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The Extra Milk, Region IV, Inc.

**FINANCIAL STATEMENTS AND
AUDITOR'S REPORT**

June 30, 2004

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

Release Date: 10-20-04

Stall & Associates
 Certified Public Accountants

TABLE OF CONTENTS

	Page
Independent Auditors' Report	3-4
Financial Statements:	
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Schedule of Expenditures of Federal Awards	9
Notes to Financial Statements	10-13
Independent Auditors' Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with Government Auditing Standards	14-15
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance With OMB Circular A-133	16-17
Schedule of Findings and Questioned Costs	18

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of The Extra Mile, Region IV, Inc. (a nonprofit organization) as of June 30, 2004, and the related statements of activities, functional expenses, and cash flows for the year then ended. 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 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. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of The Extra Mile, Region IV, Inc., as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2004, on our consideration of The Extra Mile, Region IV, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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Our audit was performed for the purpose of forming an opinion on the basic financial statements of The Extra Mile, Region IV, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such 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.



September 2, 2004

The Extra Mile, Region IV, Inc.
STATEMENT OF FINANCIAL POSITION
 June 30, 2000

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 139,421.20
Accounts receivable	
Grants and contracts	166,894.18
Other	709.12
Prepaid insurance	19,692.80
Total Current Assets	326,707.30

PROPERTY AND EQUIPMENT, at cost

Facilities and equipment	110,993.68
Leasehold improvements	12,985.00
Less: Accumulated Depreciation	(78,484.97)
Net Property and Equipment	45,493.71

TOTAL ASSETS **\$ 380,201.01**

CURRENT LIABILITIES

Accounts payable	\$ 12,869.49
Accrued liability	3,991.01
Total Current Liabilities	16,860.50

NET ASSETS

Unrestricted	131,791.64
Temporarily Restricted	252,731.87
Total Net Assets	384,523.51

TOTAL LIABILITIES AND

NET ASSETS **\$ 380,181.01**

The Extra Mile, Region IV, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Support			
Grants and contracts	\$ -	\$ 1,148,213.74	\$ 1,148,213.74
Donations	-	64,333.98	64,333.98
Donated materials and service	-	278,403.90	278,403.90
Other	-	15,753.80	15,753.80
Net assets released from restriction	1,621,793.74	(1,621,785.74)	-
	<u>1,621,793.74</u>	<u>(113,992.32)</u>	<u>1,507,801.42</u>
Revenue			
Interest income	1,263.56	-	1,263.56
	<u>1,263.56</u>	<u>-</u>	<u>1,263.56</u>
TOTAL SUPPORT AND REVENUE	<u>1,623,057.30</u>	<u>(113,992.32)</u>	<u>1,509,064.98</u>
EXPENSES			
Functional expenses			
Program service	1,522,745.96	-	1,522,745.96
	<u>1,522,745.96</u>	<u>-</u>	<u>1,522,745.96</u>
TOTAL EXPENSES	<u>1,522,745.96</u>	<u>-</u>	<u>1,522,745.96</u>
Change in Net Assets	100,311.74	(113,992.32)	(13,676.58)
Net Assets at Beginning of Year	51,475.90	326,724.19	378,200.09
Net Assets at End of Year	<u>\$ 151,787.64</u>	<u>\$ 212,731.87</u>	<u>\$ 364,519.51</u>

See notes to the financial statements

The Ebers Mfg. Region IV, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
 For the year ended June 30, 2004

	Volunteer Expense	Family Support	Adult Support	Administration	Total
Salaries and stipends	\$ 37,197.29	\$337,212.68	\$392,120.58	\$ 30,348.00	\$ 997,098.95
Payroll taxes	3,779.00	38,778.49	13,277.41	2,282.58	60,166.46
Retirement plan	1,790.73	2,947.21	1,064.93	0.00	5,802.88
Travel and conferences	5,838.34	33,349.04	9,873.58	3,647.63	54,808.79
Operating expenses	30,563.61	82,903.83	99,242.94	41,897.29	204,608.27
Supplies	3,884.61	24,600.00	9,471.00	3,499.96	41,455.22
Donated materials	23,172.40	190,718.39	100,221.00	0.00	514,111.90
Client assistance	2,479.09	184,983.31	90,893.41	0.00	308,355.81
Professional fees	6.00	37,004.08	28,486.88	3,994.09	70,134.85
Depreciation	2,908.00	7,008.00	2,287.00	0.00	12,523.00
	<u>\$ 103,878.35</u>	<u>\$822,688.89</u>	<u>\$314,285.34</u>	<u>\$ 90,183.06</u>	<u>\$ 1,501,143.96</u>

The Extra Mile, Region IV, Inc.
STATEMENTS OF CASH FLOWS
 For the Year Ended June 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (13,676.50)
Adjustments to reconcile change in Net Assets:	
Depreciation	12,523.00
Decrease (Increase) in operating assets:	
Accounts Receivable	
Grants and contracts	43,725.00
Other	(541.13)
Increase (Decrease) in operating liabilities:	
Accounts Payable	(1,445.30)
Accrued Liabilities	2,746.03
Total Adjustments	<u>57,687.60</u>
Net Cash Provided By Operating Activities	<u>43,991.07</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property & Equipment	(11,870.65)
Net Cash Used By Investing Activities	<u>(11,870.65)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	 32,120.42
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>138,119.82</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 170,240.24</u>

The Extra Mile, Region IV, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2004

Federal Grants/ Pass - through Grants/Program	Federal CFDA Number	Federal Expenditures
*Department of Health and Human Services, Administration for Children and Families Promoting Safe and Stable Families	99.556	\$ 571,899.84
Department of Health and Human Services, Substance Abuse and Mental Health Services Block Grant for Community Mental Health Services	93.938	163,461.49
Department of Health and Human Services Administration for Children and Families Adoption Opportunities	93.692	45,087.54
Department of Health and Human Services, Administration for Children and Families Community-Based Family Resource and Support Grants	93.590	<u>34,815.91</u>
		<u>\$ 795,264.85</u>

*Grants major program as defined by OMB Circular A-133

The Extra Mile, Region IV, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2004

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 developmental 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, Vermilion, Acadia, 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 its revenues from contracts with Federal, State, and Parish agencies. 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 Organization has adopted 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. As permitted by the statement, the Organization does not use fund accounting.

The Extra Mile, Region IV, Inc.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2004

Support and revenues

All support is considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement 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, 2004.

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, 2004 was \$12,513.

NOTE B GRANTS AND CONTRACTS RECEIVABLE

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

NOTE C NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from designator restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by designator. Total amount released from restrictions during the year was \$1,631,796.

The Extra Mile, Region IV, Inc.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2004

NOTE D 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 Extra Mile receives donations of food, clothing, and supplies. Management estimates the value of these donations to be \$278,484. These donations are recorded as contributions with the corresponding charge to donated materials.

NOTE E 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. This requires the allocation of certain costs between program and supporting services based on estimates made by management.

NOTE F OPERATING LEASES

The Organization leases space for offices and program services under various leasing arrangements. Rental agreements having an original term of more than one year expire on various dates through October 31, 2005. Minimum rentals, for non-cancelable leases on an annual basis, are as follows:

Fiscal year ending June 30, 2005	\$14,506.80
2006	<u>2,890.00</u>
	\$17,396.80

Rent expense for the year ended June 30, 2004 was \$48,357.

NOTE G CONCENTRATION OF CREDIT RISK

The Organization maintains its cash accounts in commercial banks and a financial institution. Accounts at the commercial banks are insured by the Federal Deposit Insurance Corporation up to \$100,000. Cash equivalents maintained by the financial institution are insured by Securities Investor Protection Corporation.

The Extra Mile, Region IV, Inc.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2004

NOTE H 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 I RETIREMENT PLAN

During the year ended June 30, 2004 the Organization made available to eligible employees the opportunity to participate in a 403(b) tax deferred annuity retirement plan. The Organization also contributes to the plan for the benefit of the eligible employees.

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

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

We have audited the financial statements of The Extra Mile, Region IV, Inc. (a nonprofit organization) as of and for the year ended June 30, 2004, and have issued our report thereon, dated September 2, 2004. 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Extra Mile, Region IV, 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.

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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 for the information of the Board of Directors and Management of The Extra Milk, Region IV, Inc. and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Stettin & Associates

September 3, 2004

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of The Extra Mile, Region IV, Inc. (a nonprofit organization) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2004. The Extra Mile's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The Extra Mile's management. Our responsibility is to express an opinion on The Extra Mile's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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'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. Our audit does not provide a legal determination of The Extra Mile's compliance with these requirements.

In our opinion, The Extra Mile complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

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Internal Control Over Compliance

Management of The Extra Mile is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered The Extra Mile's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors and Management of the Extra Mile, Region IV, Inc. 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.



September 3, 2004

The Extra Mile, Region IV, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2004

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of The Extra Mile, Region IV, Inc.
2. No instances of noncompliance material to the financial statements of The Extra Mile, Region IV, Inc. were disclosed during the audit.
3. The auditor's report on compliance for the major federal award programs for The Extra Mile, Region IV, Inc. expresses an unqualified opinion on all major federal programs.
4. No audit findings relative to the major federal award program for The Extra Mile, Region IV, Inc. are reported in this schedule.
5. The program tested as a major program included:

CFDA NUMBER

93-556

NAME OF FEDERAL PROGRAM

Department of Health and Human Services, Administration for Children and Families, Promoting Safe and Stable Families

6. The threshold for distinguishing Types A and B programs was \$500,000.
7. The Extra Mile, Region IV, Inc. was not determined to be a low-risk auditee.