

The Extra Mile, Region IV, Inc.

FINANCIAL STATEMENTS AND  
AUDITORS' REPORT

June 30, 2019

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of The Extra Mile, Region IV, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Extra Mile, Region IV, Inc., as of June 30, 2019, 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.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate 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 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 schedule of expenditures of federal awards and the schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are 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 December 23, 2019, on our consideration of The Extra Mile, Region IV, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 IV, Inc.'s internal control over financial reporting and compliance.

### **Report on Summarized Comparative Information**

We have previously audited The Extra Mile, Region IV, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 26, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Stulb & Associates". The signature is written in black ink and is positioned above the typed name and date.

Lake Charles, Louisiana  
December 23, 2019

**The Extra Mile, Region IV, Inc.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2019 and 2018**

|   | <u>2019</u>              | <u>2018</u>              |
|---|--------------------------|--------------------------|
| <b>ASSETS</b>                           |                          |                          |
| <b>CURRENT ASSETS</b>                   |                          |                          |
| Cash and cash equivalents               | \$ 96,298                | \$ 123,125               |
| Certificates of deposit                 | 41,285                   | 40,854                   |
| Accounts receivable                     |                          |                          |
| Grants and contracts                    | 235,953                  | 239,992                  |
| Other                                   | 178                      | 1,012                    |
| Prepaid expenses                        | <u>3,120</u>             | <u>12,465</u>            |
| <b>Total Current Assets</b>             | <b>376,834</b>           | <b>417,448</b>           |
| <b>PROPERTY AND EQUIPMENT</b>           |                          |                          |
| Furniture and equipment                 | 123,338                  | 71,489                   |
| Leasehold improvements                  | 5,323                    | 5,323                    |
| Accumulated depreciation                | <u>(58,687)</u>          | <u>(60,376)</u>          |
| <b>Net Property and Equipment</b>       | <b>69,974</b>            | <b>16,436</b>            |
| <b>Security Deposits</b>                | <u>6,800</u>             | <u>-</u>                 |
| <b>TOTAL ASSETS</b>                     | <b><u>\$ 453,608</u></b> | <b><u>\$ 433,884</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                          |                          |
| <b>CURRENT LIABILITIES</b>              |                          |                          |
| Accounts payable                        | \$ 57,674                | \$ 32,355                |
| Accrued liabilities                     | <u>15,621</u>            | <u>14,377</u>            |
| <b>Total Current Liabilities</b>        | <b>73,295</b>            | <b>46,732</b>            |
| <b>NET ASSETS</b>                       |                          |                          |
| Without donor restrictions              | 211,370                  | 188,044                  |
| With donor restrictions                 | <u>168,943</u>           | <u>199,108</u>           |
| <b>Total Net Assets</b>                 | <b><u>380,313</u></b>    | <b><u>387,152</u></b>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b><u>\$ 453,608</u></b> | <b><u>\$ 433,884</u></b> |

See accompanying notes and accountants' report

**The Extra Mile, Region IV, Inc.**  
**STATEMENTS OF ACTIVITIES**  
**For the Years ended June 30, 2019 and 2018**

|  | <u>2019</u>        | <u>2018</u>        |
|--|--------------------|--------------------|
| <b>Changes in Net Assets Without Donor Restrictions:</b>                 |                    |                    |
| Revenues and gains   |                    |                    |
| Other  | \$ 31,569          | \$ 22,362          |
| Interest   | 448                | 33                 |
| <b>Total Revenue and Gains Without Donor Restrictions</b>                | <u>32,017</u>      | <u>22,395</u>      |
| <b>Net assets released from restrictions:</b>                            |                    |                    |
| Satisfaction of program restrictions                                     | 1,844,778          | 1,924,958          |
| <b>Total Net Assets Released from Restrictions</b>                       | <u>1,844,778</u>   | <u>1,924,958</u>   |
| <b>Total Revenue, Gains and Other Support Without Donor Restrictions</b> | 1,876,795          | 1,947,353          |
| <b>Expenses</b>  |                    |                    |
| Program service  | 1,783,771          | 1,824,817          |
| Management and general   | 69,698             | 65,271             |
| <b>Total Expenses</b>  | <u>1,853,469</u>   | <u>1,890,088</u>   |
| <b>Increase (Decrease) in Net Assets Without Donor Restrictions</b>      | 23,326             | 57,265             |
| <b>Changes in Net Assets With Donor Restrictions:</b>                    |                    |                    |
| Grants and contracts   | 1,390,250          | 1,457,822          |
| Contributions  | 55,386             | 58,997             |
| Contributed supplies   | 368,977            | 334,881            |
| Net assets released from restrictions                                    | <u>(1,844,778)</u> | <u>(1,924,958)</u> |
| <b>Increase (Decrease) in Net Assets With Donor Restrictions</b>         | <u>(30,165)</u>    | <u>(73,258)</u>    |
| <b>Increase (Decrease) in Net Assets</b>                                 | (6,839)            | (15,993)           |
| <b>Net Assets at Beginning of Year</b>                                   | <u>387,152</u>     | <u>403,145</u>     |
| <b>Net Assets at End of Year</b>   | <u>\$ 380,313</u>  | <u>\$ 387,152</u>  |

See accompanying notes and accountants' report

**The Extra Mile, Region IV, Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Years Ended June 30, 2019 and 2018**

6/30/2019

|                                       | <u>Program Services</u>      |                            |                          |                         | <u>Total<br/>2019</u>      |
|---------------------------------------|------------------------------|----------------------------|--------------------------|-------------------------|----------------------------|
|                                       | <u>Volunteer<br/>Program</u> | <u>Family<br/>Support</u>  | <u>Adult<br/>Support</u> | <u>Administrative</u>   |                            |
| <b><u>Functional Expenses</u></b>     |                              |                            |                          |                         |                            |
| Salaries and stipends                 | \$ 42,345                    | \$ 731,878                 | \$ 48,152                | \$ 34,956               | \$ 857,331                 |
| Payroll taxes and<br>related benefits | 31,936                       | 138,822                    | 4,247                    | 7,955                   | 182,960                    |
| Travel                                | 112                          | 144,527                    | 1,233                    | -                       | 145,872                    |
| Operating expenses                    | 45,870                       | 112,211                    | 25,626                   | 16,500                  | 200,207                    |
| Supplies                              | 4,414                        | 13,524                     | 1,224                    | -                       | 19,162                     |
| Donated materials                     | 48,714                       | 232,787                    | 24,562                   | -                       | 306,063                    |
| Client assistance                     | -                            | 6,239                      | 11,510                   | -                       | 17,749                     |
| Professional fees                     | 12,115                       | 85,325                     | 780                      | 8,400                   | 106,620                    |
| Interest expense                      | -                            | -                          | -                        | 1,887                   | 1,887                      |
| Depreciation                          | 9,627                        | 5,991                      | -                        | -                       | 15,618                     |
| <b>Total expenses</b>                 | <b><u>\$ 195,133</u></b>     | <b><u>\$ 1,471,304</u></b> | <b><u>\$ 117,334</u></b> | <b><u>\$ 69,698</u></b> | <b><u>\$ 1,853,469</u></b> |

6/30/2018

|                                       | <u>Program Services</u>      |                            |                          |                         | <u>Total<br/>2018</u>      |
|---------------------------------------|------------------------------|----------------------------|--------------------------|-------------------------|----------------------------|
|                                       | <u>Volunteer<br/>Program</u> | <u>Family<br/>Support</u>  | <u>Adult<br/>Support</u> | <u>Administrative</u>   |                            |
| <b><u>Functional Expenses</u></b>     |                              |                            |                          |                         |                            |
| Salaries and stipends                 | \$ 41,216                    | \$ 728,661                 | \$ 91,355                | \$ 31,110               | \$ 892,342                 |
| Payroll taxes and<br>related benefits | 30,046                       | 149,665                    | 8,646                    | 8,709                   | 197,066                    |
| Travel                                | 4,213                        | 166,251                    | 5,968                    | -                       | 176,432                    |
| Operating expenses                    | 37,046                       | 102,306                    | 24,311                   | 16,500                  | 180,163                    |
| Supplies                              | 3,437                        | 14,779                     | 5,886                    | -                       | 24,102                     |
| Donated materials                     | 72,038                       | 209,462                    | 53,381                   | -                       | 334,881                    |
| Client assistance                     | -                            | 6,069                      | 18,373                   | -                       | 24,442                     |
| Professional fees                     | 8,155                        | 37,594                     | 2,061                    | 8,400                   | 56,210                     |
| Interest expense                      | -                            | -                          | -                        | 552                     | 552                        |
| Depreciation                          | 931                          | 2,967                      | -                        | -                       | 3,898                      |
| <b>Total expenses</b>                 | <b><u>\$ 197,082</u></b>     | <b><u>\$ 1,417,754</u></b> | <b><u>\$ 209,981</u></b> | <b><u>\$ 65,271</u></b> | <b><u>\$ 1,890,088</u></b> |

See accompanying notes and accountants' report

**The Extra Mile, Region IV, Inc.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2019 and 2018**

|   | <u>2019</u>          | <u>2018</u>           |
|---|----------------------|-----------------------|
| <b>Cash Flows from Operating Activities</b>                     |                      |                       |
| Change in Net Assets  | \$ (6,839)           | \$ (15,993)           |
| Adjustments to reconcile change in Net Assets                   |                      |                       |
| Depreciation  | 15,618               | 3,898                 |
| Interest Earned on Certificates of Deposit                      | (431)                | (9)                   |
| Non-cash contributions  | (58,692)             | -                     |
| Decrease (Increase) in operating assets:                        |                      |                       |
| Accounts receivable   |                      |                       |
| Grants and contracts  | 4,039                | 65,192                |
| Other   | 834                  | (976)                 |
| Prepaid expenses  | 9,345                | 4,155                 |
| Security Deposits   | (6,800)              | -                     |
| Increase (Decrease) in operating liabilities:                   |                      |                       |
| Accounts payable  | 25,319               | 5,892                 |
| Accrued Liabilities   | 1,244                | 2,949                 |
| Total Adjustments   | <u>(9,524)</u>       | <u>81,101</u>         |
| <br>Net Cash Provided (Used) by Operating Activities            | <br>(16,363)         | <br>65,108            |
| <br><b>Cash Flows from Investing Activities</b>                 |                      |                       |
| Purchase of property and equipment                              | <u>(10,464)</u>      | <u>-</u>              |
| <br>Net Cash Provided (Used) by Investing Activities            | <br>(10,464)         | <br>-                 |
| <br><b>Cash Flows from Financing Activities</b>                 |                      |                       |
| Proceeds from line of credit                                    | 65,000               | -                     |
| Payments on line of credit                                      | <u>(65,000)</u>      | <u>-</u>              |
| <br>Net Cash Provided (Used) by Financing Activities            | <br><u>-</u>         | <br><u>-</u>          |
| <br><b>Net Increase (Decrease) in Cash and Cash Equivalents</b> | <br>(26,827)         | <br>65,108            |
| <br><b>Cash and Cash Equivalents - Beginning of Year</b>        | <br><u>123,125</u>   | <br><u>58,017</u>     |
| <br><b>Cash and Cash Equivalents - End of Year</b>              | <br><u>\$ 96,298</u> | <br><u>\$ 123,125</u> |
| <br><b>Supplemental Disclosures</b>                             |                      |                       |
| Cash paid for interest  | <u>\$ 1,887</u>      | <u>\$ 552</u>         |
| <br><b>Non-Cash Investing and Financing Activities</b>          |                      |                       |
| Donated furniture and equipment                                 | <u>\$ 58,692</u>     | <u>\$ -</u>           |

See accompanying notes and accountants' report

The Extra Mile, Region IV, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of The Extra Mile, Region IV, Inc. (The Extra Mile) is presented to assist in understanding The Extra Mile's financial statements.

Nature of Activities

The Organization is a nonprofit, community-based program governed by a volunteer board of directors. The Organization administers several programs for the benefit of persons with mental health, retardation, and/or development disabilities, substance abuse problems and families involved with the child welfare system. Its activities cover the Parishes of St. Landry, St. Mary, St. Martin, Lafayette, Iberia, Vermillion, Acadia, Calcasieu, Jeff Davis, and Evangeline.

Basis of Accounting

The accompanying financial statements presented herein have been prepared on the accrual basis in accordance with generally accepted accounting principles.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase.

Support and Expenses

The Extra Mile receives substantially all of its revenues from contracts with Federal, State, and Parish agencies and Medicaid Providers. Contract revenues, in the case of reimbursement contracts, are recognized as the expense for the contract is incurred. Other revenues are recognized as earned.

Expenses are recorded as incurred in accordance with the accrual basis of accounting.

Financial Statement Presentation

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Support and revenue

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(C) (3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, The Extra Mile has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended June 30, 2019.

Use of Estimates

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

Property and Equipment

The Organization capitalizes all expenditures in excess of \$500 for property and equipment at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is provided for in an amount sufficient to relate the cost of depreciable assets to operations over their estimated service lives on the straight-line basis. Depreciation expense for the year ended June 30, 2019 was \$15,618.

**NOTE B CERTIFICATES OF DEPOSIT**

As of June 30, 2019, the Organization had a twenty-one month certificate of deposit that matures on April 19, 2020. The certificate yields 1.06%. The certificate of deposit serves as collateral for the business line of credit (Note K).

The Extra Mile, Region IV, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**NOTE C GRANTS AND CONTRACTS RECEIVABLE**

Grants and contracts receivable represents amounts due from various Federal, State, and Parish agencies and Medicaid Providers and are deemed to be fully collectible by management.

**NOTE D LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Additionally, as discussed in more detail in Note K, the Organization maintains a \$50,000 line of credit which was available as of June 30, 2019. The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

|   |                    |
|---|--------------------|
| Financial assets at year end:   |                    |
| Cash and cash equivalents   | \$96,298           |
| Certificates of deposit maturing within one year                                      | 41,285             |
| Accounts receivable   | <u>236,131</u>     |
| Financial assets at year-end  | \$373,714          |
| Less amounts not available to be used within one year:                                |                    |
| Net assets with donor restrictions  | (168,943)          |
| Purpose restrictions to be met in less than a year                                    | <u>168,943</u>     |
|   | <u>          -</u> |
| Financial assets available to meet cash needs for general expenditure within one year | <u>\$373,714</u>   |

**NOTE E CHANGE IN CAPITAL ASSETS**

A summary of capital assets for the year ended June 30, 2019 is as follows:

|                          | <u>June 30, 2018</u> | <u>Additions</u> | <u>Retirements</u>   | <u>June 30, 2019</u> |
|--------------------------|----------------------|------------------|----------------------|----------------------|
| Furniture and Equipment  | \$71,489             | \$ 69,156        | \$(17,307)           | \$123,338            |
| Leasehold Improvements   | 5,323                | -                | -                    | 5,323                |
| Accumulated Depreciation | <u>(60,376)</u>      | <u>(15,618)</u>  | <u>17,307</u>        | <u>(58,687)</u>      |
|                          | <u>\$16,436</u>      | <u>\$53,538</u>  | <u>\$          -</u> | <u>\$69,974</u>      |

During the year, the Organization relocated their offices and received a donation of office furniture and equipment that was in the new location. The value of the donation was estimated to be \$58,692 and is included in additions to capital assets. Certain equipment has been acquired with the State of Louisiana grant funds. Under the terms of the agreements, the equipment reverts to the grantor if it is no longer used by the Organization.

The Extra Mile, Region IV, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**NOTE F NET ASSETS**

Net assets were released from donor/grantor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors/grantors.

Net assets with donor restrictions were as follows for the year ending June 30, 2019:

|                                 |                  |
|---------------------------------|------------------|
| Specific Purpose                |                  |
| Program related expenditures    | \$6,285          |
| Passage of Time                 |                  |
| Grants and contracts receivable | <u>162,658</u>   |
| Total                           | <u>\$168,943</u> |

**NOTE G DONATED MATERIALS AND SERVICES**

Volunteers have made contributions of their time to The Extra Mile. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation. The total number of service hours not subject to valuation was 13,176 for the year ended June 30, 2019.

The Extra Mile receives donations of food, clothing, and supplies. Management estimates the value of these donations to be \$306,064. These donations are recorded as contributions with the corresponding charge to donated materials. The Boys and Girls Club, Lapolisienne Building, LLC, and Tilmun Property, LLC provide the free use of office space to The Extra Mile. Management estimates the value of this space to be \$40,449. This donation is recorded as donations with the corresponding charge to occupancy.

**NOTE H FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a program basis in the statement of activities. The methods of allocation were based on the Organization's estimates of the relative proportion of various staff members' time and effort between program and support services as well as the Organization's estimates of the amount of each expense utilized for program or support service functions.

**NOTE I OPERATING LEASES**

The Organization leased space for offices and programs services under an operating lease that expired on September 30, 2018 at a monthly rental of \$5,600. The Organization relocated their offices and entered into two new lease agreements. One of the lease agreements is for the period November 1, 2018 through November 30, 2023 at a monthly rental of \$5,800. The other lease agreement is for the period December 1, 2018 through November 30, 2021, at a monthly rental of \$1,000. Rent expense, including donated space (Note G), for the year ended June 30, 2019 was \$122,949.

The Extra Mile, Region IV, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**NOTE I OPERATING LEASES - Continued**

The following is a schedule of future minimum rental payments required under the above operating leases as of June 30, 2019:

|                             |                  |
|-----------------------------|------------------|
| Fiscal year ending June 30, |                  |
| 2020                        | \$81,600         |
| 2021                        | 81,600           |
| 2022                        | 74,600           |
| 2023                        | 69,600           |
| 2024                        | <u>29,000</u>    |
| Total                       | <u>\$336,400</u> |

**NOTE J CONCENTRATION OF CREDIT RISK**

Financial instruments that are exposed to credit risk include cash, cash equivalents, certificates of deposit, and grants receivable. The Organization maintains its cash accounts and certificates of deposit in commercial banks. Accounts at the commercial banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. Grants receivable are principally with the State of Louisiana and Medicaid Providers.

**NOTE K LINE OF CREDIT**

On November 30, 2009, the Organization established a \$40,000 business line of credit from JPMorgan Chase Bank, NA to help finance its short-term operating needs and is fully collateralized by a certificate of deposit (Note B). In January 2016, the line of credit was increased to \$50,000 with additional collateral by a \$10,000 savings account. Interest is payable monthly on outstanding balances at a variable interest rate currently at 7.35%. The ending balance for the year ended June 30, 2019 was \$0. The total interest paid on the line of credit for the year ending June 30, 2019 was \$274.

**NOTE L RISKS AND UNCERTAINTIES**

The Organization receives a substantial amount of its support from governmental agencies. A significant reduction in this support, if it were to occur, would affect the Organization's programs and activities.

**NOTE M RETIREMENT PLAN**

On February 1, 2011, the Organization made available to eligible employees the opportunity to participate in a SIMPLE IRA plan. In October 2017, the plan was converted to a 403(b) thrift plan. The plan allows employees expected to make at least \$2,000 in annual compensation to be eligible. The Organization also contributes 3% of salaries to the plan for the benefit of the eligible employees. The total Organization's contributions for the year ended June 30, 2019 was \$21,550.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**NOTE N COMPENSATED ABSENCES**

Full time employees earn 8 hours per month of vacation and 8 hours per month of sick leave each year. A maximum of twenty-four days of vacation may be accumulated and carried forward, while sick leave accrual is unlimited. Upon termination, employees are paid for unused vacation only. The Organization has not accrued unpaid compensated absences because the amount cannot be reasonably estimated.

**NOTE O PRIOR PERIOD INFORMATION**

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

**NOTE P SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through December 23, 2019, the date which the financial statements were available to be issued.

The Extra Mile, Region IV, Inc.

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the Year ended June 30, 2019

**AGENCY HEAD NAME: LINDA BOUDREAUX, EXECUTIVE DIRECTOR**

| <u>PURPOSE</u> | <u>AMOUNT</u>           |
|----------------|-------------------------|
| Salary         | \$99,181                |
| Benefits       |                         |
| Retirement     | <u>2,975</u>            |
| <b>TOTAL</b>   | <u><u>\$102,156</u></u> |

**The Extra Mile, Region IV, Inc.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2019**

| <b>Federal Grantor/<br/>Pass - through Grantor/<br/>Program</b>   | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass-through Entity<br/>Identifying<br/>Number</b> | <b>Federal<br/>Expenditures</b> |
|---|------------------------------------|---|---------------------------------|
| Department of Justice,<br>Passed through the Louisiana Commission on Law Enforcement  |                                    |   |                                 |
| Crime Victim Assistance   | 16.575                             | 2016-VA-04-3763                                       | \$ 10,887                       |
| Crime Victim Assistance   | 16.575                             | 2017-VA-04-4370                                       | <u>16,078</u>                   |
| Total Crime Victim Assistance   |                                    |   | 26,965                          |
| Department of Health and Human Services,<br>Passed through the Louisiana Department of Children and Family Services,<br>Promoting Safe and Stable Families                          | 93.556*                            | 2000308556  | 610,537                         |
| Department of Health and Human Services,<br>Passed through the Louisiana Department of Health and Hospitals,<br>Office of Behavioral Health/**Acadiana Area Human Services District |                                    |   |                                 |
| Block Grants for Community Mental Health Services   | 93.958                             | **2000355643  | 46,999                          |
| Block Grants for Community Mental Health Services   | 93.958                             | **2000355621  | 49,061                          |
| Block Grants for Community Mental Health Services   | 93.958                             | **2000355631  | 18,003                          |
| Block Grants for Community Mental Health Services   | 93.958                             | **2000404959  | 28,893                          |
| Block Grants for Community Mental Health Services   | 93.958                             | 2000282458  | <u>104,936</u>                  |
| Total Block Grants for Community Mental Health Services   |                                    |   | <u>247,892</u>                  |
| Total Expenditures of Federal Awards  |                                    |   | <u><u>\$ 885,394</u></u>        |

\* Major Program

See accompanying notes to Schedule of Expenditures of Federal Awards

**The Extra Mile, Region IV, Inc.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year ended June 30, 2019**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of The Extra Mile, Region IV, Inc. under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The Extra Mile, Region IV, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Extra Mile, Region IV, Inc.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Extra Mile, Region IV, Inc. has elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

INDEPENDENT AUDITORS' 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  
The Extra Mile, Region IV, Inc.  
Lafayette, Louisiana

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 IV, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon, dated December 23, 2019.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The Extra Mile, Region IV, Inc.'s internal control over financial reporting (internal control) to determine 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 IV, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Extra Mile, Region IV, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Lake Charles, Louisiana  
December 23, 2019

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

### Report on Compliance for Each Major Federal Program

We have audited The Extra Mile, Region IV, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Extra Mile, Region IV, Inc.'s major federal programs for the year ended June 30, 2019. The Extra Mile's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of The Extra Mile, Region IV, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Extra Mile, Region IV, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The Extra Mile, Region IV, Inc.'s compliance.

### **Opinion on Each Major Federal Program**

In our opinion, The Extra Mile, Region IV, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

Management of The Extra Mile, Region IV, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Extra Mile, Region IV, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Extra Mile, Region IV, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Stull & Associates".

Lake Charles, Louisiana  
December 23, 2019

The Extra Mile, Region IV, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditors' Results

June 30, 2019

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified?  Yes  No
- Significant Deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major programs:

- Material weakness identified?  Yes  No
- Significant Deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

Type of auditors' report issued on compliance for the major federal award programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance  Yes  No

Identification of major programs:

CFDA NUMBER

NAME OF FEDERAL PROGRAM

93.556 Department of Health and Human Services, Passed through the Louisiana Department of Children and Family Services, Promoting Safe and Stable Families

The threshold for distinguishing Types A and B programs was \$750,000.

Auditee qualified as low-risk auditee?  Yes  No

The Extra Mile, Region IV, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Section II – Financial Statement Findings

**Current Audit**

There were no findings or questioned costs.

**Prior Audit**

There were no findings or questioned costs.

Section III – Federal Awards Findings and Questioned Costs

**Current Audit**

There were no findings or questioned costs.

**Prior Audit**

There were no findings or questioned costs.

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by The Extra Mile, Region IV, Inc. (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**Written Policies and Procedures**

1. Obtain the Entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Entity does not have any written policies and procedures), as applicable:
  - 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
  - d) **Receipts**, including receiving, recording, and preparing deposits
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - 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, and (5) monitoring card usage
  - 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**, not included as Ethics requirements are not applicable to nonprofits.
  - j) **Debt Service**, not included as Debt Service is not applicable to the Entity.

***We performed the procedures above and noted no exceptions.***

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- k) ***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.

***The Organization has no written policies and procedures for Disaster Recovery/Business Continuity.***

**Management response:**

***The Organization is in the process of revising their fiscal policies to include written policies and procedures for Disaster Recovery/Business Continuity.***

**Board (or Finance Committee, if applicable)**

There were no exceptions in this category during Year 1 or Year 2 therefore this category is excluded from testing in Year 3.

**Bank Reconciliations**

There were no exceptions in this category during Year 1 or Year 2 therefore this category is excluded from testing in Year 3.

**Collections**

4. 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 deposit sites (or all deposit sites if less than five).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. five collection locations for five 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 that are responsible for cash collections do not share cash drawers/registers.
  - 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 verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

***We performed the procedures above and noted no exceptions.***

7. Randomly select two deposit dates for each bank account (1 total bank account) (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) Alternately, 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 2 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 that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

*We performed the procedures above and noted the following exceptions:  
Deposits were not made within one business day of receipt from collection.*

**Management response:**

*Management is implementing procedures that will require all deposits to be made within one business day of receipt.*

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

There were no exceptions in this category during Year 1 or Year 2 therefore this category is excluded from testing in Year 3.

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

There were no exceptions in this category during Year 1 or Year 2 therefore this category is excluded from testing in Year 3

**Travel and Expense Reimbursement**

There were no exceptions in this category during Year 1 or Year 2 therefore this category is excluded from testing in Year 3.

**Contracts**

There were no exceptions in this category during Year 1 or Year 2 therefore this category is excluded from testing in Year 3.

**Payroll and Personnel**

There were no exceptions in this category during Year 1 or Year 2 therefore this category is excluded from testing in Year 3.

**Ethics (excluding Non-Profits)**

Item 20 was not included as they are not applicable to the Entity.

**Debt Service (excluding Non-Profits)**

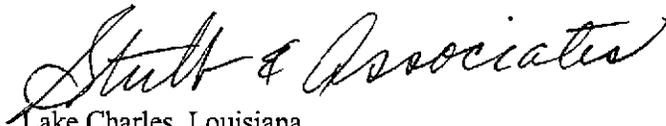
Items 21-22 were not included as they are not applicable to the Entity.

Other

There were no exceptions in this category during Year 1 or Year 2 therefore this category is excluded from testing in Year 3.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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 Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Stull & Associates".

Lake Charles, Louisiana

December 23, 2019