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FAMILY COUNSELING AGENCY, INC.

ALEXANDRIA, LOUISIANA

JUNE 30, 2008

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

Release Date

1/21/09

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**ADLER & PIAS**  
LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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Board of Directors  
Family Counseling Agency, Inc.  
Alexandria, Louisiana

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial position of Family Counseling Agency, Inc. (a nonprofit organization) as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Counseling Agency, Inc. as of June 30, 2008, 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, we have also issued our report dated October 17, 2008 on our consideration of Family Counseling Agency, Inc.'s internal control over financial reporting and on 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 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 important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial

statements taken as a whole. The statement of revenues and expenditures - IOLTA Grant and CACFP Grant are presented for the purposes of additional analysis and is not a required part of the basic financial statements of Family Counseling Agency, Inc. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Family Counseling Agency, Inc. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*ADLER & PIAS, LLC*

Adler & Pias, LLC  
October 17, 2008

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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

We have audited the financial statements of Family Counseling Agency, Inc. (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated October 17, 2008. 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.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 08-1 to be a significant deficiency in internal over financial

reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family 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 grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

Family Counseling Agency Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Family Counseling Agency Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of directors, management, others within the organization and 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.

*ADLER & PIAS, LLC*

Adler & Pias, LLC  
October 17, 2008

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of Family Counseling Agency, Inc. (a nonprofit organization) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2008. Family 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Family Counseling Agency, Inc.'s management. Our responsibility is to express an opinion on Family Counseling Agency Inc.'s compliance based on our audit.

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 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 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 Counseling Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Family Counseling Agency, Inc.'s compliance with those requirements.

In our opinion, Family Counseling Agency, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for

the year ended June 30, 2008.

#### Internal Control Over Compliance

The management of Family Counseling Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Family Counseling Agency, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Counseling Agency, Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of directors, management, others within the organization and 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.

ADLER & PIAS, LLC

Adler & Pias, LLC  
October 17, 2008



FAMILY COUNSELING AGENCY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2008

**SUMMARY OF AUDIT RESULTS**

- a. Financial statement opinion-unqualified.
- b. One significant deficiency disclosed during the audit of the financial statements is reported in the Communications of Significant Deficiencies to Management and the Board of Directors. The deficiency is not reported as a material weakness.
- c. There were no instances of noncompliance which is material to the financial statements.
- d. Report on compliance for major programs-unqualified opinion.
- e. There were no audit findings which are required to be reported in accordance with .510a.
- f. See "Notes to Financial Statements" note 9 for schedule of federal awards and other grant revenue.
- g. Type A programs - \$300,000 and larger.  
Type B programs - under \$300,000.
- h. The auditee qualified as a low-risk.
- i. The program tested as a major program is:  
U.S. Dept of Health and Human Services: LA Office on  
Women's Policy - Family Violence Program Services.  
CFDA # 93.671

**FINDINGS-FINANCIAL STATEMENT AUDIT**

**SIGNIFICANT DEFICIENCY**

**08-1 Segregation of Duties**

Segregation of conflicting duties within accounting functions is a basic internal control. Because the Organization has a small accounting staff, the costs of further segregation of all conflicting duties may not be beneficial. Therefore, we have not relied on internal controls to be effective. Since the Organization's accounting staff is small, procedures should be in place for management to monitor the daily financial statement processing functions.

Response: Management will implement procedures for management to monitor the daily financial statement processing functions.

FAMILY COUNSELING AGENCY, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008

FINDING 07-1: Segregation of Duties

*Condition:* This finding was a significant deficiency stating that since the Organization has a small accounting staff, then segregation of duties is not attainable.

*Recommendation:* The auditor recommended that, since the Organization's accounting staff is small and it would not be cost beneficial to further segregate, then procedures should be in place for management to monitor the daily financial statement processing functions.

*Current Status:* Since the cost of further segregation of all conflicting duties is not cost beneficial to the Organization, the significant deficiency remains an issue in the current year.

FAMILY COUNSELING AGENCY, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2008

<u>Assets</u>	Operating Fund	Capital Campaign Fund	Total
Cash and Cash Equivalents	\$ 216,078	64,982	281,060
Accounts Receivable - Clients	6,538	0	6,538
Accounts Receivable - State and Federal Grants	248,056	0	248,056
Allowance for Doubtful Accounts	(1,785)	0	(1,785)
Deposits	3,800	0	3,800
Plant and Equipment (Net Book Value)	310,607	291,661	602,268
Total Assets	<u>\$ 783,294</u>	<u>356,643</u>	<u>1,139,937</u>
 <u>Liabilities</u>			
Accounts Payable	\$ 22,806	0	22,806
Accrued Payroll Withholding Payable	3,393	0	3,393
Accrued Employee Benefits Payable	13,364	0	13,364
Notes Payable	3,340	0	3,340
Unearned Revenue	19,757	0	19,757
Total Liabilities	<u>62,660</u>	<u>0</u>	<u>62,660</u>
 <u>Net Assets</u>			
Unrestricted	715,679	291,661	1,007,340
Temporarily Restricted	4,955	64,982	69,937
Permanently Restricted	0	0	0
Total Net Assets	<u>720,634</u>	<u>356,643</u>	<u>1,077,277</u>
Total Liabilities and Net Assets	<u>\$ 783,294</u>	<u>356,643</u>	<u>1,139,937</u>

**FAMILY COUNSELING AGENCY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Unrestricted			Temporarily Restricted			Permanently Restricted	Total
	Operating Fund	Capital Campaign Fund	Total Unrestricted	Operating Fund	Capital Campaign Fund	Total Temporarily		
<b>Revenues, Gains, and Other Support</b>								
United Way	\$ 97,134	0	97,134	0	0	0	0	97,134
Grants-Governmental & Other Agencies	1,347,484	0	1,347,484	11,000	0	11,000	0	1,358,484
Program Service Fee - Individuals	49,537	0	49,537	0	0	0	0	49,537
Foundation Revenues	3,300	0	3,300	0	0	0	0	3,300
Contributions	44,357	0	44,357	0	0	0	0	44,357
Investment Income	7,723	0	7,723	0	1,830	1,830	0	9,553
Other	28,825	0	28,825	0	0	0	0	28,825
Net assets released from restrictions:								
Satisfaction of purpose restrictions	12,625	0	12,625	(12,625)	0	(12,625)	0	0
<b>Total Revenues, Gains, and Other Support</b>	<b>1,590,985</b>	<b>0</b>	<b>1,590,985</b>	<b>(1,625)</b>	<b>1,830</b>	<b>205</b>	<b>0</b>	<b>1,591,190</b>
<b>Expenses</b>								
Program Services								
Counseling Services	454,446	0	454,446	0	0	0	0	454,446
Turning Point	869,208	0	869,208	0	0	0	0	869,208
Supporting Services								
Management and General	200,570	0	200,570	0	0	0	0	200,570
<b>Total Expenses</b>	<b>1,524,224</b>	<b>0</b>	<b>1,524,224</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,524,224</b>
Change in Net Assets	66,761	0	66,761	(1,625)	1,830	205	0	66,966
Net Assets at Beginning of Year	648,918	291,661	940,579	6,580	63,152	69,732	0	1,010,311
Net Assets at End of Year	\$ 715,679	291,661	1,007,340	4,955	64,982	69,937	0	1,077,277

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

FAMILY COUNSELING AGENCY, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2008

Increase (Decrease) in Cash and Cash Equivalents

<u>Cash Flows From Operating Activities:</u>	Operating Fund	Capital Campaign Fund	Totals
Change in Net Assets	\$ 65,136	1,830	66,966
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operations:			
Depreciation	40,589	0	40,589
Changes in Assets and Liabilities:			
Accounts Receivable	(89,256)	0	(89,256)
Allowance for Doubtful Accounts	(3)	0	(3)
Accounts Payable	4,664	0	4,664
Accrued Payroll Withholding Payable	1,069	0	1,069
Accrued Employee Benefits Payable	7,927	0	7,927
Unearned Revenue	(14,429)	0	(14,429)
Total Adjustments	(49,439)	0	(49,439)
Net Cash Provided/(Used) by Operating Activities	15,697	1,830	17,527
<u>Cash Flows From Investing Activities:</u>			
Capital Expenditures	(127,191)	0	(127,191)
Net Cash Provided/(Used) by Investing Activities	(127,191)	0	(127,191)
<u>Cash Flows From Financing Activities:</u>			
Repayments of Notes Payable	(3,605)	0	(3,605)
Net Cash Provided/(Used) by Financing Activities	(3,605)	0	(3,605)
Net Change in Cash and Cash Equivalents	(115,099)	1,830	(113,269)
Cash and Cash Equivalents - Beginning	331,177	63,152	394,329
Cash and Cash Equivalents - Ending	\$ 216,078	64,982	281,060
 <u>Supplemental Disclosure:</u>			
Income Taxes Paid	\$ 0	0	0
Interest Paid	\$ 0	0	0

FAMILY COUNSELING AGENCY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2008

	Program Services		Supporting Services	Total
	Counseling Services	Turning Point	Management and General	
Salaries	\$ 254,205	443,310	139,702	837,217
Employee Benefits	30,542	37,795	13,687	82,024
Payroll Taxes	19,955	35,967	11,200	67,122
Workmens Compensation Insurance	4,143	7,346	2,301	13,790
Professional Fees/Contracts	8,845	9,279	0	18,124
Occupancy	12,986	111,246	9,248	133,480
Telephone	3,207	16,534	3,954	23,695
Postage	1,197	1,419	524	3,140
Dues, Subscriptions and Printing	571	4,553	0	5,124
Travel, Conferences and Training	30,681	41,656	0	72,337
Assistance to Individuals	54,048	41,821	0	95,869
Supplies	9,169	24,917	5,911	39,997
Audit	2,659	2,965	1,126	6,750
Insurance - Vehicle, Property & Liability	8,725	21,675	5,095	35,495
Advertising and Promotion	1,547	3,918	1,095	6,560
Alarm Service	0	2,605	497	3,102
Deposits - Client Rents and Utilities	0	19,015	0	19,015
Service Contracts - Equip.	1,377	4,461	0	5,838
Bank Charges	0	411	521	932
Auto Expenses	224	6,015	0	6,239
Repairs & Maintenance	0	1,081	367	1,448
Other Expenses	(1,736)	8,073	0	6,337
<b>Total Expenses Before Depreciation</b>	<b>442,344</b>	<b>846,062</b>	<b>195,229</b>	<b>1,483,635</b>
Depreciation	12,102	23,146	5,341	40,589
<b>Total Expenses</b>	<b>\$ 454,446</b>	<b>869,208</b>	<b>200,570</b>	<b>1,524,224</b>

FAMILY COUNSELING AGENCY, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Pass-through programs from LA Office on Women's Policy:			
Family Violence Program Services	93.671		\$ 358,887
Family Violence Program Services - TANF	93.558		80,169
Pass-through programs from LA Department of Health and Hospitals:			
Office of Mental Health - In-Home Mental Health Services	93.958	622813	108,440
LAFASA/Office of Public Health - Rape Crisis/Preventive Health	93.991		45,406
Pass-through programs from LA Department of Social Services:			
Office of Community Services - In-Home Services Program	93.667	627694	32,658
Office of Community Services - Independent Living Project	93.674	646839	70,400
Office of Community Services - Educational and Training Vouchers	93.599	646838	35,235
Office of Community Services - Children's Trust - Yellow Dyno	93.590	615913	5,933
Total U.S. Department of Health and Human Services:			<u>737,128</u>
U.S. Department of Justice:			
Pass-through programs from LA Commission on Law Enforcement:			
Domestic Violence Program - Spouse Abuse	16.582	C06-3-004	176,399
Rape Counseling Program - Sexual Abuse	16.320	C07-3-003	30,435
Domestic Violence Program - VAWA	16.588	M06-8-012	21,062
Sexual Assault Program - VAWA	16.588	M07-8-001	22,419
Acadiana Legal Services	16.524		576
Office on Violence Against Women - Enhanced Training WLILIFE	16.528		41,332
Total U.S. Department of Justice:			<u>292,223</u>
U.S. Department of Housing and Urban Development:			
Pass-through programs from LA Department of Social Services:			
Office of Community Services and Rapides Parish Police Jury - Emergency Shelter Grant Program	14.231	636072	56,996
U.S. Department of Homeland Security:			
Emergency Food and Shelter Program	97.024		4,171
U.S. Department of Agriculture:			
Pass-through programs from LA State Department of Education:			
Child and Adult Care Food Program	10.558		3,142
Total Expenditures of Federal Awards			<u>\$ 1,093,660</u>

See accompanying notes to schedule of expenditures of federal awards.

FAMILY COUNSELING AGENCY, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Family Counseling Agency, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



FAMILY COUNSELING AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Family Counseling Agency, Inc. is a United Way supported agency offering counseling services in Alexandria and various surrounding parishes. It also operates a battered women's shelter (Turning Point) in a building that has been leased from the Central Louisiana Community Foundation.

Contributed Services

During the year ended June 30, 2008, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the battered women's shelter, but these services do not meet the criteria for recognition as contributed services. The Organization received 5,252 volunteer hours for the year ended June 30, 2008.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations

Due to certain concentrations the agency faces a certain vulnerability. Grants from the state of Louisiana and the Federal Government equal in excess of 50% of total income.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Family Counseling Agency, Inc. and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

FAMILY COUNSELING AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Family Counseling Agency, Inc. and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Family Counseling Agency, Inc. Generally, the donors of these assets permit Family Counseling Agency, Inc. to use all or part of the income earned or any related expenses for general or specific purposes.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization 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.

Property and Equipment

All fixed assets, betterments and replacements over \$500.00 are recorded at cost if purchased and on estimated value if donated. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Employee Benefits

Retirement and other employee benefit plans including health and dental insurance and a child care cafeteria plan are available to all full time employees.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be all highly liquid debt instruments

FAMILY COUNSELING AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS

purchased with an original maturity of three months or less.

Compensated Absences

Because of the immateriality of estimating compensated absences, the Organization has not attempted to accrue a liability for them.

2. CASH AND CASH EQUIVALENTS:

Cash and Cash Equivalents Consist of:

	<u>OPERATING</u>	<u>CAPITAL CAMPAIGN</u>
Petty Cash	300	-0-
Money Market	120,958	64,982
Checking	<u>94,820</u>	<u>-0-</u>
	<u>216,078</u>	<u>64,982</u>

3. ACCOUNTS RECEIVABLE:

Accounts Receivable - State and Federal Grants Consist of:

Office on Women's Policy - Family Violence Program	65,251
Office on Women's Policy - TANF	7,405
LAFASA/OPH - Sexual Assault	4,679
Independent Living Project	6,836
Mental Health Center - In home project	17,287
Office of Community Services - In Home Services	4,733
I.O.L.T.A. Grant Programs - LA Bar Foundation	5,500
Office of Community Services - Emergency Shelter Grant Program	9,361
LA Commission on Law Enforcement - Sexual Abuse	21,310
LA Commission on Law Enforcement - Sexual Assault Program	2,751
LA Commission on Law Enforcement - Domestic Violence Program	2,724
LA Commission on Law Enforcement - Spouse Abuse	19,711
Office of Community Services - Children's Trust - Yellow Dyno	1,338
LA Coalition Against Domestic Violence	8,000
Office on Violence Against Women - Elder Abuse Training	1,194
Office of Mental Health - Adult Mobile Crisis Team	15,625
Mental Health - Mobile Emergency Response Face-to-Face	53,338
Office of Community Services - Education and Training Vouchers	<u>1,013</u>
	<u>248,056</u>

FAMILY COUNSELING AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS

4. PROPERTY AND EQUIPMENT:

A Summary of Plant and Equipment Follows:

Land	10,000
Building	373,524
Building and leasehold improvements	321,925
Office equipment and furniture	<u>240,911</u>
	946,360
Less: Accumulated depreciation	<u>344,092</u>
Book Value	<u>602,268</u>

5. PENSION PLAN AND BENEFITS PROVISION:

Employee benefits - Family Counseling provides all full-time employees with immediate coverage of health insurance and dental insurance. The agency pays 70% of health and 70% of dental for all full-time employees as of June 30, 2008. A defined contributions pension plan is also provided to all employees who have one year and 1,000 hours of employment and have reached their twenty-first birthday. Other related benefits included disability annuity, (1 year and 1,000 hours of employment, and 21 years of age), disability insurance, (full-time, immediate coverage) and life insurance (full-time, immediate coverage). Family Counseling funds these benefits on a monthly basis. For the current year, Family Counseling contributed \$82,024 toward these employee benefits.

6. NOTES PAYABLE:

Notes payable consists of a lease purchase agreement for office equipment that had an original cost of \$6,056. The balance on this note at June 30, 2008 is \$3,340. Payments due for future years are as follows:

FYE	6-30-09	2,018
	6-30-10	<u>1,322</u>
		<u>3,340</u>

FAMILY COUNSELING AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS

7. IN-KIND DONATION:

Family Counseling Agency, Inc. entered into a lease with The Central Louisiana Community Foundation to lease a building for a new location to relocate the Turning Point shelter. The lease is a 25 year lease with an annual rental due of \$1.00. The lease was entered into on June 18, 2003 and FCA paid the \$25.00 rental for 25 years in July 2003. FCA had to do some remodeling to the new building therefore, they were not able to move the Turning Point shelter until May 1, 2004. The rental value of the new building set forth by The Central Louisiana Community Foundation is \$60,000 and is to be recorded as an in-kind contribution and is to be used as a source for matching funds.

8. REVENUE - GOVERNMENTAL GRANTS:

Family Counseling operates on a cost reimbursement plan for grants provided by Louisiana and the Federal Government. These grants are not presented as temporary restrictions since funds are not received in advance of disbursements.

9. SCHEDULE OF FEDERAL AWARDS AND OTHER GRANT REVENUE:

<u>NAME OF PROGRAM</u>	<u>FEDERAL</u>	<u>OTHER</u>	<u>TOTAL GRANT</u>
LA Office on Women's Policy, Family Violence Program	358,887	-0-	358,887
State of Louisiana, Department of Health and Hospitals, Office of Mental Health, In-Home Mental Health Services	108,440	-0-	108,440
State of Louisiana, Department of Social Services, Office of Community Services, Rapides Parish Police Jury, Emergency Shelter Grant Program	56,996	-0-	56,996
I.O.L.T.A. Grants Program, Louisiana Bar Foundation (Interest on Lawyer's Trust Accounts) Family Violence Program	-0-	11,000	11,000

FAMILY COUNSELING AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS

<u>NAME OF PROGRAM</u>	<u>FEDERAL</u>	<u>OTHER</u>	<u>TOTAL GRANT</u>
State of Louisiana, Department of Health and Hospital, Office of Public Health, LAFASA, Rape Crisis/Preventive Health	45,406	-0-	45,406
State of Louisiana, Department of Social Services, Office of Community Services In-Home Services Program	32,658	-0-	32,658
State of Louisiana, Department of Social Services, Office of Community Services, Children's Trust – Yellow Dyno	5,933	-0-	5,933
State of Louisiana, Department of Social Services, Office of Community Services, Independent Living Project	70,400	-0-	70,400
Central Louisiana Community Foundation, Family Violence Program Building Provided Rent Free	-0-	60,000	60,000
Emergency Food and Shelter Program	4,171	-0-	4,171
Louisiana Commission on Law Enforcement, Domestic Violence Program, VAWA	21,062	-0-	21,062
Louisiana Commission on Law Enforcement, Sexual Assault Program, VAWA	22,419	-0-	22,419
Louisiana Commission on Law Enforcement, Rape Counseling Program, Sexual Abuse	30,435	-0-	30,435
Louisiana Commission on Law Enforcement, Domestic Violence Program, Spouse Abuse	176,399	-0-	176,399

FAMILY COUNSELING AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS

<u>NAME OF PROGRAM</u>	<u>FEDERAL</u>	<u>OTHER</u>	<u>TOTAL GRANT</u>
State of Louisiana, Department of Health and Hospitals, Office of Mental Health, Mobile Emergency Response Face-To-Face	-0-	107,015	107,015
Louisiana Department of Education, Child and Adult Care Food Program	3,142	-0-	3,142
Louisiana Office on Women's Policy, Family Violence Program, TANF	80,169	-0-	80,169
Avoyelles Parish Outreach Office Building Provided Rent Free	-0-	2,700	2,700
Various Parish Domestic Violence Outreach Office Buildings Provided Rent Free	-0-	2,700	2,700
Various Parish Sexual Abuse Outreach Office Buildings Provided Rent Free	-0-	9,900	9,900
Grant Parish Outreach Office Building Provided Rent Free	-0-	2,700	2,700
Department of Justice, Acadiana Legal Services, Civil Legal Assistance Grant	576	-0-	576
State of Louisiana, Department of Social Services, Office of Community Services, Educational and Training Vouchers	35,235	-0-	35,235
Office on Violence Against Women, Elder Abuse Training	41,332	-0-	41,332
VAWA, Domestic Violence Disability	-0-	27	27
Junior League	-0-	2,923	2,923
Mary Kay Ash Fund	-0-	18,677	18,677
State of Louisiana, Department of Health and Hospitals, Office of Mental Health, Adult Mobile Crisis Team	-0-	15,625	15,625

FAMILY COUNSELING AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS

<u>NAME OF PROGRAM</u>	<u>FEDERAL</u>	<u>OTHER</u>	<u>TOTAL GRANT</u>
United Way - Katrina/Rita Response	-0-	2,139	2,139
Christus - SA Crisis Intervention Grant	-0-	13,966	13,966
Rapides Foundation	-0-	7,452	7,452
LA Coalition Against Domestic Violence	-0-	8,000	8,000
<u>GRANT TOTALS</u>	<u>1,093,660</u>	<u>264,824</u>	<u>1,358,484</u>

10. SIGNIFICANT CONCENTRATIONS OF CREDIT RISKS:

Family Counseling Agency, Inc. maintains cash balances and money market funds in various accounts at the same financial institution in the amount of \$280,760. Of this amount, \$113,729 is in FDIC insured accounts, therefore \$13,729 is in excess of FDIC insured limits. The remainder of cash is swept to a money market account and is fully insured by the SIPC.

11. OTHER:

On July 19, 2000, Family Counseling received a grant in the amount of \$400,000. These funds were classified as temporarily restricted for an anticipated future building program. As of June 30, 2008, these funds have earned \$63,045 in interest which is also classified as temporarily restricted. In the prior years, \$117,650 of this amount was transferred to the operating account to be used for the remodeling of the new building for the relocation of the Turning Point shelter. In the fiscal year ending June 30, 2007 Family Counseling purchased a new building in the amount of \$291,661 with future plans of moving their offices to the new location.

12. NET ASSET CLASSIFICATIONS:

Temporarily restricted net assets are for the following purposes:

Operating Fund - IOLTA Grant	4,955
Capital Campaign Fund - Cash - Capital Campaign Account	11,248
Capital Campaign Fund - Cash - Building Campaign Account	<u>53,734</u>
Total Temporarily Restricted Net Assets	<u>69,937</u>



FAMILY COUNSELING AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS

13. NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets were released from restrictions by making payments satisfying the restricted purposes.

Operating Fund - IOLTA Grant	<u>12,625</u>
Total Net Assets Released from Restrictions	<u>12,625</u>

14. CONTINGENCIES:

Family Counseling Agency, Inc. is a defendant in a lawsuit alleging damages for breach of confidentiality. The lawsuit was filed on August 1, 2003 and at this time management has not accrued a potential loss for the lawsuit. The Organization's lawyer's have stated that Family Counseling Agency, Inc.'s estimated potential loss in the lawsuit is unlikely to exceed \$10,000.00.

**Supplementary Information**

FAMILY COUNSELING AGENCY, INC.  
STATEMENT OF REVENUES AND EXPENDITURES  
IOLTA GRANT  
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Total Temporarily Restricted</u>
<u>Revenues, Gains, and Other Support</u>	
Governmental Agencies	\$ <u>11,000</u>
Total Revenues, Gains, and Other Support	11,000
<u>Expenses</u>	
Salaries	9,035
Employee Benefits	1,267
Operating Supplies & Services	1,488
Travel	<u>835</u>
Total Expenses	<u>12,625</u>
Change in Net Assets	\$ <u><u>(1,625)</u></u>

FAMILY COUNSELING AGENCY, INC.  
STATEMENT OF REVENUES AND EXPENDITURES  
CHILD & ADULT CARE FOOD PROGRAM GRANT  
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Total Unrestricted</u>
<u>Revenues, Gains, and Other Support</u>	
Governmental Agencies	\$ <u>3,142</u>
Total Revenues, Gains, and Other Support	3,142
<u>Expenses</u>	
Operating Supplies & Services	832
Client Assistance	<u>6,604</u>
Total Expenses	<u>7,436</u>
Change in Net Assets	\$ <u><u>(4,294)</u></u>