The Extra Mile, Region IV, Inc.

FINANCIAL STATEMENTS AND
AUDITORS' REPORT

June 30, 2013

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Stulb & Associates, APAC
Certified Public Accountants

James F. Stulb, C.P.A.
Kristine S. Carter, C.P.A.

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, 2013, 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 opinions.

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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, 2013, 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2013, 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 2012 financial statements, and our report dated December 21, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Stulb & Associates

Lake Charles, Louisiana
December 19, 2013

The Extra Mile, Region IV, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2013 and 2012

ASSETS

	2013	2012
CURRENT ASSETS		
Cash and cash equivalents	$ 51,867.46	$ 90,207.34
Certificates of deposit	40,717.08	-
Accounts receivable		
Grants and contracts	193,904.87	208,546.57
Other	119.39	-
Prepaid expenses	5,167.12	12,848.92
Total Current Assets	291,775.92	311,602.83
PROPERTY AND EQUIPMENT, at cost		
Furniture and equipment	52,860.27	49,699.01
Accumulated Depreciation	(43,871.75)	(38,180.59)
Net Property and Equipment	8,988.52	11,518.42
TOTAL ASSETS	$ 300,764.44	$ 323,121.25

LIABILITIES AND NET ASSETS

	2013	2012
CURRENT LIABILITIES		
Accounts payable	$ 17,374.92	$ 7,344.40
Accrued liabilities	19,091.66	23,998.85
Bank line of credit	35,549.73	-
Total Current Liabilities	72,016.31	31,343.25
NET ASSETS		
Unrestricted	88,618.78	96,796.65
Temporarily Restricted	140,129.35	194,981.35
Total Net Assets	228,748.13	291,778.00
TOTAL LIABILITIES AND NET ASSETS	$ 300,764.44	$ 323,121.25

See notes to the financial statements

The Extra Mile, Region IV, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013
With Comparative Totals for the Year Ended 2012

	Unrestricted	Temporarily Restricted	Total 2013	Total 2012
SUPPORT AND REVENUE				
Support				
Grants and contracts	$ -	$ 1,210,910.96	$ 1,210,910.96	$ 1,286,519.57
Donations	-	96,129.60	96,129.60	77,931.56
Donated materials and service	-	358,892.53	358,892.53	250,229.95
Other	-	36,593.48	36,593.48	29,280.45
Net assets released from restriction	1,757,378.57	(1,757,378.57)	-	-
	1,757,378.57	(54,852.00)	1,702,526.57	1,643,961.53
Revenue				
Interest income	145.34	-	145.34	163.02
	145.34	-	145.34	163.02
TOTAL SUPPORT AND REVENUE	1,757,523.91	(54,852.00)	1,702,671.91	1,644,124.55
EXPENSES				
Functional expenses				
Program service	1,696,884.88	-	1,696,884.88	1,614,991.33
Administrative	68,816.90	-	68,816.90	84,081.47
TOTAL EXPENSES	1,765,701.78	-	1,765,701.78	1,699,072.80
Change in Net Assets	(8,177.87)	(54,852.00)	(63,029.87)	(54,948.25)
Net Assets at Beginning of Year	96,796.65	194,981.35	291,778.00	346,726.25
Net Assets at End of Year	$ 88,618.78	$ 140,129.35	$ 228,748.13	$ 291,778.00

See notes to the financial statements

The Extra Mile, Region IV, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2013
With Comparative Totals for the Year Ended 2012

	Program Services				Total	
	Volunteer Program	Family Support	Adult Support	Administration	2013	2012
Salaries and stipends	$ 38,402.65	$ 444,666.50	$ 212,628.70	$ 41,037.76	$ 736,735.61	$ 714,348.76
Payroll taxes and related benefits	16,110.01	116,419.38	33,955.73	8,239.94	174,725.06	141,767.13
Travel	706.75	83,881.94	16,720.24	-	101,308.93	139,751.82
Operating expenses	30,477.16	107,109.24	21,272.17	18,000.00	176,858.57	163,001.14
Supplies	5,918.44	14,550.94	8,913.16	-	29,382.54	34,164.47
Donated materials	257,002.95	68,570.90	33,318.68	-	358,892.53	250,229.95
Client assistance	377.66	10,495.13	81,870.54	-	92,743.33	109,745.28
Professional fees	11,225.11	70,684.69	5,915.05	-	87,824.85	138,215.21
Interest expense	-	-	-	1,539.20	1,539.20	212.04
Depreciation	3,443.00	2,248.16	-	-	5,691.16	7,637.00
	$ 363,663.73	$ 918,626.88	$ 414,594.27	$ 68,816.90	$1,765,701.78	$1,699,072.80

See notes to the financial statements

The Extra Mile, Region IV, Inc.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (63,029.87)	$ (54,948.25)
Adjustments to reconcile change in Net Assets:		
Depreciation	5,691.16	7,637.00
Decrease (Increase) in operating assets:		
Accounts Receivable		
Grants and contracts	14,641.70	9,453.42
Other	(119.39)	1,486.30
Prepaid expenses	7,681.80	4,770.01
Increase (Decrease) in operating liabilities:		
Accounts Payable	10,030.52	882.02
Accrued Liabilities	(4,907.19)	(10,917.68)
Total Adjustments	33,018.60	13,311.07
Net Cash Provided (Used) By Operating Activities	(30,011.27)	(41,637.18)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,161.26)	(2,623.84)
Purchase of certificates of deposit	(40,717.08)	-
Net Cash Provided (Used) By Investing Activities	(43,878.34)	(2,623.84)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	65,959.42	40,000.00
Payments of debt obligations	(30,409.69)	(40,000.00)
Net Cash Provided (Used) by Financing Activities	35,549.73	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(38,339.88)	(44,261.02)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	90,207.34	134,468.36
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 51,867.46	$ 90,207.34
Supplemental disclosures of cash flow information:		
Interest paid	$ 1,539.20	$ 212.04

See notes to the financial statements

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, 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. 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 prepares its financial statements in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represents resources restricted by donors as to purpose or by passage of time; and permanently restricted net assets, which represents resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization currently has no permanently restricted net assets.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Support and revenue
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, 2013.

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, 2013 was $5,691.

NOTE B CERTIFICATES OF DEPOSIT

As of June 30, 2013, the Organization had a thirteen month certificate of deposit that matures on March 19, 2014. The certificate yields 0.20%. The certificate of deposit serves as collateral for the business line of credit (Note K).

NOTE C 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.

The Extra Mile, Region IV, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE D CHANGE IN CAPITAL ASSETS

A summary of capital assets for the year ended June 30, 2013 is as follows:

	June 30, 2012	Additions	Retirements	June 30, 2013
Furniture and Equipment	$ 49,699	$ 3,161	$ -	$ 52,860
Accumulated Depreciation	(38,181)	(5,691)	-	(43,872)
	$ 11,518	$(2,530)	$ -	$ 8,988

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.

NOTE E NET ASSETS RELEASED FROM RESTRICTIONS

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. Total amount released from restrictions during the year was $1,757,379.

NOTE F TEMPORARY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods as of June 30, 2013:

Periods after June 30, 2013	$121,889
Reserve Accounts	18,241
Total temporarily restricted net assets	$140,130

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 7,497 for the year ended June 30, 2013.

The Extra Mile receives donations of food, clothing, and supplies. Management estimates the value of these donations to be $358,893. These donations are recorded as contributions with the corresponding charge to donated materials. The Lafayette Parish Sheriff Department and Laparisienne Building, LLC provides the free use of office space to The Extra Mile. Management estimates the value of this space to be $42,000. 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. This requires the allocation of certain costs between program and supporting services based on estimates made by management.

NOTE I OPERATING LEASES

The Organization leases space for offices and programs services under various operating leasing arrangements. All of the operating leasing arrangements are on a month to month basis. Rent expense, including donated space, for the year ended June 30, 2013 was $100,013.

NOTE J CONCENTRATION OF CREDIT RISK

Financial instruments that are exposed to credit risk include cash, cash equivalents, and grants receivable. 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 $250,000. Cash equivalents maintained by the financial institution are insured by Securities Investor Protection Corporation. Grants receivable are principally with the State of Louisiana.

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. The line of credit is fully collateralized by a certificate of deposit and interest is payable monthly on outstanding balances at a variable interest rate currently at 4.75%. The ending balance for the year ended June 30, 2013 was $35,550. The total interest paid on the line of credit for the year ending June 30, 2013 was $459.

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. 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, 2013 was $16,268.

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, 2012, from which the summarized information was derived.

NOTE P SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 19, 2013, the date which the financial statements were available to be issued.

The Extra Mile, Region IV, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

Federal Grantor/ Pass - through Grantor/Program	Federal CFDA Number	Federal Expenditures
Department of Health and Human Services, Passed through the Louisiana Department of Children and Family Services, Promoting Safe and Stable Families	93.556	$ 445,401.04
Department of Health and Human Services, Passed through the Louisiana Department of Children and Family Services, Community-Based Family Resources Support Grant	93.590	7,000.00
Department of Health and Human Services, Passed through the Louisiana Department of Health and Hospitals, Office of Behavioral Health, Block Grants for Community Mental Health Services	93.958	201,808.92
		$ 654,209.96

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, 2013

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The Extra Mile, Region IV, Inc. under programs of the federal government for the year ended June 30, 2013. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organization.* 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 OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Stulb & Associates, APAC
Certified Public Accountants

James F. Stulb, C.P.A.
Kristine S. Carter, C.P.A.

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, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, have issued our report thereon, dated December 19, 2013.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did

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not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as items 2013-1 and 2013-2.

Compliance and Other Matters

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 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.*

The Extra Mile, Region IV, Inc.'s Response to Findings

The Extra Mile, Region IV, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Extra Mile, Region IV, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Stulb & Associates

Lake Charles, Louisiana
December 19, 2013

Stulb & Associates, APAC
Certified Public Accountants

James F. Stulb, C.P.A.
Kristine S. Carter, C.P.A.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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 Circular A-133 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, 2013. 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 the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2013.

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Stulb & Associates

Lake Charles, Louisiana
December 19, 2013

The Extra Mile, Region IV, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Section I – Summary of Auditors' Results
June 30, 2013

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	___yes	___X_no
• Significant Deficiency(ies) identified that are not considered to be material weaknesses?	_X_yes	_____no
• Noncompliance material to financial statements noted?	___yes	___X_no

Federal Awards

• Material weakness(es) identified?	___yes	___X_no
• Significant Deficiency(ies) identified that are not considered to be material weaknesses?	___yes	___X_no

Type of auditors' report issued on compliance major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	___yes	___X_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 $300,000.

Auditee qualified as low-risk auditee?	___yes	_X_ no

The Extra Mile, Region IV, Inc.

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

Current Audit
2013-1
Payroll Withholding
Condition: The Organization's internal control over employee payroll withholding failed to identify amounts due to third parties on behalf of the employee.

Criteria: In order to correctly remit amounts withheld from employees' paychecks, remittance payments should be reconciled to employee payroll journals.

Context: During our examination, we reconciled payroll remittance for employee IRA withholding and garnishment withholding with the payroll journals. We discovered $581 of garnishment withholding was not remitted to the Louisiana Department of Social Services and $3,329 of IRA withholding was not remitted to Mutual of America.

Effect: Employee withholding was not remitted to the designated third party.

Recommendation: The Organization should reconcile amounts paid for employee withholding the payroll journal to ensure all of the withholding is being remitted.

Response: The Organization has begun reconciling the amounts remitted to third parties for employee withholding to the payroll journals.

2013-2
Grants and Contracts
Condition: The Organization's internal control over contracts receivable failed to reconcile amounts due on service contracts with the amounts received.

Criteria: In order to maintain control over payments due from service contracts, a schedule of clients served and completed contracts should be maintained. The amounts received should be reconciled to the schedule of clients served on a monthly basis and the deposit detail on the general ledger.

Context: During our examination we reconciled payments received and payments due on various grants and contracts.

Effect: Without controls over grant and contract receivables, uncollected payments may not be detected.

Recommendation: The Organization should maintain a schedule identifying the clients served, period served, date completed, and date payment was received for all service contracts. The Organization should reconcile the schedule of clients served with the deposit detail on the general ledger. The Organization should also perform follow-up procedures on all completed contracts that do not receive payment in a timely manner.

Response: The Organization now maintains a detailed schedule for service contract and has re-submitted invoices for previously unpaid contracts. The Organization is also reconciling the schedule of service contracts with the deposit detail on the general ledger. The Organization will perform follow-up procedures on contracts that do not receive payment in a timely manner.

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.