

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

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**
Year Ended December 31, 2020

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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

We have audited the accompanying financial statements of Family and Youth Counseling Agency, Inc., (a non-profit organization) as of December 31, 2020, 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

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

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

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

Board of Directors
Family and Youth Counseling Agency, Inc.

Opinion

In our 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, 2020 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*, we have also issued a report dated September 2, 2021 on our consideration of Family and Youth Counseling Agency, Inc.'s internal control over financial reporting and our 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 our 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

Our 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.

Our 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, LLC

Lake Charles, Louisiana
September 2, 2021

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents - unrestricted	\$	268,197
Cash and cash equivalents - restricted Governor's Conference		126,151
Investments		585,476
Unconditional promises to give		51,000
Accounts receivable, less allowance for doubtful accounts of \$3,419		70,545
Contracts receivable		354,167
Prepaid expenses		20,593
Total current assets		<u>1,476,129</u>

PROPERTY AND EQUIPMENT

Building		728,220
Furniture and equipment		269,527
		<u>997,747</u>
Less accumulated depreciation		<u>(673,270)</u>
		324,477
Land		82,800
Net property and equipment		<u>407,277</u>
Total assets	\$	<u>1,883,406</u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2020

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 8,108
Accrued expenses and withholdings	124,249
Due to Governor's Conference	126,151
Contract liabilities/unearned revenues	230,324
Total current liabilities	<u>488,832</u>

LONG TERM LIABILITIES

PPP note payable	<u>276,100</u>
Total liabilities	<u>764,932</u>

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	<u>(70,343)</u>
	1,067,474
With donor restrictions	
	<u>51,000</u>
Total net assets	<u>1,118,474</u>
Total liabilities and net assets	<u>\$ 1,883,406</u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT			
United Way of Southwest Louisiana	\$ 51,000	\$ 51,000	\$ 102,000
Grants and service fees	1,469,235	-	1,469,235
Program income	422,297	-	422,297
Contributions	226,864	-	226,864
Investment interest and dividends	10,043	-	10,043
Realized gain (loss) on investments	(619)	-	(619)
Unrealized gain (loss) on investments	47,834	-	47,834
Other	21,819	-	21,819
Fund raising/special events	62,638	-	62,638
	2,311,111	51,000	2,362,111
Net assets released from restrictions			
Expiration of time restrictions	58,692	(58,692)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	2,369,803	(7,692)	2,362,111
EXPENSES AND LOSSES			
Program services	1,977,902	-	1,977,902
Management and general	255,356	-	255,356
Fund raising/special events	115,265	-	115,265
	2,348,523	-	2,348,523
TOTAL EXPENSES AND LOSSES	2,348,523	-	2,348,523
CHANGE IN NET ASSETS	21,280	(7,692)	13,588
NET ASSETS AT BEGINNING YEAR	1,046,194	58,692	1,104,886
NET ASSETS AT END OF YEAR	\$ 1,067,474	\$ 51,000	\$ 1,118,474

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, 2020

Cash Flows From Operating Activities	
Increase (decrease) in net assets	\$ 13,588
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation expense	25,186
Realized and Unrealized appreciation of investments	(47,215)
(Increase) decrease in operating assets:	
Accounts and contracts receivable	(60,354)
Prepaid expenses	5,113
Increase (decrease) in operating liabilities:	
Accounts payable	(37,237)
Accrued expense	(17,318)
Contract liabilities/unearned revenue	118,997
	<u> </u>
Total Adjustments	(12,828)
	<u> </u>
Net Cash Provided (Used) By Operating Activities	760
	<u> </u>
Cash Flows From Investing Activities	
Redemption (purchases) of investments	(10,034)
Hurricane impairment	4,257
Other - Governor's conference	(4,722)
Purchase of property and equipment	(26,210)
	<u> </u>
Net Cash Provided (Used) By Investing Activities	(36,709)
	<u> </u>
Cash Flows From Financing Activities	
Proceeds from PPP loan	276,100
	<u> </u>
Net Cash Provided (Used) By Financing Activities	276,100
	<u> </u>
Net Increase (Decrease) In Cash	240,151
Cash - Beginning of Year	<u>154,197</u>
Cash - End of Year	<u><u>\$ 394,348</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, 2020

	Program Services			Supporting Services		Total
	Advocacy to Victims	Mental Health	Prevention Services	Management and General	Fund Raising	
Salaries and contract labor	\$ 586,413	\$ 545,691	\$ 127,722	\$ 161,922	\$ 77,373	\$ 1,499,121
Employee benefits	102,638	94,743	23,685	28,949	13,159	263,174
Payroll taxes	43,507	40,162	10,040	12,272	5,579	111,560
Professional fees	41,817	38,600	9,650	11,794	5,361	107,222
Supplies	9,463	8,783	2,165	2,646	997	24,054
Telephone	5,160	4,762	1,191	1,455	662	13,230
Postage and shipping	780	720	180	221	100	2,001
Occupancy	54,791	50,719	12,587	15,384	6,375	139,856
Rental and maintenance of equipment	3,751	3,462	866	1,058	480	9,617
Printing and publications	1,593	1,471	368	449	204	4,085
Travel	3,676	3,393	848	1,037	471	9,425
Conference and meetings	4,632	4,276	1,069	1,306	594	11,877
Training	190	175	44	54	24	487
Specific assistance	619	572	143	175	79	1,588
Insurance	12,914	11,921	2,980	3,642	1,656	33,113
Affiliation dues	6,126	5,827	1,345	1,643	-	14,941
Fund raising	16,781	15,490	3,872	4,733	2,151	43,027
Loss on disposal of assets	1,745	1,660	383	469	-	4,257
Miscellaneous	12,589	11,973	2,763	3,377	-	30,702
Total before depreciation	<u>909,185</u>	<u>844,400</u>	<u>201,901</u>	<u>252,586</u>	<u>115,265</u>	<u>2,323,337</u>
Depreciation	<u>10,326</u>	<u>9,823</u>	<u>2,267</u>	<u>2,770</u>	<u>-</u>	<u>25,186</u>
Total expenses	<u>\$ 919,511</u>	<u>\$ 854,223</u>	<u>\$ 204,168</u>	<u>\$ 255,356</u>	<u>\$ 115,265</u>	<u>\$ 2,348,523</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, 2020

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, 2020

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, 2020

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 \$26,682 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 2016-2019.

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, 2020

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, 2020 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, 2020

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 2020 yielded \$62,638 with the cost of these activities being \$115,265, 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, 2020 consists of \$51,000 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 \$585,477 because those funds are not insured against market risk.

NOTE 5 - PROMISES TO GIVE

During the year ended December 31, 2020, the Agency received its 2021 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, 2020 are as follows:

Receivable in less than one year	\$51,000
Total unconditional promises to give	51,000
Less discounts to net present value	-
Less allowance for uncollectible promises receivable	-
Net unconditional promises to give at December 31, 2020	\$51,000

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 2020 were \$115,941. 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, 2020

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, 2020:

	<u>Fair Value</u>	<u>Cost</u>
Level 1 in active markets:		
Morgan Stanley – Mutual Funds	\$ 585,477	\$ 457,242
Total Investments	<u>\$ 585,477</u>	<u>\$ 457,242</u>

Investment return for the year ended December 31, 2020 is summarized as follows:

Interest and Dividend Income	\$ 10,043
Realized gain (loss) on Investments	(619)
Net Unrealized Gain (Loss) on Investments	<u>47,834</u>
Total Unrestricted Investment Income (Loss)	<u>\$ 57,258</u>

NOTE 8 – CONTRACT LIABILITIES (UNEARNED REVENUES)

As of December 31, 2020, the Agency received \$230,324 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, 2020

NOTE 9 – TANF (CASA) EXPENDITURES

The following is a schedule of TANF expenditures for fiscal year December 31, 2020:

Salaries	\$ 76,145
Employee benefits and taxes	9,772
Professional fees	3,704
Supplies and operating expenses	14,654
Travel & meetings	958
Training	165
Outreach	<u>19,200</u>
 Total	 <u>\$ 124,598</u>

NOTE 10 – SUBSEQUENT EVENT

The Agency evaluated its December 31, 2020 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 \$126,151 in cash and \$126,151 in liabilities as a result of these transactions. Revenues and expenses totaled \$4,005 for reimbursement of consulting fees and supplies.

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>
Subject to passage of time	<u>\$ 51,000</u>

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020

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.

	2020
Current assets	\$ 1,476,130
Subtract: cash restricted for governor’s conference	(126,151)
Subtract: prepaid expenses	(20,593)
Subtract: board-designated operating reserves	<u>(641,817)</u>
Financial assets available to meet cash needs for general expenditure within one year	\$ 687,569

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>2020</u>
Program income	\$422,297
Fundraising/special event exchange transactions	62,638
Total revenue from contracts with clients/donors	<u>\$ 484,935</u>

NOTE 16 – Leases

The Agency currently leases office space under a non-cancelable operating lease agreement. This lease agreement began April 1, 2020 and is for a term of fifteen months. The Agency may extend the term of the lease for one year. The monthly fee for this lease is \$9,216.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2020

NOTE 17 – PPP Note Payable

Paycheck Protection Program (PPP) note payable dated April 13, 2020, in the amount of \$276,100; matures on April 13, 2022, bearing a fixed interest rate of 1.00%. The note may only be used for payroll costs, costs to continue group healthcare benefits, mortgage payments, rent, utilities. The Agency intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan maybe forgiven if they are used for qualifying expenses as described in the CARES Act. The loan was forgiven by SBA in January 2021.

Total debt	\$276,100
Less: current portion	-
Long-term debt	\$276,100

**Family and Youth Counseling Agency
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended December 31, 2020**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
TANF Cluster-Cluster			
Department of Health and Human Services			
Temporary Assistance for Needy Families (TANF) State Programs			
Temporary Assistance for Needy Families (TANF) State Programs	93.558	Louisiana Supreme Court	123,996
Total Temporary Assistance for Needy Families (TANF) State Programs			123,996
<i>Total Department of Health and Human Services</i>			123,996
Total TANF Cluster-Cluster			123,996
Other Programs			
United States Department of Justice			
Juvenile Justice and Delinquency Prevention			
Juvenile Justice and Delinquency Prevention - Governor's Conference	16.540	Louisiana Commission on Law Enforcement	4,005
Juvenile Justice and Delinquency Prevention	16.540	Louisiana Commission on Law Enforcement	70,561
Total Juvenile Justice and Delinquency Prevention			74,566
Missing Children's Assistance			
Missing Children's Assistance	16.543		7,000
Total Missing Children's Assistance			7,000
Crime Victim Assistance			
Crime Victim Assistance	16.575	Louisiana Commission on Law Enforcement	882,790
Total Crime Victim Assistance			882,790
<i>Total United States Department of Justice</i>			964,356
Department of Health and Human Services			
Children's Justice Grants to States			
Children's Justice Grants to States	93.643	Department of Children and Family Services	10,000
Total Children's Justice Grants to States			10,000
Social Services Block Grant			
Social Services Block Grant	93.667	Louisiana Department of Social Service	40,667
Total Social Services Block Grant			40,667
<i>Total Department of Health and Human Services</i>			50,667
Total Other Programs			1,015,023
Total Expenditures of Federal Awards			\$ 1,139,019

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, 2020***

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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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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Family and Youth Counseling Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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 September 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we 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.

Our 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 we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, 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 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
September 2, 2021

STEVEN M. DEROUEN & ASSOCIATES, LLC

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

We 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, 2020. 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

Our 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. We conducted our 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 we 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 we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our 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, 2020.

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, we 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.

Our 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
September 2, 2021

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2019

NONE