

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

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

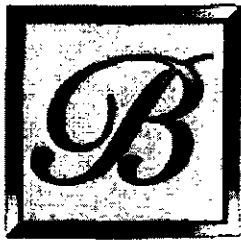
Year Ended December 31, 2007

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 5/14/08

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Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of Family and Youth Counseling Agency, Inc., (a non-profit organization) as of December 31, 2007, and the related statement of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Agency's management. 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 the 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 in the first paragraph present fairly, in all material respects, the financial position of Family and Youth Counseling Agency, Inc. as of December 31, 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 April 7, 2008, on our consideration of the Agency'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 should be considered in assessing the results of our audit.

Lake Charles, Louisiana
April 7, 2008

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2007

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	956,739
Investments		216,460
Unconditional promises to give		428,584
Accounts receivable, less allowance for doubtful accounts of \$1,463		20,659
Contracts receivable		164,173
Prepaid expenses		45,713
Total current assets		<u>1,832,328</u>

PROPERTY AND EQUIPMENT

Building		706,148
Furniture and equipment		313,198
		<u>1,019,346</u>
Less accumulated depreciation		(454,784)
		564,562
Land		82,800
Net property and equipment		<u>647,362</u>
Total assets	\$	<u><u>2,479,690</u></u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2007

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current portion of long-term debt	\$ 25,000
Accounts payable	2,907
Accrued expenses	29,604
Unearned income	<u>428,342</u>
Total current liabilities	<u>485,853</u>

LONG TERM LIABILITIES, less current portion

Notes payable	<u>175,000</u>
Total liabilities	<u>660,853</u>

NET ASSETS

Unrestricted	
Undesignated	<u>1,390,253</u>
Total unrestricted net assets	<u>1,390,253</u>
Temporarily restricted	<u>428,584</u>
Total net assets	<u>1,818,837</u>
Total liabilities and net assets	<u>\$ 2,479,690</u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE, GAINS AND OTHER SUPPORT			
United Way of Southwest Louisiana	\$ -	\$ 428,584	\$ 428,584
Grants and service fees	2,359,531	-	2,359,531
Program income	711,300	-	711,300
Contributions	74,058	-	74,058
Investment earnings	16,070	-	16,070
Unrealized gain on investments	5,110	-	5,110
Other	3,464	-	3,464
Fund raising/special events	66,368	-	66,368
Total revenues and gains	<u>3,235,901</u>	<u>428,584</u>	<u>3,664,485</u>
Net assets released from restrictions	<u>428,584</u>	<u>(428,584)</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	3,664,485	-	3,664,485
EXPENSES AND LOSSES			
Program service - counseling	2,950,434	-	2,950,434
Management and general	161,743	-	161,743
Fund raising/special events	136,763	-	136,763
TOTAL EXPENSES AND LOSSES	<u>3,248,940</u>	<u>-</u>	<u>3,248,940</u>
CHANGE IN NET ASSETS	415,545	-	415,545
NET ASSETS AT BEGINNING OF YEAR	<u>974,708</u>	<u>428,584</u>	<u>1,403,292</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,390,253</u>	<u>\$ 428,584</u>	<u>\$ 1,818,837</u>

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2007

Cash Flows From Operating Activities	
Increase (decrease) in net assets	\$ 415,545
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation expense	44,282
Bad debts	371
Unrealized (appreciation) of investments	(5,110)
(Increase) decrease in operating assets:	
Accounts and contracts receivable	(85,926)
Prepaid expenses	(624)
Increase (decrease) in operating liabilities:	
Accounts payable	(5,522)
Accrued expense	4,840
Unearned income	308,233
	<u>260,544</u>
Total Adjustments	<u>260,544</u>
Net Cash Provided (Used) By Operating Activities	<u>676,089</u>
Cash Flows From Investing Activities	
Sales/redemption of investments, net	27,437
Capital gains/dividends reinvested	(4,450)
Purchase of property and equipment	(10,239)
	<u>12,748</u>
Net Cash Provided (Used) By Investing Activities	<u>12,748</u>
Cash Flows From Financing Activities	
Principal payments on notes payable	(25,000)
	<u>(25,000)</u>
Net Cash Provided (Used) By Financing Activities	<u>(25,000)</u>
Net Increase (Decrease) In Cash	663,837
Cash - Beginning of Year	<u>292,902</u>
Cash - End of Year	<u>\$ 956,739</u>

The accompanying notes are an integral part of these statements

FAMILY AND YOUTH COUNSELING AGENCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2007

	Supporting Services			Total
	Program Services	Management and General	Fund Raising	
Salaries	\$ 1,167,535	\$ 104,702	\$ 90,062	\$ 1,362,299
Employee benefits	139,125	12,476	10,732	162,333
Payroll taxes	92,869	8,328	7,164	108,361
Professional fees	33,876	2,946	-	36,822
Supplies	28,284	2,459	-	30,743
Telephone	24,306	2,114	-	26,420
Postage and shipping	6,201	539	-	6,740
Occupancy	119,454	10,387	-	129,841
Rental and maintenance of equipment	6,147	535	-	6,682
Printing and publications	31,242	2,717	-	33,959
Travel	39,004	3,392	-	42,396
Youth activities	560	-	-	560
Conference and meetings	31,108	-	-	31,108
Membership dues	4,592	4,592	-	9,184
Specific assistance	1,153,682	-	-	1,153,682
Insurance	24,353	2,118	-	26,471
Bad debts	371	-	-	371
Affiliation dues	1,700	-	-	1,700
Fund raising	-	-	28,805	28,805
Miscellaneous	5,286	895	-	6,181
Total before depreciation	2,909,695	158,200	136,763	3,204,658
Depreciation	40,739	3,543	-	44,282
Total expenses	\$ 2,950,434	\$ 161,743	\$ 136,763	\$ 3,248,940

The accompanying notes are an integral part of these statements.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements
December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Family and Youth Counseling Agency, Inc. (the Agency) is presented to assist in understanding the Agency's financial statements. The financial statements and notes are representations of the Agency's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

A. Nature of Activities

The Family and Youth Counseling Agency, Inc. is a Louisiana not-for-profit corporation that operates under a Board of Directors which appoints an Executive Director and otherwise controls and guides the Agency. The Agency serves as an "umbrella" organization for several family assistance and counseling programs, as follows:

FAMILY SUPPORT

- Professional Counseling - A professional team of master's level counselors accepts individuals of all ages, couples, and families for a wide variety of counseling services and state-of-the-art therapies. Sliding-scale fees, special contract arrangements, or managed care services help clients attain improved mental health and individual/family stability through brief consultative service, short-term therapy, or longer-term counseling programs.
- Parenting - The difference between parenting wisely and parenting "hopefully" is appreciated fully when participants become involved in any of the parenting classes, parenting lectures, or parenting focus groups offered on a regular basis. Counselors who not only work with parents and children in their counseling practice, but also appreciate the value of group learning and shared problem-solving, serve as teachers, facilitators, and guest lecturers in this worthy program.
- Anger Management - This course consists of one individual assessment session, six group sessions, and one individual summarizing session. The objectives of the course include decreasing anger responses, identifying alternate responses to anger producing stimuli, and developing specific, socially acceptable, and non-violent strategies in order to manage anger feelings.
- Human Services Response Institute (HSRI) - HSRI was originated to address the consequences of any major disaster or emergency faced by the community. HSRI personnel provide professional disaster related services including intensive case management to develop long-range plans for evacuees; family budgeting and financial management; mental health counseling; job development and housing and relocation assistance. In addition, HSRI personnel promote collaboration and partnerships on behalf of people affected by emergencies and disaster, and work with government official in procurement of financial and non-financial resources to strengthen current infrastructure.
- Autism Support Alliance - The Autism Support Alliance promotes access and opportunities for persons with the autism spectrum and their families, to be fully included as participating members of their communities. As such the Alliance supports the family's plan and empowers the family in negotiating the systems of health care, social service, and educational resources.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Nature of Activities (Continued)

YOUTH LEADERSHIP

- Youth Leadership Development – Designed with the overall goal of minimizing drug use among young people, participants in Teen Leadership will explore leadership principles, success and positive attitude, self-respect and responsibility, the varying dynamics of communication, conflict prevention and negotiation, and much more. Young people are eligible to join groups of twelve who meet for 90 minutes once a week for six weeks and participate in experiential learning opportunities, the first phase of the program. Phase 2 includes the opportunity for community service.
- Learning Circles – This program, sensitive to girl's needs, encourages and promotes self-respect and responsibility through leadership skills development. Program participants have a chance to explore gender sensitive issues such as communications, boundaries, roles, confidence and inner strength, diversity, personal potential and more. The impact of the program is a reduction in early parenthood, prevention of drug abuse and decrease in domestic violence, as leaders emerge.
- Teen Center – The Teen Center promotes positive social interactions and youth development by addressing current youth issues (substance abuse, violence, health promotion, early parenthood, etc.). The Teen Center promotes and encourages involvement and voluntarism as it develops leadership, social and life skills. The Teen Center is a safe place for youth.
- Leadership Center – It is the purpose of The Leadership Center to offer youth a one-stop system of support resulting in open doors of opportunity for young people through leadership development. The right interventions at the right time will give youth the necessary head start and skills enhancement opportunities in the area of education, life skills, social and physical development, emotional intelligence, and employment readiness.

CHILD ADVOCACY

- Children's Advocacy – Sexual abuse of children touches all communities, even Southwest Louisiana. Family and Youth's creation of a child-friendly program, designed to coordinate services to youngsters who report as sexually or severely physically abused, now brings together investigative, medical, and mental health systems in order to properly address this social dysfunction. Professional counseling, linkage with mental health and victim advocacy services, and multi-disciplinary team reviews, provides the necessary foundation for total systematic change – a pro-active approach intended to reduce the trauma and incidence of sexual and physical abuse of children in Southwest Louisiana.
- Child Abuse Prevention – Professional staff delivers education presentations intended to prevent child abuse. Businesses, schools, churches, civic groups and others interested in child abuse prevention programs need only to call and schedule presentations.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2007

- Court Appointed Special Advocates (CASA) – Each year, many children in southwest Louisiana enter into complex social welfare and juvenile court proceedings through no fault of their own. They are victims of abuse, neglect or abandonment. They belong to no one as they sit silently waiting for the courts to decide their future. CASA volunteers work with the judge, attorneys and social workers, as appointed officers of the court. CASAs, after review of records and personal interviews, report their findings to the courts and make recommendations to the judge regarding the best placement for the child.

BUSINESS AND INDUSTRY SUPPORT

- Employee Assistance Program (EAP) – Multiple and single behavioral risk factors are identified and treated by employee assistance counselors who consider the impact of personal problems on the workplace. These counselors provide service to business and industry by providing crisis management, assessment and conflict intervention, direct confidential care to employees and their dependents, as well as consultation to management. Businesses and industries are invited to design contractual agreements that serve the particular behavioral and mental health needs of their organizations.
- Consultative Services – The use of consultants is an option that business and industry, for-profit and not-for-profit, are using with increasing frequency. A professional team is available to provide clients with credible and hands-on experienced information to minimize barriers and pitfalls in their businesses. In addition, the team can assist in human resource training design, training delivery, and overall management support to maximize employee performance productivity.
- School Consultation – Counselors provide schools with on-site and written consultation during the school year, thereby supporting teachers and supervisory staff with professional mental health services. Special student needs are identified and given individual case management and follow-up. Teacher strengths are also documented and encouraged through written evaluations to strengthen the positive overall value of this program that readies young children for success in school.
- Career Assessment – People today seek validating information about themselves and about their relationship to the working world, information that will lead them to greater understanding and to better decisions about the course of their lives. With the use of a specially designed interest/personality/aptitude assessment inventory, individuals can validate or explore their career opportunities and then discuss, with their counselor, the next steps towards realizing their optimum place in the world of work.

PROFESSIONAL AND COMMUNITY DEVELOPMENT

- Family and Youth Counseling Agency, Inc. is committed to the development of its board, staff and volunteers as well as the development of professional competencies of those working with children, teenagers, adults, couples, elders, and families. The agency believes that all professionals in the field possess the ability to deliver quality services to the community and will be successful in their work when professional support is available. Family and Youth Counseling Agency coordinates satellite videoconferences, one-day workshops, and the annual Family Focus two-day conference for the human service professional.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Basis of Accounting

The financial statements of the Agency have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

D. Basis of Presentation

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

E. Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Agency considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restriction regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies temporarily restricted net assets to unrestricted net assets at that time.

G. Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency. Included in the financial statements are donated services valued at \$34,246 for the Child Advocacy, CASA, and Counseling programs. Volunteers also provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

H. Income Taxes

The Agency is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

I. Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair market value. Donated investments are reflected as contributions at their market values at date of receipt. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

J. Promises to Give

Unconditional promises to give are recognized as revenues, or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At December 31, 2007, the unconditional promise to give of \$428,584 was from United Way of Southwest Louisiana. These funds will be received in the year 2008 but are recorded as temporary restricted revenues for the year ended December 31, 2007 in accordance with SFAS 116, *Accounting for Contributions Received and Contributions Made*.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Restricted and Unrestricted Revenue Support

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

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

L. Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterment that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost. The Agency uses straight-line depreciation.

M. Concentration of Revenue and Support

The majority of the funding for the Agency's programs is provided by the United Way of Southwest Louisiana (11%) and various federal, state, and local grants on a year-by-year basis. In addition, the Agency derives its program fees from the geographic region of Southwest Louisiana encompassing five parishes.

N. Fair Values of Financial Instruments

The Agency has a number of financial instruments, none of which is held for trading purposes. The Agency estimates that the fair value of all financial instruments at December 31, 2007 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Agency using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the agency could realize in a current market exchange.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2007

NOTE 2 - LONG TERM LIABILITIES

The note payable for the Agency at December 31, 2007 consisted of the following:

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

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

	\$200,000
Less current maturities	25,000
Total long-term portion	\$175,000

The following is a schedule of principal payments on long-term debt for the five years subsequent to December 31, 2007:

Year Ending December 31:

2008	\$ 25,000
2009	25,000
2010	25,000
2010	25,000
2012	25,000
2013 and thereafter	75,000
Total	\$200,000

NOTE 3 - FUND-RAISING

Certain publicity and promotion activities were undertaken in the year, which also serves as fund-raising events. Total fund raising for 2007 yielded \$66,368 with the cost of these activities being \$136,763, which included the partial costs of salaries of employees involved in fundraising efforts. These fund raising expenses are included in the Statement of functional Expenses in the categories to which they relate.

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2007

NOTE 4 - EXPENSE ALLOCATION METHODS

Expenses were allocated in the accompanying financial statements to program and administrative functional expense groups. The methods of allocation were based on the Agency's estimates of the relative proportion of various staff members' time and effort between program and administrative functions as well as the Agency's estimates of the amount of each expense utilized for the program or administrative functions.

NOTE 5 - CONCENTRATION OF RISK

Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of promises to give receivable. Amount receivable from promises to give at December 31, 2007 consists of \$428,584 from the United Way of Southwest Louisiana.

The Agency also has exposure for credit risk with regard to the investments in mutual funds with fair market values totaling \$168,335 because those funds are not insured against market risk. Also, the Agency had \$193,820 in money market funds which are included in cash. These funds are not insured by FDIC.

NOTE 6 - PROMISES TO GIVE

During the year ended December 31, 2007, the Agency received its 2007 United Way allocation. This allocation is temporarily restricted at time of receipt and is properly reflected in the accompanying statement of activities as an increase in temporarily restricted net assets. Uncollectible allocations are expected to be insignificant.

Unconditional promises to give at December 31, 2007 are as follows:

Receivable in less than one year	\$428,584
Total unconditional promises to give	428,584
Less discounts to net present value	0
Less allowance for uncollectible promises receivable	0
Net unconditional promises to give at December 31, 2007	<u>\$428,584</u>

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2007

NOTE 7 - RETIREMENT COMMITMENTS

The Agency contributes to a defined contribution plan through Mutual of America Life Insurance Company.

Full time employee membership is mandatory as a condition of employment. Eligibility requirements consist of minimum age of 21 and 1000 hours of service. Participants are fully vested upon completion of 3 years of service.

The Agency is required to contribute 9.5% of the participants' compensation. Non-deductible voluntary employee contributions are not permitted. Total contributions made by the Agency for 2007 were \$76,740; Mutual of America Life Insurance Company issues an annual financial report that includes financial statements and required supplementary information for the plan. That report is available upon request.

NOTE 8 - INVESTMENTS

The Agency's investments at December 31, 2007 consisted of mutual funds and certificates of deposit with fair market values and cost bases (basis includes reinvested dividends and capital gain distributions) as follows:

	<u># Shares</u>	<u>FMV</u>	<u>Cost Basis</u>
Wells Fargo:			
Large Company Growth Fund	611.514	\$ 34,569	\$ 30,145
Third Avenue Value Fund	2,201.557	133,767	82,550
First Federal Bank		21,594	21,594
Cameron State Bank		12,833	12,833
Capital One Bank - CD		13,697	13,697
Total Investments		<u>\$216,460</u>	<u>\$146,327</u>

Investment return for the year ended December 31, 2007 is summarized as follows:

Interest Income	\$ 11,620
Dividends/Capital Gain Distributions	4,450
Net Unrealized Gain on Investments	5,110
Total Unrestricted Investment Income	<u>\$ 21,180</u>

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Notes to Financial Statements (Continued)
December 31, 2007

NOTE 9 - LEASES

The Agency entered into cancelable leases at several locations. Lease expense for 2007 was \$74,250.

NOTE 10 - UNEARNED INCOME

As of December 31, 2007, the Agency received \$428,342 in grant proceeds that are to be used during 2008.

SUPPLEMENTAL INFORMATION

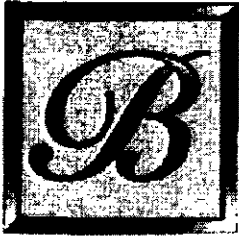
FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2007

Summary of Audit Results

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

FAMILY AND YOUTH COUNSELING AGENCY, INC.
Lake Charles, Louisiana
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2005

NONE



Founded in 1978

BROUSSARD & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the financial statements of Family and Youth Counseling Agency, Inc. as of and for the year ended December 31, 2007, and have issued our report thereon dated April 7, 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 the Family and Youth Counseling Agency, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Family and Youth Counseling Agency, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

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.

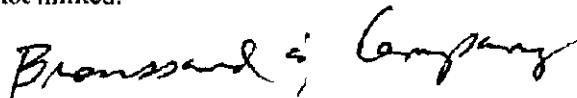
The Board of Directors
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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether Family and Youth Counseling Agency, Inc.'s, financial statements are free of material misstatement, 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*.

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



Lake Charles, Louisiana
April 7, 2008