

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

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

Year Ended December 31, 2010

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	2-3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7-14
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based On an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15-16
Schedule of Findings and Questioned Costs	17
Schedule of Prior Year Findings and Questioned Costs	18

STEVEN M. DEROUEN, CPA

P.O. BOX 4265
LAKE CHARLES, LA 70606
(337) 513-4915 OFFICE | (337) 513-4737 FAX
steve@sderouencpa.com

Member American Institute of
Certified Public Accountants

Member Louisiana Society of
Certified Public Accountants

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying statement of financial position of Family and Youth Counseling Agency, Inc., (a non-profit organization) as of December 31, 2010, and the related statement of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion 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 about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Family and Youth Counseling Agency, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 31, 2011 on my consideration of the Agency's internal control over financial reporting and on 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 and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.



Lake Charles, Louisiana
May 31, 2011

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2010

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	546,865
Investments		538,925
Unconditional promises to give		144,693
Accounts receivable, less allowance for doubtful accounts of \$1,893		17,811
Contracts receivable		71,269
Prepaid expenses		19,763
Total current assets		<u>1,339,326</u>

PROPERTY AND EQUIPMENT

Building		706,148
Furniture and equipment		210,016
		<u>916,164</u>
Less accumulated depreciation		(435,121)
		<u>481,043</u>
Land		82,800
Net property and equipment		<u>563,843</u>
Total assets	\$	<u><u>1,903,169</u></u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2010

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current portion of long-term debt	\$ 25,000
Accrued expenses	22,647
Unearned income	425,730
Total current liabilities	<u>473,377</u>

LONG TERM LIABILITIES, less current portion

Notes payable	<u>100,000</u>
Total liabilities	<u>573,377</u>

NET ASSETS

Unrestricted	
Undesignated	<u>1,185,099</u>
Total unrestricted net assets	<u>1,185,099</u>
Temporarily restricted	<u>144,693</u>
Total net assets	<u>1,329,792</u>
Total liabilities and net assets	<u>\$ 1,903,169</u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE, GAINS AND OTHER SUPPORT			
United Way of Southwest Louisiana	\$ -	\$ 144,693	\$ 144,693
Grants and service fees	1,009,638	-	1,009,638
Program income	412,619	-	412,619
Contributions	53,800	-	53,800
Investment earnings (loss)	7,387	-	7,387
Unrealized gain (loss) on investments	31,629	-	31,629
Other	978	-	978
Fund raising/special events	108,793	-	108,793
Total revenues and gains	<u>1,624,844</u>	<u>144,693</u>	<u>1,769,537</u>
Net assets released from restrictions	<u>257,617</u>	<u>(257,617)</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	1,882,461	(112,924)	1,769,537
EXPENSES AND LOSSES			
Program service - counseling	1,436,534	-	1,436,534
Management and general	148,044	-	148,044
Fund raising/special events	265,434	-	265,434
TOTAL EXPENSES AND LOSSES	<u>1,850,012</u>	<u>-</u>	<u>1,850,012</u>
CHANGE IN NET ASSETS	32,449	(112,924)	(80,475)
NET ASSETS AT BEGINNING OF YEAR	<u>1,152,650</u>	<u>257,617</u>	<u>1,410,267</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,185,099</u></u>	<u><u>\$ 144,693</u></u>	<u><u>\$ 1,329,792</u></u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2010

Cash Flows From Operating Activities

Increase (decrease) in net assets	\$ (80,475)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation expense	30,169
Unrealized appreciation of investments	(31,629)
Loss on disposal of property and equipment	3,345
(Increase) decrease in operating assets:	
Accounts and contracts receivable	134,985
Prepaid expenses	7,426
Increase (decrease) in operating liabilities:	
Accounts payable	-
Accrued expense	(8)
Unearned income	227,637

Total Adjustments	371,925
-------------------	---------

Net Cash Provided (Used) By Operating Activities	291,450
--	---------

Cash Flows From Investing Activities

Purchases of investments	(2,352)
Purchase of property and equipment	(708)

Net Cash Provided (Used) By Investing Activities	(3,060)
--	---------

Cash Flows From Financing Activities

Principal payments on notes payable	(25,000)
-------------------------------------	----------

Net Cash Provided (Used) By Financing Activities	(25,000)
--	----------

Net Increase (Decrease) In Cash	263,390
--	---------

Cash - Beginning of Year	283,475
---------------------------------	---------

Cash - End of Year	\$ 546,865
---------------------------	------------

The accompanying notes are an integral part of these statements

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2010

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Salaries and contract labor	\$ 956,205	\$ 98,397	\$ 161,397	\$ 1,215,999
Employee benefits	133,088	13,695	22,464	169,247
Payroll taxes	69,276	7,129	11,693	88,098
Professional fees	24,634	2,535	4,158	31,327
Supplies	23,566	2,425	3,978	29,969
Telephone	12,374	1,273	2,088	15,735
Postage and shipping	2,355	242	398	2,995
Occupancy	27,282	2,807	4,605	34,694
Rental and maintenance of equipment	5,456	562	921	6,939
Printing and publications	10,957	1,127	1,849	13,933
Travel	24,402	2,511	4,119	31,032
Conference and meetings	26,066	2,682	4,399	33,147
Training and professional development	25,830	2,658	4,360	32,848
Membership dues	1,577	879	1,441	3,897
Specific assistance	8,539	162	266	8,967
Insurance	29,672	3,053	-	32,725
Bad debts	83	8	-	91
Affiliation dues	7,400	761	-	8,161
Fund raising	-	-	37,298	37,298
Miscellaneous	17,587	1,809	-	19,396
Loss on disposal of assets	3,033	312	-	3,345
Total before depreciation	<u>1,409,382</u>	<u>145,027</u>	<u>265,434</u>	<u>1,819,843</u>
Depreciation	<u>27,152</u>	<u>3,017</u>	<u>-</u>	<u>30,169</u>
Total expenses	<u>\$ 1,436,534</u>	<u>\$ 148,044</u>	<u>\$ 265,434</u>	<u>\$ 1,850,012</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, 2010

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, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Nature of Activities (Continued)

Human Services Response Institute (HSRI) was originated to address the consequences of any major disaster or emergency faced by a community. HSRI personnel provide professional disaster-related services, including intensive case management to develop long-range plans for evacuees; family budgeting and financial management; mental health counseling; job development; and housing and relocation assistance.

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 Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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, 2010

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. The Agency reclassifies temporarily restricted net assets to unrestricted net assets at that time.

G. Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, *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 \$34,579 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 SFAS No. 116 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).

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. Promises to Give

Unconditional promises to give are recognized as revenues, or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At December 31, 2010, the unconditional promise to give of \$144,693 was from United Way of Southwest Louisiana. These funds will be received in the year 2011 but are recorded as temporary restricted revenues for the year ended December 31, 2010 in accordance with SFAS 116, *Accounting for Contributions Received and Contributions Made*.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Restricted and Unrestricted Revenue Support

Contributions received are recorded as unrestricted, temporarily unrestricted, or permanently restricted support, depending on the existence and/or nature of any donor restriction.

Support that is restricted by the donor is reported as an increase in unrestricted net assets 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 temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. In the event that restricted support is received in the same period as the restriction lapses, the agency follows the practice of reporting the support as unrestricted.

L. Property and Equipment

All acquisitions of property and equipment in excess of \$500 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.

M. Concentration of Revenue and Support

The majority of the funding for the Agency's programs is provided by the United Way of Southwest Louisiana (8%) and various federal, state, and local grants on a year-by-year basis. In addition, the Agency derives its program fees from the geographic region of Southwest Louisiana encompassing five parishes.

N. 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, 2010 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.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2010

NOTE 2 - LONG TERM LIABILITIES

The note payable for the Agency at December 31, 2010 consisted of the following:

The Joe W. and Dorothy Dorsett Brown Foundation
New Orleans, Louisiana:

The Agency received a loan from the Brown Foundation in which the Foundation advanced Funds of \$500,000 for the construction of a new facility. The terms of this loan require repayment in annual installments of \$25,000 over a 20 year period with no stated interest. Imputed interest on these advances does not apply because the present value of the debt service is presumed to equal the cash received

	\$125,000
Less current maturities	<u>25,000</u>
Total long-term portion	<u>\$100,000</u>

The following is a schedule of principal payments on long-term debt for the five years subsequent to December 31, 2010:

Year Ending December 31:

2011	25,000
2012	25,000
2013	25,000
2014	25,000
2015	<u>25,000</u>
Total	<u>\$125,000</u>

NOTE 3 - FUND RAISING

Certain publicity and promotion activities were undertaken in the year, which also serves as fund raising events. Total fund raising for 2010 yielded \$108,793 with the cost of these activities being \$265,434, which included the partial costs of salaries of employees involved in fund raising efforts. These fund raising expenses are included in the Statement of Functional Expenses in the categories to which they relate.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2010

NOTE 4 - 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 5 - 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, 2010 consists of \$144,693 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 \$301,787 because those funds are not insured against market risk.

NOTE 6 - PROMISES TO GIVE

During the year ended December 31, 2010, the Agency received its 2011 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, 2010 are as follows:

Receivable in less than one year	<u>\$144,693</u>
Total unconditional promises to give	144,693
Less discounts to net present value	-
Less allowance for uncollectible promises receivable	-
Net unconditional promises to give at December 31, 2010	<u>\$144,693</u>

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2010

NOTE 7 - 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 2010 were \$101,932. 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.

NOTE 8 - INVESTMENTS

The Agency's investments at December 31, 2010 consisted of mutual funds and certificates of deposit with fair market values (quoted prices in active market – Level 1) and cost basis (basis includes reinvested dividends and capital gain distributions) as follows:

	<u>FMV</u>	<u>Cost</u>
Edward Jones – American Funds	\$ 301,787	\$ 302,886
Cameron State Bank	117,771	117,771
Capital One Bank - CD	119,367	119,367
Total Investments	<u>\$ 538,925</u>	<u>\$ 540,024</u>

Investment return for the year ended December 31, 2010 is summarized as follows:

Interest Income	\$ 7,387
Realized Gain (Loss)	-
Net Unrealized Gain (Loss) on Investments	<u>31,629</u>
Total Unrestricted Investment Income	<u><u>\$ 39,016</u></u>

NOTE 9 - LEASES

The Agency entered into a cancelable lease at one location. Lease expense for 2010 was \$6,567.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2010

NOTE 10 – UNEARNED INCOME

As of December 31, 2010, the Agency received \$425,730 in grant proceeds that are to be used during 2011.

NOTE 11 – TANF EXPENDITURES

The following is a schedule of TANF expenditures for fiscal year December 31, 2010:

Salaries	\$ 95,534
Employee benefits and taxes	22,074
Professional fees	728
Supplies and operating expenses	10,064
Travel	3,294
Training	2,902
Printing	1,152
Administrative	<u>1,064</u>
Total	<u>\$136,812</u>

NOTE 12 – SUBSEQUENT EVENT

In May 2009, the Financial Accounting Standards Board issued Statement 165, Subsequent Events, to incorporate the accounting and disclosure requirements for subsequent events into U.S. generally accepted accounting principles. Statement 165 (now FASB codification 855-10-05) introduces new terminology, defines a date through which management must evaluate subsequent events or transactions occurring after the balance sheet date. The Agency adopted Statement 165 as June 30, 2009, which was the required effective date.

The Agency evaluated its December 31, 2010 financial statements for subsequent events through May 31, 2011, 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 13 – 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.

STEVEN M. DEROUEN, CPA

P.O. BOX 4265
LAKE CHARLES, LA 70606
(337) 513-4915 OFFICE | (337) 513-4737 FAX
steve@sderouencpa.com

Member American Institute of
Certified Public Accountants

Member Louisiana Society of
Certified Public Accountants

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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 the financial statements of Family and Youth Counseling Agency, Inc. as of and for the year ended December 31, 2010, and have issued my report thereon dated May 31, 2011. 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.

Internal Control Over Financial Reporting

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

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.

My consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

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*.

This report is intended for the information of the management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Steven M. DeFower, CPA". The signature is written in a cursive style.

Lake Charles, Louisiana
May 31, 2011

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2010

Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of Family and Youth Counseling Agency, Inc. (FYCA).
2. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of FYCA were disclosed during the audit.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2009

NONE