

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

Alexandria, Louisiana

June 30, 2020

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2020**

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Community Receiving Home, Inc. d/b/a Renaissance (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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PAYNE, MOORE & HERRINGTON, LLP

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Receiving Home, Inc. d/b/a Renaissance as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to the agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2020, 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 23, 2020

Community Receiving Home, Inc.
d/b/a Renaissance
Statement of Financial Position
June 30, 2020

Exhibit A

Assets		
Cash and cash equivalents		\$ 1,432,851
Certificate of deposit		24,248
Accounts receivable		95,613
Accrued interest receivable		398
Prepaid expenses		49,067
Dietary inventory		9,026
Property and equipment - net of depreciation		<u>2,934,209</u>
Total Assets		<u>\$ 4,545,412</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable		\$ 72,704
Deposits held for others		427
Payroll taxes and other employee withholdings		26,502
Accrued salaries		106,706
Accrued vacation pay		63,968
Deferred income		7,002
Note payable		<u>362,610</u>
Total Liabilities		639,919
Net Assets		
Net Assets Without Donor Restrictions		
Operating		3,860,854
Designated for public information		16,092
Designated for shelter care		1,233
Designated for scholarships		<u>482</u>
Total Net Assets Without Donor Restrictions		3,878,661
Net Assets With Donor Restrictions		<u>26,832</u>
Total Net Assets		<u>3,905,493</u>
Total Liabilities and Net Assets		<u>\$ 4,545,412</u>

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

Community Receiving Home, Inc.
d/b/a Renaissance
Statement of Activities
Year Ended June 30, 2020

Exhibit B

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Local government	\$ 1,711,226	\$ -	\$ 1,711,226
Local and state government program service fees	814,254	-	814,254
Grants	-	173,371	173,371
Interest	8,051	111	8,162
Subleases	26,660	-	26,660
Loss on disposal of asset	(6,390)	-	(6,390)
Miscellaneous	169,206	-	169,206
Net assets released from restrictions	173,371	(173,371)	-
Total Revenues and Support	2,896,378	111	2,896,489
Functional Expenses			
Program services			
Detention	735,398	-	735,398
Girls Residential/Shelter	449,671	-	449,671
Boys Residential/Shelter	491,403	-	491,403
Total Program Services	1,676,472	-	1,676,472
Support Service			
Management and general	1,292,111	-	1,292,111
Total Expenses	2,968,583	-	2,968,583
Change in Net Assets	(72,205)	111	(72,094)
Net Assets, Beginning of Year	3,950,866	26,721	3,977,587
Net Assets, End of Year	\$ 3,878,661	\$ 26,832	\$ 3,905,493

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, 2020

Exhibit C

	Program Services				Support Service	Total
	Girls		Boys		Management and	
	Detention	Residential/ Shelter	Residential/ Shelter	Total	General	
Accounting and professional services	\$ -	\$ -	\$ -	\$ -	\$ 16,809	\$ 16,809
Accreditation	-	-	-	-	10,602	10,602
Advertising	167	167	167	501	-	501
Automobile expense	-	-	-	-	7,972	7,972
Client food and clothing	60,389	44,544	46,130	151,063	8,540	159,603
Client supplies and allowances	2,289	2,952	6,328	11,569	-	11,569
Counseling fees	10,673	671	515	11,859	747	12,606
Depreciation	21,597	43,176	30,095	94,868	75,182	170,050
Dues and subscriptions	3,169	3,486	3,486	10,141	674	10,815
Group insurance	39,232	19,539	21,462	80,233	58,728	138,961
Insurance	33,827	40,827	34,928	109,582	97,903	207,485
Interest expense	-	-	-	-	1,513	1,513
Maintenance and repairs	28,010	17,132	19,670	64,812	37,283	102,095
Medical supplies and fees	4,888	8,134	8,112	21,134	15,363	36,497
Office and postage	2,227	2,160	2,185	6,572	47,898	54,470
Payroll taxes	35,095	19,309	22,544	76,948	56,320	133,268
Rental expense	-	-	-	-	7,716	7,716
Retirement	12,457	995	4,080	17,532	23,764	41,296
Salaries	453,639	223,956	264,576	942,171	759,079	1,701,250
Telephone	-	-	-	-	38,197	38,197
Travel, training, and seminars	9,471	11,896	13,350	34,717	6,319	41,036
Utilities	18,268	10,727	13,775	42,770	21,502	64,272
Total Functional Expenses	\$ 735,398	\$ 449,671	\$ 491,403	\$ 1,676,472	\$ 1,292,111	\$ 2,968,583

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, 2020**

Exhibit D

Cash Flows from Operating Activities

Change in net assets	\$ (72,094)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	170,050
Loss on disposal of assets	6,390
Changes in operating assets and liabilities:	
Accounts receivable	(13,659)
Dietary inventory	(1,723)
Prepaid expenses	6,172
Accounts payable	17,805
Payroll taxes and other employee withholdings	(3,094)
Accrued salaries	36,409
Accrued vacation pay	8,770
Deferred income	52
Net Cash Provided by (Used in) Operating Activities	155,078

Cash Flows from Investing Activities

Purchase of property and equipment	(193,144)
Maturity of investments	24,139
Purchase of investments	(24,248)
Net Cash Provided by (Used in) Investing Activities	(193,253)

Cash Flows from Financing Activities

Proceeds from long-term debt	362,610
Net Cash Provided by (Used in) Financing Activities	362,610

Increase (Decrease) in Cash and Cash Equivalents 324,435

Cash and Cash Equivalents, Beginning of Year 1,108,416

Cash and Cash Equivalents, End of Year **\$ 1,432,851**

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, 2020.
3. No income taxes were paid during the year ended June 30, 2020.
4. There were no material noncash investing or financing transactions during the year ended June 30, 2020 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, 2020**

Notes to Financial Statements

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

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

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

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

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

Significant Accounting Policies

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

New Pronouncements

In January 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-01, *Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities* (Subtopic 825-10). The amendments in this Update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Renaissance implemented this standard effective July 1, 2019, and this accounting change has been retrospectively applied to the prior periods presented as if this policy had always been used. The adoption of this guidance did not have a material impact on Renaissance's financial statements.

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The amendments in this Update assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This standard was implemented effective July 1, 2019. 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, 2020

Notes to Financial Statements

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). The standard proscribes a single model for revenue recognition, with a set of principles to be used for determining when revenue should be recognized. It also requires expanded disclosures about the nature, amount, and timing of revenue and cash flows. Renaissance implemented this standard effective July 1, 2019, and this accounting change has been retrospectively applied to the prior periods presented as if this policy had always been used. The adoption of this guidance did not have a material impact on the Renaissance's 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.

**Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2020**

Notes to Financial Statements

Accounts Receivable

Accounts receivable are charged to expense when they become uncollectible. There were no receivables included in the financial statements considered uncollectible by management at June 30, 2020. An allowance for doubtful accounts, if any, would not be material to the accompanying financial statements.

Dietary Inventory

Dietary inventory is carried at lower of cost or 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.

Deferred Income

Rental payments are received for land subleased annually. A portion of these payments totaling \$7,002 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, 2020

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 for the year ending June 30, 2020:

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 are due upon receipt of the invoice. This method is consistent with the as-invoiced practical expedient.

Girls and Boys 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 and Boys 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 are due upon receipt of the invoice. This method is consistent with the as-invoiced practical expedient.

Girls and Boys 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 and Boys 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 are 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 at their estimated value at the date of receipt and are recorded as expenses for current operations. 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.

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

Compensated Absences

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

Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2020

Notes to Financial Statements

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, 2020, the returns for tax years 2017, 2018, and 2019 remain open. For the fiscal year ended June 30, 2020, 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 \$501 for the year ended June 30, 2020.

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 23, 2020, the date which the financial statements were available for issue.

2. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following:

Cash on hand	\$	300
Interest-bearing checking and savings accounts		<u>1,432,551</u>
	\$	<u>1,432,851</u>

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, 2020, Renaissance's carrying amount of deposits was \$1,432,551 and the bank balance was \$1,456,683. Of this bank balance, \$579,089 was insured through FDIC insurance

Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2020

Notes to Financial Statements

coverage and \$521,521 was collateralized by securities held by the pledging bank in Renaissance's name. The remaining \$356,073 was uncollateralized and exposed to custodial credit risk at June 30, 2020.

3. Certificate of Deposit

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

4. Accounts Receivable

Program receivables		
State of Louisiana – Office of Juvenile Justice	\$	51,403
Other parishes and municipalities		1,845
Department of Children and Family Services		1,188
Contribution, grant and other receivables		
State of Louisiana – Department of Education – Bureau of Food and Nutrition		3,607
Other		37,570
		<u>95,613</u>
	\$	95,613

As of June 30, 2019, account receivables included program receivables of \$73,202 and contribution, grants, and other receivables of \$8,752.

5. Property and Equipment

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Buildings and improvements:			
Office and detention	\$ 2,381,350	\$ (1,403,304)	\$ 978,046
Group home	385,120	(205,461)	179,659
Shelter care	710,944	(361,108)	349,836
School	1,373,919	(408,211)	965,708
Maintenance building	31,362	(9,914)	21,448
Leased building	147,984	(6,957)	141,027
Furniture and equipment:			
Office	89,959	(78,451)	11,508
Detention	268,786	(197,702)	71,084
Group home	119,479	(93,179)	26,300
Shelter care	87,495	(58,882)	28,613
School	20,519	(18,135)	2,384
Other	273,407	(257,754)	15,653
Transportation equipment	156,430	(135,193)	21,237
Leasehold improvements	7,016	(404)	6,612
Construction in progress	115,094	-	115,094
	<u>\$ 6,168,864</u>	<u>\$ (3,234,655)</u>	<u>\$ 2,934,209</u>

The depreciation provision for the year ended June 30, 2020 amounted to \$170,050.

Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2020

Notes to Financial Statements

6. Note Payable

On April 28, 2020, Renaissance received loan proceeds in the amount of \$362,610 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after the eight-week or twenty-four-week period as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the period.

As stated in the original signed loan documents, the unforgiven portion of the PPP loan if any, is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. Renaissance intends to use the proceeds for purposes consistent with the PPP. Renaissance currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan. At June 30, 2020, Renaissance considers the loan a long-term liability until the loan is, in part or wholly, forgiven and Renaissance has been legally released from the obligation.

Future maturities of the note payable are as follows:

Years ending June 30,	
2021	\$ 161,304
2022	<u>201,306</u>
	\$ 362,610

7. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2020 are restricted for the following purposes or periods:

Purpose Restrictions	
Emergencies	\$ 24,259
Property and equipment	<u>2,573</u>
	\$ 26,832

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)	\$ 51,480
Capital Outlay grant	68,383
School Food Program	<u>53,508</u>
	\$ 173,371

Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2020

Notes to Financial Statements

8. Leases and Subleases

Renaissance as Lessee

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

Renaissance as Lessor

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

On September 15, 2018, Renaissance entered into a month to month lease agreement with Philly's Pizza for \$900 per month. This lease terminated effective December 17, 2019.

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

Total income from subleases totaled \$26,660 for the current fiscal year.

Year ending June 30,		
2021	\$	22,082
2022		22,410
2023		17,685
2024		12,969
2025		13,325
2026-2030		72,328
2031		15,681
	\$	<u>176,480</u>

9. Retirement Plan

Effective January 1, 2000, Renaissance adopted a deferred profit-sharing plan covering all employees eligible to participate in the plan. Contributions to the plan are made for the benefit of the employee by Renaissance in an amount equal to three percent (3%) of an individual's regular annual salary. Participants shall be permitted to make elective deferrals in any amount from one percent (1%) to ten percent (10%) of their compensation. Renaissance will also match up to three percent (3%) of elective deferrals. Contributions to the plan for the year ended June 30, 2020, totaled \$41,296.

Community Receiving Home, Inc.
d/b/a Renaissance
June 30, 2020

Notes to Financial Statements

10. Concentrations of Revenues and Significant Funding Sources

Renaissance received \$1,711,226 from the parish-wide ad valorem tax during the year ended June 30, 2020. This tax, which was renewed in 2014 for an additional ten years, represented approximately fifty-nine percent (59%) 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 July 1, 2018 through May 31, 2021. Total amounts received from the State under this contract totaled \$797,854 or twenty-eight percent (28%) of the total revenues for the current year.

11. Liquidity and Availability of Financial Assets

The following reflects Renaissance's financial assets as of June 30, 2020, 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	\$ 1,432,851
Certificates of deposit	24,248
Accounts receivable	95,613
Accrued interest receivable	398
Financial assets at year-end	<u>1,553,110</u>
Less those unavailable for general expenditure within one year, due to:	
Restricted by donors with purpose restrictions	<u>(26,832)</u>
Total amount unavailable for general expenditure within one year	<u>(26,832)</u>
Amounts unavailable to management without Board's approval:	
Board designated for community investment	<u>(17,807)</u>
Total amount unavailable to management without Board's approval	<u>(17,807)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,508,471</u>

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.

Supplemental Information

Community Receiving Home, Inc.
d/b/a Renaissance
Schedule of Compensation, Benefits, and Other Payments
to the Agency Head or Chief Executive Officer
June 30, 2020

Statement E

Agency Head: Angela Chustz, Executive Director

Salary	\$ 72,631
Benefits - insurance	772
Benefits - retirement	<u>4,358</u>
	<u><u>\$ 77,761</u></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, 2020, 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 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Renaissance's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Renaissance's internal control. Accordingly, we do not express an opinion on the effectiveness of Renaissance's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Rebecca G. Nation, C.P.A.
Evelyn T. Renfrow, C.P.A.
Kayla G. Holloway, 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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Renaissance's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Renaissance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Payne, Moore + Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

September 23, 2020

**Community Receiving Home, Inc.
d/b/a Renaissance
Schedule of Findings and Responses
Year Ended June 30, 2020**

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.