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**THE EXTRA MILE, REGION VI, INC.
PINEVILLE, LOUISIANA**

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORTS**

**FOR THE YEAR ENDED
JUNE 30, 1996**

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 MAR 19 1997

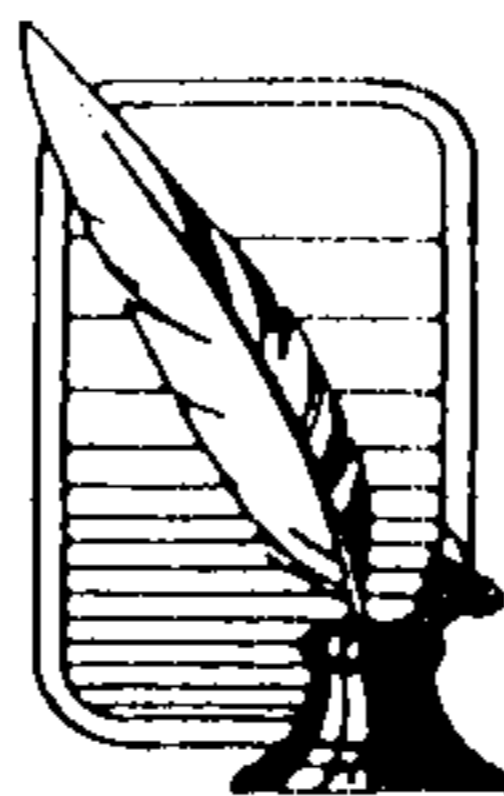
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THE EXTRA MILE, REGION VI, INC.
PINEVILLE, LOUISIANA

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A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Extra Mile, Region VI, Inc.
Pineville, Louisiana

We have audited the accompanying balance sheet of The Extra Mile, Region VI, Inc. as of June 30, 1996, and the related statements of activity and changes in cash flows for the year ended June 30, 1996. These financial statements are the responsibility of the management of The Extra Mile, Region VI, Inc. Our responsibility is to express an opinion on these financial statements based upon our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Extra Mile, Region VI, Inc., as of June 30, 1996, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the

financial statements of The Extra Mile, Region VI, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated December 2, 1996, on our consideration of The Extra Mile, Region VI, Inc.'s internal control structure and a report dated December 2, 1996, on its compliance with laws and regulations.

Dauzat, Beall & Debevec, CPAs, APC

A handwritten signature in cursive script that reads "Dauzat, Beall & Debevec". The signature is written in dark ink and is positioned above the typed name and date.

Alexandria, Louisiana

December 2, 1996

THE EXTRA MILE, REGION VI, INC.
Pineville, Louisiana

BALANCE SHEET
JUNE 30, 1996

	RESTRICTED							TOTAL ALL FUNDS
	GENERAL FUND	TEM STATE FUND	MENTAL HEALTH FLEXIBLE FUND	EPIC RURAL DROP IN FUND	EPIC URBAN DROP IN FUND	PUBLIC HEALTH FUND	OCDD GRANT FUND	
ASSETS								
Cash	\$ 39,180			\$ 1,409	\$ 76			\$ 40,665
Due from other funds	881							881 *
Due from general fund	2,027		\$ 4,841					
Due from LA Dept. of Health & Hospitals		\$ 1,593			\$ 2,634	\$ 3,300		7,527
Property and equipment net of accumulated depreciation							\$ 7,211	7,211
Total Assets	\$ 42,088	\$ 1,593	\$ 4,841	\$ 1,409	\$ 76	\$ 3,300	\$ 7,211	\$ 56,284
LIABILITIES AND FUND BALANCES								
Liabilities								
Bank overdraft	\$ 282		\$ 1,673					\$ 1,673
Payroll taxes								282
Accounts payable								5,000 *
Due to general fund		\$ 1,593	3,168			\$ 3,000		3,168 *
Due to State of LA								
Due to flex fund	4,841							
Total Liabilities	5,123	1,593	4,841			3,300		10,623
Fund Balances								
Unrestricted	(602)							(602)
Restricted	37,567			\$ 1,409	\$ 76			39,052
Equipment fund							\$ 7,211	7,211
Total Liabilities and Fund Balance	\$ 42,088	\$ 1,593	\$ 4,841	\$ 1,409	\$ 76	\$ 3,300	\$ 7,211	\$ 56,284

* Interfund Borrowing Eliminated in Combination

See Accompanying Notes to Financial Statements.

THE EXTRA MILE, REGION VI, INC.
Pineville, Louisiana

STATEMENT OF ACTIVITY AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	RESTRICTED							TOTAL ALL FUNDS
	GENERAL FUND	TEM STATE FUND	MENTAL HEALTH FLEXIBLE FUND	EPIC RURAL DROP IN FUND	EPIC URBAN DROP IN FUND	PUBLIC HEALTH FUND	OCDD GRANT FUND	
SUPPORT AND REVENUE								
Government grants	\$ 50,000	\$ 44,999	\$ 55,174			\$ 17,916	\$ 7,221	\$ 125,310
Private grant	14,475							50,000
Fundraiser	1,350			\$ 2,000	\$ 3,000			14,475
Contributions	11,491							6,350
Admin reimbursements								11,491
Miscellaneous								
Total Support & Revenue	<u>77,316</u>	<u>44,999</u>	<u>55,174</u>	<u>2,000</u>	<u>3,000</u>	<u>17,916</u>	<u>7,221</u>	<u>207,626</u>
EXPENSES								
Fundraiser	5,099							5,099
Personal services	1,580	38,937	320			9,600		50,437
Related benefits	132	3,900				764		4,796
Travel	542	812				626		1,980
Operating services	14,774		47,497	500	2,835		6,564	72,170
Supplies			343			178		521
Professional services		1,350	1,500			1,748		4,598
Depreciation								1,905
Media campaign	12,433		2,768		89			12,433
Miscellaneous	1,038		5,834	91		5,000		3,986
Admin fees							657	11,491
Total Expenses	<u>35,598</u>	<u>44,999</u>	<u>58,262</u>	<u>591</u>	<u>2,924</u>	<u>17,916</u>	<u>7,221</u>	<u>169,416</u>
EXCESS (DEFICIENCY) OF SUPPORT OVER EXPENSES & REVENUE	41,718		(3,088)	1,409	76			38,210
FUND BALANCES, BEGINNING OF PERIOD	1,173							7,451
Add (Deduct) Transfers	(5,926)		(3,088)					2,838
FUND BALANCES, END OF PERIOD	<u>\$ 36,965</u>			<u>\$ 1,409</u>	<u>\$ 76</u>			<u>\$ 7,211</u>

* Interfund Borrowing Eliminated in Combination

See Accompanying Notes to Financial Statements.

THE EXTRA MILE, REGION VI, INC.
Pineville, Louisiana

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	RESTRICTED						TOTAL ALL FUNDS		
	GENERAL FUND	TEM STATE FUND	MENTAL HEALTH FLEXIBLE FUND	EPIC RURAL DROP IN FUND	EPIC URBAN DROP IN FUND	PUBLIC HEALTH FUND		OCDD GRANT FUND	EQUIPMENT FUND
CASH FLOWS FROM OPERATING ACTIVITIES									
Excess (Deficiency) of Support and Revenue Over Expenses	\$ 41,718		\$ (3,088)	\$ 1,409	\$ 76			\$ (1,905)	\$ 38,210
Adjustments to Reconcile Excess (Deficiency) of Support and Revenue to Net Cash Provided By Operations									
Depreciation								1,905	1,905
Changes in working capital:									
Current Assets:									
(Increase) Decrease in accounts receivables		\$ 4,330	71						(1,533)
(Increase) Decrease in due from other funds	1,548*		(3,088)*						*
Current Liabilities:									
Increase (Decrease) in accrued expenses	(1,530)	(1,350)	3,341					2,500	5,961
Increase (Decrease) in payroll taxes and penalties payable	282	(998)	(324)						(1,040)
Increase (Decrease) in due to other funds	3,088*	(1,982)*						134*	*
Net Cash Provided By Operating Activities	<u>45,106</u>		<u>(3,088)</u>	<u>1,409</u>	<u>76</u>				<u>43,503</u>

(CONTINUED)

* Interfund Borrowing Eliminated in Combination

See Accompanying Notes to Financial Statements.

THE EXTRA MILE, REGION VI, INC.
Pineville, Louisiana

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(CONTINUED)

	GENERAL FUND	TEM STATE FUND	RESTRICTED				PUBLIC HEALTH FUND	OCDD GRANT FUND	EQUIPMENT FUND	TOTAL ALL FUNDS
			MENTAL HEALTH FLEXIBLE FUND	EPIC RURAL DROP IN FUND	EPIC URBAN DROP IN FUND					
CASH FLOWS FROM INVESTMENT ACTIVITY										
Purchase of computer								(2,838)	(2,838)	
Net Cash Used in Investing Activity								(2,838)	(2,838)	
CASH FLOWS FROM FINANCING ACTIVITY										
Interfund transfers	(5,926)		3,088					2,838		
Net Cash Used in Financing Activity	(5,926)		3,088					2,838		
NET INCREASE IN CASH & CASH EQUIVALENTS	39,180			1,409				76	40,665	
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD										
CASH & CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 39,180</u>			<u>\$ 1,409</u>				<u>\$ 76</u>	<u>\$ 40,665</u>	

* Interfund Borrowing Eliminated in Combination

See Accompanying Notes to Financial Statements.

THE EXTRA MILE, REGION VI, INC.
Pineville, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) ORGANIZATION

The Extra Mile, Region VI, Inc., was created by Patricia Anne Burgess, of Pineville, Louisiana on March 22, 1991. The Extra Mile, Region VI, Inc., is an organized and professionally staffed system of community-based volunteer programs revolving around a Regional Volunteer Council system of management. The program encompasses state mental health, mental retardation/developmental disabilities and substance abuse services and programs. The mission of the program is to offer an opportunity for volunteers to work with the three disability areas in creating an enhanced and enriched environment for clients served by the Office of Human Services, Louisiana Department of Health and Hospitals. Therefore, The Extra Mile, Region VI, Inc., organized as an independent non-profit corporation, is the reporting entity. The Extra Mile, Region VI, Inc., has no oversight responsibility for any component units.

(B) BASIS OF ACCOUNTING

In order to ensure that limitations and restrictions are placed on the use of the resources available to the organization, the accounts are maintained in accordance with the principles of fund accounting. This accounting method classifies resources designated for a particular purpose into funds established according to their nature and purpose. The three fund types used are restricted, unrestricted and equipment. The restricted fund is designated for grant support and expenses. Conversely, the unrestricted fund is used for all other transactions except for equipment transactions which are separately accounted for in its own fund.

THE EXTRA MILE, REGION VI, INC.
Pineville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 1996
(continued)

(C) INCOME TAX

Under Section 501(c) of the Internal Revenue Code, the organization is exempt from federal income taxes, therefore, no provision for such taxes has been made. The organization is classified for tax purposes as an other than private foundation.

(D) SUPPORT

All support is considered to be available and unrestricted unless grant regulations contain legal requirements and restrictions. The restricted grant support for fiscal year ended June 30, 1996, was received from the Louisiana Department of Health and Hospitals on a cost reimbursement basis.

(E) STATEMENT PRESENTATION

The financial statements are presented in accordance with the American Institute of Certified Public Accountants Statement of Position 78-10. The expense classifications on the statement of support, expenses and changes in fund balance are presented according to budget categories in the grant agreement.

(F) Budget Policy:

Budgets are prepared by The Extra Mile's Executive Director and approved by the grantor of the funds. Budgets are prepared on a basis consistent with generally accepted accounting principles.

NOTE 2 FUNDING POLICIES AND SOURCES OF FUNDS

The Extra Mile receives its monies on a contract basis. Under this method, funds are received on a cost reimbursement basis from the State of Louisiana Department of Health and Hospitals.

The Extra Mile, Region VI, Inc., also receives donations from the general public.

THE EXTRA MILE, REGION VI, INC.
Pineville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 1996
(continued)

NOTE 3 DUE FROM THE LOUISIANA DEPT OF HEALTH AND HOSPITALS

Contracts receivable at June 30, 1996, consist of reimbursements for expenses incurred under the State of Louisiana Department of Health and Hospitals program and remitted subsequent to year end.

NOTE 4 BOARD OF DIRECTORS' COMPENSATION

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

NOTE 5 IN-KIND CONTRIBUTIONS

The Extra Mile received various in-kind contributions during the year. Office facilities were furnished in Pineville to The Extra Mile without charge for rent and/or utilities by the Central Louisiana State Hospital. Although these contributions have not been reported as revenues, the offsetting expenses have not been incurred thereby producing no effect on the financial statements.

NOTE 6 PROPERTY AND EQUIPMENT

A summary of property and equipment and accumulated depreciation is provided:

	Property and Equipment		
	Balance 6/30/95	Additions	Balance 6/30/96
Furniture and Equipment	<u>\$11,931</u>	<u>\$ 2,838</u>	<u>\$14,769</u>
	Accumulated Depreciation		
	Balance 6/30/95	Additions	Balance 6/30/96
Furniture and Equipment	<u>\$ 5,653</u>	<u>\$ 1,905</u>	<u>\$ 7,558</u>

Furniture and equipment includes amounts donated to the **Organization**. Values were determined at the time of donation and are recorded in the financial statements as \$ 353.

THE EXTRA MILE, REGION VI, INC.
Pineville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
June 30, 1996
(continued)

NOTE 7 COMPENSATED ABSENCES

As of June 30, 1996, all annual leave earned by employees was taken. Therefore, no liability is recorded at June 30, 1996.

NOTE 8 CASH

As of June 30, 1996, cash held by The Extra Mile, Region VI, Inc., was secured in full by FDIC (Federal Depositors Insurance Corporation) Insurance at the institution where deposited.

NOTE 9 ECONOMIC DEPENDENCY

The Extra Mile, Region VI, Inc. receives the majority of its revenue from funds provided through contracts administered by the Louisiana Department of Health and Hospitals. The contract amounts are appropriated each year by the State government. If significant budget cuts are made at the State level, the amount of funds The Extra Mile, Region VI, Inc. receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds The Extra Mile, Region VI, inc. will receive in the next fiscal year.

NOTE 10 CONTINGENCIES

The Extra Mile, Region VI, Inc. evaluates contingencies based upon the best available evidence. The **Organization** believes that no allowance for loss contingencies is considered necessary.

Amounts received from grantor agencies are subject to audit and adjustment by the agency. Any disallowed cost, including amounts already collected may constitute a liability. The amount, if any, which may be disallowed cannot be determined at this time although the **Organization** expects such amounts to be insignificant.

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A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
The Extra Mile, Region VI, Inc.
Pineville, Louisiana

We have audited the financial statements of The Extra Mile, Region VI, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated December 2, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of The Extra Mile, Region VI, Inc., is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Extra Mile, Region VI, Inc. for the year ended June 30, 199, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

These reportable conditions include:

1. GENERAL LEDGER

Statement of Condition: The (5) grants received during the year were not recorded in different ledgers.

Criteria: In order to accurately compare activity to date to budget and to avoid commingling of funds, separate general ledgers should be established and used for each grant.

Effect: If one general ledger is used, there is a greater chance of miscoding, misclassifying or commingling of fund disbursements by grant.

2. COST REIMBURSEMENTS-FLEX FUND

Statement of Condition: Some of the checks vouchered on the July and August 1995 reimbursement report were for a prior fiscal year.

Criteria: The mental health flex grant is not a multi year grant that allows disbursements to be carried over from one year to the next and claimed for reimbursement.

Effect: The current year grant reimbursements, for prior year disbursements, are due back to the state.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

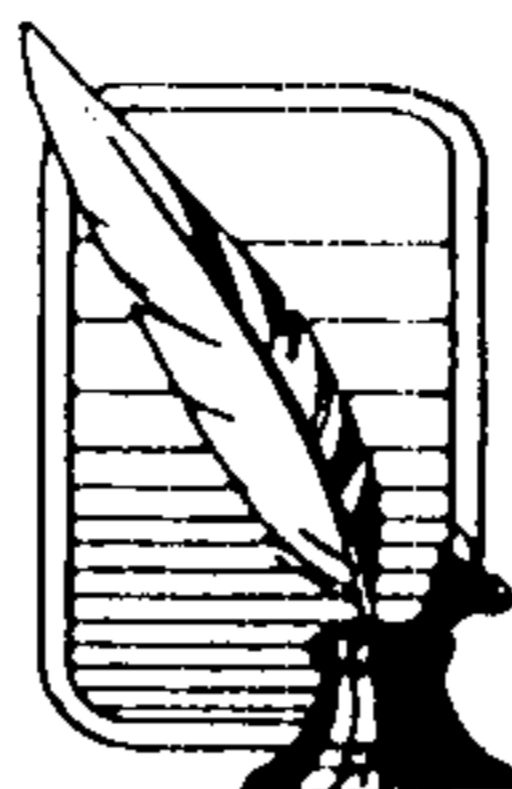
Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable conditions described above are not material weaknesses.

This report is intended for the information of The Extra Mile, Region VI, Inc., the State of Louisiana Department of Health and Hospitals, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Dauzat, Beall & Debevec, CPAs, APC


Alexandria, Louisiana
December 2, 1996

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
LAWS, REGULATIONS, CONTRACTS AND GRANTS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Directors
The Extra Mile, Region VI, Inc.
Pineville, Louisiana

We have audited the financial statements of The Extra Mile, Region VI, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated December 2, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-133, "Audits of Institution of Higher Education and Other Nonprofit Institutions." Those standards and Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to The Extra Mile, Region VI, Inc., is the responsibility of the management of The Extra Mile, Region VI, Inc. as part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of The Extra Mile's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.

However, we noted the following immaterial instances of noncompliance:

1. COST REIMBURSEMENTS-FLEX FUND


Statement of Condition: Some of the checks vouchered on the July and August 1995 reimbursement report were for a prior fiscal year.

Criteria: The mental health flex grant is not a multi year grant that allows disbursements to be carried over from one year to the next and claimed for reimbursement.

Effect: The current year grant reimbursements, for prior year disbursements, are due back to the state.

This report is intended for the management of The Extra Mile, Region VI, Inc., the State of Louisiana Department of Health and Hospitals, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Dauzat, Beall & Debevec, CPAs, APC


Alexandria, Louisiana
December 2, 1996

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A PROFESSIONAL CORPORATION
INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF FEDERAL AWARDS

Board of Directors
The Extra Mile, Region VI, Inc.
Pineville, Louisiana

We have audited the financial statements of The Extra Mile, Region VI, Inc. (a nonprofit organization) for the fiscal year ended June 30, 1996 and have issued our report thereon dated December 2, 1996. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the basic financial statements of The Extra Mile, Region VI, Inc. taken as a whole. The accompanying schedule of federal awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Dauzat, Beall & Debevec, CPAs, APC


Alexandria, Louisiana
December 2, 1996

The Extra Mile, Region VI, Inc.
Pineville, Louisiana

SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FISCAL YEAR ENDED JUNE 30, 1996 DISBURSEMENTS/ EXPENDITURES</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed through Louisiana Department of Health and Hospitals		
Office of Mental Health Adult Services	93.958	\$ 44,439
LOUISIANA DEPARTMENT OF HEALTH AND HOSPITALS		
Office of Mental Health	State Funds	<u>\$ 81,171</u>
TOTAL		<u>\$ 125,310</u>

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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS

Board of Directors
The Extra Mile, Region VI, Inc.
Pineville, Louisiana

We have audited the financial statements of The Extra Mile, Region VI, Inc. for the year ended June 30, 1996, and have issued our report thereon dated December 2, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Non-Profit Institutions". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of The Extra Mile, Region VI, Inc. in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements of The Extra Mile, Region VI, Inc. and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal programs. We have addressed policies and procedures relevant to our audit of the financial statements in a separate report dated December 2, 1996.

The management of The Extra Mile, Region VI, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets

would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute Of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Organization's ability to administer federal awards programs in accordance with applicable laws and regulations.

These reportable conditions include:

1. GENERAL LEDGER

Statement of Condition: The (5) grants received during the year were not recorded in different ledgers.

Criteria: In order to accurately compare activity to date to budget and to avoid commingling of funds, separate general ledgers should be established and used for each grant.

Effect: If one general ledger is used, there is a greater chance of miscoding, misclassifying or commingling of fund disbursements by grant.

2. COST REIMBURSEMENTS-FLEX FUND

Statement of Condition: Some of the checks vouchered on the July and August 1995 reimbursement report were for a prior fiscal year.

Criteria: The mental health flex grant is not a multi year grant that allows disbursements to be carried over from one year to the next and claimed for reimbursement.

Effect: The current year grant reimbursements, for prior year disbursements, are due back to the state.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Directors, management, the Louisiana Department of Health and Hospitals and the Department of Health and Human Services. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Dauzat, Beall and Debevec, CPAs, APC



Alexandria, Louisiana

December 2, 1996

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS



MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE
TO FEDERAL AWARDS PROGRAMS**

Board of Directors
The Extra Mile, Region VI, Inc.
Pineville, Louisiana

We have audited the financial statements of The Extra Mile, Region VI, Inc. (a nonprofit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated December 2, 1996.

We have applied procedures to test The Extra Mile, Region VI, Inc.'s compliance with the following requirements applicable to its federal awards program, which is identified in the accompanying schedule of federal and state awards, for the year ended June 30, 1996: political activity, civil rights, cash management, allowable costs/cost principles, drug free work place and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Educational Institutions and Other Nonprofit Institutions". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on The Extra Mile, Region VI, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that The Extra Mile, Region VI, Inc. has not complied in all material respects, with those requirements.

However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the board of directors, management, Louisiana Department of Health and Hospitals. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Dauzat, Beall & Debevec, CPAs, APC



Alexandria, Louisiana
December 2, 1996



MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR PROGRAM TRANSACTIONS

Board of Directors
The Extra Mile, Region VI, Inc.
Pineville, Louisiana

We have audited the financial statements of The Extra Mile, Region VI, Inc. (a nonprofit organization) as of and for the year ended June 30, 1996 and have issued our report thereon dated December 2, 1996.

In connection with our audit of the financial statements of The Extra Mile, Region VI, Inc. and with our consideration of the Organization's internal control structure used to administer federal programs, as required by Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," we selected certain transactions applicable to certain nonmajor federal programs for the year ended June 30, 1996.

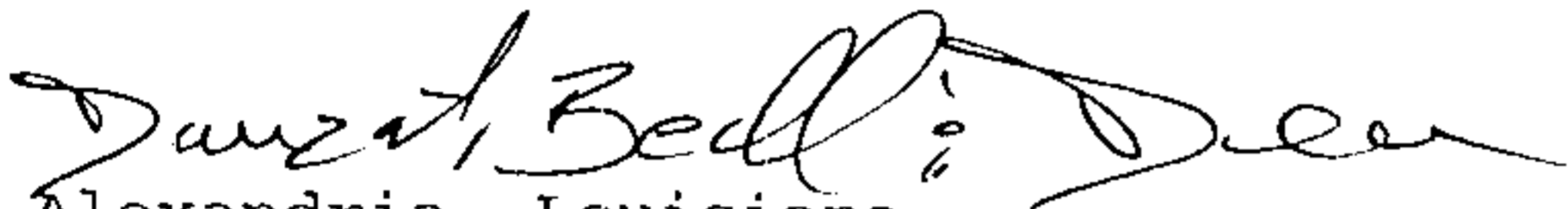
As required by OMB Circular A-133, we performed auditing procedures to test compliance with the requirements governing types of services allowed or not allowed, and claims for advances and reimbursement that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that The Extra Mile, Region VI, Inc. had not complied, in all material respects, with those requirements.

However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Directors, Management, Louisiana Department of Health and Hospitals, and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Dauzat, Beall & Debevec, CPAs, APC



Alexandria, Louisiana
December 2, 1996

THE EXTRA MILE, REGION VI, INC.
Pineville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAM TRANSACTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

<u>Number of Items in Population</u>	<u>Number of Items Tested</u>	<u>Number of Items Not in Compliance</u>	<u>Dollar Amount of Population</u>	<u>Dollar Amount of Items Tested</u>	<u>Dollar Amount of Items Not in Compliance</u>	<u>Amount of Questioned Costs</u>
289	289	16	\$ 55,174	\$ 55,174	\$ 2,795	\$ 2,795

UNITED STATES DEPARTMENT OF
HEALTH AND HUMAN SERVICES

COST REIMBURSEMENTS-FLEX FUND

Statement of Condition

Some of the checks vouchered on the July and August 1995 reimbursement report were for a prior fiscal year.

Criteria

The Mental Health Flex Grant is not a multi year grant that allows disbursements to be carried over from one year to the next and claimed for reimbursement.

Effect

The current year grant reimbursements, for prior year disbursements, are due back to the state.

Cause of Condition

The bookkeeper was unaware that the flex fund grant was a single year contract.

Recommendation

Only current year grant expenses should be vouchered for reimbursement.

Response

We concur with the auditors' responses. The bookkeeper will only voucher current grant year expenses on the vouchers for reimbursement.

TOTAL

\$ 2,795