

FAMILY COUNSELING AGENCY, INC.

ALEXANDRIA, LOUISIANA

JUNE 30, 2007

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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 10/24/07

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ADLER & PIAS
LLC
CERTIFIED PUBLIC ACCOUNTANTS

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Established 1981

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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, 2007, 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, 2007, 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 1, 2007 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

October 1, 2007

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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, 2007, and have issued our report thereon dated October 1, 2007. 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 07-1 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

October 1, 2007

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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, 2007. 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, 2007.

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 consequential 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.

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 & PEAS, LLC

October 1, 2007

FAMILY COUNSELING AGENCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

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 10 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 programs tested as major programs are:
U.S. Dept of Health and Human Services: LA Office on Women's Policy - Family Violence Program Services. CFDA # 93.671, and
U.S. Dept of Justice: LA Commission on Law Enforcement - Domestic Violence Program - Spouse Abuse. CFDA #16.575

FINDINGS-FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

07-1 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, 2007

FINDING 06-1: Segregation of Duties

Condition: This finding was a reportable condition 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 reportable condition remains an issue in the current year.

FAMILY COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2007

<u>Assets</u>	Operating Fund	Capital Campaign Fund	Total
Cash and Cash Equivalents	\$ 331,177	63,152	394,329
Accounts Receivable - Clients	4,917	0	4,917
Accounts Receivable - Foundations	20,000	0	20,000
Accounts Receivable - State and Federal Grants	140,421	0	140,421
Allowance for Doubtful Accounts	(1,788)	0	(1,788)
Deposits	3,800	0	3,800
Plant and Equipment (Net Book Value)	224,005	291,661	515,666
Total Assets	\$ 722,532	354,813	1,077,345
<u>Liabilities</u>			
Accounts Payable	\$ 18,142	0	18,142
Accrued Payroll Withholding Payable	2,324	0	2,324
Accrued Employee Benefits Payable	5,437	0	5,437
Notes Payable	6,945	0	6,945
Unearned Revenue	34,186	0	34,186
Total Liabilities	67,034	0	67,034
<u>Net Assets</u>			
Unrestricted	648,918	291,661	940,579
Temporarily Restricted	6,580	63,152	69,732
Permanently Restricted	0	0	0
Total Net Assets	655,498	354,813	1,010,311
Total Liabilities and Net Assets	\$ 722,532	354,813	1,077,345

FAMILY COUNSELING AGENCY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

	Unrestricted			Temporarily Restricted			Permanently Restricted	Total
	Operating Fund	Capital Campaign Fund	Total Unrestricted	Operating Fund	Capital Campaign Fund	Total Temporarily		
Revenues, Gains, and Other Support								
United Way	\$ 95,247	0	95,247	0	0	0	0	95,247
Grants-Governmental & Other Agencies	970,334	0	970,334	10,500	0	10,500	0	980,834
Program Service Fee - Individuals	42,576	0	42,576	0	0	0	0	42,576
Foundation Revenues	20,500	0	20,500	0	0	0	0	20,500
Contributions	57,573	0	57,573	0	0	0	0	57,573
Investment Income	12,588	0	12,588	0	12,172	12,172	0	24,760
Other	33,694	0	33,694	0	0	0	0	33,694
Net assets released from restrictions: Satisfaction of purpose restrictions	32,472	291,661	324,133	(32,472)	(291,661)	(324,133)	0	0
Total Revenues, Gains, and Other Support	1,264,984	291,661	1,556,645	(21,972)	(279,489)	(301,461)	0	1,255,184
Expenses								
Program Services								
Counseling Services	410,247	0	410,247	0	0	0	0	410,247
Turning Point	553,838	0	553,838	0	0	0	0	553,838
Supporting Services								
Management and General	188,130	0	188,130	0	0	0	0	188,130
Total Expenses	1,152,215	0	1,152,215	0	0	0	0	1,152,215
Change in Net Assets	112,769	291,661	404,430	(21,972)	(279,489)	(301,461)	0	102,969
Net Assets at Beginning of Year	536,149	0	536,149	28,552	342,641	371,193	0	907,342
Net Assets at End of Year	\$ 648,918	291,661	940,579	6,580	63,152	69,732	0	1,010,311

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, 2007

Increase (Decrease) in Cash and Cash Equivalents

<u>Cash Flows From Operating Activities:</u>	Operating Fund	Capital Campaign Fund	Totals
Change in Net Assets	\$ 90,797	12,172	102,969
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operations:			
Depreciation	33,927	0	33,927
Changes in Assets and Liabilities:			
Accounts Receivable	(11,835)	0	(11,835)
Allowance for Doubtful Accounts	(10)	0	(10)
Prepaid Expenses	2,202		2,202
Accounts Payable	5,455	0	5,455
Accrued Payroll Withholding Payable	106	0	106
Accrued Employee Benefits Payable	(5,815)		(5,815)
Reserve for Self - Insurance (Unemployment)	(23,487)	0	(23,487)
Unearned Revenue	(37,024)	0	(37,024)
Total Adjustments	(36,481)	0	(36,481)
Net Cash Provided/(Used) by Operating Activities	54,316	12,172	66,488
<u>Cash Flows From Investing Activities:</u>			
Capital Expenditures	(85,318)	(291,661)	(376,979)
Net Cash Provided/(Used) by Investing Activities	(85,318)	(291,661)	(376,979)
<u>Cash Flows From Financing Activities:</u>			
Proceeds from Capital Lease	6,056	0	6,056
Repayments of Notes Payable	(3,967)	0	(3,967)
Net Cash Provided/(Used) by Financing Activities	2,089	0	2,089
Net Change in Cash and Cash Equivalents	(28,913)	(279,489)	(308,402)
Cash and Cash Equivalents - Beginning	360,090	342,641	702,731
Cash and Cash Equivalents - Ending	\$ 331,177	63,152	394,329
 <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, 2007

	Program Services		Supporting Services	Total
	Counseling Services	Turning Point	Management and General	
Salaries	\$ 225,520	284,887	135,259	645,666
Employee Benefits	28,020	19,503	12,594	60,117
Payroll Taxes	17,544	23,914	10,987	52,445
Workmens Compensation Insurance	2,278	4,846	1,888	9,012
Professional Fees/Contracts	3,290	7,147	0	10,437
Occupancy	18,016	90,847	8,059	116,922
Telephone	6,127	14,372	0	20,499
Postage	1,241	1,406	702	3,349
Dues, Subscriptions and Printing	1,336	1,328	0	2,664
Travel, Conferences and Training	25,146	10,905	0	36,051
Assistance to Individuals	48,931	23,219	0	72,150
Supplies	6,282	10,371	3,284	19,937
Audit	1,910	3,194	1,353	6,457
Insurance - Vehicle, Property & Liability	6,014	20,106	6,692	32,812
Advertising and Promotion	0	663	943	1,606
Alarm Service	0	2,618	480	3,098
Deposits - Client Rents and Utilities	0	8,614	0	8,614
Service Contracts - Equip.	2,756	3,483	0	6,239
Bank Charges	0	229	255	484
Auto Expenses	1,214	3,899	0	5,113
Repairs & Maintenance	0	214	95	309
Other Expenses	2,542	1,765	0	4,307
Total Expenses Before Depreciation	398,167	537,530	182,591	1,118,288
Depreciation	12,080	16,308	5,539	33,927
Total Expenses	\$ 410,247	553,838	188,130	1,152,215

FAMILY COUNSELING AGENCY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

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		\$ 174,562
Family Violence Program Services - TANF	93.558		50,142
Pass-through programs from LA Department of Health and Hospitals:			
Office of Mental Health - In-Home Mental Health Services	93.958	622813	101,431
Office of Mental Health - Mobile Emergency Response Face-to-Face	93.958	621843	32,304
LAFASA/Office of Public Health - Rape Crisis/Preventive Health	93.991		45,874
Pass-through programs from LA Department of Social Services:			
Office of Community Services - In-Home Services Program	93.667	627694	39,851
Office of Community Services - Independent Living Project	93.674	606683	70,400
Office of Community Services - Educational and Training Vouchers	93.599	607007	30,257
Office of Community Services - Children's Trust - Yellow Dyno	93.590	637538	8,892
Total U.S. Department of Health and Human Services:			<u>553,713</u>
U.S. Department of Justice:			
Pass-through programs from LA Commission on Law Enforcement:			
Domestic Violence Program - Spouse Abuse	16.575	C05-3-003	172,080
Rape Counseling Program - Sexual Abuse	16.575	C04-3-008	29,978
Domestic Violence Program - VAWA	16.588	M05-8-012	16,882
Sexual Assault Program - VAWA	16.588	M06-8-035	25,672
Total U.S. Department of Justice:			<u>244,612</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	624479	16,004
U.S. Department of Homeland Security:			
Emergency Food and Shelter Program	97.024		6,131
U.S. Department of Agriculture:			
Pass-through programs from LA State Department of Education:			
Child and Adult Care Food Program	10.558		23,195
Total Expenditures of Federal Awards			<u>\$ 843,655</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, 2007

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, 2007, 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 4,226 volunteer hours for the year ended June 30, 2007.

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	113,235	63,152
Checking	<u>217,642</u>	<u>-0-</u>
	<u>331,177</u>	<u>63,152</u>

3. ACCOUNTS RECEIVABLE:

Accounts Receivable - State and Federal Grants Consist of:

Office on Women's Policy - Family Violence Program	26,128
Office on Women's Policy - TANF	11,991
LAFASA/OPH - Sexual Assault	13,423
Independent Living Project	14,667
Mental Health Center - In home project	20,796
Office of Community Services - In Home Services	2,847
I.O.L.T.A. Grant Programs - LA Bar Foundation	5,250
Office of Community Services - Emergency Shelter Grant Program	1,816
LA Commission on Law Enforcement - Sexual Abuse	2,194
LA Commission on Law Enforcement - Sexual Assault Program	1,990
LA Commission on Law Enforcement - Domestic Violence Program	1,542
LA Commission on Law Enforcement - Spouse Abuse	25,834
Office of Community Services - Children's Trust - Yellow Dyno	2,337
LA Education Dept. - Emergency Food Program	3,683
Mental Health - Mobile Emergency Response Face-to-Face	5,144
Office of Community Services - Education and Training Vouchers	779
	<u>140,421</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	260,178
Office equipment and furniture	<u>262,194</u>
	905,896
Less: Accumulated depreciation	<u>390,230</u>
Book Value	<u>515,666</u>

5. RESERVE FOR UNEMPLOYMENT:

Family Counseling started contributing to the state's unemployment compensation fund in the first quarter of 2004. Up until that time Family Counseling did not contribute to the state's unemployment compensation fund but had elected to provide its employees unemployment coverage through a reimbursement program. Under this method the state processes all claims and pays benefits according to the Employment Security Law. It then bills Family Counseling each quarter for funds that it has expended. Funds set aside for this purpose are board restricted. Since Family Counseling falls under the state's unemployment fund now and the required time has elapsed for claims against the previous reimbursement method that they had, then in the current year Family Counseling is no longer required to set aside a board restricted reserve for unemployment.

6. 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, 2007. 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 \$60,117 toward these employee benefits.

FAMILY COUNSELING AGENCY, INC.
NOTES TO FINANCIAL STATEMENTS

7. **NOTES PAYABLE:**

Notes payable consists of two lease purchase agreements for office equipment. Payments due for future years are as follows:

FYE	6-30-08	3,581
	6-30-09	2,018
	6-30-10	<u>1,346</u>
		<u>6,945</u>

8. **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.

9. **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.

10. **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	174,562	-0-	174,562
State of Louisiana, Department of Health and Hospitals, Office of Mental Health, In-Home Mental Health Services	101,431	-0-	101,431
State of Louisiana, Department of Social Services, Office of Community Services, Rapides Parish Police Jury, Emergency Shelter Grant Program	16,004	-0-	16,004

FAMILY COUNSELING AGENCY, INC.
NOTES TO FINANCIAL STATEMENTS

<u>NAME OF PROGRAM</u>	<u>FEDERAL</u>	<u>OTHER</u>	<u>TOTAL GRANT</u>
I.O.L.T.A. Grants Program, Louisiana Bar Foundation (Interest on Lawyer's Trust Accounts) Family Violence Program	-0-	10,500	10,500
State of Louisiana, Department of Health and Hospital, Office of Public Health, LAFASA, Rape Crisis/Preventive Health	45,874	-0-	45,874
State of Louisiana, Department of Social Services, Office of Community Services In-Home Services Program	39,851	-0-	39,851
State of Louisiana, Department of Social Services, Office of Community Services, Children's Trust – Yellow Dyno	8,892	-0-	8,892
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	6,131	-0-	6,131
Louisiana Commission on Law Enforcement, Domestic Violence Program, VAWA	16,882	-0-	16,882
Louisiana Commission on Law Enforcement, Sexual Assault Program, VAWA	25,672	-0-	25,672
Louisiana Commission on Law Enforcement, Rape Counseling Program, Sexual Abuse	29,978	-0-	29,978

FAMILY COUNSELING AGENCY, INC.
NOTES TO FINANCIAL STATEMENTS

<u>NAME OF PROGRAM</u>	<u>FEDERAL</u>	<u>OTHER</u>	<u>TOTAL GRANT</u>
Louisiana Commission on Law Enforcement, Domestic Violence Program, Spouse Abuse	172,080	-0-	172,080
State of Louisiana, Department of Health and Hospitals, Office of Mental Health, Mobile Emergency Response Face-To-Face	32,304	-0-	32,304
Louisiana Department of Education, Child and Adult Care Food Program	23,195	-0-	23,195
Louisiana Office on Women's Policy, Family Violence Program, TANF	50,142	-0-	50,142
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
CommCare - Elder	-0-	582	582
State of Louisiana, Department of Social Services, Office of Community Services, Educational and Training Vouchers	30,257	-0-	30,257
VAWA, Domestic Violence Disability	-0-	1,849	1,849
VAWA, Sexual Assault Disability	-0-	66	66
Junior League	-0-	1,722	1,722
Mary Kay Ash Fund	-0-	9,303	9,303

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-	11,971	11,971
Christus - SA Crisis Intervention Grant	-0-	7,593	7,593
Christus Children's Grant	<u>-0-</u>	<u>15,593</u>	<u>15,593</u>
<u>GRANT TOTALS</u>	<u>843,655</u>	<u>137,179</u>	<u>980,834</u>

11. 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 \$394,029. Of this amount, \$12,617 is in excess of FDIC insured limits.

12. 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, 2007, these funds have earned \$61,933 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.

13. NET ASSET CLASSIFICATIONS:

Temporarily restricted net assets are for the following purposes:

Operating Fund - IOLTA Grant	6,580
Capital Campaign Fund - Cash - Capital Campaign Account	10,530
Capital Campaign Fund - Cash - Building Campaign Account	<u>52,622</u>
 Total Temporarily Restricted Net Assets	 <u>69,732</u>

FAMILY COUNSELING AGENCY, INC.
NOTES TO FINANCIAL STATEMENTS

14. NET ASSETS RELEASED FROM RESTRICTIONS:

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

Operating Fund - Reserve for Self-Insurance Unemployment	23,487
Operating Fund - IOLTA Grant	8,985
Capital Campaign Fund - Building Campaign Purchase	<u>291,661</u>
 Total Net Assets Released from Restrictions	 <u>324,133</u>

15. 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, 2007

	<u>Total Temporarily Restricted</u>
<u>Revenues, Gains, and Other Support</u>	
Governmental Agencies	\$ <u>10,500</u>
Total Revenues, Gains, and Other Support	10,500
<u>Expenses</u>	
Salaries	6,537
Employee Benefits	1,042
Operating Supplies & Services	848
Travel	<u>558</u>
Total Expenses	<u>8,985</u>
Change in Net Assets	\$ <u><u>1,515</u></u>

FAMILY COUNSELING AGENCY, INC.
STATEMENT OF REVENUES AND EXPENDITURES
CHILD & ADULT CARE FOOD PROGRAM GRANT
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Total Unrestricted</u>
<u>Revenues, Gains, and Other Support</u>	
Governmental Agencies	\$ <u>23,195</u>
 Total Revenues, Gains, and Other Support	 23,195
 <u>Expenses</u>	
Salaries	1,174
Employee Benefits	247
Operating Supplies & Services	2,164
Client Assistance	13,509
Travel	<u>110</u>
 Total Expenses	 <u>17,204</u>
 Change in Net Assets	 \$ <u><u>5,991</u></u>