

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

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

Year Ended December 31, 2019

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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, 2019, 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, 2019 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 17, 2020 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 combined financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U. S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. In addition, the accompanying statement of financial position, statement of activities, statement of cash flows, and statement of functional expenses is also presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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 17, 2020

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2019

ASSETS

CURRENT ASSETS

Cash and cash equivalents - unrestricted	\$	23,324
Cash and cash equivalents - restricted Governor's Conference		130,873
Investments		528,227
Unconditional promises to give		58,691
Accounts receivable, less allowance for doubtful accounts of \$3,419		82,078
Contracts receivable		273,531
Other receivable		1,059
Prepaid expenses		25,706
Total current assets		1,123,489

PROPERTY AND EQUIPMENT

Building		727,810
Furniture and equipment		269,527
		997,337
Less accumulated depreciation		(669,627)
		327,710
Land		82,800
Net property and equipment		410,510
Total assets	\$	1,533,999

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2019

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 45,346
Accrued expenses and withholdings	141,567
Due to Governor's Conference	130,873
Contract liabilities/unearned revenues	111,327
Total current liabilities	<u>429,113</u>

LONG TERM LIABILITIES, less current portion

Total liabilities	<u>429,113</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	(91,623)
	<u>1,046,194</u>

With donor restrictions

	<u>58,692</u>
Total net assets	<u>1,104,886</u>

Total liabilities and net assets	<u>\$ 1,533,999</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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT			
United Way of Southwest Louisiana	\$ 58,691	\$ 58,691	\$ 117,382
Grants and service fees	1,325,867	-	1,325,867
Program income	427,646	-	427,646
Contributions	161,901	-	161,901
Investment interest and dividends	18,709	-	18,709
Realized gain (loss) on investments	9,971	-	9,971
Unrealized gain (loss) on investments	49,000	-	49,000
Other	7,420	-	7,420
Fund raising/special events	117,626	-	117,626
	2,176,831	58,691	2,235,522
Net assets released from restrictions			
Expiration of time restrictions	56,192	(56,192)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	2,233,023	2,499	2,235,522
EXPENSES AND LOSSES			
Program services	1,846,486	-	1,846,486
Management and general	250,445	-	250,445
Fund raising/special events	108,619	-	108,619
	2,205,550	-	2,205,550
TOTAL EXPENSES AND LOSSES	2,205,550	-	2,205,550
CHANGE IN NET ASSETS	27,473	2,499	29,972
NET ASSETS AT BEGINNING YEAR	1,018,721	56,193	1,074,914
NET ASSETS AT END OF YEAR	\$ 1,046,194	\$ 58,692	\$ 1,104,886

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, 2019

Cash Flows From Operating Activities	
Increase (decrease) in net assets	\$ 29,972
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation expense	24,039
Realized and Unrealized appreciation of investments	(58,971)
(Increase) decrease in operating assets:	
Accounts and contracts receivable	(166,904)
Prepaid expenses	(2,035)
Increase (decrease) in operating liabilities:	
Accounts payable	37,359
Accrued expense	60,155
Contract liabilities/unearned revenue	<u>43,094</u>
 Total Adjustments	 <u>(63,263)</u>
 Net Cash Provided (Used) By Operating Activities	 <u>(33,291)</u>
 Cash Flows From Investing Activities	
Redemption (purchases) of investments	(18,654)
Other - Governor's conference	11,957
Purchase of property and equipment	<u>(14,278)</u>
 Net Cash Provided (Used) By Investing Activities	 <u>(20,975)</u>
 Net Increase (Decrease) In Cash	 (54,266)
 Cash - Beginning of Year	 <u>208,463</u>
 Cash - End of Year	 <u>\$ 154,197</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, 2019

	Program Services			Supporting Services		Total
	Advocacy to Victims	Mental Health	Prevention Services	Management and General	Fund Raising	
Salaries and contract labor	\$ 525,521	\$ 550,336	\$ 111,916	\$ 162,744	\$ 77,719	\$ 1,428,236
Employee benefits	74,378	78,398	16,082	22,112	10,051	201,021
Payroll taxes	38,922	41,026	8,416	11,571	5,260	105,195
Professional fees	18,690	19,700	4,041	5,557	2,526	50,514
Supplies	59,001	62,078	12,308	17,962	2,497	153,846
Telephone	4,921	5,187	1,064	1,463	665	13,300
Postage and shipping	869	916	188	258	117	2,348
Occupancy	16,646	17,538	3,568	4,978	1,875	44,605
Rental and maintenance of equipment	3,694	3,894	799	1,098	499	9,984
Printing and publications	3,352	3,534	725	997	453	9,061
Travel	12,989	13,691	2,808	3,862	1,755	35,105
Conference and meetings	5,260	5,544	1,137	1,564	711	14,216
Training	2,852	3,006	617	848	385	7,708
Specific assistance	1,695	1,787	366	504	229	4,581
Insurance	9,826	10,358	2,125	2,921	1,328	26,558
Affiliation dues	2,207	2,320	453	679	-	5,659
Fund raising	18,861	19,880	4,078	5,607	2,549	50,975
Outreach/youth activities	4,760	5,004	976	1,465	-	12,205
Bank charges	2,227	2,341	456	1,370	-	6,394
Total before depreciation	<u>806,671</u>	<u>846,538</u>	<u>172,123</u>	<u>247,560</u>	<u>108,619</u>	<u>2,181,511</u>
Depreciation	<u>9,375</u>	<u>9,856</u>	<u>1,923</u>	<u>2,885</u>	<u>-</u>	<u>24,039</u>
Total expenses	<u>\$ 816,046</u>	<u>\$ 856,394</u>	<u>\$ 174,046</u>	<u>\$ 250,445</u>	<u>\$ 108,619</u>	<u>\$ 2,205,550</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, 2019

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, 2019

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, 2019

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 \$61,572 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 2015-2018.

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.

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.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Concentration of Revenue and Support

The majority of the funding for the Agency's programs is provided by 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.

N. Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers*, or Accounting Standards Codification Topic 606 ("ASC 606"), which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition* ("ASC 605"). This literature is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The accounting guidance also requires additional disclosure regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts including significant judgements and changes in judgements, as well as assets recognized from costs incurred to obtain or fulfill a contract. On January 1, 2019, the Agency adopted ASC 606 and was applied to all contracts on a modified retrospective method.

Management has analyzed the provisions of the FASB's ASC Topic 606, *Revenue from Contracts with Customers*, and have concluded that no material changes are necessary to conform with the new standard. Fundraising/special event revenues representing reciprocal transfers (exchange transactions) are recognized when the performance obligation is satisfied. The Agency's estimate of the transaction price is determined based on the cost expended to provide such goods or services. Program income is recognized when the service to clients are performed.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2019

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 2019 yielded \$117,626 with the cost of these activities being \$108,619, 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.

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, 2019 consists of \$58,691 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 \$528,227 because those funds are not insured against market risk.

NOTE 5 - PROMISES TO GIVE

During the year ended December 31, 2019, the Agency received its 2020 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, 2019 are as follows:

Receivable in less than one year	\$58,691
Total unconditional promises to give	58,691
Less discounts to net present value	-
Less allowance for uncollectible promises receivable	-
Net unconditional promises to give at December 31, 2019	\$58,691

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 2019 were \$114,708. 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, 2019

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, 2019:

	<u>Fair Value</u>	<u>Cost</u>
Level 1 in active markets:		
Morgan Stanley – Mutual Funds	\$ 528,227	\$ 456,100
Total Investments	<u>\$ 528,227</u>	<u>\$ 456,100</u>

Investment return for the year ended December 31, 2019 is summarized as follows:

Interest and Dividend Income	\$ 18,709
Realized gain (loss) on Investments	9,971
Net Unrealized Gain (Loss) on Investments	<u>49,000</u>
Total Unrestricted Investment Income (Loss)	<u>\$ 77,680</u>

NOTE 8 – CONTRACT LIABILITIES (UNEARNED REVENUES)

As of December 31, 2019, the Agency received \$111,327 in special events and counseling fees received in advance and deferred and recognized over the periods to which the fees relate.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2019

NOTE 9 – TANF (CASA) EXPENDITURES

The following is a schedule of TANF expenditures for fiscal year December 31, 2019:

Salaries	\$ 100,508
Employee benefits and taxes	20,248
Professional fees	2,673
Supplies and operating expenses	14,814
Travel & meetings	5,042
Training	1,824
Printing	<u>1,273</u>
 Total	 <u>\$ 146,382</u>

NOTE 10 – SUBSEQUENT EVENT

The Agency evaluated its December 31, 2019 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 and subsequent to original assessment of client’s intent to pay amounts are deemed uncollectable.

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 \$130,873 in cash and \$130,873 in liabilities as a result of these transactions.

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2019</u>
Subject to passage of time	<u>\$ 58,691</u>

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2019

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.

	2019
Current assets	\$ 1,123,489
Subtract: cash restricted for governor’s conference	(130,873)
Subtract: prepaid expenses	(25,706)
Subtract: board-designated operating reserves	<u>(641,817)</u>
Financial assets available to meet cash needs for general expenditure within one year	\$ 325,093

NOTE 15 – Disaggregated Contract Revenue

The following table presents the Agency’s net revenue disaggregated based on the revenue source:

<u>For the year ended December 31,</u>	<u>2019</u>
Program income	\$427,646
Fundraising/special event exchange transactions	117,626
Total revenue from contracts with clients/donors	<u>\$ 545,272</u>

FAMILY AND YOUTH COUNSELING AGENCY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2019

<u>Program Title</u>	<u>CFDA Number</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
U. S. Department of Justice Passed-through programs:			
Louisiana Commission on Law Enforcement Juvenile Justice and Delinquency Prevention	16.540	61,392	61,392
Crime Victims Assistance	# 16.575	<u>833,904</u>	<u>833,904</u>
Total U. S. Department of Justice		<u>895,296</u>	<u>895,296</u>
U. S. Department of Health and Human Services Passed-through programs:			
Louisiana Supreme Court Temporary Assistance for Needy Families (TANF)	93.558	146,439	146,439
Louisiana Childrens Trust Fund Social Services Block Grant	93.667	<u>23,403</u>	<u>23,403</u>
Total U. S. Department of Health		<u>169,842</u>	<u>169,842</u>
Total federal assistance		<u>\$ 1,065,138</u>	<u>\$ 1,065,138</u>

Program consider major.

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Family and Youth Counseling Agency, Inc., and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements contained by Title 2 of U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards (Uniform Guidance).

The amounts presented in this schedule do not differ from the amounts presented in, or used in the preparation of the financial statements.

Family and Youth Counseling Agency, Inc. has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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, 2019***

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.

STEVEN M. DEROUEN & ASSOCIATES

Certified Public Accountants

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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, 2019, 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 17, 2020.

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.
Lake Charles, Louisiana
Page 2

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 17, 2020

STEVEN M. DEROUEN & ASSOCIATES

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

I have audited Family and Youth Counseling Agency, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Family and Youth Counseling Agency, Inc.'s major federal programs for the year ended December 31, 2019. Family and Youth Counseling Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Family and Youth Counseling Agency, Inc.'s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Family and Youth Counseling Agency, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Family and Youth Counseling Agency, Inc.'s compliance.

Opinion on Each Major Federal Program

In my opinion, Family and Youth Counseling Agency, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of Family and Youth Counseling Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Family and Youth Counseling Agency, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Family and Youth Counseling Agency, Inc.'s internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
June 17, 2020

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

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
Significant deficiencies identified not considered to be material weaknesses?	___	Yes	___	x
Noncompliance material to financial statements noted?	___	Yes	___	x

Federal Awards

Internal control over major programs:				
Material weaknesses identified?	___	Yes	___	x
Significant deficiencies identified not considered to be material weaknesses?	___	Yes	___	x
Type of auditor’s report issued on compliance for major programs:				Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	___	Yes	___	x

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.575	US Department of Justice Louisiana Commission on Law Enforcement Crime Victims Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? x Yes No

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2018

NONE