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

ALEXANDRIA, LOUISIANA

JUNE 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 13 2000

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

JUNE 30, 2000

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheet of Community Receiving Home, Inc., d/b/a Renaissance (a nonprofit corporation) as of June 30, 2000, and the related statements of support and revenue and expenses and changes in fund balances for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Renaissance as of June 30, 2000, and the results of its operations and changes in its fund balances for the year then ended in conformity with generally accepted accounting principles.

MARVIN A. JUNEAU, C.P.A.
H. FRED RANDOW, C.P.A.
ERNEST F. SASSER, C.P.A.

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PAYNE, MOORE & HERRINGTON, LLP

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2000, on our consideration of Renaissance's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 12, 2000

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE
BALANCE SHEET
JUNE 30, 2000

EXHIBIT A

	CURRENT FUNDS	ENDOWMENT FUND	PLANT FUND	TOTAL ALL FUNDS
ASSETS				
Cash	\$ 312,219	\$ 8,537	\$	\$ 320,756
Certificates of deposit	58,485	17,495		75,980
Accounts receivable	167,502			167,502
Accrued interest receivable	587	398		985
Dietary inventory	2,956			2,956
Prepaid expenses	16,255			16,255
Property and equipment - depreciated cost			539,568	539,568
<u>TOTAL ASSETS</u>	\$ 558,004	\$ 26,430	\$ 539,568	\$ 1,124,002
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 47,240	\$	\$	\$ 47,240
Deposits held for others	3,131			3,131
Payroll taxes and other employee withholdings	3,463			3,463
Accrued salaries	12,986			12,986
Accrued vacation pay	24,523			24,523
Deferred lease income	12,604			12,604
Total Liabilities	103,947	-	-	103,947
FUND BALANCES				
Unrestricted:				
Designated for public information	11,965			11,965
Designated for Shelter Care		2,085		2,085
Undesignated	442,092			442,092
Total Unrestricted	454,057	2,085		456,142
Restricted		24,345		24,345
Net investment in plant			539,568	539,568
Total Fund Balances	454,057	26,430	539,568	1,020,055
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 558,004	\$ 26,430	\$ 539,568	\$ 1,124,002

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

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE
STATEMENT OF SUPPORT AND REVENUE AND EXPENSES
YEAR ENDED JUNE 30, 2000

EXHIBIT B

	CURRENT FUNDS		TOTAL	ENDOWMENT FUNDS	PLANT FUNDS	TOTAL ALL FUNDS
	DESIGNATED	UNDESIGNATED				
SUPPORT AND REVENUE						
Local government	\$	759,960	\$ 759,960	\$	\$	\$ 759,960
State government		728,622	728,622			728,622
Grants		51,782	51,782			51,782
Interest	268	4,442	4,710	993		5,703
Subleases		27,278	27,278			27,278
Contributions		5,372	5,372			5,372
Miscellaneous		9,542	9,542			9,542
Total Support and Revenue	268	1,586,998	1,587,266	993	-	1,588,259
EXPENSES						
Accounting and professional services		8,882	8,882			8,882
Advertising		1,413	1,413			1,413
Automobile expense		9,206	9,206			9,206
Client food and clothing		110,546	110,546			110,546
Client supplies and allowances		13,465	13,465			13,465
Counseling fees		15,890	15,890		86,338	15,890
Depreciation						
Dues and subscriptions		6,356	6,356			6,356
Equipment rentals		4,130	4,130			4,130
Group insurance		35,376	35,376			35,376
Insurance		49,118	49,118			49,118
Maintenance and repairs		36,505	36,505			36,505
Medical supplies and fees		17,934	17,934			17,934
Office and postage		32,400	32,400	6		32,406
Payroll taxes		76,282	76,282			76,282
Retirement		25,982	25,982			25,982
Salaries		892,711	892,711			892,711
Telephone		13,716	13,716			13,716
Travel and seminars		22,664	22,664			22,664
Utilities		34,384	34,384			34,384
Total Expenses	-	1,406,960	1,406,960	6	86,338	1,493,304
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES BEFORE CAPITAL ADDITIONS	268	180,038	180,306	987	(86,338)	94,955
CAPITAL ADDITIONS						
Contributions	-	-	-	450	-	450
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES AFTER CAPITAL ADDITIONS	\$ 268	\$ 180,038	\$ 180,306	\$ 1,437	\$ (86,338)	\$ 95,405

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

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2000

EXHIBIT C

	CURRENT FUNDS		ENDOWMENT	PLANT	TOTAL
	DESIGNATED	UNDESIGNATED	FUND	FUND	ALL FUNDS
		TOTAL			
FUND BALANCES, BEGINNING OF YEAR	\$ 5,697	\$ 314,793	\$ 24,993	\$ 579,167	\$ 924,650
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES	268	180,306	1,437	(85,338)	95,405
Plus (Less):					
TRANSFERS	5,965	494,831	26,430	492,829	1,020,055
Transfers	6,000	(6,000)			-
Plant/equipment acquisitions		(46,739)		46,739	-
<u>FUND BALANCES, END OF YEAR</u>	<u>\$ 11,965</u>	<u>\$ 442,092</u>	<u>\$ 26,430</u>	<u>\$ 539,568</u>	<u>\$ 1,020,055</u>

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

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

JUNE 30, 2000

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 quasi-governmental corporation located in Alexandria, Louisiana, which provides community based multifunction juvenile justice support intervention. Programs provided include secure detention, home detention, group home rehabilitation, shelter care, and aftercare. The range of children served includes children who may be delinquent, in need of supervision, neglected, and/or abused.

Primary funding is derived from a parish-wide ad valorem tax administered by the Rapides Parish Police Jury. Support from the tax is recognized when the Police Jury, in accordance with a contract between the two parties dated December 9, 1975, approves allocation.

Basis of Accounting

The financial statements have been prepared on an accrual basis and in conformity with standards promulgated by the American Institute of Certified Public Accountants and Governmental Accounting Standards Series Statement No. 29 of the Governmental Accounting Standards Board, *The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities*.

Basis of Presentation

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

1. Current funds represent expendable funds used to carry out the operations of the Organization in accordance with its bylaws.
2. Endowment funds represent the principal amount of gifts accepted with the donor stipulation that the principal be maintained intact in perpetuity, with only the income to be utilized.
3. Plant funds are designed to account for funds expended for plant assets. Plant fund acquisitions are financed through current operations and accounted for as transfers to plant funds.

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

JUNE 30, 2000

NOTES TO FINANCIAL STATEMENTS

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Materials and Services

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

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

Accounts Receivable

Accounts receivable are charged to expense when they become uncollectible. In the opinion of management, all receivables were collectible, and an allowance for doubtful accounts was not considered necessary at June 30, 2000.

Inventory

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

Property and Equipment

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

Income Taxes

Renaissance is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable Louisiana law. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

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

JUNE 30, 2000

NOTES TO FINANCIAL STATEMENTS

2. CASH

Current Funds

Cash on hand	\$ 600
Noninterest-bearing checking accounts	2,823
Interest-bearing checking and savings accounts	<u>308,796</u>
	\$312,219

Endowment Fund

Interest-bearing checking account	\$ 8,537
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3. CERTIFICATES OF DEPOSIT

Certificates of deposit are invested in various financial institutions located in the central Louisiana area. These certificates have a stated interest rate ranging from 4.16 percent to 5.05 percent per annum and will mature within seven months of the balance sheet date.

4. ACCOUNTS RECEIVABLE

Rapides Parish Police Jury	\$ 63,000
State of Louisiana - Department of Public Safety and Corrections	70,447
State of Louisiana - Department of Social Services	12,585
State of Louisiana - Department of Education - Bureau of Food and Nutrition	6,187
Other parishes and municipalities	7,630
Other	<u>7,653</u>
	\$167,502

5. PROPERTY AND EQUIPMENT

	COST	ACCUMULATED DEPRECIATION	NET
Buildings and improvements:			
Office and detention	\$ 733,794	\$ 575,935	\$157,859
Group home	155,280	143,539	11,741
Shelter care	310,980	91,851	219,129
Furniture and equipment:			
Office	79,893	66,488	13,405
Detention	105,307	73,149	32,158
Group home	65,068	43,972	21,096
Shelter care	61,159	48,179	12,980
Other	92,615	46,596	46,019
Transportation equipment	69,574	46,380	23,194
Construction in progress	<u>1,987</u>		<u>1,987</u>
	\$1,675,657	\$ 1,136,089	\$539,568

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

JUNE 30, 2000

NOTES TO FINANCIAL STATEMENTS

The depreciation provision for the year ended June 30, 2000 amounted to \$86,338.

6. LEASES AND SUBLEASES

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

Approximately eighty-five (85) percent of the land area covered under the above lease was subleased on February 16, 1993, at an annual minimum rental of \$22,652. The sublease expired on December 31, 1997, by mutual consent and was renewed for an additional five years with an annual minimum rental of \$25,154. The sublease was amended effective January 1, 2000, to lease 16.47 acres with an annual minimum lease rental of \$1,647 for fifty (50) years. Deferred lease income reflected in Exhibit A resulted from sublease payments received through December, 2000.

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

Future minimum rentals for land due under the subleases for the five (5) years ending after June 30, 2000, and in the aggregate are as follows:

2001	\$ 27,278
2002	27,278
2003	18,447
2004	9,664
2005	6,790
Thereafter	<u>105,002</u>
	\$194,459

7. RETIREMENT PLAN

Renaissance has a defined contribution plan covering all employees eligible to participate in the plan. The plan, a flexible annuity retirement plan, is funded through a group annuity contract issued by Mutual of America Life Insurance Company. Contributions to the plan are made for the benefit of the employee by the Organization in an amount equal to three (3) percent of an individual's regular annual salary. The plan was terminated on December 31, 1999. Contributions to the plan for the year ended June 30, 2000, totaled \$8,183.

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

JUNE 30, 2000

NOTES TO FINANCIAL STATEMENTS

Effective January 1, 2000, Renaissance adopted a cash or 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 the Organization in an amount equal to three (3) percent of an individual's regular annual salary. Participants shall be permitted to make elective deferrals in any amount from 1% to 10% of their compensation. The Organization will also match up to 3% of elective deferrals. Contributions to the plan for the year ended June 30, 2000, totaled \$17,799.

8. GENERAL

Renaissance received \$756,000 from the parish-wide ad valorem tax during the year ended June 30, 2000. This tax, which was renewed in 1995 and extended to the year 2004, represented approximately 48 percent of the total support and revenue for the current year.

Additionally, Renaissance negotiated a contract with the State of Louisiana Department of Public Safety and Corrections to provide juvenile justice support intervention, which expires December 31, 2002. Renaissance also negotiated a contract with the State of Louisiana Department of Social Services to provide shelter care crisis intervention, which expires on December 31, 2000. Amounts received from the State totaled \$728,622 or 46 percent of the total support and revenue for the current year.

As of June 30, 2000 the Rapides Parish Police Jury held \$363,903 to be disbursed to Renaissance in accordance with contract terms. This amount is not reflected in the financial statements for the year ended June 30, 2000.

9. SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

Cash in checking and savings accounts and certificates of deposit are deposited with several financial institutions in the Central Louisiana area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At June 30, 2000 Renaissance's bank balance at one financial institution totaled \$316,430. Part of this balance is secured from risk by \$100,000 of federal deposit insurance. The remaining balance of \$216,430 is collateralized with securities held by the pledging financial institution, but not in Renaissance's name.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the financial statements of Community Receiving Home, Inc., d/b/a Renaissance (a nonprofit organization) as of and for the year ended June 30, 2000, and have issued our report thereon dated September 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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

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

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 12, 2000

**COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2000**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weaknesses identified?

_____ yes x no

Reportable conditions identified
that are not considered to be
material weaknesses?

_____ yes x none reported

Noncompliance material to financial
statements noted?

_____ yes x no

Prior Year Audit Findings

None

Federal Awards

Not Applicable