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**The Extra Mile, Region VII, Inc.
Shreveport, Louisiana**

Financial Statements

As of and For the Years Ended June 30, 1999 and 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 12 2000

The Extra Mile, Region VII, Inc.

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COOK & MOREHART

Certified Public Accountants

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Independent Auditors' Report

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

We have audited the accompanying statements of financial position of The Extra Mile, Region VII, Inc. (a nonprofit organization) as of June 30, 1999 and 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of The Extra Mile, Region VII, Inc. at June 30, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 1999 on our consideration of the The Extra Mile, Region VII, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying information on pages 11-12 is presented for additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Cook & Morehart
Certified Public Accountants
October 22, 1999

The Extra Mile, Region VII, Inc.
 Statements of Financial Positions
 June 30, 1999 and 1998

	1999	1998
Assets		
Current assets:		
Cash	\$ 6,131	\$ 9,903
Receivables		
Grant receivables	47,176	39,967
Accounts receivable		1,613
Due from other funds	16,906	20,700
Total current assets	70,213	72,183
Property and equipment:		
Property and equipment	45,259	42,357
Accumulated depreciation	(28,009)	(20,996)
Net property and equipment	17,250	21,361
Total Assets	\$ 87,463	\$ 93,544
 Liabilities and Net Assets		
Current liabilities:		
Other liabilities	\$ 1,445	\$ 1,207
Refundable advance	899	
Due to other funds	16,906	20,700
Total current liabilities	19,250	21,907
Net assets:		
Unrestricted:		
Operating	40,731	37,580
Designated for specific programs	10,232	12,696
Fixed assets	17,250	21,361
Total net assets	68,213	71,637
Total Liabilities and Net Assets	\$ 87,463	\$ 93,544

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

The Extra Mile, Region VII, Inc.
 Statements of Activities
 For the Years Ended June 30, 1999 and 1998

	Unrestricted	
	1999	1998
Revenues and Other Support:		
Contractual revenue - grants	\$ 182,202	\$ 191,706
Donations	11,763	21,414
Miscellaneous	157	1,386
Interest	472	590
Total revenues and other support	194,594	215,096
Expenses:		
Consumer care resources funds	24,033	21,559
Regional family support services	34,632	20,276
Daily outreach activities	38,243	45,085
Alcohol and drug abuse services	3,824	38,061
Personal client needs	10,903	10,791
Community development block grant	11,111	
General operations	75,272	78,288
Total expenses	198,018	214,060
Change in net assets	(3,424)	1,036
Net assets as of beginning of year	71,637	70,601
Net assets as of end of year	\$ 68,213	\$ 71,637

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

The Extra Mile, Region VII, Inc.
 Statements of Cash Flows
 For the Years Ended June 30, 1999 and 1998

	1999	1998
Operating Activities		
Change in net assets	\$ (3,424)	\$ 1,036
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,012	6,196
Loss on disposal of equipment		100
(Increase) decrease in operating assets:		
Grant receivables	(7,209)	220
Accounts receivables	1,613	(1,613)
Increase (decrease) in operating liabilities		
Accounts payable		(1,158)
Other liabilities	238	42
Refundable advance	899	
	(871)	4,823
Investing Activities		
Payments for property and equipment	(2,901)	(5,324)
	(2,901)	(5,324)
Net (decrease) in cash	(3,772)	(501)
Cash as of beginning of year	9,903	10,404
Cash as of end of year	\$ 6,131	\$ 9,903

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

The Extra Mile, Region VII, Inc.
Notes to Financial Statements
June 30, 1999 and 1998

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Extra Mile, Region VII, Inc., (Extra Mile) is a nonprofit corporation under the laws of the State of Louisiana. Extra Mile was established to provide volunteer coordination and support services for the Offices of Mental Health, Developmental Disabilities and Substance Abuse. The following programs are administered by Extra Mile with their approximate percentages of total revenue:

General Operations (32%) – Accounts for The Extra Mile contract and the overall operations of the agency, including volunteer recruitment and fund-raising efforts. Funding is provided by state funds from the State of Louisiana, Department of Health and Hospitals, and other miscellaneous revenues.

Consumer Care Resource Funds (14%) – Accounts for the Interagency Service Coordination contract, which is a source of funding for atypical expenditures necessary to meet extraordinary resource needs of emotionally and behaviorally impaired children. Funding is provided by federal funds from the State of Louisiana, Department of Health and Hospitals, Division of Mental Health.

Daily Outreach Activities (21%) – Accounts for the Green Harbor contract, which provides for the operations of a consumer-managed drop-in center for mentally ill adults where they can improve their social skills and be integrated into the community. Funding is provided by federal and state funds from the State of Louisiana, Department of Health and Hospitals, Division of Mental Health, and Department of Social Services, Office of Community Services.

Regional Family Support Services (19%) – Accounts for The Regional Family Support contract, a program to assist families to care for and live with a child or adolescent who has an emotional, behavioral or mental disorder. Funding is provided by federal funds from the State of Louisiana, Department of Health and Hospitals, Division of Mental Health.

Alcohol and Drug Abuse Services (2%) – Accounts for the Family Empowerment Project, which provides for the operation of adolescent alcohol and drug abuse services. Funding is provided by federal funds from the State of Louisiana, Department of Social Services, Office of Community Services.

Personal Client Needs (6%) – Accounts for the Client Specific Needs contract, which provides for the acquisition of items related to personal client needs identified to allow individuals with mental retardation and/or developmental disabilities to live as independently as possible in the community. Funding is provided by state funds from the State of Louisiana, Department of Health and Hospitals, Division of Citizens with Developmental Disabilities.

(Continued)

The Extra Mile, Region VII, Inc.
Notes to Financial Statements
June 30, 1999 and 1998
(Continued)

Community Development Block Grant (6%) – Accounts for a Community Development Block Grant, designed to assist the agency in defraying the costs of programs which serve the mentally ill, developmentally disabled, and persons in substance abuse recovery programs. Funding is provided by federal funds passed through the City of Shreveport.

B. Basis of Accounting

The financial statements of Extra Mile have been prepared on the accrual basis of accounting.

C. Basis of Presentation

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

D. Income Tax Status

The Extra Mile is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as an organization other than a private foundation. The Extra Mile, therefore, is not subject to income taxes. However, income from certain activities not directly related to The Extra Mile's tax-exempt purpose is subject to taxation as unrelated business income. The Extra Mile had no such income for this audit period.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

The Extra Mile's cash, as stated for cash flow purposes, consists of interest-bearing bank accounts. The Extra Mile has no other assets that are considered cash equivalents.

(Continued)

The Extra Mile, Region VII, Inc.
Notes to Financial Statements
June 30, 1999 and 1998
(Continued)

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The State of Louisiana and the federal government have a reversionary interest in property purchased with state and federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to state and federal regulations.

H. Revenue and Support

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

Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

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

I. Retirement Obligations

The employees of Extra Mile are members of the Social Security System. There are no other retirement plans available through Extra Mile.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject The Extra Mile to concentrations of credit risk consist principally of temporary cash investments and grant receivables. Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of June 30, 1999 and 1998, The Extra Mile had no significant concentrations of credit risk in relation to grant receivables. The Extra Mile maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At June 30, 1999 and 1998 there were no uninsured balances at these institutions. As of June 30, 1999 and 1998, The Extra Mile had no significant concentrations of credit risk.

(Continued)

The Extra Mile, Region VII, Inc.
Notes to Financial Statements
June 30, 1999 and 1998
(Continued)

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs and payment on units of service in connection with providing services under contracts or agreements. This balance represents amounts due from funding sources at June 30, 1999 and 1998, but received after those dates.

(4) Due To and Due From Other Funds

The following schedule represents amounts due to and due from other funds at June 30, 1999 and 1998:

	<u>1999</u>		<u>1998</u>	
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Operations	16,650	256	20,700	-
Consumer Care Resource Funds	-	4,500	-	4,000
Regional Family Support Services	-	8,500	-	5,000
Daily Outreach Activities	-	1,000	-	3,200
Alcohol and Drug Abuse Services	256	-	-	6,000
Personal Achievement and Leadership	-	-	-	-
Personal Client Needs	-	2,650	-	2,500
	<u>\$ 16,906</u>	<u>\$ 16,906</u>	<u>\$ 20,700</u>	<u>\$ 20,700</u>

(5) Property and Equipment

Property and equipment consisted of the following at June 30, 1999:

	<u>Estimated Depreciable Life</u>	<u>Purchased With State Funds</u>	<u>Purchased With Federal Funds</u>	<u>Total</u>
Furniture and equipment	5-7 years	\$ 5,230	\$ 40,029	\$ 45,259
Accumulated depreciation		(5,230)	(22,779)	(28,009)
Net investment in property and equipment		<u>\$ -</u>	<u>\$ 17,250</u>	<u>\$ 17,250</u>

Depreciation expense for the year ended June 30, 1999 was \$7,012.

(Continued)

The Extra Mile, Region VII, Inc.
Notes to Financial Statements
June 30, 1999 and 1998
(Continued)

Property and equipment consisted of the following at June 30, 1998:

	Estimated Depreciable <u>Life</u>	Purchased With State <u>Funds</u>	Purchased With Federal <u>Funds</u>	<u>Total</u>
Furniture and equipment	5-7 years	\$ 5,230	\$ 37,127	\$ 42,357
Accumulated depreciation		(5,230)	(15,766)	(20,996)
Net investment in property and equipment		<u>\$ -</u>	<u>\$ 21,361</u>	<u>\$ 21,361</u>

Depreciation expense for the year ended June 30, 1998 was \$6,196.

(6) Designated Net Assets

Certain funds received by Extra Mile have been designated for specific programs. The designated net assets at June 30, 1999 and 1998 are as follows:

	<u>1999</u>	<u>1998</u>
NWRMR-DD	\$ 962	\$ 1,162
NWRMH	636	468
NWRADC	28	178
MH Coalition	3,913	4,168
SMHC	504	504
Breakaway Shreveport	1	1
Breakaway Natchitoches	140	858
PTC Alumni		
Mile run	1,261	1,760
Pines Treatment Center	322	755
Memorial Day	43	43
Challenge	161	356
MADA		61
Minden Mental Health	28	28
Metamorphosis	104	78
VISTA (Support)	32	122
One Church One Addict		93
DWS Advisory	147	147
NWRDA-Phone	9	9
March of Dimes		
TEM Conference	24	(57)
OADA Prevention	141	40
Recovery Conference	1,250	1,250
Recovery Player	381	380
Scholarship MH	36	198
Christmas fund	1	
SMHC Snack Program	108	94
	<u>\$ 10,232</u>	<u>\$ 12,696</u>

(Continued)

The Extra Mile, Region VII, Inc.
Notes to Financial Statements
June 30, 1999 and 1998
(Continued)

(7) Contractual Revenue – Grants

During the years ended June 30, 1999 and 1998, The Extra Mile received contractual revenue from federal and state grants in the amount of \$182,202 and \$191,706, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(8) Leases

Extra Mile leases space under two operating leases. Rental costs on those leases for the years ended June 30, 1999 and 1998 were \$17,740 and \$12,600, respectively.

Commitments under lease agreements having initial or remaining non-cancelable terms in excess of one year as of June 30, 1999 were as follows:

<u>Years Ending June 30:</u>	
2000	\$ 9,360
2001	9,360
2002	<u>780</u>
	<u>\$ 19,500</u>

The Extra Mile, Region VII, Inc.
Combining Schedule of Financial Position
June 30, 1999

	Consumer Care Resource Funds	Regional Family Support Services	Daily Outreach Activities	Alcohol and Drug Abuse Services	Personal Client Needs	CDBG	General Operations	Total
Assets								
Current assets:								
Cash	\$ (3,592)	\$ (814)	\$ 723	\$	\$ 697	\$ (12,075)	\$ 21,192	\$ 6,131
Receivables:								
Grant receivables	8,468	9,806	6,364		3,125	12,633	6,780	47,176
Due from other funds				256			16,650	16,906
Total current assets	4,876	8,992	7,087	256	3,822	558	44,622	70,213
Property and equipment:								
Property and equipment	7,487	12,741	16,129	2,692	980		5,230	45,259
Accumulated depreciation	(3,424)	(10,599)	(7,170)	(1,570)	(16)		(5,230)	(28,009)
Net property and equipment	4,063	2,142	8,959	1,122	964			17,250
Total Assets	\$ 8,939	\$ 11,134	\$ 16,046	\$ 1,378	\$ 3,822	\$ 1,522	\$ 44,622	\$ 87,463
Liabilities and Net Assets								
Current liabilities:								
Other liabilities	\$ 102	\$ 34	\$ 75	\$	\$ 1,000	\$	\$ 234	\$ 1,445
Refundable advance		85		256		558		899
Due to other funds	4,500	8,500	1,000		2,650		256	16,906
Total current liabilities	4,602	8,619	1,075	256	3,650	558	490	19,250
Net assets:								
Unrestricted:								
Operating	274	373	6,012		172		33,900	40,731
Designated for specific programs							10,232	10,232
Fixed assets	4,063	2,142	8,959	1,122		964		17,250
Total net assets	4,337	2,515	14,971	1,122	172		44,132	68,213
Total Liabilities and Net Assets	\$ 8,939	\$ 11,134	\$ 16,046	\$ 1,378	\$ 3,822	\$ 1,522	\$ 44,622	\$ 87,463

The Extra Mile, Region VII, Inc.
 Combining Schedule of Activities
 For the Year Ended June 30, 1999

	Consumer Care Resource Funds	Regional Family Support Services	Daily Outreach Activities	Alcohol and Drug Abuse Services	Personal Client Needs	Community Development Block Grant	General Operations	Total
Revenues and Other Support:								
Contractual revenue - grants	\$ 27,497	\$ 36,318	\$ 39,914	\$ 3,572	\$ 12,000	\$ 12,075	\$ 50,826	\$ 182,202
Donations			120				11,643	11,763
Miscellaneous							157	157
Interest	38	36	60	14	34		290	472
Total revenues and other support	<u>27,535</u>	<u>36,354</u>	<u>40,094</u>	<u>3,586</u>	<u>12,034</u>	<u>12,075</u>	<u>62,916</u>	<u>194,594</u>
Expenses:								
Salaries and wages			10,118	2,888		5,494	45,723	64,223
Payroll taxes and benefits			1,105	257		551	4,420	6,333
Travel		1,071	686	69		2,058	1,473	5,357
Operating services	22,286	29,869	16,714	22		2,110	8,081	79,082
Supplies		796	3,584	50		882	531	5,843
Professional fees	570	748	2,090				937	4,345
Personal client needs					10,903			10,903
Resource materials			813					813
Other community programs							14,107	14,107
Depreciation	1,177	2,148	3,133	538		16		7,012
Total expenses	<u>24,033</u>	<u>34,632</u>	<u>38,243</u>	<u>3,824</u>	<u>10,903</u>	<u>11,111</u>	<u>75,272</u>	<u>198,018</u>
Change in net assets	3,502	1,722	1,851	(238)	1,131	964	(12,356)	(3,424)
Transfers for general administration	(2,750)	(3,726)	(4,926)		(1,112)		12,514	
Net assets as of beginning of year	3,585	4,519	18,046	1,360	153		43,974	71,637
Net assets as of end of year	<u>\$ 4,337</u>	<u>\$ 2,515</u>	<u>\$ 14,971</u>	<u>\$ 1,122</u>	<u>\$ 172</u>	<u>\$ 964</u>	<u>\$ 44,132</u>	<u>\$ 68,213</u>

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Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
The Extra Mile, Region VII, Inc.
Shreveport, Louisiana

We have audited the financial statements of the The Extra Mile, Region VII, Inc. as of and for the year ended June 30, 1999, and have issued our report thereon dated October 22, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the The Extra Mile, Region VII, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the The Extra Mile, Region VII, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants
October 22, 1999

The Extra Mile, Region VII, Inc.
Shreveport, Louisiana
Summary Schedule of Audit Findings for Louisiana Legislative Auditor
June 30, 1999

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the prior year ended June 30, 1998.

Corrective Action Plan for Current Year Audit Findings

There are no findings or management letter comments for the current year ended June 30, 1999.