

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Family and Youth Counseling Agency, Inc.
Lake Charles, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of Family and Youth Counseling Agency, Inc., (a non-profit organization) as of December 31, 2018, and the related notes to the financial statements, which collectively comprise the Organization's financial statements as listed in the table of contents.

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 controls 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Board of Directors
Family and Youth Counseling Agency, Inc.
Lake Charles, Louisiana

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family and Youth Counseling Agency, Inc. as of December 31, 2018 and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated June 5, 2019 on my consideration of Family and Youth Counseling Agency, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of 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 Family and Youth Counseling Agency, Inc.'s internal control over financial reporting and compliance.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements of Family and Youth Counseling Agency, Inc. The Schedule of Compensation, Benefits and Other Payments is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Compensation, Benefits and Other Payments is the responsibility of management and is derived from the underlying accounting and other records to prepare the financial statements. Such 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

Steven M. DeRouen & Associates

Lake Charles, Louisiana
June 5, 2019

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents - unrestricted	\$	89,547
Cash and cash equivalents - restricted Governor's Conference		118,916
Investments		450,602
Unconditional promises to give		56,192
Accounts receivable, less allowance for doubtful accounts of \$3,419		54,388
Contracts receivable		136,276
Other receivable		1,599
Prepaid expenses		23,671
Total current assets		<u>931,191</u>

PROPERTY AND EQUIPMENT

Building		727,810
Furniture and equipment		255,249
		<u>983,059</u>
Less accumulated depreciation		<u>(645,588)</u>
		337,471
Land		82,800
Net property and equipment		<u>420,271</u>
 Total assets	 \$	 <u>1,351,462</u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2018

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 7,987
Accrued expenses and withholdings	81,412
Due to Governor's Conference	118,916
Unearned income	68,233
Total current liabilities	<u>276,548</u>

LONG TERM LIABILITIES, less current portion

Total liabilities	<u>276,548</u>
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NET ASSETS

Without donor restrictions

Board designated - Building Fund	200,000
Board designated - Program Expansion Reserve	50,000
Board designated - Dissolution Reserve	246,000
Board designated - Operating Reserve	641,817
Undesignated	(119,096)
	<u>1,018,721</u>

With donor restrictions

Total net assets	<u>56,193</u> <u>1,074,914</u>
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Total liabilities and net assets	<u>\$ 1,351,462</u>
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The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, GAINS AND OTHER SUPPORT			
United Way of Southwest Louisiana	\$ 56,192	\$ 56,192	\$ 112,384
Grants and service fees	932,071	-	932,071
Program income	453,011	-	453,011
Contributions	146,778	-	146,778
Investment interest and dividends	18,436	-	18,436
Realized gain (loss) on investments	5,877	-	5,877
Unrealized gain (loss) on investments	(63,636)	-	(63,636)
Other	2,042	-	2,042
Fund raising/special events	119,455	-	119,455
	<u>1,670,226</u>	<u>56,192</u>	<u>1,726,418</u>
Net assets released from restrictions			
Expiration of time restrictions	<u>93,691</u>	<u>(93,691)</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>1,763,917</u>	<u>(37,499)</u>	<u>1,726,418</u>
EXPENSES AND LOSSES			
Program services	1,710,608	-	1,710,608
Management and general	231,033	-	231,033
Fund raising/special events	100,484	-	100,484
	<u>2,042,125</u>	<u>-</u>	<u>2,042,125</u>
TOTAL EXPENSES AND LOSSES	<u>2,042,125</u>	<u>-</u>	<u>2,042,125</u>
CHANGE IN NET ASSETS	<u>(278,208)</u>	<u>(37,499)</u>	<u>(315,707)</u>
NET ASSETS AT BEGINNING YEAR	<u>1,296,929</u>	<u>93,692</u>	<u>1,390,621</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,018,721</u>	<u>\$ 56,193</u>	<u>\$ 1,074,914</u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2018

Cash Flows From Operating Activities	
Increase (decrease) in net assets	\$ (315,707)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation expense	20,596
Realized and Unrealized appreciation of investments	45,200
(Increase) decrease in operating assets:	
Accounts and contracts receivable	67,251
Prepaid expenses	307
Increase (decrease) in operating liabilities:	
Accounts payable	3,631
Accrued expense	(11,590)
Unearned income	16,573
	<u>141,968</u>
Total Adjustments	<u>141,968</u>
Net Cash Provided (Used) By Operating Activities	<u>(173,739)</u>
Cash Flows From Investing Activities	
Redemption (purchases) of investments	64,903
Other - Governor's conference	25,256
Purchase of property and equipment	<u>(4,509)</u>
Net Cash Provided (Used) By Investing Activities	<u>85,650</u>
Net Increase (Decrease) In Cash	(88,089)
Cash - Beginning of Year	<u>296,552</u>
Cash - End of Year	<u><u>\$ 208,463</u></u>

The accompanying notes are an integral part of these statements

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2018

	Program Services			Supporting Services		Total
	Advocacy to Victims	Mental Health	Prevention Services	Management and General	Fund Raising	
Salaries and contract labor	\$ 494,620	\$ 559,875	\$ 101,151	\$ 158,359	\$ 67,451	\$ 1,381,456
Employee benefits	79,139	90,130	15,388	24,181	10,992	219,830
Payroll taxes	36,728	41,829	7,141	11,222	5,101	102,021
Professional fees	12,084	13,762	2,350	3,693	1,678	33,567
Supplies	21,321	24,282	4,146	6,514	2,961	59,224
Telephone	4,735	5,393	921	1,446	658	13,153
Postage and shipping	797	908	155	244	111	2,215
Occupancy	15,377	17,512	2,990	4,698	2,136	42,713
Rental and maintenance of equipment	3,172	3,612	617	969	441	8,811
Printing and publications	2,080	2,369	404	636	289	5,778
Travel	9,541	10,866	1,855	2,915	1,325	26,502
Conference and meetings	6,490	7,391	1,262	1,983	901	18,027
Training	1,456	1,659	283	446	202	4,046
Specific assistance	1,427	1,625	278	436	198	3,964
Insurance	8,153	9,286	1,585	2,492	1,132	22,648
Bad debts	2,118	2,413	412	647	294	5,884
Affiliation dues	3,031	3,452	589	926	421	8,419
Fund raising	18,942	21,573	3,683	5,789	2,631	52,618
Miscellaneous	3,835	4,368	746	1,172	532	10,653
Total before depreciation	<u>725,046</u>	<u>822,305</u>	<u>145,956</u>	<u>228,768</u>	<u>99,454</u>	<u>2,021,529</u>
Depreciation	<u>7,415</u>	<u>8,445</u>	<u>1,441</u>	<u>2,265</u>	<u>1,030</u>	<u>20,596</u>
Total expenses	<u>\$ 732,461</u>	<u>\$ 830,750</u>	<u>\$ 147,397</u>	<u>\$ 231,033</u>	<u>\$ 100,484</u>	<u>\$ 2,042,125</u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Family and Youth Counseling Agency, Inc. (the Agency) is presented to assist in understanding the Agency's financial statements. The financial statements and notes are representations of the Agency's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

A. Nature of Activities

The Family and Youth Counseling Agency, Inc. is a Louisiana not-for-profit corporation that operates under a Board of Directors which appoints an Executive Director and otherwise controls and guides the Agency. The Agency serves as an "umbrella" organization for several family assistance and counseling programs, as follows:

Autism Support Alliance promotes access and opportunities for persons with autism and their families to be fully included as participating members of their communities. As such, the alliance supports the family's plan and empowers the family in negotiating the systems of health care, social service and education resources.

Court Appointed Special Advocates (CASA) are volunteers who speak in court for a child's best interest. Judges appoint a CASA volunteer to an abused or neglected child who has been removed from his or her home. The CASA volunteer helps to ensure that the child receives appropriate care, whether from a foster home or relative's home while he or she is in the court system. Volunteers are trained and supported by CASA staff.

Children's Advocacy Center is a child-friendly facility designed to coordinate services for children who have been reported as sexually or severely physically abused. Designed and managed to reduce the effects of trauma, the center's comfortable environment and well-trained staff work together with area prosecutors, law enforcement agents, social service workers, therapists, victim advocates and medical professionals to investigate child abuse allegations and reduce the number of investigative interviews typically experienced by victims.

The Counseling Center's licensed and professionally credentialed clinicians and para-professionals provide a wide range of constructive and life-changing services in the form of counseling, consultation, and education to benefit individuals, couples, and families in Southwest Louisiana. Based on the belief that all individuals possess the ability to solve their own challenges and live a healthy life when support is available, counselors and case managers utilize a strength-based, client-directed and outcome-informed approach. The overriding goal is to support and encourage the development of greater well-being among the citizens of Southwest Louisiana.

Children & Families Action Network (CFAN) exists to promote mission-based advocacy for the purpose of increasing civic engagement and participation to effect changes in public policy on behalf of children, families and communities.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Nature of Activities (Continued)

The Leadership Center for Youth provides guidance, leadership development, career exploration and civic engagement opportunities to facilitate the youth's success and involvement in the community. Committed to shaping today's youth into strong leaders for tomorrow, The Leadership Center provides opportunities for positive youth development.

Performance Employee Assistance and Business Services provides high-quality, affordable human support services to leading businesses in Southwest Louisiana. Multiple and single behavioral risk factors are identified and addressed by employee assistance counselors who consider the impact of personal problems in the workplace. Through counseling, consultation and well-designed training, performance professionals take care of the heart and soul of area businesses so that businesses can pay attention to their bottom line.

B. 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.

C. Basis of Accounting

The financial statements of the Agency have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

D. Basis of Presentation

Financial statement presentation follows the recommendations of the FASB ASU 2016-14, Financial Statements of Not-for-Profit Entities. Under FASB ASU 2016-14, the Agency is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions include amounts that are not subject to usage restrictions on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met. Net assets with donor restrictions include assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Agency. Certain restrictions may need to be maintained in perpetuity.

E. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Agency considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restriction regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

G. Donated Services

Donated services are recognized as contributions in accordance with FASB ASC 958-605-01, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency. Included in the financial statements are donated services valued at \$62,102 for the Child Advocacy, CASA, and Counseling programs. Volunteers also provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under FASB ASC 958-605-01 were not met.

H. Income Taxes

The Agency is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Agency's open audit periods are from 2014-2017.

I. Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair market value. Donated investments are reflected as contributions at their market values at date of receipt. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Restricted and Unrestricted Revenue Support

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restriction.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

K. Property and Equipment

All acquisitions of property and equipment in excess of \$2,000 and all expenditures for repairs, maintenance, renewals, and betterment that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost. The Agency uses straight-line depreciation.

L. Concentration of Revenue and Support

The majority of the funding for the Agency's programs is provided by the United Way of Southwest Louisiana and various federal, state, and local grants on a year-by-year basis. In addition, the Agency derives its program fees from the geographic region of Southwest Louisiana encompassing five parishes.

M. Fair Values of Financial Instruments

The Agency has a number of financial instruments, none of which is held for trading purposes. The Agency estimates that the fair value of all financial instruments at December 31, 2018 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Agency using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the agency could realize in a current market exchange. The recorded values of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values based on their short-term nature. The recorded values of notes payable approximate their fair value, as interest is insignificant.

NOTE 2 - FUND RAISING

Certain publicity and promotion activities were undertaken in the year, which also serves as fund raising events. Total fund raising for 2018 yielded \$119,455 with the cost of these activities being \$100,435, which included the partial costs of salaries of employees involved in fund raising efforts. These fund raising expenses are included in the Statement of Functional Expenses in the categories to which they relate.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2018

NOTE 3 - EXPENSE ALLOCATION METHODS

Expenses were allocated in the accompanying financial statements to program and administrative functional expense groups. The methods of allocation were based on the Agency's estimates of the relative proportion of various staff members' time and effort between program and administrative functions as well as the Agency's estimates of the amount of each expense utilized for the program or administrative functions.

NOTE 4 - CONCENTRATION OF RISK

Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of promises to give receivable. Amount receivable from promises to give at December 31, 2018 consists of \$56,192 from the United Way of Southwest Louisiana.

The Agency also has exposure for credit risk with regard to the investments in mutual funds with fair market values totaling \$450,602 because those funds are not insured against market risk.

NOTE 5 - PROMISES TO GIVE

During the year ended December 31, 2018, the Agency received its 2019 United Way allocation. This allocation is temporarily restricted at time of receipt and is properly reflected in the accompanying statement of activities as an increase in temporarily restricted net assets. Uncollectible allocations are expected to be insignificant.

Unconditional promises to give at December 31, 2018 are as follows:

Receivable in less than one year	\$56,192
Total unconditional promises to give	56,192
Less discounts to net present value	-
Less allowance for uncollectible promises receivable	-
Net unconditional promises to give at December 31, 2018	\$56,192

NOTE 6 - RETIREMENT COMMITMENTS

The Agency contributes to a defined contribution plan through Mutual of America Life Insurance Company. Full time employee membership is mandatory as a condition of employment. Eligibility requirements consist of minimum age of 21 and 1000 hours of service. Participants are fully vested upon completion of 3 years of service.

The Agency is required to contribute 9.5% of the participants' compensation. Non-deductible voluntary employee contributions are not permitted. Total contributions made by the Agency for 2018 were \$100,378. Mutual of America Life Insurance Company issues an annual financial report that includes financial statements and required supplementary information for the plan. That report is available upon request.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2018

NOTE 7 - INVESTMENTS

The Agency applies generally accepted accounting principles (GAAP) for fair value measurements of financial assets that are recognized at fair value in the financial statements on a recurring basis. GAAP establishes fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair market hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Agency has the ability to access.

Level 2 inputs are inputs (other than quoted prices in Level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available.

The fair value and cost measured on a recurring basis of investments as of December 31, 2018:

	Fair Value	Cost
Level 1 in active markets:		
Morgan Stanley – Mutual Funds	\$ 450,602	\$ 434,449
Total Investments	<u>\$ 450,602</u>	<u>\$ 434,449</u>

Investment return for the year ended December 31, 2018 is summarized as follows:

Interest and Dividend Income	\$ 18,436
Realized gain (loss) on Investments	5,877
Net Unrealized Gain (Loss) on Investments	<u>(63,636)</u>
Total Unrestricted Investment Income (Loss)	<u>\$ (39,323)</u>

NOTE 8 – UNEARNED INCOME

As of December 31, 2018, the Agency received \$66,662 in grant proceeds and other prepaid amounts that are to be used during 2019.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2018

NOTE 9 – TANF (CASA) EXPENDITURES

The following is a schedule of TANF expenditures for fiscal year December 31, 2018:

Salaries	\$ 97,726
Employee benefits and taxes	21,434
Professional fees	3,104
Supplies and operating expenses	15,484
Travel & meetings	3,711
Training	1,286
Printing	<u>42</u>
Total	<u>\$ 142,787</u>

NOTE 10 – SUBSEQUENT EVENT

The Agency evaluated its December 31, 2018 financial statements for subsequent events through the date the financial statements were available to be issued. The Agency is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE 11 – ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are reported net of any allowance for doubtful accounts. The Agency provides for doubtful accounts based on experience and analysis of individual accounts.

NOTE 12 – GOVERNOR’S CONFERENCE

The Agency acts as agent to process transactions for the Governor’s Conference. The Agency’s Statement of Financial Position reflects \$118,916 in cash and \$118,916 in liabilities as a result of these transactions. Revenues of the Conference totaled \$67,922 and expenses totaled \$42,327 for the fiscal year ended December 31, 2018.

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted follow the following purposes or periods:

	2018
Subject to passage of time	<u>\$ 56,193</u>

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2018

NOTE 14 – QUANTITATIVE AND QUALITATIVE LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Agency’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the board of directors approves that action.

	2018
Current assets	\$ 931,191
Subtract: cash restricted for governor’s conference	(118,916)
Subtract: prepaid expenses	(23,671)
Subtract: board-designated operating reserves	<u>(641,817)</u>
Financial assets available to meet cash needs for general expenditure within one year	\$ 145,188

FAMILY AND YOUTH COUNSELING AGENCY, INC.

***Schedule of Compensation, Benefits and Other Payments to the Executive Director
Paid from Public Funds
Year Ended December 31, 2018***

Agency Head: Julio Galan, Executive Director

Purpose	Amount
Salary	0.00
Benefits-insurance	0.00
Benefits-retirement	0.00
Dues	0.00
Car and housing allowance	0.00
Vehicle provided by government	0.00
Per diem	0.00
Reimbursements	0.00
Travel	0.00
Conference travel and fees	0.00
Continuing professional education fees	0.00
Housing	0.00
Unvouchered expenses	0.00
Special meals	0.00

Note: This schedule is included as supplementary information.

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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*

The Board of Directors
Family and Youth Counseling Agency, Inc.
Lake Charles, Louisiana

I 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 Family and Youth Counseling Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated June 5, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, I considered Family and Youth Counseling Agency, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Family and Youth Counseling, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Family and Youth Counseling, Inc.'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, 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.

My consideration of the 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Board of Directors
Family and Youth Counseling Agency, Inc.
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family and Youth Counseling Agency, Inc.'s, financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
June 5, 2019

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2018

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued				Unmodified
Internal control over financial reporting:				
Material weaknesses identified?	___	Yes	_x_	No
Significant deficiencies identified not considered to be material weaknesses?	___	Yes	_x_	None reported
Noncompliance material to financial statements noted?	___	Yes	_x_	No

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2017

NONE