P.A.

Rebecca G. Nation, C.P.A.
Evelyn T. Renfrow, C.P.A.
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PAYNE, MOORE & HERRINGTON, LLP

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Receiving Home, Inc. d/b/a Renaissance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Renaissance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



PAYNE, MOORE & HERRINGTON, LLP

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

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Renaissance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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 on page 18 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 September 28, 2023, 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

September 28, 2023

**Community Receiving Home, Inc.
d/b/a Renaissance
Statement of Financial Position
June 30, 2023**

Exhibit A

Assets

Cash and cash equivalents	\$ 1,487,378
Certificate of deposit	24,518
Accounts receivable	143,497
Accrued interest receivable	398
Prepaid expenses	65,255
Dietary inventory	8,931
Property and equipment - net of depreciation	<u>4,115,699</u>

Total Assets	<u>\$ 5,845,676</u>
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Liabilities and Net Assets

Liabilities

Accounts payable	\$ 127,538
Deposits held for others	427
Payroll taxes and other employee withholdings	28,742
Accrued salaries	15,372
Compensated absences	53,408
Deferred income	<u>5,156</u>
Total Liabilities	230,643

Net Assets

Net Assets Without Donor Restrictions	
Undesignated	5,570,463
Designated for public information	16,231
Designated for shelter care	<u>1,233</u>
Total Net Assets Without Donor Restrictions	5,587,927
Net Assets With Donor Restrictions	<u>27,106</u>
Total Net Assets	<u>5,615,033</u>

Total Liabilities and Net Assets	<u>\$ 5,845,676</u>
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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, 2023

Exhibit B

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Local government ad valorem taxes	\$ 1,922,000	\$ -	\$ 1,922,000
Local and state government program service fees	334,806	-	334,806
Grants	-	462,236	462,236
Interest	12,614	113	12,727
Dividends	58,040	-	58,040
Subleases	22,786	-	22,786
Loss on disposal of assets	(1,450)	-	(1,450)
Contributions of cash and other financial assets	1,000	-	1,000
Miscellaneous	2,009	-	2,009
Net assets released from restrictions	462,236	(462,236)	-
Total Revenues and Support	2,814,041	113	2,814,154
Functional Expenses			
Program services			
Detention	948,279	-	948,279
Girls Residential/Shelter	473,620	-	473,620
Total Program Services	1,421,899	-	1,421,899
Support service			
Management and general	1,026,115	-	1,026,115
Total Expenses	2,448,014	-	2,448,014
Change in Net Assets	366,027	113	366,140
Net Assets, Beginning of Year	5,221,900	26,993	5,248,893
Net Assets, End of Year	<u>\$ 5,587,927</u>	<u>\$ 27,106</u>	<u>\$ 5,615,033</u>

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

Community Receiving Home, Inc.
d/b/a Renaissance
Statement of Functional Expenses
Year Ended June 30, 2023

Exhibit C

	Program Services			Support Service	Total
	Girls			Management and General	
	Detention	Residential/ Shelter	Total		
Accounting and professional services	\$ -	\$ -	\$ -	\$ 21,769	\$ 21,769
Accreditation	-	-	-	5,250	5,250
Advertising	2,203	2,103	4,306	1,332	5,638
Automobile expense	-	-	-	4,806	4,806
Client food and clothing	61,465	54,920	116,385	9,556	125,941
Client supplies and allowances	2,218	3,614	5,832	-	5,832
Counseling fees	125,363	2,516	127,879	600	128,479
Depreciation	51,176	59,673	110,849	65,661	176,510
Dues and subscriptions	4,863	4,928	9,791	710	10,501
Group insurance	34,165	13,067	47,232	18,975	66,207
Insurance	74,347	45,301	119,648	109,979	229,627
Maintenance and repairs	22,079	15,279	37,358	50,794	88,152
Medical supplies and fees	11,980	10,041	22,021	3,756	25,777
Office and postage	2,249	819	3,068	27,857	30,925
Payroll taxes	40,161	18,954	59,115	41,774	100,889
Rental expense	3,450	3,450	6,900	3,451	10,351
Retirement	11,668	6,232	17,900	21,333	39,233
Salaries	460,645	216,046	676,691	554,461	1,231,152
Telephone	-	-	-	43,090	43,090
Travel, training, and seminars	7,110	4,724	11,834	6,561	18,395
Utilities	33,137	11,953	45,090	34,400	79,490
Total Functional Expenses	\$ 948,279	\$ 473,620	\$ 1,421,899	\$ 1,026,115	\$ 2,448,014

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, 2023**

Exhibit D

Cash Flows from Operating Activities

Change in net assets	\$ 366,140
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	176,510
Loss on disposal of assets	1,450
Changes in operating assets and liabilities:	
Accounts receivable	(67,378)
Prepaid expenses	2,928
Dietary inventory	1,846
Accounts payable	(100,490)
Payroll taxes and other employee withholdings	7,825
Accrued salaries	(69,446)
Compensated absences	(1,414)
Deferred income	(1,957)
Net Cash Provided by (Used in) Operating Activities	<u>316,014</u>

Cash Flows from Investing Activities

Purchase of property and equipment	(654,445)
Maturity of investments	24,406
Purchase of investments	(24,518)
Net Cash Provided by (Used in) Investing Activities	<u>(654,557)</u>

Net Cash Provided by (Used in) Financing Activities

	<u>-</u>
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Increase (Decrease) in Cash and Cash Equivalents	(338,543)
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Cash and Cash Equivalents, Beginning of Year	<u>1,825,921</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 1,487,378</u></u>
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Additional Required Disclosures:

1. Renaissance 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, 2023.
3. No income taxes were paid during the year ended June 30, 2023.
4. There were no material noncash investing or financing transactions during the year ended June 30, 2023 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, 2023**

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 Shelter Care provides a safe haven for abused, neglected, runaway, and abandoned children.
- The Girls 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.

New Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02 – *Leases (Topic 842)*. Implementation of this standard and subsequent amendments increase the usefulness of the financial statements by enhancing the relevance and consistency of information about leasing activities. Lessees and lessors are required to reevaluate the classification of each lease on the commencement date. Lessees are now required to recognize a right-of-use asset and a lease liability, initially measured at the present value of lease payments, on all lease obligations using a risk-free rate in lieu of determining the incremental borrowing rate. Lessors are required to utilize the accounting guidance established to align with the lessee accounting guidance and the revenue recognition standard. Renaissance implemented these standards effective July 1, 2022. The adoption of this guidance did not have a material impact on Renaissance's financial statements.

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2023**

Notes to Financial Statements

Basis of Accounting

The financial statements have been prepared on an accrual basis in conformity with generally accepted accounting principles. Under this method, revenues are recognized when earned, and expenses are recorded at the time the liabilities are incurred.

Basis of Presentation

Renaissance prepares its financial statements in accordance with Financial Accounting Standards Board. As required by Generally Accepted Accounting Standards, Renaissance reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- Net assets without donor restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, local government support, state government support, interest earned from the certificates of deposit, and sublease income, less expenses incurred in providing program related services and performing administrative functions.
- Net assets with donor restrictions – These net assets result from gifts of cash or other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose restriction is accomplished, the net assets are restricted.

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. Certificates of deposit having a maturity date greater than one year from year-end are considered long-term assets.

Accounts Receivable

Accounts receivable are stated at the invoice amount. Uncollectible accounts are charged to expense when management determines they are not collectible. Management has determined that all accounts receivable are fully collectible. Accordingly, no allowance for doubtful accounts is recorded as of June 30, 2023.

Prepaid Expenses

Prepaid expenses consist dues and insurance payments that cover periods beyond June 30, 2023.

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2023**

Notes to Financial Statements

Dietary Inventory

Dietary inventory is carried at lower of cost or net realizable value 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. The gifts are recorded as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash earmarked to acquire property and equipment are reported as support with donor restrictions. 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. Renaissance reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

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.

Deferred Income

Rental payments are received for land subleased annually. A portion of these payments totaling \$5,156 are considered unearned and reflected in the statement of financial position as deferred income.

Recognition of Contributions

Contributions consist of grants and gifts from individuals, corporations, foundations, and federal, state, and local governmental agencies. Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Rapides Parish Police 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.

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2023**

Notes to Financial Statements

Program Revenue Recognition

Program revenue applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Due to the nature of these transactions, revenue and potential related expenses are influenced by economic factors, such as time of year, health standards, and political mandates. Renaissance records the following exchange transaction revenue in its statements of activities:

Detention Program Revenues – Renaissance charges a daily fee for secure care services provided to juveniles accused of delinquent acts until their trial and placement. Fees for these services are either established by Renaissance or the contracting agency. The services provided through the Detention Program are not separately priced and are, therefore, considered to be one performance obligation, which is satisfied over the period of time during which services are rendered. Payment for these services is due upon receipt of the invoice. This method is consistent with the as-invoiced practical expedient.

Girls Shelter Care Program Revenues – Renaissance charges a daily fee for services and housing provided to abused, neglected, runaway, and abandoned children. Fees for these services are established by the contracting agency. The services provided through the Girls Shelter Care Program are not separately priced and are, therefore, considered to be one performance obligation, which is satisfied over the period of time during which services are rendered. Payment for these services is due upon receipt of the invoice. This method is consistent with the as-invoiced practical expedient.

Girls Residential Home Program Revenues – Renaissance charges a daily fee for long-term treatment and rehabilitation services rendered to children who deserve a second chance. Fees for these services are established by the contracting agency. The services provided through the Girls Residential Home Program are not separately priced and are, therefore, considered to be one performance obligation, which is satisfied over the period of time during which services are rendered. Payment for these services is due upon receipt of the invoice. This method is consistent with the as-invoiced practical expedient.

Donated Materials and Services

Donated materials are reflected as contributions of nonfinancial assets at their estimated value at the date of receipt and are recorded as expenses for current operations. Renaissance did not receive donated materials during the fiscal year; therefore, no amounts have been recognized in the statement of activities for contributions of nonfinancial assets.

Donated services that require specialized skills are provided by individuals possessing those skills. These services would typically be purchased if not provided through donation and are recorded at fair value in the period received. Renaissance does not sell donated materials or services received but utilizes these donations for its own programs and supporting services.

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2023**

Notes to Financial Statements

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. No amounts have been recognized in the statement of activities for contributed services, since the services received were not professional in nature and, as such, do not meet the criteria for recognition as donated services.

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, 2023, the returns for tax years 2020, 2021, and 2022 remain open. For the fiscal year ended June 30, 2023, management of Renaissance believes it has adequate support for all material tax positions, and that more likely than not, based on the technical merits, that their position will be sustained upon examination. Renaissance has been classified as an organization that is not a private foundation under Section 509(a)(2) of the code.

Advertising Costs

Advertising costs are expensed as incurred and amounted to \$5,638 for the year ended June 30, 2023.

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.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, costs have been allocated on a reasonable and consistent basis among the functional areas benefited. Most of the expenses are charged directly to program or support services based on specific identification. Certain categories of expenses attributable to administrative support include depreciation, insurance, salaries and benefits, and payroll taxes. These expenses are allocated based on either time and effort or management's estimate of the activities benefited.

Subsequent Events

Management has evaluated subsequent events through September 28, 2023, the date which the financial statements were available for issue.

Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2023

Notes to Financial Statements

2. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following:

Cash on hand	\$ 300
Interest-bearing checking and savings accounts	<u>1,487,078</u>
	\$ 1,487,378

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, 2023, Renaissance's bank balance of \$1,521,719 was not exposed to custodial credit risk in that \$379,771 was insured through FDIC insurance coverage, and \$1,141,948 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 one and one tenth percent (1.10%) per annum and will mature within seven months of the statement of financial position date.

4. Accounts Receivable

Program receivables	
State of Louisiana – Office of Juvenile Justice	\$ 40,861
Other parishes and municipalities	11,563
Contribution, grant and other receivables	
State of Louisiana – Department of Education –	
Bureau of Food and Nutrition	5,336
Other	<u>85,737</u>
	\$ 143,497

As of June 30, 2022, account receivables included program receivables of \$27,446 and contribution, grants, and other receivables of \$48,673.

5. Prepaid Expenses

Prepaid expenses consist of the following at June 30, 2023:

Insurance	\$ 59,246
Dues	<u>6,009</u>
	\$ 65,255

Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2023

Notes to Financial Statements

6. Property and Equipment

	Cost	Accumulated Depreciation	Net
Buildings and improvements:			
Office and detention	\$ 2,712,964	\$ (1,510,310)	\$ 1,202,654
Group home	429,240	(225,082)	204,158
Shelter care	767,564	(421,381)	346,183
School	1,363,995	(499,855)	864,140
Maintenance building	34,888	(12,589)	22,299
Coliseum building	187,504	(22,951)	164,553
New administrative building	1,118,503	(17,862)	1,100,641
Furniture and equipment:			
Office	90,502	(70,842)	19,660
Detention	281,222	(244,815)	36,407
Group home	122,486	(110,479)	12,007
Shelter care	91,937	(76,838)	15,099
School	20,519	(19,930)	589
Other	291,785	(245,536)	46,249
Transportation equipment	159,149	(157,663)	1,486
Construction in progress	79,574	-	79,574
	<u>\$ 7,751,832</u>	<u>\$ (3,636,133)</u>	<u>\$ 4,115,699</u>

The depreciation provision for the year ended June 30, 2023 amounted to \$176,510.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2023 are restricted for the following purposes or periods:

Purpose Restrictions	
Emergencies	\$ 24,533
Property and equipment	<u>2,573</u>
	<u>\$ 27,106</u>

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 Abuse Counseling Program (LCLE grant)	\$ 40,659
Capital Outlay grant	376,238
School Food Program	<u>45,339</u>
	<u>\$ 462,236</u>

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2023**

Notes to Financial Statements

8. Land Agreement

Renaissance entered into a land agreement with the State of Louisiana, Department of Health and Hospitals on August 1, 1972. The land agreement is for 320.15 acres and began on the 1st day of August 1972 and terminates on the 31st day of July 2071. Once the lease terminates, the property will revert and return to the control of the State of Louisiana, Department of Health and Hospitals. Consideration for this agreement is \$1 and the public benefit to be derived from the operations of Renaissance.

9. Leases

Renaissance as Lessor

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

On January 1, 2023, a formal lease agreement was entered into with Francis Vanderlick Farms, LLC providing an annual lease payment of \$10,311 payable on the 1st of April each year. The lease term will expire on December 31, 2027.

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 lease term commenced on September 15, 2011.

Total income from leases totaled \$22,786 for the current fiscal year.

Future lease income is as follows:

Year ending June 30,	
2024	\$ 23,280
2025	23,637
2026	24,003
2027	24,380
2028	19,611
2029-2031	45,794
	<u>\$ 160,705</u>

10. 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, 2023, totaled \$39,233.

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2023**

Notes to Financial Statements

11. Concentrations of Revenues and Significant Funding Sources

Renaissance received \$1,922,000 from the parish-wide ad valorem tax during the year ended June 30, 2023. This tax, which was renewed in 2014 for an additional ten years, represented approximately sixty-eight percent (68%) 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 on April 1, 2022 through March 31, 2025. Total amounts received from the State under this contract totaled \$334,806 or twelve percent (12%) of the total revenues for the current year.

12. Liquidity and Availability of Financial Assets

The following reflects Renaissance's financial assets as of June 30, 2023, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations.

Financial assets:

Cash and cash equivalents	\$ 1,487,378
Certificates of deposit	24,518
Accounts receivable	143,497
Accrued interest receivable	<u>398</u>
	1,655,791

Less those unavailable for general expenditure within one year, due to:

Restricted by donors with purpose restrictions	(27,106)
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Less amounts unavailable to management without Board's approval:

Board designated for community investment	<u>(17,464)</u>
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Total financial assets available to meet cash needs for general expenditures
within one year

\$ 1,611,221

Renaissance must maintain sufficient resources to meet responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of Renaissance's liquidity management, they structure their financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition, Renaissance operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient revenues and by utilizing donor-restricted resources from current and prior years' contributions and grant funds.

Supplementary 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, 2023

Statement E

Agency Head: Angela Chustz, Executive Director

Salary	\$ 86,241
Benefits - insurance	499
Benefits - retirement	5,175
	<u>\$ 91,915</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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2023.

Report on 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) as a basis for designing 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.

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 or significant deficiencies may exist that were not identified.





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

Report on 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 financial statements. 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

September 28, 2023

**Community Receiving Home, Inc.
d/b/a Renaissance
Schedule of Findings and Responses
Year Ended June 30, 2023**

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 X no

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

Noncompliance material to financial
statements noted? _____ yes X no

Management's Corrective Action Plan Not applicable

Management's Summary Schedule of Prior Audit Findings Not applicable

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*

Statewide Agreed-Upon Procedures Report

Alexandria, Louisiana

June 30, 2023



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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 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. Community Receiving Home, Inc. d/b/a Renaissance's management is responsible for those C/C areas identified in the SAUPs.

Community Receiving Home, Inc. d/b/a Renaissance has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user for this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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 whether 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.





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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, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- 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) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) ***Credit Cards (and debit cards, fuel cards, purchase 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).
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to 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.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of this procedure.



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

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:
- 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 whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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 unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: During our testing, we noted that the board met one month without a quorum and no financial activity was referenced.

Management's Response: Board or Finance Committee meetings conducted after the audit period having ended June 30, 2023 shall be held only with a quorum of membership present. At any meeting time or place should there be lack of a quorum, the Chairman of the Board or the Executive Director acting at the direction of the Chairman shall not call the meeting to order but declare that for the lack of a quorum the meeting is terminated. Records of the meeting should reflect that the meeting was not called into order but terminated for failure to have a quorum present.



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

Bank Reconciliations

3. **Procedure:** Obtain a listing of entity 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 four (4) additional accounts [or all accounts if less than five (5)]. Randomly select one (1) month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within two (2) months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include written 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 twelve (12) months from the statement closing date, if applicable.

Results: No exceptions were found as a result of this procedure.

Collections (excluding electronic funds transfers)

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 five (5) deposit sites [or all deposit sites if less than five (5)].

Results: No exceptions were found as a result of this procedure.

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 (1) collection location for each deposit site [i.e., five (5) collection locations for five (5) deposit sites], obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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 responsible for cash collections do not share cash drawers/registers;



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Community Receiving Home, Inc. d/b/a Renaissance
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- b) Each employee responsible for collecting cash is not also 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; and
- 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, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were found as a result of this procedure.

6. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Results: No exceptions were found as a result of this procedure.

7. **Procedure:** Randomly select two (2) deposit dates for each of the five (5) bank accounts selected for Bank Reconciliations procedure #3 (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). *Alternatively, 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 ten (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 (1) business day of receipt at the collection location [within one (1) week if the depository is more than ten (10) miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer].
- e) Trace the actual deposit per the bank statement to the general ledger.



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

Results: Of the four (4) deposits selected, one (1) deposit was not made within one (1) business day of receipt at the collection location.

Management's Response: The standard operating procedures for the fiscal department of the agency have been amended to reflect that all funds received by the agency, regardless of dollar amount or total, shall be presented for deposit no later than one business day after receipt of funds.

Non-Payroll Disbursements (excluding card purchases, 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 five (5) locations [or all locations if less than five (5)].

Results: No exceptions were found as a result of this procedure.

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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two (2) employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - b) At least two (2) 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; and
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were found as a result of this procedure.



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

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 five (5) disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and supporting documentation indicates deliverables included on the invoice were received by the entity, and
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9 above, as applicable.

Results: No exceptions were found as a result of this procedure.

11. Procedure: Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select five (5) non-payroll-related electronic disbursements [or all electronic disbursements if less than five (5)] and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Note: If no electronic payments were made from the main operating account during the month selected, the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: The two (2) non-payroll-related electronic disbursements selected were not approved by the required number of authorized signers per the entity's policy.

Management's Response: The standard operating procedures for the fiscal department of the agency have been amended to indicate that all electronic funds transfers shall be handled in the same manner as checks issued from the operational account and will require the approval of two (2) authorized check signers.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. Procedure: Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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 were found as a result of this procedure.



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

13. Procedure: Using the listing prepared by management, randomly select five (5) cards [or all cards if less than five (5)] that were used during the fiscal period. Randomly select one (1) monthly statement or combined statement for each card [for a debit card, randomly select one (1) monthly bank statement], obtain supporting documentation, and:

- a) Observe whether 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were found as a result of this procedure.

14. Procedure: Using the monthly statements or combined statements selected under procedure #13 above, excluding fuel cards, randomly select ten (10) transactions [or all transactions if less than ten (10)] from each statement, and obtain supporting documentation for the transactions [e.g., each card should have ten (10) transactions subject to inspection]. For each transaction, observe 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions were found as a result of this procedure.

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

15. 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 five (5) reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five (5) reimbursements selected:

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);



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

- b) If reimbursed using actual costs, observe 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 Policies and Procedures (procedure #1g); and
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of this procedure.

Contracts

- 16. 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 five (5) contracts [or all contracts if less than five (5)] from the listing, excluding the practitioner's contract, and
- a) Observe whether 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 whether 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 and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - d) Randomly select one (1) payment from the fiscal period for each of the five (5) contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of this procedure.



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

Payroll and Personnel

17. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five (5) employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No exceptions were found as a result of this procedure.

18. **Procedure:** Randomly select one (1) pay period during the fiscal period. For the five (5) employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were found as a result of this procedure.

19. **Procedure:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two (2) employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to the entity policy.

Results: No exceptions were found as a result of this procedure.



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

20. **Procedure:** Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of this procedure.

Ethics

21. **Procedure:** Using the five (5) randomly selected employees/officials from Payroll and Personnel procedure #17 above obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates that each employee/official completed one (1) hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: Ethics requirements are not applicable to nonprofits.

22. **Procedure:** Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: Ethics requirements are not applicable to nonprofits.

Debt Service

23. **Procedure:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: Debt service requirements are not applicable to nonprofits.



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

- 24. 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 (1) 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Debt service requirements are not applicable to nonprofits.

Fraud Notice

- 25. 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 as required by R.S. 24:523.

Results: No exceptions were found as a result of this procedure.

- 26. Procedure:** Observe 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 were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

- 27. Procedure:** Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three (3) months.



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

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select five (5) computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

- 28. **Procedure:** Randomly select five (5) terminated employees [or all terminated employees if less than five (5)] using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedure and discussed the results with management.

Prevention of Sexual Harassment

- 29. **Procedure:** Using the five (5) randomly selected employees/officials from Payroll and Personnel procedure #17, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one (1) hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: Sexual harassment requirements are not applicable to nonprofits.

- 30. **Procedure:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: Sexual harassment requirements are not applicable to nonprofits.

- 31. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;



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To the Board of Directors of
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and the Louisiana Legislative Auditor

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Results: Sexual harassment requirements are not applicable to nonprofits.

We were engaged by Community Receiving Home, Inc. d/b/a Renaissance to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of Community Receiving Home, Inc. d/b/a Renaissance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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

September 28, 2023