

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**MONROE, LOUISIANA**

*Financial Statements*  
*For the Year Ended December 31, 2018*



**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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# CAMERON, HINES & COMPANY

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## INDEPENDENT AUDITORS' REPORT

Board of Directors of  
The Wellspring Alliance for Families, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Wellspring Alliance for Families, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2018, 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 financial statement.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Wellspring Alliance for Families, Inc., as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the accompanying other financial information consisting of the schedule of compensation, reimbursements, benefits and other payments to agency head 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 to 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 June 26, 2019, on our consideration of The Wellspring Alliance for Families, 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 solely 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 the effectiveness of the Wellspring Alliance for Families, Inc.'s 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 Wellspring Alliance for Families, Inc.'s internal control over financial reporting and compliance.

*Cameron, Hines & Company (APAC)*

FINANCIAL STATEMENTS

**THE WELLSRING ALLIANCE FOR FAMILIES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018**

**ASSETS**

**Current Assets**

Cash	\$ 256,068
Grants and Other Receivables	614,149
Promises to give, one year or less	140,398
Prepaid Expenses and Other Assets	28,917
Total Current Assets	1,039,532

Land, Building, and Other Assets	4,076,169
Less: Accumulated Depreciation	(1,779,242)
	2,296,927

**Other Assets**

Beneficial Interest in Wellspring Foundation	204,931
Total Other Assets	204,931

<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 3,541,390</u></b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 72,963
Accrued Expenses	135,973
Note Payable	-
Accrued Compensated Absences	109,698
Total Current Liabilities	318,634

**Net Assets**

Without Donor Restriction	
Undesignated	534,245
Fixed Assets	2,296,927
Beneficial Interest in Wellspring Foundation	204,931
	3,036,103

With Donor Restrictions	
Purpose/Time Restriction	186,653
	186,653

Total Net Assets	3,222,756
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<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 3,541,390</u></b>
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The accompanying notes are an integral part of this financial statement.

**THE WELLSRING ALLIANCE FOR FAMILIES, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues, Gains, and Other Support			
Contributions	\$ 255,123	\$ 214,240	\$ 469,363
In-kind Contributions	32,108	-	32,108
Counseling Fees	163,373	-	163,373
Grants	4,184,628	-	4,184,628
Interest and Dividend Income	108	-	108
Other Income	46,913	-	46,913
Gain (Loss) on Beneficial Interest in Wellspring Foundation	32,525	-	32,525
Net Unrestricted Revenues, Gains, and Other Support	<u>4,714,778</u>	<u>214,240</u>	<u>4,929,018</u>
Net Assets Released from Restrictions	213,185	(213,185)	-
Total Revenue, Gains, and Other Support	<u>4,927,963</u>	<u>1,055</u>	<u>4,929,018</u>
Expenses			
Program Services			
Counseling and Family Development	919,212	-	919,212
Domestic Violence	827,825	-	827,825
Family Justice Center	345,620	-	345,620
Outreach, Prevention and Rapid Rehousing	1,086,650	-	1,086,650
Permanent and Transitional Housing	996,482	-	996,482
Big Brothers, Big Sisters	164,638	-	164,638
Total Program Services	<u>4,340,427</u>	<u>-</u>	<u>4,340,427</u>
Management and General	710,031	-	710,031
Total Expenses	<u>5,050,458</u>	<u>-</u>	<u>5,050,458</u>
<b><u>INCREASE (DECREASE) IN NET ASSETS</u></b>	<u>(122,495)</u>	<u>1,055</u>	<u>(121,440)</u>
<b><u>NET ASSETS AT BEGINNING OF YEAR</u></b>	<u>3,158,598</u>	<u>185,598</u>	<u>3,344,196</u>
<b><u>NET ASSETS AT END OF YEAR</u></b>	<u>\$ 3,036,103</u>	<u>\$ 186,653</u>	<u>\$ 3,222,756</u>

The accompanying notes are an integral part of this financial statement

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	PROGRAM SERVICES							Management & General	Total
	Counseling- Family Development	Domestic Violence	Family Justice Center	Outreach, Prevention and Rapid Rehousing	Permanent and Transitional Housing	Big Brothers, Big Sisters	Total Program Services		
Salaries	533,341	\$ 457,119	\$ 200,790	\$ 427,391	\$ 349,952	127,798	\$ 2,096,391	557,080	\$ 2,653,471
Retirement Expense	9,285	6,777	1,353	7,256	5,570	2,925	33,166	10,826	43,992
Payroll Taxes	53,326	38,433	15,626	33,420	27,425	5,182	173,412	30,268	203,680
Employee Benefits	44,759	37,711	15,078	32,570	33,157	10,935	174,210	42,622	216,832
<b>Total Salaries and Related</b>	<b>640,711</b>	<b>540,040</b>	<b>232,847</b>	<b>500,637</b>	<b>416,104</b>	<b>146,840</b>	<b>2,477,179</b>	<b>640,796</b>	<b>3,117,975</b>
Computer Maintenance & Network	18,585	11,378	2,549	8,012	9,988	447	50,959	5,987	56,946
Direct Aid to Individuals	-	8,632	-	407,406	298,012	-	714,050	-	714,050
Dues and Memberships	1,779	1,290	50	-	237	4,901	8,257	6,939	15,196
Fund Raising	-	-	-	-	1,644	1,000	2,644	9,279	11,923
Groceries and Supplies	8,360	23,743	2,626	15,163	7,821	873	58,586	14,923	73,509
Indirect Costs Allocated	13,681	30,398	-	10,110	28,225	-	82,414	(82,414)	-
Insurance	11,965	22,898	19,526	10,855	20,020	2,188	87,452	12,152	99,604
Interest	-	-	-	-	-	-	-	-	-
In-Kind Contributions	4,560	-	-	-	21,448	-	26,008	6,100	32,108
Printing, Marketing and Public Relations	478	2,364	516	5,084	10,500	101	19,043	9,259	28,302
Miscellaneous	1,175	1,200	787	113	627	589	4,491	1,902	6,393
Office Supplies	15,865	5,770	3,408	18,134	26,596	227	70,000	2,684	72,684
Postage and Shipping	919	983	340	1,726	295	71	4,334	2,070	6,404
Professional Fees	77,926	2,228	2,000	8,597	61,008	2,500	154,259	18,416	172,675
Program Supplies	3,640	1,031	186	337	326	-	5,520	275	5,795
Rental Expense	42,717	6,706	3,485	57,408	28,392	810	139,518	5,035	144,553
Repairs and Maintenance	7,043	50,750	12,082	9,920	14,851	-	94,646	18,234	112,880
Seminars and Training	1,146	35	940	110	336	60	2,627	2,481	5,108
Telephone	12,609	13,908	4,622	8,395	13,746	894	54,174	8,648	62,822
Travel	31,633	7,706	4,042	4,236	11,713	1,474	60,804	6,111	66,915
Utilities	6,451	40,618	19,310	6,295	11,540	-	84,214	10,962	95,176
Bad Debt Expense	-	-	-	-	-	-	-	-	-
Depreciation and Amortization	17,969	56,147	36,304	14,112	13,053	1,663	139,248	10,192	149,440
<b>TOTAL EXPENSES</b>	<b>\$ 919,212</b>	<b>\$ 827,825</b>	<b>\$ 345,620</b>	<b>\$ 1,086,650</b>	<b>\$ 996,482</b>	<b>\$ 164,638</b>	<b>\$ 4,340,427</b>	<b>\$ 710,031</b>	<b>\$ 5,050,458</b>

The accompanying notes are an integral part of this financial statement.

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Decrease in Net Assets	\$ (121,440)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation and Amortization	149,440
Unrealized (Gains) Losses on Investments Held at Foundation	(28,043)
(Increase) Decrease in Operating Assets:	
Grants Receivable and Promises to Give	(16,694)
Prepaid Expenses and Other Assets	(1,269)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	1,277
Accrued Expenses and Compensated Absences	11,715
Net Cash Used by Operating Activities	(5,014)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Income/Realized Gains on Investments at Foundation	(4,482)
Acquisition of Property and Equipment	(26,667)
Net Cash Used by Investing Activities	(31,149)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net Payment on Note Payable	-
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**NET DECREASE IN CASH AND CASH EQUIVALENTS** (36,163)

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** 292,231

**CASH AND CASH EQUIVALENTS AT END OF YEAR** \$ 256,068

The accompanying notes are an integral part of this financial statement.

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 1 - Summary of Significant Accounting Policies

Organization

The Wellspring Alliance for Families, Inc., formerly known as YWCA of Northeast Louisiana (the Organization), founded in 1931, serves citizens from 15 parishes in Central and Northeast Louisiana with direct services, education and advocacy. The agency mission, to strengthen and value individuals and families through professional services and community leadership with compassion and integrity, provides the direction for services and programs which include counseling, telephone crisis intervention, emergency shelter and housing, and mentoring (Big Brother Big Sisters).

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restriction.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Receivables

The Organization uses the direct write-off method for bad debts. The results of this method do not materially differ from the allowance method.

Fixed Assets

Fixed assets acquired by The Wellspring Alliance for Families, Inc. are considered to be owned by the Organization. However, federal and state funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets.

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

Fixed Assets (Continued)

Purchases of fixed assets and major improvements in excess of \$1,000 are capitalized at cost. The cost of furniture and equipment acquired prior to 1965 is not determinable and, therefore, is not shown. Value for fixed assets donated prior to 1986 is not determinable and, therefore, not shown. As of January 1, 1986, donated assets have been recorded at their fair market value. Depreciation is computed on the straight-line method over the asset's estimated useful life. The net fixed asset balance has been recorded as a separate component net assets without donor restriction.

Income Taxes

The Organization is recognized as a nonprofit corporation under the laws of the State of Louisiana and under Internal Revenue Code Section 501(c)(3). It is, therefore, exempt from federal and state corporation income taxes and no provisions are made for those taxes in the financial statements. In addition, the Organization 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 2018. The earliest income tax year that is subject to examination is 2015.

Financial Statement Presentation

FASB adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities Topic 958: Presentation of Financial Statements of Not-for-Profit Entities* establishing standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally (donor) imposed restrictions. ASC section 958-605 *Not-for-Profit Entities, Revenue Recognition* requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

Net Assets Without Donor Restriction - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both

Budget Policy

Budgets for various programs are prepared by the Organization and approved by the grantor of the funds for each respective program as well as the Board of Directors.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 2 - Promises to Give

Promises to give consist of the following:

Louisiana Bar Foundation	\$ 25,038
United Way	114,610
Living Well	<u>750</u>
Total Promises to Give	<u>\$ 140,398</u>

Note 3 - Beneficial Interest in Wellspring Foundation

During 1999, the Organization received a substantial unrestricted contribution from a donor. The Board voted to set aside \$100,000 to start an endowment fund. Because designations are voluntary and may be reversed by the governing board, these designated assets are not considered restricted and are included in the accompanying statement of financial position as net assets without donor restrictions. In 2009, the Organization began to fund the endowment by converting a CD with a starting balance of \$42,300 for that purpose. All interest earnings are deposited into the CD. In 2009, the Wellspring also opened a savings account to collect memorials and other miscellaneous contributions which are going toward the endowment. During 2011, the CD was not renewed but instead moved into the savings account. During 2012, these funds that were set aside in the savings account were released and used for other purposes.

Also during 2012, a portion of the stock received from the Bullington Estate in 2010, was transferred to The Wellspring Alliance for Families Foundation totaling \$99,730 to set up the endowment. The Wellspring Alliance for Families Foundation is set up as a 509(a)(3) supporting organization operated exclusively for the benefit of The Wellspring Alliance for Families, Inc. At December 31, 2018, The Wellspring Alliance for Families Foundation investments were valued at \$204,931 which consists of the initial investment of \$99,730 and the unrealized gains of \$79,772 and cumulative dividends of \$25,429. Memorials received by The Wellspring Alliance for Families that are not designated to a particular program will be moved to The Wellspring Alliance for Families Foundation.

Note 4 - Land, Buildings and Equipment

Major fund classes of land, building, and equipment consist of the following:

The Wellspring Building and Parking Lot	\$ 569,101
The Wellspring Land	2,500
Holly Street Property and Improvements	796,745
Holly Street/Railroad Street Land	204,552
Holly Street Furniture and Equipment	26,214
The Wellspring Furniture and Equipment	93,326
Shelter House and Improvements	244,391
Shelter House Land	5,000
Transitional Housing Improvements	4,132
Rape Crisis Equipment – VOCA	342
Family Violence Furniture and Equipment	46,534
Family Justice Center	67,849
Rape Crisis Equipment	2,226
Child Abuse – VOCA	4,955
Crisis Lines	4,383
Shelter Annex Building and Improvements	183,259

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 4 - Land, Buildings and Equipment (continued)

Shelter Annex Land	12,000
Outreach and Prevention Equipment	47,705
Big Brothers, Big Sisters Equipment	12,938
Rural Housing Furniture and Fixtures	199,400
Family Justice Center Building	1,146,605
Family Justice Center Land	151,657
Riverside Drive – Bld A	166,457
Riverside Drive – Bld A Land	22,014
Counseling Furniture and Equipment	<u>61,884</u>
 Total	 4,076,169
Less: Accumulated Depreciation	<u>(1,779,242)</u>
Net Land, Buildings, and Equipment	<u>\$ 2,296,927</u>

Depreciation expense for the year ended December 31, 2018 totaled \$149,440.

Note 5 - Compensated Absences

The Organization's personnel policies permit carry forward of sick time. However, employees are not paid for any unused sick time upon termination. Because the payment for accumulated sick time is contingent upon future employee illness, a liability is not recorded. Accrued compensated absences in the amount of \$109,698 are recorded for vested vacation time.

Note 6 - In-Kind Contributions

In-kind contributions for funds receiving government grants consist of time donated by volunteer workers at a rate of ten to twenty-five dollars per hour established by state and federal regulatory agencies providing the grant funds and donated food, clothing, medical facilities, office space, advertising and other items valued at estimated fair market value. The volunteer hours and donated food and clothing are not recorded in the financial statements.

The following in-kind contributions are recorded in the financial statements:

Office Space	\$ 19,900
Television, Radio, Billboards and Newspaper Ads	<u>12,208</u>
 Total Recorded In-Kind Contributions	 <u>\$ 32,108</u>

Note 7 - Defined Contribution Plan

During 2007, the Organization received notice from the Young Women's Christian Association Fund that, as of January 1, 2008, non-YWCA organizations would no longer be eligible to participate in the Fund. As a result, the Organization established a 401(k) and contributory plan to be effective January 1, 2008. Employees with more than 90 days of service may contribute to the plan on a pre-tax basis. Employer matching contributions are allowed by the plan; however, none were made for 2018. The Organization changed the profit sharing from 6% to 2% beginning in September of 2017. The Organization anticipates a 2% profit sharing contribution during all of 2019. Employees with at least 24 months of service in which they earned 2,000 hours are eligible for the profit sharing contribution. Retirement expense was \$43,992 for 2018.

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 8 - Commitments and Contingencies

Economic Dependence

The Organization receives a substantial amount of its support from federal and state government grants and from the United Way. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

Line of Credit

The Organization has entered into two line of credit agreements with local banks. The two lines of credit have a combined balance available of \$240,000 and can be used for operating expense shortfalls.

No interest was paid during 2018.

Note 9 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 256,068
Receivables (including promises to give)	754,547
Beneficial Interest in Foundation	<u>204,931</u>
 Total Liquid and Available Assets	 <u>\$ 1,215,546</u>

Note 10-Fair Value Measurements

Fair values of assets and liabilities measured on a recurring basis at December 31, 2018 are as follows:

	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>December 31, 2018</u>				
Beneficial Interest In Foundation	\$ 204,931	\$ 204,931	-	-

Note 11 - Concentrations of Credit Risk

Cash

The Organization maintains its cash balances in one financial institution. At December 31, 2018, the Organization had bank statement balances totaling \$294,564 of which \$250,000 was insured by the Federal Deposit Insurance Corporation.

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 12 - Receivables

The Organization receives a substantial amount of its support from governmental entities and United Way. At December 31, 2018, account receivables consisted of:

State and Federal Government Funds	<u>\$ 582,945</u>
Promises to Give:	
Living Well	\$ 750
Louisiana Bar Association	25,038
United Way of Northeast Louisiana	<u>114,610</u>
Total Promises to Give	<u>\$ 140,398</u>
Miscellaneous Receivables	<u>\$ 31,204</u>

Note 13 - Advertising

Advertising costs are expensed as incurred. During 2018, the Organization expensed \$28,300 as marketing and printing expenses and \$12,208 as in-kind advertising donations.

Note 14 - Leases

The Counseling and Family Development Center lease was signed beginning in May 2014 through May 2017. This lease was renewed for an additional three years through May 2020. During 2016, the Outreach, Prevention and Rapid Rehousing Program was relocated to a new location signing a three year lease running through April 2019. Also, the Organization has leased several apartments for a year each, ranging from \$350 to \$900 per month, for various dates concluding in 2019 along with several other apartments on a month to month basis. The Organization also leases several satellite offices on a month to month basis, and rents various office equipment items under operating leases. Rentals aggregating \$144,552 were charged to expense during 2018.

Minimum future rental payments under non-cancelable operating leases as of December 31, 2018 are as follows:

<u>December 31,</u>	<u>Amount</u>
2019	\$ 100,825
2020	22,180
2021	-
2022	<u>-</u>
Total	<u>\$ 123,005</u>

Note 15 - Subsequent Events

Subsequent events have been evaluated through June 26, 2019, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

OTHER SUPPLEMENTARY INFORMATION –  
GRANT INFORMATION

**THE WELLSRING ALLIANCE FOR FAMILIES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Federal CFDA Number	Fiscal Period	Program or Award Amount	Federal Expenditures
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Raise the Roof	14.267	2018	163,083	\$ 163,083
Homeless Management Information System	14.267	2017-2018	74,246	31,751
Reach Out: The Rural Initiative	14.267	2017-2018	265,653	83,638
Reach Out: The Rural Initiative	14.267	2018-2019	265,653	173,208
Wellspring Permanent Housing Project	14.267	2017-2018	51,672	44,695
Wellspring Permanent Housing Project	14.267	2018-2019	53,899	6,497
Permanent Supportive Housing II	14.267	2017-2018	105,667	99,359
Permanent Supportive Housing II	14.267	2018-2019	109,752	6,365
Help and Home	14.267	2017-2018	87,928	74,945
Help and Home	14.267	2018-2019	90,189	13,561
Permanent Supportive Housing	14.267	2017-2018	107,656	28,154
Permanent Supportive Housing	14.267	2018-2019	111,312	71,730
Regional Rapid Rehousing	14.267	2017-2018	140,228	117,986
Regional Rapid Rehousing	14.267	2018-2019	147,632	13,162
				928,134
<b>Through City of Monroe, LA</b>				
HUD Emergency Solutions Grants Program	14.231	2017-2018	50,000	27,649
HUD Emergency Solutions Grants Program	14.231	2018-2019	75,000	42,941
				70,590
<b><u>U.S. Department of Justice</u></b>				
Violence Against Women Transitional Housing	16.736	2014-2018	352,416	33,306
Violence Against Women Transitional Housing	16.736	2017-2020	327,539	63,391
				96,697
Wellspring Legal Assistance Program	16.524	2015-2018	600,000	172,105
Wellspring SAFER MultiDisciplinary High Risk Team Program	16.589	2016-2019	416,143	143,022
Justice Systems Response for Families	16.021	2015-2021	1,050,000	172,240
Improving Criminal Justice Responses	16.590	2018-2021	450,000	16,223
<b>Through Louisiana Commission on Law Enforcement</b>				
Sexual Assault Services Program 4086	16.017	2018	41,675	41,675
Victims Assistance Program 2 - 3714	16.575	2017-2018	717,700	536,555
Victim Assistance Program 2 - 4097	16.575	2018-2019	2,188	2,188
Domestic Violence Program 3 - 3751	16.575	2017-2018	112,204	88,454
				627,197
Domestic Violence Program - 4178	16.588	2018	18,524	18,466
Sexual Assault Services Program - 4258	16.588	2018	26,279	26,279
				44,745
<b>Through Ouachita Parish Police Jury</b>				
Arrest Grant	16.590	2014-2018	299,999	45,308

**THE WELLSRING ALLIANCE FOR FAMILIES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018 (CONTINUED)**

	<u>Federal CFDA Number</u>	<u>Fiscal Period</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Through Louisiana Department of Education				
Child and Adult Care Food Program	10.558	2017-2018	28,517	5,052
Child and Adult Care Food Program	10.558	2018-2019	27,812	2,614
				<u>7,666</u>
<u>Louisiana Department of Health &amp; Hospitals</u>				
Through Louisiana Foundation Against Sexual Assault				
Rape Crisis Program	93.991	2017-2018	19,598	4,197
Rape Crisis Program	93.991	2018-2019	84,019	49,624
				<u>53,821</u>
Through Office of Behavioral Health				
Northeast Delta Human Services Authority	93.958	2017-2018	37,879	24,277
Northeast Delta Human Services Authority	93.958	2018-2019	37,879	18,880
Northeast Delta Human Services Authority	93.958	2017-2018	18,000	8,976
Northeast Delta Human Services Authority	93.958	2018-2019	9,500	6,774
				<u>58,907</u>
<u>Louisiana Department of Children and Family Services</u>				
Family Violence Prevention & Services	93.671	2017-2018	625,041	306,481
Family Violence Prevention & Services	93.671	2018-2019	625,041	314,462
				<u>620,943</u>
Temporary Assistance to Needy Families	93.558	2017-2018	241,875	89,271
Temporary Assistance to Needy Families	93.558	2018-2019	241,875	105,043
				<u>194,314</u>
Through Tulane University				
Child Care and Development Block Grant	93.575	2016-2018	630,733	111,341
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter Program	97.024	2016-2018	24,282	9,400
Emergency Food and Shelter Program	97.024	2018-2019	26,460	26,460
				<u>35,860</u>
<u>U.S. Department of Veterans Affairs</u>				
Supportive Services for Veteran Families	64.033	2017-2018	709,713	439,641
Supportive Services for Veteran Families	64.033	2018-2019	723,939	138,037
				<u>577,678</u>
Total Federal Expenditures				<u>\$ 4,018,466</u>

\* Denotes major programs.

See accompanying notes to schedule of expenditures of federal awards.

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES**  
**OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

1. **General**

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of The Wellspring Alliance for Families, Inc. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2. **Basis of Accounting**

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

3. **Federal Indirect Cost Rate**

The Wellspring Alliance for Families, Inc. did not elect to use the 10% de minimis federal indirect cost rate for the year ended December 31, 2018.

# CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

*Certified Public Accountants*

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Phone (318) 323-1717

Fax (318) 322-5121

## **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**

Board of Directors of  
The Wellspring Alliance for Families, Inc.

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 Wellspring Alliance for Families, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The Wellspring Alliance for Families, 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 Wellspring Alliance for Families, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Wellspring Alliance for Families, Inc.'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 Wellspring Alliance for Families, Inc.'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 significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Wellspring Alliance for Families, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under the *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Wellspring Alliance for Families, Inc.'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 Wellspring Alliance for Families, Inc.'s internal control and compliance. Accordingly, the communication is not suitable for any other purpose.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
June 26, 2019

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

Board of Directors of  
The Wellspring Alliance for Families, Inc.

### **Report on Compliance for Each Major Federal Program**

We have audited The Wellspring Alliance for Families, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Wellspring Alliance for Families, Inc.'s major federal programs for the year ended December 31, 2018. The Wellspring Alliance for Families Inc.'s major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

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

### ***Auditors' Responsibility***

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

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

In our opinion, The Wellspring Alliance for Families, 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 the major federal programs for the year ended December 31, 2018.

### **Report on Internal Control Over Compliance**

Management of The Wellspring Alliance for Families, 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 Wellspring Alliance for Families, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Wellspring Alliance for Families, 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 a 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
June 26, 2019

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**SUMMARY OF AUDIT RESULTS**

1. The auditors' report expressed an unmodified opinion on the financial statements of The Wellspring Alliance for Families, Inc (Wellspring).
2. No significant deficiencies were disclosed during the audit of the financial statements to be reported in the 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* and Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
3. No instances of noncompliance material to the financial statements of The Wellspring Alliance for Families, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs in the Report On Compliance With Requirements That Could Have A Direct and Material Effect on Each Major Program And On Internal Control Over Compliance In Accordance With Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Uniform Guidelines Requirements for Federal Awards.
5. The auditors' report on compliance for the major federal award programs for The Wellspring Alliance for Families, Inc., expressed an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award program for Wellspring.
7. The program tested as a major program included the Department of Housing and Urban Development under CFDA No. 14.267.
8. The threshold for distinguishing between Types A and B programs was \$750,000.
9. Wellspring does qualify to be a low-risk auditee.

**THE WELLSRING ALLIANCE FOR FAMILIES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

(Continued)

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**U.S. Department of Housing and Urban Development**

CFDA No. 14.267; Program Period - 4/1/17-11/30/19.

There were no findings that relate to the major federal program.

**FINDINGS - FINANCIAL STATEMENT AUDIT**

None

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**STATUS OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

There were no findings in the prior year audit report dated June 20, 2018.

**THE WELLSPRING ALLIANCE FOR FAMILIES, INC.**  
**SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**DECEMBER 31, 2018**

Agency Head -  
Caroline Cascio

Salary and Expense Account	\$ 95,609
Per Diem Allowance	250
Benefits - Insurance	7,717
Benefits - Retirement	1,796
Vehicle provided by agency	-
Travel	403
Registration Fees	750
Conference Travel	1,434
Continuing professional education fees	-
	<hr/>
	\$ 107,959
	<hr/> <hr/>