

The Extra Mile Region VI, Inc.

Pineville, Louisiana

June 30, 2022

The Extra Mile Region VI, Inc.

June 30, 2022

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS
Established 1945

Independent Auditor's Report

To the Board of Directors of
The Extra Mile Region VI, Inc.

Opinion

We have audited the accompanying financial statements of The Extra Mile Region VI, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Extra Mile Region VI, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Extra Mile Region VI, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
The Extra Mile Region IV, Inc.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Extra Mile Region VI, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Extra Mile Region IV, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
The Extra Mile Region IV, Inc.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Extra Mile Region IV, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to the agency head or chief executive officer on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2022, on our consideration of The Extra Mile Region VI, 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 solely 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 effectiveness of The Extra Mile Region VI, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Extra Mile Region VI, Inc.'s internal control over financial reporting and compliance.

Payne, Moore + Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

September 28, 2022

**The Extra Mile Region VI, Inc.
Statement of Financial Position
June 30, 2022**

Exhibit A

Assets	
Current Assets	
Cash and cash equivalents	\$ 165,233
Grants receivable	70,507
Other receivables	314
Prepaid expenses	8,961
Total Current Assets	245,015
Investments	468,413
Furniture, Equipment and Vehicles - Net of Depreciation	75,996
Other Assets	21,325
Total Assets	\$ 810,749
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 2,122
Accrued annual leave	13,664
Accrued salaries	23,519
Deposits held on behalf of others	15,558
Total Current Liabilities	54,863
Net Assets	
Without donor restrictions	755,886
Total Liabilities and Net Assets	\$ 810,749

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

The Extra Mile Region VI, Inc.
Statement of Activities
Year Ended June 30, 2022

Exhibit B

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains (Losses), and Other Support			
Government grants	\$ -	\$ 931,109	\$ 931,109
Program service fees	-	63,305	63,305
Administrative reimbursement	67,602	-	67,602
Contributions of cash and other financial assets	7,253	600	7,853
Interest and dividends	32,568	-	32,568
Miscellaneous	12,272	-	12,272
Net realized and unrealized gains (losses) on investments	(57,026)	-	(57,026)
Net assets released from restrictions	995,014	(995,014)	-
Total Revenues, Gains (Losses), and Other Support	1,057,683	-	1,057,683
Expenses			
Program Services			
Adult Flex Program	145,609	-	145,609
Child Flex Program	18,891	-	18,891
Drop-In Centers Program	119,532	-	119,532
EDS Program	8,422	-	8,422
The Extra Mile Core Program	60,897	-	60,897
Clothes Closet/Food Pantry Program	45,153	-	45,153
Gift Shop Program	11,896	-	11,896
PALSII Program	71,697	-	71,697
Employment Development Program	56,566	-	56,566
CLHSD Gambling Prevention	65,384	-	65,384
Life Skills Training Program	68,400	-	68,400
Louisiana Partnership for Success II	90,834	-	90,834
Spring Workshop	2,717	-	2,717
Shredding Program	6,702	-	6,702
Assertive Community Outreach Specialist	200,144	-	200,144
Total Program Services	972,844	-	972,844
Support Services			
Management and general	133,599	-	133,599
Total Expenses	1,106,443	-	1,106,443
Change in Net Assets	(48,760)	-	(48,760)
Net Assets, Beginning of Year	804,646	-	804,646
Net Assets, End of Year	<u>\$ 755,886</u>	<u>\$ -</u>	<u>\$ 755,886</u>

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

**The Extra Mile Region VI, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022**

**Exhibit C
(Continued)**

	Program Services								
	Adult Flex Program	Child Flex Program	Drop-In Centers Program	EDS Program	The Extra Mile Core Program	Clothes Closet/ Food Pantry Program	Gift Shop Program	PALSII Program	Employment Development Program
Personal services	\$ 24,702	\$ 2,678	\$ 47,238	\$ 7,295	\$ 54,307	\$ 4,993	\$ 4,699	\$ 54,690	\$ 36,973
Related benefits	2,678	329	5,061	784	6,590	633	596	5,516	3,730
Travel	-	-	3,144	-	-	-	-	2,014	272
Operating services	114,229	15,884	52,857	343	-	37,613	6,601	5,683	9,386
Supplies	-	-	11,232	-	-	1,914	-	3,794	6,205
Professional fees	-	-	-	-	-	-	-	-	-
Depreciation	4,000	-	-	-	-	-	-	-	-
Totals	\$ 145,609	\$ 18,891	\$ 119,532	\$ 8,422	\$ 60,897	\$ 45,153	\$ 11,896	\$ 71,697	\$ 56,566

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

**The Extra Mile Region VI, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022**

**Exhibit C
(Concluded)**

	Program Services						Support Services		Total
	CLHSD Gambling Prevention	Life Skills Training Program	Louisiana Partnership for Success II	Spring Workshop	Shredding Program	Assertive Community Outreach Specialist	Total Program Services	Management and General	
Personal services	\$ 52,400	\$ 51,131	\$ 52,000	\$ -	\$ 2,726	\$ 153,394	\$ 549,226	\$ 63,999	\$ 613,225
Related benefits	5,079	4,938	4,935	-	274	15,931	57,074	6,521	63,595
Travel	3,125	2,494	4,573	-	-	-	15,622	725	16,347
Operating services	2,025	1,917	6,003	2,717	3,105	21,919	280,282	39,167	319,449
Supplies	2,755	7,920	1,621	-	597	489	36,527	-	36,527
Professional fees	-	-	21,702	-	-	-	21,702	14,500	36,202
Depreciation	-	-	-	-	-	8,411	12,411	8,687	21,098
Totals	\$ 65,384	\$ 68,400	\$ 90,834	\$ 2,717	\$ 6,702	\$ 200,144	\$ 972,844	\$ 133,599	\$ 1,106,443

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

The Extra Mile Region VI, Inc.
Statement of Cash Flows
Year Ended June 30, 2022

Exhibit D

Cash Flows from Operating Activities

Change in net assets	\$ (48,760)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	21,098
Net realized and unrealized (gains) losses on investments	57,026
Changes in operating assets and liabilities:	
Grants receivable	14,947
Other receivables	(117)
Prepaid expenses	(7,428)
Accounts payable	124
Accrued annual leave	3,289
Accrued salaries	5,609
Deposits held on behalf of others	(2,306)
Net Cash Provided by (Used in) Operating Activities	43,482

Cash Flows from Investing Activities

Reinvested earnings on investments	(32,568)
Withdrawals of principal from investments	39,554
Purchase of furniture and equipment	(50,847)
Net Cash Provided by (Used in) Investing Activities	(43,861)

Cash Flows from Financing Activities

Net Increase (Decrease) in Cash	(379)
Cash, Beginning of Year	165,612
Cash, End of Year	\$ 165,233

Additional Required Disclosures:

1. Management considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.
2. No interest was paid during the year.
3. There were no income taxes paid during the year.
4. There were no material noncash investing or financing transactions during the year.

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

The Extra Mile Region VI, Inc.
June 30, 2022

Notes to Financial Statements

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

The Extra Mile Region VI, Inc. (the Organization) is a nonprofit corporation formed to enhance and enrich the environment for clients served by the Louisiana Department of Health and Hospitals through public education, volunteer recruitment, program development, and fundraising.

The Extra Mile Region VI, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable Louisiana law, and contributions to it are tax deductible within the limitations prescribed by the Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. In addition, the Organization has been determined not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Significant Accounting Policies

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

New Accounting Standard

The Financial Accounting Standards Board issued Accounting Standards Update No. 2020-07 – *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07) to improve transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The ASU is applicable and was adopted by The Extra Mile Region VI, Inc. during the fiscal year ended June 30, 2022. The new standard requires that contributed nonfinancial assets be presented separately in the statement of activities. New disclosures are also required to disaggregate contributed nonfinancial assets by category type and other qualitative information about utilization, policies, and valuation techniques. Although The Extra Mile Region VI, Inc. does not have any contributed nonfinancial assets for the fiscal year ended June 30, 2022, they were required to rename charitable contributions as contributions of cash and other financial assets in the statement of activities to improve the transparency of the type of contributions received. These changes did not have a material effect on the financial statements.

Basis of Accounting

The accompanying financial statements of The Extra Mile Region VI, Inc. have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under this method, revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred.

Basis of Presentation

The Extra Mile Region VI, Inc. reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The Extra Mile Region VI, Inc.
June 30, 2022

Notes to Financial Statements

- **Net Assets Without Donor Restrictions:**

Net assets without donor restrictions generally result from revenues generated by receiving contributions that have no donor-imposed restrictions and from receiving interest from operating investments, less expenses incurred in providing program services, raising contributions, and performing administrative functions. Net assets without donor restrictions are available for use at the discretion of the Organization's Board and management for general operating purposes. The Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

- **Net Assets With Donor Restrictions:**

Net assets with donor restrictions result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently. Until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. The Organization does not have any net assets with donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking and savings accounts and amounts classified as cash or cash equivalents in the investment account, if any.

Prepaid Expenses

Prepaid expenses consist of general liability insurance payments that cover periods beyond June 30, 2022.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt and equity securities are valued at their fair value in the statement of financial position. Net realized and unrealized gains and losses on investments are reported in the statement of activities as decreases or increases in the respective net asset classes.

The Extra Mile Region VI, Inc.
June 30, 2022

Notes to Financial Statements

Furniture, Equipment and Vehicles

Furniture, equipment, and vehicles with estimated useful lives greater than one year and a value equal to or greater than \$500 are capitalized at cost. Donated items are recorded at fair market value, if material and reasonably determinable, at the time of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets as follows:

Furniture and equipment	5-7 years
Vehicles	5 years

Furniture and equipment reflected in the financial statements includes capital assets purchased for use in the various programs administered by The Extra Mile Region VI, Inc. from the respective program's funds as budgeted in the program agreements. In the event that a program terminates, title to those assets may revert to the funding source.

Repairs, maintenance, and minor replacements are charged to operations as incurred. Major replacements and improvements are capitalized at cost. When capitalized items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

The Extra Mile Region VI, Inc. reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, The Extra Mile Region VI, Inc. reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Paid Time Off

Paid time off (PTO) is earned by qualified full-time employees at rates that vary from twelve to eighteen workdays per year, depending on the length of service.

Employees carry over a maximum of 80 hours of paid time off into each successive calendar year. Any amount in excess of this is lost. This policy was enacted in the handbook update in August of 2021 and accordingly employees with PTO in excess of 80 hours have until the end of calendar year 2022 to use this PTO without losing it. Wages in lieu of paid time off is not allowed except at termination, in which case the remaining PTO at the time of termination or retirement is paid in full with the final paycheck.

Revenue Recognition

The Extra Mile Region VI, Inc. reports contributions from grants and other support received as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Extra Mile Region VI, Inc.
June 30, 2022

Notes to Financial Statements

Program revenue applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Due to the nature of these transactions, revenue and potential related expenses are influenced by economic factors, such as time of year, health standards, and political mandates. The Extra Mile Region VI, Inc. records program fee revenue for the Drop-In Centers Program as exchange transaction revenue in its statements of activities based on per diem rates per attendee as stated in the agreement. Payment for these services is due upon receipt of the invoice. This method is consistent with the as-invoiced practical expedient.

Donated Materials and Services

Donated materials are reflected as contributions of nonfinancial assets at their estimated value at the date of receipt and are recorded as expenses for current operations. The Extra Mile Region VI, Inc. does not sell donated materials received but utilizes these donations for its own programs and supporting services. No amounts have been reflected in the financial statements for donated materials.

The Extra Mile Region VI, Inc. receives donated services from numerous individuals who volunteer their time to assist the Organization with specific programs and various fundraising activities. Donated services that require specialized skills are provided by individuals possessing those skills. These services would typically be purchased if not provided through donation and are recorded at fair value in the period received. No amounts have been reflected in the financial statements for donated services since the services are not professional in nature and, as such, do not meet the criteria for recognition as donated services. The Extra Mile Region VI, Inc. pays for most services requiring specific expertise.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Income Taxes

The most significant tax position of The Extra Mile Region VI, Inc. is its assertion that it is exempt from income taxes. All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. With few exceptions, The Extra Mile Region VI, Inc. is no longer subject to U.S. federal tax examinations for the years ending prior to June 30, 2019.

Functional Allocation of Expenses

Costs incurred by the Organization from providing various programs and other activities have been presented on a functional basis in the statement of functional expenses. Accordingly, costs have been allocated on a reasonable and consistent basis among the functional areas benefited. Most expenses are charged directly to program or support services based on direct identification. Certain expenses included in operating services, such as rent and utilities, are allocated based on estimated square footage and usage of space. Expenses related to more than one function are charged to program or support services using management's estimate of the activities benefited.

The Extra Mile Region VI, Inc.
June 30, 2022

Notes to Financial Statements

Subsequent Events

Management has evaluated subsequent events through September 28, 2022, the date which the financial statements were available for issue.

2. Cash

Non-interest bearing checking accounts	\$ 110,900
Interest bearing savings account	50,020
Interest bearing money market account	<u>4,313</u>
	\$ 165,233

The Extra Mile Region VI, Inc. maintains its cash balances with a financial institution in the Central Louisiana area. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC). As provided under the FDIC, interest bearing and non-interest bearing deposit accounts are insured up to \$250,000. At June 30, 2022, The Extra Mile Region VI, Inc.'s demand deposit accounts were fully insured.

3. Grants Receivable

Louisiana Clinical Services	\$ 26,133
Central Louisiana Human Services District	<u>44,374</u>
	\$ 70,507

In the opinion of management, the grants receivable balance of \$70,507 is considered fully collectible; therefore, no allowance for uncollectibles at June 30, 2022, has been included in the financial statements.

4. Investments

The Extra Mile Region VI, Inc. is required to disclose estimated fair value for all financial instruments and non-financial instruments measured at fair value on a recurring basis. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining the fair value, generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. When available, The Extra Mile Region VI, Inc. uses Level 1 as their valuation approach. This hierarchy consists of three broad levels as follows:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Extra Mile Region VI, Inc.
June 30, 2022

Notes to Financial Statements

Investments include funds held in a brokerage account. The fund names, costs, fair values, and carrying values are as follows:

Description	Cost	Fair Value Measurement at Reporting Date Using			
		Total 06/30/2022	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Capital Income Builder Fund	\$ 175,942	\$ 204,228	\$ 204,228	\$ -	\$ -
Income Fund of America, Inc.	202,869	247,257	247,257	-	-
Target Global DVD Leaders	19,144	16,928	16,928	-	-
	<u>\$ 397,955</u>	<u>\$ 468,413</u>	<u>\$ 468,413</u>	<u>\$ -</u>	<u>\$ -</u>

5. Furniture, Equipment and Vehicles

	Cost	Accumulated Depreciation	Net
Vehicles	\$ 90,390	\$ 58,343	\$ 32,047
Furniture and equipment	79,554	35,605	43,949
	<u>\$ 169,944</u>	<u>\$ 93,948</u>	<u>\$ 75,996</u>

The depreciation provision for the year ended June 30, 2022, amounted to \$21,098.

6. Other Assets

Other assets include security deposits and approximately 3.2 acres of land donated to The Extra Mile Region VI, Inc. in a prior year by a dissolving nonprofit corporation. The land is located in Rapides Parish, Louisiana and is reported at \$19,200, its estimated fair value at the date of donation in accordance with accounting principles generally accepted in the United States of America. There were no restrictions imposed on the gift by the donor.

7. Deposits Held on Behalf of Others

Deposits held on behalf of others represent cash held by The Extra Mile Region VI, Inc. for the use of groups and organizations for special projects and client events. These funds are held in an agency capacity and are not available for use by The Extra Mile Region VI, Inc.

8. Leases

Facilities

The Organization provides part of its program services in leased facilities located in Alexandria, Jonesville, and Pineville, Louisiana, which are leased from three unrelated third parties. In June 2019, The Extra Mile Region VI, Inc. entered into a 36-month operating lease for the Alexandria facility, which requires monthly lease payments of \$1,550. This lease was extended for an additional 24 months with the same terms and monthly rate. For the year ended June 30, 2022, The Extra Mile Region VI, Inc. made rental payments, consisting solely of minimum rentals, amounting to \$18,600 related to this lease.

The Extra Mile Region VI, Inc.
June 30, 2022

Notes to Financial Statements

The Extra Mile Region VI, Inc. entered into a 24-month operating lease for the Jonesville facility, covering the period January 1, 2021 to December 31, 2023. The lease requires monthly rental payments of \$500. Payments under these leases totaled \$6,000 for the year ended June 30, 2022.

In November 2019, The Extra Mile Region VI, Inc. entered into a 84-month operating lease for the Pineville facility, which consists of monthly rental payments of \$3,681. For the year ended June 30, 2022, The Extra Mile Region VI, Inc. made rental payments, consisting solely of minimum rentals, amounting to \$44,172 related to this lease.

Copier Machines

In November 2020, The Extra Mile Region VI, Inc. entered into a 48-month operating lease through LEAF Capital Funding, LLC, for a copier. This lease requires monthly payments of \$123 plus taxes. Total payments for the year under this agreement amounted to \$1,863.

Future minimum lease payments as of June 30, 2022, under these leases are as follows:

<u>June 30 ,</u>	<u>Amount</u>
2023	\$ 67,248
2024	62,698
2025	44,664
2026	44,172
2027	14,724

9. Concentrations

Revenues and Significant Funding Source

The Extra Mile Region VI, Inc. receives the majority of its revenues from funds provided through contracts administered by the State of Louisiana, Department of Health and Hospitals, Central Louisiana Human Services District, and Louisiana Clinical Services. The amount of funds received is appropriated each year by the government. If significant budget cuts are made, the amount of the funds that The Extra Mile Region VI, Inc. receives could be reduced significantly, resulting in an adverse impact on its operations. Management is not aware of any actions that would adversely affect the amount of funds the Organization will receive in the next year.

Concentrations of Credit Risk

Investments include securities that are traded on national stock exchanges and are subject to fluctuations in value. Investments in marketable securities held in The Extra Mile Region VI, Inc.'s brokerage accounts are insured up to \$500,000, including a \$250,000 limit for cash, by Securities Investor Protection Corporation (SIPC). SIPC covers investors in the event that the brokerage firm becomes insolvent or liquidates. SIPC works to replace securities or cash lost due to theft or destruction. This insurance does not protect The Extra Mile Region VI, Inc. from losses on investments resulting from market and economic conditions.

The Extra Mile Region VI, Inc.
June 30, 2022

Notes to Financial Statements

10. Compensation to Board of Directors

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any members.

11. Retirement Plan

The Extra Mile Region VI, Inc. has a defined contribution plan covering eligible employees. The plan, funded through a group annuity contract issued by Mutual of America Life Insurance Company, qualifies as a SIMPLE IRA plan under Section 408(p) of the Internal Revenue Code. Participating employee contributions are matched by the employer up to three percent (3%) of the employee's annual salary. Retirement contribution expense for the year ended June 30, 2022, totaled \$4,121.

12. Net Assets Released From Restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the grants. There were no net assets with donor restrictions at June 30, 2022.

13. Liquidity and Availability of Financial Assets

The following reflects The Extra Mile Region VI, Inc.'s financial assets as of June 30, 2022, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations. At year-end, all of The Extra Mile Region VI, Inc.'s financial assets were available to meet cash needs for general expenditures within one year.

	<u>2022</u>
Financial assets:	
Cash and cash equivalents	\$ 165,233
Grants receivable	70,507
Other receivables	314
Investments	<u>468,413</u>
Financial assets at year-end	<u>704,467</u>
Less those unavailable for general expenditures within one year:	
Deposits held on behalf of others	<u>(15,558)</u>
Total amount unavailable for general expenditure within one year	<u>(15,558)</u>
Total financial assets available to meet cash needs for general expenditures within one year	\$ 688,909

The Extra Mile Region VI, Inc. has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event that cash becomes inadequate to cover expenses, the Organization's investments are available for liquidation in order to increase cash flow.

Supplementary Information

The Extra Mile Region VI, Inc.
Schedule of Compensation, Benefits, and Other Payments
to the Agency Head or Chief Executive Officer
Year Ended June 30, 2022

Schedule 1

Agency Head Name: Martha A. Powell

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 46,991
Benefits-social security and Medicare	3,595
Benefits-retirement	1,407
Benefits-SUTA paid	84
Travel	725
Workers' Compensation	<u>808</u>
Total	<u>\$ 53,610</u>

See independent auditor's report.

**Other Reports Required by
*Government Auditing Standards***

**Independent Auditor's 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***



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**Independent Auditor’s 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***

To the Board of Directors of
The Extra Mile Region VI, Inc.

We have audited, in accordance with the 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, the financial statements of The Extra Mile Region VI, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Extra Mile Region VI, Inc.’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances 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 Extra Mile Region VI, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of The Extra Mile Region VI, Inc.’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.





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To the Board of Directors
The Extra Mile Region VI, Inc.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Extra Mile Region VI, Inc.'s financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Extra Mile Region VI, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Extra Mile Region VI, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

September 28, 2022

**The Extra Mile Region VI, Inc.
Schedule of Findings and Responses
Year Ended June 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Management's Corrective Action Plan None

Management's Summary Schedule of Prior Audit Findings None

Memorandum of Other Comments and Recommendations None issued

Federal Awards Not applicable

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

The Extra Mile Region VI, Inc.

*Statewide Agreed-Upon Procedures
Report*

Alexandria, Louisiana

June 30, 2022



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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Directors of
The Extra Mile Region VI, Inc.
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Extra Mile Region VI, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

The Extra Mile Region VI, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

Written Policies and Procedures

1. **Procedure:** Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.





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- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.



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Results: The Extra Mile Region VI, Inc.'s purchasing policies and procedures do not state how vendors are added to the vendor list. The payroll and personnel policies do not include the written process for approval of employee pay rates or maintenance of pay rate schedules. Policies and procedures for contracting do not require legal review or a written process for approval. The Extra Mile Region VI, Inc. does not have a documented information technology/disaster recovery/business continuity plan.

Management's Response: We are developing policies and procedures regarding how vendors will be added to the vendor list; the process for approval of employee pay rates and the maintenance of pay rate schedules; the process of entering into a contract; and a documented information technology/disaster recovery/business continuity plan.

Board or Finance Committee

2. **Procedure:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: No exceptions were found as a result of this procedure.



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Bank Reconciliations

3. **Procedure:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four (4) additional accounts [or all accounts if less than five (5)]. Randomly select one (1) month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within two (2) months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than twelve (12) months from the statement closing date, if applicable.

Results: No exceptions were found as a result of this procedure.

Collections (excluding electronic funds transfers)

4. **Procedure:** Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five (5) deposit sites [or all deposit sites if less than five (5)].

Results: No exceptions were found as a result of this procedure.

5. **Procedure:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one (1) collection location for each deposit site [i.e., five (5) collection locations for five (5) deposit sites], obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.



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- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were found as a result of this procedure.

6. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: No exceptions were found as a result of this procedure.

7. **Procedure:** Randomly select two (2) deposit dates for each of the five (5) bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the ten (10) deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one (1) business day of receipt at the collection location [within one (1) week if the depository is more than ten (10) miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer].
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of this procedure.



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Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. **Procedure:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five (5) locations [or all locations if less than five (5)].

Results: No exceptions were found as a result of this procedure.

9. **Procedure:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two (2) employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two (2) employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Results: The same employee responsible for processing payments may also add or modify vendors and mail payments.

Management's Response: Due to the small staff of our organization it is not possible to separate these duties. The Secretary/Treasurer of the board performs a review of the monthly bank statements and credit card statements to verify the legitimacy of any transactions.

10. **Procedure:** For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five (5) disbursements for each location, obtain supporting documentation for each transaction, and:



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- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions were found as a result of this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. **Procedure:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: No exceptions were found as a result of this procedure.

12. **Procedure:** Using the listing prepared by management, randomly select five (5) cards [or all cards if less than five (5)] that were used during the fiscal period. Randomly select one (1) monthly statement or combined statement for each card [for a debit card, randomly select one (1) monthly bank statement], obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were found as a result of this procedure.



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- 13. Procedure:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select ten (10) transactions [or all transactions if less than ten (10)] from each statement, and obtain supporting documentation for the transactions [i.e., each card should have ten (10) transactions subject to testing]. For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: No exceptions were found as a result of this procedure.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- 14. Procedure:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select five (5) reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five (5) reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: One (1) of the five (5) selected reimbursement transactions examined was to the Executive Director and did not indicate in writing that the reimbursement was reviewed and approved by another individual.



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To the Board of Directors of
The Extra Mile Region VI, Inc.
and the Louisiana Legislative Auditor

Management's Response: The Secretary/Treasurer reviews the legitimacy of transactions for each month and indicates approval by signing the bank statements and credit card statements after the review. The Executive Director is usually only reimbursed for business related mileage. Going forward the Secretary/Treasurer will do a distinct review of any reimbursements made to the Executive Director and will sign indicating approval when these reimbursements occur.

Contracts

15. **Procedure:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select five (5) contracts [or all contracts if less than five (5)] from the listing, excluding the practitioner's contract, and:
- Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - Randomly select one (1) payment from the fiscal period for each of the five (5) contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of this procedure.

Payroll and Personnel

16. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five (5) employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No exceptions were found as a result of this procedure.



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The Extra Mile Region VI, Inc.
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- 17. Procedure:** Randomly select one (1) pay period during the fiscal period. For the five (5) employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were found as a result of this procedure.

- 18. Procedure:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two (2) employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials authorized pay rates in the employee or officials' personnel files, and agree the termination payment to the entity policy.

Results: No exceptions were found as a result of this procedure.

- 19. Procedure:** Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of this procedure.



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The Extra Mile Region VI, Inc.
and the Louisiana Legislative Auditor

Ethics

20. **Procedure:** Using the five (5) randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one (1) hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: Ethics requirements are not applicable to nonprofits.

Debt Service

21. **Procedure:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Results: Debt service requirements are not applicable to nonprofits.

Procedure: Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one (1) bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Debt service requirements are not applicable to nonprofits.

Fraud Notice

22. **Procedure:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.



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Results: No exceptions were found as a result of this procedure.

23. **Procedure:** Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of this procedure.

Information Technology Disaster Recover/Business Continuity

24. **Procedure:** Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three (3) months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select five (5) computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedures and discussed the results with management.

Sexual Harassment

25. **Procedure:** Using the five (5) randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one (1) hour of sexual harassment training during the calendar year.



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Results: Sexual harassment requirements are not applicable to nonprofits.

26. **Procedure:** Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: Sexual harassment requirements are not applicable to nonprofits.

27. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Results: Sexual harassment requirements are not applicable to nonprofits.

We were engaged by The Extra Mile Region VI, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
The Extra Mile Region VI, Inc.
and the Louisiana Legislative Auditor

We are required to be independent of The Extra Mile Region VI, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Payne, Moore & Herrington, LLP

Payne, Moore & Herrington, LLP
Alexandria, Louisiana

September 28, 2022