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FAMILY COUNSELING AGENCY, INC.

ALEXANDRIA, LOUISIANA

JUNE 30, 2002

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 12/18/02

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Established 1961

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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, 2002, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Family Counseling Agency, Inc.'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, 2002, 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 November 4, 2002 on our consideration of Family Counseling Agency, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Family Counseling Agency, Inc. taken as a whole. 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 not a required part of the basic financial

statements. 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 & Pear, LLP
November 4, 2002

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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, 2002, and have issued our report thereon dated November 4, 2002. 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.

Compliance

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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Family Counseling Agency, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Family Counseling Agency, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item X2-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

Summary of Prior Year Findings

There were no prior year findings or management letter comments for FYE 6-30-2001.

This report is intended solely for the information and use of the audit committee, 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 & Pincus, LLP

November 4, 2002

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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, 2002. 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, 2002.

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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, 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 & Pincus, LLP

November 4, 2002

FAMILY COUNSELING AGENCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2002

SUMMARY OF AUDIT RESULTS

- a. Financial statement opinion-unqualified.
- b. One reportable condition disclosed during the audit of the financial statements is reported in the Communications of Reportable Conditions to Management and the Board of Directors. The condition 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 11 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.

FINDINGS-FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITION

X2-1 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.

Family Counseling Agency, Inc.
Statement of Financial Position
June 30, 2002

| <u>Assets</u> | Operating Fund | Plant Fund | Total |
|---|-------------------|----------------|------------------|
| Cash and Cash Equivalents | \$ 220,428 | 437,578 | 658,006 |
| Accounts Receivable - Clients | 7,164 | 0 | 7,164 |
| Accounts Receivable - State and Federal Grants | 254,229 | 0 | 254,229 |
| Allowance for Doubtful Accounts | (1,706) | 0 | (1,706) |
| Plant and Equipment (Book Value) | 0 | 107,765 | 107,765 |
| Total Assets | <u>\$ 480,115</u> | <u>545,343</u> | <u>1,025,458</u> |
| | | | |
| <u>Liabilities</u> | | | |
| Accounts Payable | \$ 5,289 | 0 | 5,289 |
| Accrued Salaries Payable | 27,769 | 0 | 27,769 |
| Accrued Payroll Withholding Payable | 9,477 | 0 | 9,477 |
| Accrued Employee Benefits Payable | 11,148 | 0 | 11,148 |
| Reserve for Self-Insurance(Unemployment) | 10,794 | 0 | 10,794 |
| Notes Payable | 0 | 2,629 | 2,629 |
| Unearned Revenue | 6,508 | 0 | 6,508 |
| Total Liabilities | <u>70,985</u> | <u>2,629</u> | <u>73,614</u> |
| | | | |
| <u>Net Assets</u> | | | |
| Unrestricted | 391,829 | 105,136 | 496,965 |
| Temporarily Restricted | 17,301 | 437,578 | 454,879 |
| Permanently Restricted | 0 | 0 | 0 |
| Total Net Assets | <u>409,130</u> | <u>542,714</u> | <u>951,844</u> |
| Total Liabilities and Net Assets | <u>\$ 480,115</u> | <u>545,343</u> | <u>1,025,458</u> |

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

Family Counseling Agency, Inc.
Statement of Activities
for the year ended June 30, 2002

| | Unrestricted | | | Temporarily Restricted | | | Permanently Restricted | Total |
|--|----------------|------------|--------------------|------------------------|------------|-------------------|------------------------|-----------|
| | Operating Fund | Plant Fund | Total Unrestricted | Operating Fund | Plant Fund | Total Temporarily | | |
| Revenues, Gains, and Other Support | | | | | | | | |
| United Way | \$ 128,045 | 0 | 128,045 | 0 | 0 | 0 | 0 | 128,045 |
| Governmental Agencies | 1,069,191 | 0 | 1,069,191 | 0 | 0 | 0 | 0 | 1,069,191 |
| Program Service Fee - Individuals | 67,271 | 0 | 67,271 | 0 | 0 | 0 | 0 | 67,271 |
| Foundation Revenues | 62,732 | 0 | 62,732 | 0 | 0 | 0 | 0 | 62,732 |
| Contributions | 69,537 | 0 | 69,537 | 0 | 0 | 0 | 0 | 69,537 |
| Investment Income | 3,499 | 0 | 3,499 | 0 | 10,653 | 10,653 | 0 | 14,152 |
| Other | 3,249 | 0 | 3,249 | 0 | 0 | 0 | 0 | 3,249 |
| Net assets released from restrictions: | | | | | | | | |
| Restrictions satisfied by payments | 30,077 | 0 | 30,077 | (30,077) | 0 | (30,077) | 0 | 0 |
| Total Revenues, Gains, and Other Support | 1,433,601 | 0 | 1,433,601 | (30,077) | 10,653 | (19,424) | 0 | 1,414,177 |
| Expenses | | | | | | | | |
| Counseling Services | 432,426 | 0 | 432,426 | 0 | 0 | 0 | 0 | 432,426 |
| Turning Point | 636,747 | 0 | 636,747 | 0 | 0 | 0 | 0 | 636,747 |
| Management and General | 218,538 | 0 | 218,538 | 0 | 0 | 0 | 0 | 218,538 |
| Depreciation | 0 | 34,411 | 34,411 | 0 | 0 | 0 | 0 | 34,411 |
| Total Expenses | 1,287,711 | 34,411 | 1,322,122 | 0 | 0 | 0 | 0 | 1,322,122 |
| Excess(Deficit) of Revenues, Gains, and Other Support over Expenses | 145,890 | (34,411) | 111,479 | (30,077) | 10,653 | (19,424) | 0 | 92,055 |
| Net Assets at Beginning of Year | 292,578 | 92,908 | 385,486 | 47,378 | 426,925 | 474,303 | 0 | 859,789 |
| Transfers | (46,639) | 46,639 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Assets at End of Year | \$ 391,829 | 105,136 | 496,965 | 17,301 | 437,578 | 454,879 | 0 | 951,844 |

Family Counseling Agency, Inc.
Statement of Cash Flows
for the year ended June 30, 2002

Increase (Decrease) in Cash and Cash Equivalents

| | Operating Fund | Plant Fund | Totals |
|--|-------------------|---------------|----------|
| <u>Cash Flows From Operating Activities:</u> | | | |
| Excess (Deficit) of Revenues, Gains, and Other Support over Expenses | \$ 115,813 | (23,758) | 92,055 |
| Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operations: | | | |
| Depreciation | 0 | 34,411 | 34,411 |
| Changes in Assets and Liabilities: | | | |
| Accounts Receivable | (57,870) | 0 | (57,870) |
| Allowance for Doubtful Accounts | 1 | 0 | 1 |
| Accounts Payable | (21,150) | 0 | (21,150) |
| Accrued Salaries Payable | 27,769 | 0 | 27,769 |
| Accrued Payroll Withholding Payable | 2,207 | 0 | 2,207 |
| Accrued Employee Benefits Payable | 11,148 | 0 | 11,148 |
| Reserve for Self - Insurance (Unemployment) | (7,177) | 0 | (7,177) |
| Unearned Revenue | (22,899) | 0 | (22,899) |
| Total Adjustments | (67,971) | 34,411 | (33,560) |
| Net Cash Provided by Operating Activities | 47,842 | 10,653 | 58,495 |
| <u>Cash Flows From Investing Activities:</u> | | | |
| Capital Expenditures | 0 | (42,408) | (42,408) |
| Net Cash Provided by Investing Activities | 0 | (42,408) | (42,408) |
| <u>Cash Flows From Financing Activities:</u> | | | |
| Notes Payable | 0 | (4,231) | (4,231) |
| Transfers Between Funds | (46,639) | 46,639 | 0 |
| Net Cash Provided by Financing Activities | (46,639) | 42,408 | (4,231) |
| Net Change in Cash and Cash Equivalents | 1,203 | 10,653 | 11,856 |
| Cash and Cash Equivalents - Beginning | 219,225 | 426,925 | 646,150 |
| Cash and Cash Equivalents - Ending | \$ 220,428 | 437,578 | 658,006 |
| <u>Supplemental Disclosure:</u> | | | |
| Income Taxes Paid | \$ 0 | 0 | 0 |
| Interest Paid | \$ 8 | 0 | 8 |

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

Family Counseling Agency, Inc.
Statement of Functional Expenses
for the year ended June 30, 2002

| | Program Services | | Supporting Services | Total |
|------------------------------------|---------------------|----------------|------------------------|------------------|
| | Counseling Services | Turning Point | Management and General | |
| Salaries | \$ 263,436 | 320,612 | 151,276 | 735,324 |
| Employee Benefits | 28,423 | 27,780 | 14,557 | 70,760 |
| Payroll Taxes | 20,315 | 23,819 | 11,431 | 55,565 |
| Workmens Compensation Insurance | 1,726 | 2,049 | 978 | 4,753 |
| Bad Debts | 993 | 0 | 0 | 993 |
| Professional Fees/Contracts | 9,147 | 10,341 | 0 | 19,488 |
| Occupancy | 8,100 | 136,028 | 16,853 | 160,981 |
| Telephone | 8,925 | 8,538 | 0 | 17,463 |
| Postage | 0 | 1,554 | 2,247 | 3,801 |
| Dues, Subscriptions and Printing | 7,849 | 10,279 | 0 | 18,128 |
| Travel, Conferences and Training | 49,747 | 22,106 | 0 | 71,853 |
| Assistance to Individuals | 20,811 | 26,986 | 0 | 47,797 |
| Supplies | 1,849 | 20,740 | 12,834 | 35,423 |
| Audit | 0 | 1,800 | 2,200 | 4,000 |
| Insurance - Property and Liability | 5,265 | 11,954 | 2,562 | 19,781 |
| Equipment Rental and Maintenance | 0 | 0 | 92 | 92 |
| Advertising and Promotion | 0 | 3,712 | 1,626 | 5,338 |
| Alarm Service | 0 | 318 | 522 | 840 |
| Special Events | 2,035 | 2,532 | 0 | 4,567 |
| Deposits - Rent and Utilities | 0 | 2,385 | 0 | 2,385 |
| Purchase of Equipment | 11,181 | 24,135 | 0 | 35,316 |
| Service Contracts - Equip. | 4,432 | 385 | 0 | 4,817 |
| Bank Charges | 0 | 512 | 1,356 | 1,868 |
| Interest Expense | 0 | 4 | 4 | 8 |
| Auto Expenses | 3,182 | 1,801 | 0 | 4,983 |
| Other Expenses | 7,514 | 512 | 0 | 8,026 |
| Transfer to Plant Fund | (22,504) | (24,135) | 0 | (46,639) |
| Total Expenses | \$ 432,426 | 636,747 | 218,538 | 1,287,711 |

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

FAMILY COUNSELING AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

| <u>NAME OF PROGRAM</u> | <u>CFDA NUMBER</u> | <u>EXPENDITURE</u> |
|--|------------------------|--------------------|
| Office of Women's Service Family Violence Program 7-1-2001 through 6-30-2003 | 93.67 | 104,953 |
| State of Louisiana, Office of Human Services, Department of Health and Hospital, Division of Mental Health, In Home Mental Health Services 7-1-2001 through 6-30-2002 | 93.958 | 115,005 |
| Rapides Parish Police Jury Emergency Shelter Grant Domestic Violence Program 7-1-2001 through 6-30-2003 | 14.231 | 29,207 |
| State of Louisiana, Department of Health and Hospital, Office of Public Health, Rape Crisis Grant 10-1-2000 through 9-30-2002 | 13.991 | 64,299 |
| State of Louisiana, Department of Social Services, Office of Community Services In-Home Services Program 7-1-1999 through 6-30-2002 | 93.667 | 46,562 |
| Louisiana Commission on Law Enforcement, Spouse Abuse 10-1-2000 through 12-31-2001, 1-1-2002 through 12-31-2002 | 16.575 | 58,990 |
| State of Louisiana, Department of Social Services, Office of Community Services, Independent Living Project 7-1-2001 through 6-30-2004 | 93.674 | 73,900 |
| State of Louisiana, Louisiana Commission of Law Enforcement, Sexual Abuse 10-1-2000 through 9-30-2001, 10-1-2001 through 9-30-2002 | 16.575 | 27,458 |
| Federal Emergency Management Assistance (FEMA) 10-1-2000 through 9-30-2001, 10-1-2001 through 9-30-2002 | 83.523 | 5,251 |

FAMILY COUNSELING AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002

| <u>NAME OF PROGRAM</u> | <u>CFDA NUMBER</u> | <u>EXPENDITURE</u> |
|---|------------------------|--------------------|
| Louisiana Commission on Law Enforcement, Sexual Assault Program 3-1-2001 through 2-28-2002, 3-1-2002 through 2-28-2003 | 16.588 | 32,663 |
| Louisiana Commission on Law Enforcement, Domestic Violence Program 10-1-2001 through 7-31-2002 | 16.588 | 18,254 |
| Louisiana Education Department, Emergency Food Program 12-1-2000 through 9-30-2002 | 10.558 | 17,399 |
| Louisiana Commission on Law Enforcement - Victim Assistance 6-1-2001 through 5-31-2003 | 16.575 | 13,604 |
| State of Louisiana Dept. of Health and Hospitals, Office of Mental Health, Mentor Program 7-1-2001 through 6-30-2002 | 93.958 | 48,972 |
| Office of Women's Services TANF Family Violence Children's Services 10-1-2001 through 6-30-2002 | 93.67 | 29,785 |
| State of Louisiana, Department of Social Services, Office of Community Services, Youth in Transition Mentoring Program 7-1-2001 through 6-30-2003 | 93.674 | 27,647 |
| <u>GRANT TOTALS</u> | | <u>713,949</u> |

The accompanying notes are an integral part of these 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) on the grounds of Central Louisiana State Hospital.

Contributed Services

During the year ended June 30, 2002, 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 14,369 volunteer hours for the year ended June 30, 2002.

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.

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. The financial statements of Family Counseling Agency, Inc., a non-profit tax-exempt organization, are prepared on the accrual basis of accounting.

FAMILY COUNSELING AGENCY, INC.
NOTES TO FINANCIAL STATEMENTS

Property and Equipment

All fixed assets 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 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>PLANT</u> |
|--------------|------------------|----------------|
| Petty Cash | 250 | -0- |
| Money Market | 118,003 | 437,578 |
| Checking | <u>102,175</u> | <u>-0-</u> |
| | <u>220,428</u> | <u>437,578</u> |

3. FAIR VALUE OF FINANCIAL INSTRUMENTS:

The carrying amounts of cash and cash equivalents and money market funds approximate fair values because of the short maturities of those instruments.

FAMILY COUNSELING AGENCY, INC.
NOTES TO FINANCIAL STATEMENTS

4. ACCOUNTS RECEIVABLE:

Accounts Receivable - State and Federal Grants Consist of:

| | |
|---|----------------|
| Office of Women Services - Family Violence Program | 108,554 |
| OPH - Sexual Assault | 16,325 |
| Independent Living Project | 14,890 |
| Mental Health Center - In home project | 4,995 |
| Office of Community Services - In Home Services | 7,956 |
| Office of Women Services - TANF Family Children Services | 29,785 |
| Rapides Parish Police Jury-ESGP | 7,984 |
| I.O.L.T.A. Grant Programs - LA Bar Foundation | 1,957 |
| Children's Trust | 1,002 |
| LA Commission on Law Enforcement - Sexual Abuse | 2,650 |
| LA Commission on Law Enforcement - Sexual Assault Program | 6,454 |
| LA Commission on Law Enforcement - Domestic Violence Program | 4,437 |
| LA Commission on Law Enforcement - Spouse Abuse | 8,035 |
| LA Commission on Law Enforcement - Victim Assistance | 3,366 |
| LA Education Dept. – Emergency Food Program | 2,424 |
| LA Coalition Against Domestic Violence - Rural Project Avoyelles | 8,589 |
| LA Coalition Against Domestic Violence - Rural Project Assistance | 29 |
| LA Office of Community Services - Youth in Transition Mentoring | 14,509 |
| Mental Health – Mentor Program | <u>10,288</u> |
| | <u>254,229</u> |

5. PROPERTY AND EQUIPMENT:

A Summary of Plant and Equipment Follows:

| | |
|-------------------------------------|----------------|
| Land | 10,000 |
| Building | 80,363 |
| Building and leasehold improvements | 68,922 |
| Office equipment and furniture | <u>241,755</u> |
| | 401,040 |
| Less: Accumulated depreciation | <u>293,275</u> |
| Book Value | <u>107,765</u> |

6. RESERVE FOR UNEMPLOYMENT:

Family Counseling does not contribute to the state's unemployment compensation fund but has 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

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Counseling each quarter for funds that it has expended. Funds set aside for this purpose are Board restricted.

7. 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 80% of health and 80% of dental for all full-time employees. 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 \$70,760 toward these employee benefits.

8. NOTES PAYABLE:

Notes payable consists of a lease purchase agreement for office equipment. Payments due for the next 5 years are as follows:

| | | |
|-----|---------|--------------|
| FYE | 6-30-03 | <u>2,629</u> |
| | | <u>2,629</u> |

9. IN-KIND DONATION:

Cooperative agreement between the Rapides Parish Police Jury (RPPJ) and Family Counseling Agency, Inc. (FCA). The RPPJ entered into an agreement with Central Louisiana State Hospital (CLSH) to renovate and take possession of building 82, unit 34 in Forest Glen located on the premises of CLSH. The RPPJ agreed to provide possession of this building to FCA to be used to provide a shelter for battered and homeless women and children. This agreement was signed on September 9, 1991 effective for a five (5) year period beginning December 1, 1990 with options that have since been renewed. The rental value of this building (\$103,882.00 per year) is to be recorded as an in-kind contribution from the State of Louisiana and is to be used as a source for matching funds.

10. 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.

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11. Schedule of Federal Awards and Other Grant Revenue:

| <u>NAME OF PROGRAM</u> | <u>FEDERAL</u> | <u>OTHER</u> | <u>TOTAL GRANT</u> |
|--|----------------|--------------|--------------------|
| Office of Women's Service Family Violence Program | 104,953 | 169,794 | 274,747 |
| State of Louisiana, Office of Human Services, Department of Health and Hospital, Division of Mental Health, In-Home Mental Health Services | 115,005 | -0- | 115,005 |
| Rapides Parish Police Jury Emergency Shelter Grant Domestic Violence Program | 29,207 | -0- | 29,207 |
| I.O.L.T.A. Grants Program, Louisiana Bar Foundation (Interest on Lawyer's Trust Accounts) Family Violence Program | -0- | 3,930 | 3,930 |
| State of Louisiana, Department of Health and Hospital, Office of Public Health, Rape Crisis Grant | 64,299 | -0- | 64,299 |
| State of Louisiana, Department of Social Services, Office of Community Services In-Home Services Program | 46,562 | -0- | 46,562 |
| State of Louisiana, Office of Community Services, Children's Trust | -0- | 5,000 | 5,000 |
| State of Louisiana, Department of Social Services, Office of Community Services, Independent Living Project | 73,900 | -0- | 73,900 |
| State of Louisiana, Central Louisiana State Hospital, Family Violence Program Building Provided Rent Free | -0- | 103,882 | 103,882 |
| Federal Emergency Management Assistance (FEMA) | 5,251 | -0- | 5,251 |
| Louisiana Commission on Law Enforcement, Domestic Violence Program | 18,254 | -0- | 18,254 |

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, Sexual Assault Program | 32,663 | -0- | 32,663 |
| Louisiana Commission on Law Enforcement, Sexual Abuse Program | 27,458 | -0- | 27,458 |
| Louisiana Commission on Law Enforcement - Spouse Abuse | 58,990 | -0- | 58,990 |
| Volunteers of America, North Louisiana | -0- | 4,733 | 4,733 |
| Louisiana Education Department Emergency Food Program | 17,399 | -0- | 17,399 |
| State of Louisiana Dept. of Health and Hospitals, Office of Mental Health, Mentor Program | 48,972 | -0- | 48,972 |
| Louisiana Commission on Law Enforcement - Victim Assistance | 13,604 | -0- | 13,604 |
| Office of Women's Services TANF Family Violence Children's Services | 29,785 | -0- | 29,785 |
| Louisiana Coalition Against Domestic Violence - Rural Project Avoyelles | -0- | 32,290 | 32,290 |
| Louisiana Coalition Against Domestic Violence - Rural Project Assistance Programs | -0- | 29 | 29 |
| Access to Justice Fund | -0- | 1,035 | 1,035 |
| Marianites - Children's Project | -0- | 134 | 134 |
| State of Louisiana, Department of Social Services, Office of Community Services, Youth in Transition Mentoring Program | 27,647 | -0- | 27,647 |

FAMILY COUNSELING AGENCY, INC.
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| <u>NAME OF PROGRAM</u> | <u>FEDERAL</u> | <u>OTHER</u> | <u>TOTAL GRANT</u> |
|---|----------------|----------------|--------------------|
| Cenla Area Agency on Aging, Inc. - Family Caregivers Support | -0- | 8,961 | 8,961 |
| 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- | 2,700 | 2,700 |
| Christus Free Care Grant | <u>-0-</u> | <u>17,354</u> | <u>17,354</u> |
| <u>GRANT TOTALS</u> | <u>713,949</u> | <u>355,242</u> | <u>1,069,191</u> |

12. SIGNIFICANT CONCENTRATIONS OF CREDIT RISKS:

Family Counseling Agency, Inc. maintains cash balances and money market funds in the amount of \$657,756. This is \$557,756 in excess of FDIC insured limits.

13. 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, 2002, these funds have earned \$28,971 in interest which is also classified as temporarily restricted.

14. NET ASSET CLASSIFICATIONS:

Temporarily restricted net assets are for the following purposes:

| | |
|--|--------------------|
| Operating Fund - Reserve for Self-Insurance Unemployment | 10,794 |
| Operating Fund - Unearned Revenue | 6,508 |
| Plant Fund - Cash - Capital Campaign Account | 8,607 |
| Plant Fund - Cash - Building Campaign Account | <u>428,970</u> |
| Total Temporarily Restricted Net Assets | <u>454,879</u> |

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NOTES TO FINANCIAL STATEMENTS

15. NET ASSETS RELEASED FROM RESTRICTIONS:

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

| | |
|---|-------------------|
| Reserve for Self-Insurance Unemployment | 7,178 |
| Unearned Revenue | <u>22,899</u> |
| Total Net Assets Released from Restrictions | <u>30,077</u> |