

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
MONROE, LOUISIANA

Financial Statements
For the Year Ended December 31, 2021



THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Wellspring Alliance for Families, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Wellspring Alliance for Families, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Wellspring Alliance for Families, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Wellspring Alliance for Families, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we have identified during the audit.

Report on Supplementary 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 27, 2022, 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)

West Monroe, Louisiana
June 27, 2022

FINANCIAL STATEMENTS

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

<u>Current Assets</u>	
Cash	\$ 644,750
Investment in Stock	425,941
Grants and Other Receivables	1,040,072
Promises to give, one year or less	669,001
Prepaid Expenses and Other Assets	42,966
Total Current Assets	<u>2,822,730</u>
Land, Building, and Other Assets	5,224,358
Less: Accumulated Depreciation	<u>(2,126,992)</u>
	<u>3,097,366</u>
<u>TOTAL ASSETS</u>	<u>\$ 5,920,096</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>	
Accounts Payable	\$ 124,072
Accrued Expenses	86,389
Note Payable - PPP	-
Accrued Compensated Absences	143,091
Total Current Liabilities	<u>353,552</u>
<u>Net Assets</u>	
Without Donor Restriction	
Undesignated	1,214,330
Fixed Assets	3,097,366
Board Designated Assets	425,941
	<u>4,737,637</u>
With Donor Restrictions	
Purpose/Time Restriction	<u>828,907</u>
Total Net Assets	<u>5,566,544</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 5,920,096</u>

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, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Revenues, Gains, and Other Support			
Contributions	\$ 231,839	\$ 885,168	\$ 1,117,007
In-kind Contributions	32,470	-	32,470
Counseling Fees	184,440	-	184,440
Grants	6,425,830	-	6,425,830
Interest and Dividend Income	30	-	30
Other Income	18,105	-	18,105
Gain (Loss) on Investments	122,982	-	122,982
Net Unrestricted Revenues, Gains, and Other Support	7,015,696	885,168	7,900,864
Net Assets Released from Restrictions	247,764	(247,764)	-
Total Revenue, Gains, and Other Support	7,263,460	637,404	7,900,864
Expenses			
Program Services			
Counseling and Family Development	1,523,039	-	1,523,039
Domestic Violence	1,249,825	-	1,249,825
Family Justice Center	405,183	-	405,183
Homeless Services	2,213,536	-	2,213,536
Rural Victim Services	946,751	-	946,751
Total Program Services	6,338,334	-	6,338,334
Management and General	518,934	-	518,934
Total Expenses	6,857,268	-	6,857,268
Other Income (Expense)			
Extinguishment of Debt - PPP Loan	612,382	-	612,382
Insurance Proceeds	572,042	-	572,042
Total Other Income (Expense)	1,184,424	-	1,184,424
<u>INCREASE (DECREASE) IN NET ASSETS</u>	1,590,616	637,404	2,228,020
<u>NET ASSETS AT BEGINNING OF YEAR</u>	3,147,021	191,503	3,338,524
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 4,737,637</u>	<u>\$ 828,907</u>	<u>\$ 5,566,544</u>

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

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAM SERVICES					Total Program Services	Management & General	Total
	Counseling- Family Development	Domestic Violence	Family Justice Center	Homeless Services	Rural Victim Services			
Salaries	935,854	530,824	227,802	663,409	442,220	2,800,109	542,731	\$ 3,342,840
Retirement Expense	22,600	14,045	6,440	11,913	9,143	64,141	11,564	75,705
Payroll Taxes	82,719	56,184	9,359	61,192	30,837	240,291	19,696	259,987
Employee Benefits	79,751	28,212	23,361	43,263	42,271	216,858	39,379	256,237
Total Salaries and Related	1,120,924	629,265	266,962	779,777	524,471	3,321,399	613,370	3,934,769
Computer Maintenance & Network	30,869	12,807	2,929	41,395	8,342	96,342	7,956	104,298
Direct Aid to Individuals	(5,891)	201,810	-	1,057,563	114,974	1,368,456	-	1,368,456
Dues and Memberships	904	880	-	-	85	1,869	7,602	9,471
Fund Raising	-	-	-	-	2,232	2,232	3,614	5,846
Groceries and Supplies	12	2,618	533	12,129	146	15,438	8,058	23,496
Indirect Costs Allocated	33,863	91,560	-	92,530	19,211	237,164	(237,164)	-
Insurance	32,462	50,428	15,545	21,581	31,323	151,339	13,037	164,376
Interest	-	-	-	-	-	-	-	-
In-Kind Contributions	650	7,580	-	-	24,240	32,470	-	32,470
Printing, Marketing and Public Relations	3,840	13,866	-	7,377	16,497	41,580	5,344	46,924
Miscellaneous	3,547	1,333	60	205	246	5,391	4,252	9,643
Office Supplies	13,111	6,537	3,201	18,416	15,835	57,100	2,805	59,905
Postage and Shipping	1,057	1,243	395	729	424	3,848	2,788	6,636
Professional Fees	63,809	5,728	-	5,224	71,220	145,981	16,081	162,062
Program Supplies	63,018	22,977	3,982	3,780	14,909	108,666	6,580	115,246
Rental Expense	78,132	817	2,799	104,501	27,900	214,149	5,627	219,776
Repairs and Maintenance	13,274	93,386	26,456	19,355	10,756	163,227	29,797	193,024
Seminars and Training	7,965	775	-	650	125	9,515	337	9,852
Telephone	20,000	22,368	9,187	10,120	27,698	89,373	8,315	97,688
Travel	14,530	571	99	8,692	7,477	31,369	556	31,925
Utilities	7,928	34,598	29,917	11,022	14,616	98,081	8,573	106,654
Bad Debt Expense	-	-	-	-	-	-	-	-
Depreciation and Amortization	19,035	48,678	43,118	18,490	14,024	143,345	11,406	154,751
TOTAL EXPENSES	\$ 1,523,039	\$ 1,249,825	\$ 405,183	\$ 2,213,536	\$ 946,751	\$ 6,338,334	\$ 518,934	\$ 6,857,268

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, 2021

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Increase in Net Assets	\$ 2,228,020
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation and Amortization	154,751
(Gain) Loss on Sale of Assets	2,636
Unrealized (Gains) Losses on Investments	(117,035)
(Increase) Decrease in Operating Assets:	
Grants Receivable and Promises to Give	(727,856)
Prepaid Expenses and Other Assets	22,317
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(72,347)
Accrued Expenses and Compensated Absences	(71,817)
Net Cash Provided by Operating Activities	<u>1,418,669</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Income/Realized Gains on Investments	(5,947)
Acquisition of Property and Equipment	<u>(723,584)</u>
Net Cash Used by Investing Activities	(729,531)
 <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	
Net Change in Note Payable - LOC	-
Net Decrease in Note Payable - PPP	<u>(612,382)</u>
Net Cash Provided by Financing Activities	(612,382)
 <u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	 76,756
 <u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	 <u>567,994</u>
 <u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	 <u>\$ 644,750</u>

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, 2021

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 (Youth Empowerment Program).

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, 2021

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 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 2021. The earliest income tax year that is subject to examination is 2018.

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 those 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, 2021

Note 2 - Promises to Give

Promises to give consist of the following:

Louisiana Bar Foundation	\$ 27,250
United Way of Northeast Louisiana	78,121
United Way of Central Louisiana	3,571
DCFS COVID	510,059
Sisters of Charity	<u>50,000</u>
Total Promises to Give	<u>\$ 669,001</u>

Note 3 - Investments - 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.

In October of 2020, the Board voted to dissolve the Foundation and transfer its assets to The Wellspring Alliance for Families. In 2021, the assets of the Foundation were transferred to the Wellspring and all Foundation accounts were closed. These assets are classified as board restricted on the financial statements.

Fair values for investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

Note 4 - Land, Buildings and Equipment

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

The Wellspring Building and Parking Lot	\$ 631,225
The Wellspring Land	2,500
Holly Street Property and Improvements	1,310,690
Holly Street/Railroad Street Land	204,552
Holly Street Furniture and Equipment	32,046
The Wellspring Furniture and Equipment	107,409
Shelter House and Improvements	295,901
Shelter House Land	5,000
Transitional Housing Improvements	3,060

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 4 - Land, Buildings and Equipment (continued)

Rape Crisis Equipment – VOCA	342
Family Violence Furniture and Equipment	49,641
Rape Crisis Equipment	2,226
Child Abuse – VOCA	4,955
Crisis Lines	4,383
Shelter Annex Building and Improvements	236,054
Shelter Annex Land	12,000
Outreach and Prevention Equipment	173,181
Big Brothers, Big Sisters Equipment	12,938
Rural Housing Furniture and Fixtures	232,034
Family Justice Center	1,265,822
Family Justice Center Land	151,657
Riverside Drive – Building A	183,254
Riverside Drive – Building A Land	22,014
Counseling Furniture and Equipment	107,388
Construction in Progress	<u>174,086</u>
 Total	 5,224,358
Less: Accumulated Depreciation	<u>(2,126,992)</u>
Net Land, Buildings, and Equipment	<u>\$ 3,097,366</u>

Depreciation expense for the year ended December 31, 2021, totaled \$154,751.

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 \$143,091 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	24,240
Television, Radio, Billboards and Newspaper Ads	<u>8,230</u>
 Total Recorded In-Kind Contributions	 <u>\$ 32,470</u>

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 2021. The Organization's profit sharing was 3% for 2021. The Organization anticipates a 3% profit sharing contribution during all of 2022. 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 \$75,705 for 2021.

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 \$250,000 and can be used for operating expense shortfalls. At the end of 2021, the Organization had a balance of \$0 outstanding.

Interest of \$0 was paid during 2021.

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	\$ 644,750
Receivables (including promises to give)	1,709,073
Investments	<u>425,941</u>
 Total Liquid and Available Assets	 <u>\$ 2,779,764</u>

Note 10 - Concentrations of Credit Risk

Cash

The Organization maintains its cash balances in two financial institutions. At December 31, 2021, the Organization had bank statement balances totaling \$700,706, of which \$323,341 was insured by the Federal Deposit Insurance Corporation.

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 11 - Fair Value Measurements

Fair values of assets and liabilities measured on a recurring basis at December 31, 2021 are as follows:

<u>December 31, 2021</u>	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using</u> <u>Quoted Prices</u>		
		<u>in Active</u> <u>Markets for</u> <u>Identical</u> <u>Assets/</u> <u>Liabilities</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
Investments	\$ 425,941	\$ 425,941	-	-

Note 12 - Receivables

The Organization receives a substantial amount of its support from governmental entities and United Way. At December 31, 2021, account receivables consisted of:

State and Federal Government Funds	<u>\$ 1,019,796</u>
Promises to Give:	
Louisiana Bar Association	\$ 27,250
Sisters of Charity	50,000
DCFS COVID	510,059
United Way of Northeast Louisiana	78,121
United Way of Central Louisiana	3,571
Total Promises to Give	<u>\$ 669,001</u>
Miscellaneous Receivables	<u>\$ 20,276</u>

Note 13 - Advertising

Advertising costs are expensed as incurred. During 2021, the Organization expensed \$46,924 as marketing and printing expenses and \$8,230 as in-kind advertising donations.

Note 14 - Leases

The Counseling and Family Development Center lease was signed beginning in April 2021 and runs for four years through March 2025. During 2016, the Outreach, Prevention and Rapid Rehousing Program was relocated to a new location signing a three-year lease running through April 2019 and renewed for another three years in 2019. Subsequent to year end, this lease was extended an additional three years. In July 2021, the H.O.P.E. program began a four year lease that runs until 2025. Also, the Organization has leased several apartments for a year each, ranging from \$450 to \$725 per month, for various dates concluding in 2022 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 \$219,776 were charged to expense during 2021.

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 14 - Leases (continued)

Minimum future rental payments under non-cancelable operating leases as of December 31, 2021, are as follows:

<u>December 31,</u>	<u>Amount</u>
2022	\$ 244,180
2023	174,545
2024	162,000
2025	56,000
2026	<u>-</u>
Total	<u>\$ 636,725</u>

Note 15 - Extinguishment of Debt – PPP

During 2021, the Wellspring received a loan through the Paycheck Protection Program. The loan in the amount of \$612,382 was used mostly to pay salaries and benefits to employees. The loan was completely forgiven during 2021 and the income was recorded in other income as an extinguishment of debt.

Note 16 - Subsequent Events

Subsequent events have been evaluated through June 27, 2022, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

OTHER SUPPLEMENTARY INFORMATION –
GRANT INFORMATION

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Federal AL Number	Fiscal Period	Program or Award Amount	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Raise the Roof	14.267	2021	163,083	\$ 163,083
Reach Out: The Rural Initiative	14.267	2020-2021	271,869	98,066
Reach Out: The Rural Initiative	14.267	2021-2022	285,981	165,389
Regional Rapid Rehousing	14.267	2020-2021	188,664	175,843
Regional Rapid Rehousing	14.267	2021-2022	195,444	18,374
Permanent Supportive Housing	14.267	2020-2021	431,952	422,101
HUD DV Rapid Rehousing	14.267	2021	92,500	92,500
HUD DV Coordinated Entry	14.267	2020-2021	94,205	89,015
HUD DV Coordinated Entry	14.267	2020-2021	94,205	5,453
Through Northeast Louisiana Housing and Supportive Services				
HUD Coordinated Entry	14.267	2020-2021	119,944	60,732
HUD Coordinated Entry	14.267	2021-2022	119,944	25,763
				1,316,319
Through City of Monroe, LA				
HUD Emergency Solutions Grants Program	14.231	2020-2021	61,208	29,055
HUD Emergency Solutions Grants Program	14.231	2021-2022	50,000	20,584
HUD Emergency Solutions Grants Program	14.231	2021-2022	55,000	48,471
Through Northeast Louisiana Housing and Supportive Services				
ESG-CV Cares Act	14.231	2020-2022	197,943	169,416
				267,526
<u>U.S. Department of Justice</u>				
Violence Against Women Transitional Housing	16.736	2017-2023	807,539	84,474
Wellspring SAFER MultiDisciplinary High Risk Team Program	16.589	2016-2022	1,101,099	219,868
Justice Systems Response for Families	16.021	2015-2021	1,050,000	199,108
Improving Criminal Justice Responses	16.590	2018-2022	450,000	139,757
Through Louisiana Commission on Law Enforcement				
Victims Assistance Program - 5069	16.575	2020-2021	1,031,832	274,817
Victims Assistance Program - 5744	16.575	2021-2022	404,915	228,275
Victims Assistance Program - 5754	16.575	2021-2022	366,691	158,128
Victims Assistance Program - 5765	16.575	2021-2022	171,788	90,544
Domestic Violence Program - 5233	16.575	2020-2021	112,204	54,857
Domestic Violence Program - 5934	16.575	2021-2022	73,790	31,017
				837,638

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021 (CONTINUED)

	<u>Federal AL Number</u>	<u>Fiscal Period</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Justice</u>				
Through Louisiana Commission on Law Enforcement				
Sexual Assault - 5740	16.588	2021	18,862	18,811
Sexual Assault - 5884	16.588	2021	31,534	<u>31,534</u>
				50,345
Sexual Assault Services Program - 5739	16.017	2021	60,607	60,607
Youth Empowerment Program - 5728	16.540	2020-2021	35,294	30,323
<u>U.S. Department of Agriculture</u>				
Through Louisiana Department of Education				
Child and Adult Care Food Program	10.558	2020-2021	27,227	834
Child and Adult Care Food Program	10.558	2021-2022	15,463	<u>1,707</u>
				2,541
<u>Louisiana Department of Health & Human Services</u>				
Louisiana Children's Trust Fund	93.590	2020-2021	10,000	5,611
Louisiana Children's Trust Fund	93.590	2021-2022	26,543	<u>11,133</u>
				16,744
<u>United States Department of Health & Human Services</u>				
HOPE Project	93.592	2020-2021	301,538	264,983
HOPE Project	93.592	2021-2022	399,038	96,256
HOPE Project	93.592	2021-2025	442,308	<u>33,885</u>
				395,124
<u>Louisiana Department of Health & Hospitals</u>				
Through Louisiana Foundation Against Sexual Assault				
Rape Crisis Program	93.991	2020-2022	114,539	55,148
RPE Expansion Program	93.136	2020-2021	23,000	3,736
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter Program	97.024	2020-2021	27,000	2,883
Emergency Food and Shelter Program	97.024	2020-2021	27,000	1,358
Emergency Food and Shelter Program	97.024	2020-2021	21,244	<u>21,244</u>
				25,485

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021 (CONTINUED)

	<u>Federal AL Number</u>	<u>Fiscal Period</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
<u>Louisiana Department of Children and Family Services</u>				
Family Violence Prevention & Services	93.671	2020-2021	808,430	462,338
Family Violence Prevention & Services	93.671	2021-2022	740,000	368,535
Family Violence Prevention & Services	93.671	2021-2025	173,782	21,425
DCFS CARES	93.671	2020-2021	50,934	31,193
				<u>883,491</u> *
Temporary Assistance to Needy Families	93.558	2020-2021	374,093	199,966
Temporary Assistance to Needy Families	93.558	2021-2022	374,093	171,129
				<u>371,095</u>
<u>Through Tulane University</u>				
Child Care and Development Block Grant	93.575	2020-2021	400,400	107,864
Child Care and Development Block Grant	93.575	2021-2022	384,169	178,173
				<u>286,037</u>
<u>U.S. Department of Veterans Affairs</u>				
Supportive Services for Veteran Families	64.033	2020-2021	731,409	306,836
Supportive Services for Veteran Families	64.033	2020-2022	754,808	695,120
Supportive Services for Veteran Families	64.033	2021-2023	637,241	15,462
				<u>1,017,418</u> *
Total Federal Expenditures				<u><u>\$ 6,262,784</u></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, 2021

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, 2021.

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Certified Public Accountants

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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, 2021, 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 27, 2022.

Report on 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) as a basis for designing 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 entity'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.

Report on 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 27, 2022

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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

Opinion on Each Major Federal Program

We have audited The Wellspring Alliance for Families, Inc.'s compliance with the types of compliance requirements identified as subject to audit 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, 2021. 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.

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, 2021.

Basis for Opinion on Each Major Federal Program

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 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). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of The Wellspring Alliance for Families, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Wellspring Alliance for Families, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Wellspring Alliance for Families, Inc.'s federal programs.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Wellspring Alliance for Families, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about The Wellspring Alliance for Families, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Wellspring Alliance for Families, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Wellspring Alliance for Families, Inc.'s internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 The Wellspring Alliance for Families, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we have identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 27, 2022

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 programs tested as major programs included the Department of Children and Family Services under AL #93.671 and Supportive Services for Veterans under AL #64.033.
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 WELLSPRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021 (CONTINUED)

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. Department of Veteran Affairs

AL No. 64.033; Program Period – 2020-2023

Louisiana Department of Children and Family Services

AL No. 93.671; Program Period – 2020-2025

There were no findings related to these major federal programs.

FINDINGS - FINANCIAL STATEMENT AUDIT

None

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

There were no findings in the prior year audit report dated June 24, 2021.

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
DECEMBER 31, 2021

Agency Head -
Caroline Cascio

Salary and Expense Account	\$ 102,729
Per Diem Allowance	-
Benefits - Insurance	7,884
Benefits - Retirement	3,082
Cell Phone Reimbursement	600
Travel	55
Registration Fees	-
Conference Travel	-
MFT Licensure	<u>316</u>
	<u>\$ 114,666</u>

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
MONROE, LOUISIANA

*Independent Accountants' Report on
Applying Agreed-Upon Procedures*

For the Year Ended December 31, 2021



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the Wellspring Alliance for Families, Inc., and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021, through December 31, 2021. The Wellspring Alliance for Families, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

The Wellspring Alliance for Families, Inc., has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021, through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) *Disbursements*, including processing, reviewing, and approving.
 - d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties,

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) *Ethics*², including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) *Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: Two exceptions noted where the written policies and procedures did not address required subcategories described above.

*Board or Finance Committee*³

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly

² The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget- to-actual, at a minimum, on all special revenue funds⁷. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Findings: No exceptions noted.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁶ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: No exceptions noted.

Collections (excluding electronic funds transfers)⁷

4. Obtain a listing of deposit sites⁸ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

⁴Proprietary and special revenue funds are defined under GASB standards. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary and special revenue operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

⁷ The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

⁸ A deposit site is a physical location where a deposit is prepared and reconciled.

5. For each deposit site selected, obtain a listing of collection locations⁹ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Findings: No exceptions noted.

⁹ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings: No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹⁰. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports

¹⁰ Including cards used by school staff for either school operations or student activity fund operations.

for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing)¹¹. For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Findings: No exceptions noted.

Travel and Travel-Related Expense Reimbursements¹² (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: No exceptions noted.

¹¹ For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

¹² Non-travel reimbursements are not required to be tested under this category.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹³ (e.g., solicited quotes or bids, advertised), if required by law.
 - Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Findings: No exceptions noted.

Payroll and Personnel

16. Obtain a listing of employees and officials¹⁴ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- Observe all selected employees or officials¹⁵ documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination

¹³ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

¹⁴ "Officials" would include those elected, as well as board members who are appointed

¹⁵ "Officials" would include those elected, as well as board members who are appointed

payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings: No exceptions noted.

*Ethics*¹⁶

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Findings: Procedure not applicable for this entity.

*Debt Service*¹⁷

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: Procedure not applicable for this entity.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing,

¹⁶ The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the procedures should be performed.

¹⁷ This AUP category is generally not applicable to nonprofit entities; however, if applicable, the procedures should be performed.

obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

24. Observe the entity has posted on its premises¹⁸ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.¹⁹

Findings: No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”
- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Findings: We performed the procedures and discussed the results with management.

Sexual Harassment²⁰

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

¹⁸ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

¹⁹ This notice is available for download or print at www.la.la.gov/hotline.

²⁰ A private non-profit that is subject to audit by virtue of the receipt of public funds does not appear to be subject to the sexual harassment law, R.S. 42:341, et seq. However, the non-profit could be subject to the law as part of its agreement to receive the public funds.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Findings: No exceptions noted.

Management's Response

We concur and will amend our policies.

We were engaged by the Wellspring Alliance for Families, Inc., to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Wellspring Alliance for Families, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Cameron, Hines & Company (APAE)

West Monroe, Louisiana
June 27, 2022