

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
MONROE, LOUISIANA

Financial Statements
For the Year Ended December 31, 2019



THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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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, 2019, 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, 2019, 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 November 3, 2020, 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, 2019

ASSETS

Current Assets

Cash	\$ 38,493
Grants and Other Receivables	845,317
Promises to give, one year or less	141,590
Prepaid Expenses and Other Assets	34,032
Total Current Assets	1,059,432

Land, Building, and Other Assets	4,135,613
Less: Accumulated Depreciation	(1,910,298)
	2,225,315

Other Assets

Beneficial Interest in Wellspring Foundation	251,992
Total Other Assets	251,992

<u>TOTAL ASSETS</u>	\$ 3,536,739
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 104,069
Accrued Expenses	131,396
Note Payable - LOC	45,000
Accrued Compensated Absences	122,262
Total Current Liabilities	402,727

Net Assets

Without Donor Restriction	
Undesignated	496,621
Fixed Assets	2,235,315
Beneficial Interest in Wellspring Foundation	251,992
	2,983,928

With Donor Restrictions	
Purpose/Time Restriction	150,084
	150,084

Total Net Assets	3,134,012
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<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 3,536,739
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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, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Revenues, Gains, and Other Support			
Contributions	\$ 227,517	\$ 189,389	\$ 416,906
In-kind Contributions	35,453	-	35,453
Counseling Fees	185,790	-	185,790
Grants	4,760,362	-	4,760,362
Interest and Dividend Income	25	-	25
Other Income	54,464	-	54,464
Gain (Loss) on Beneficial Interest in Wellspring Foundation	47,060	-	47,060
Net Unrestricted Revenues, Gains, and Other Support	<u>5,310,671</u>	<u>189,389</u>	<u>5,500,060</u>
Net Assets Released from Restrictions	225,958	(225,958)	-
Total Revenue, Gains, and Other Support	<u>5,536,629</u>	<u>(36,569)</u>	<u>5,500,060</u>
Expenses			
Program Services			
Counseling and Family Development	1,129,204	-	1,129,204
Domestic Violence	892,041	-	892,041
Family Justice Center	429,881	-	429,881
Outreach, Prevention and Rapid Rehousing	1,372,223	-	1,372,223
Permanent and Transitional Housing	976,782	-	976,782
Youth Empowerment Program	135,924	-	135,924
Total Program Services	<u>4,936,055</u>	<u>-</u>	<u>4,936,055</u>
Management and General	652,749	-	652,749
Total Expenses	<u>5,588,804</u>	<u>-</u>	<u>5,588,804</u>
<u>INCREASE (DECREASE) IN NET ASSETS</u>	<u>(52,175)</u>	<u>(36,569)</u>	<u>(88,744)</u>
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>3,036,103</u>	<u>186,653</u>	<u>3,222,756</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 2,983,928</u>	<u>\$ 150,084</u>	<u>\$3,134,012</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, 2019

	PROGRAM SERVICES							Management & General	Total
	Counseling- Family Development	Domestic Violence	Family Justice Center	Outreach, Prevention and Rapid Rehousing	Permanent and Transitional Housing	Youth Empowerment Program	Total Program Services		
Salaries	670,060	\$ 484,875	\$ 244,535	\$ 462,157	\$ 340,370	102,761	\$ 2,304,758	551,165	\$ 2,855,923
Retirement Expense	8,967	6,950	2,520	4,652	5,304	2,012	30,405	11,943	42,348
Payroll Taxes	68,727	38,520	18,968	36,862	26,994	4,743	194,814	23,721	218,535
Employee Benefits	58,833	29,348	25,182	27,204	33,594	9,595	183,756	38,562	222,318
Total Salaries and Related	806,587	559,693	291,205	530,875	406,262	119,111	2,713,733	625,391	3,339,124
Computer Maintenance & Network	21,484	3,733	6,192	9,460	9,240	560	50,669	5,061	55,730
Direct Aid to Individuals	-	17,544	-	627,043	304,715	-	949,302	-	949,302
Dues and Memberships	746	699	260	(80)	225	-	1,850	6,839	8,689
Fund Raising	-	-	-	-	1,595	-	1,595	9,657	11,252
Groceries and Supplies	(4,775)	21,161	6,401	1,153	1,910	1,200	27,050	15,226	42,276
Indirect Costs Allocated	17,678	63,382	-	26,819	25,102	-	132,981	(132,981)	-
Insurance	16,344	37,464	21,223	15,443	22,929	1,795	115,198	13,270	128,468
Interest	-	-	-	-	-	-	-	3,494	3,494
In-Kind Contributions	-	-	-	6,422	25,406	-	31,828	3,625	35,453
Printing, Marketing and Public Relations	1,881	1,361	9	10,354	8,883	435	22,923	6,406	29,329
Miscellaneous	974	932	83	138	1,338	1,300	4,765	3,707	8,472
Office Supplies	13,814	3,757	3,108	10,028	26,453	18	57,178	4,297	61,475
Postage and Shipping	847	1,110	406	891	137	-	3,391	2,682	6,073
Professional Fees	75,443	3,671	1,810	7,960	53,801	-	142,685	17,097	159,782
Program Supplies	31,238	17,674	217	1,134	4,650	4,261	59,174	315	59,489
Rental Expense	56,459	7,372	3,347	61,614	16,756	1,893	147,441	4,243	151,684
Repairs and Maintenance	6,428	44,614	19,548	13,207	11,101	-	94,898	34,209	129,107
Seminars and Training	24,120	1,598	1,737	10,915	(263)	1,237	39,344	493	39,837
Telephone	9,947	15,235	9,683	6,125	14,413	630	56,033	9,426	65,459
Travel	29,407	6,302	7,465	12,582	19,719	2,458	77,933	909	78,842
Utilities	5,283	34,795	21,733	8,573	11,414	-	81,798	12,613	94,411
Bad Debt Expense	-	-	-	-	-	-	-	-	-
Depreciation and Amortization	15,299	49,944	35,454	11,567	10,996	1,026	124,286	6,770	131,056
TOTAL EXPENSES	\$ 1,129,204	\$ 892,041	\$ 429,881	\$ 1,372,223	\$ 976,782	\$ 135,924	\$ 4,936,055	\$ 652,749	\$ 5,588,804

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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in Net Assets	\$ (88,744)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation and Amortization	131,056
Unrealized (Gains) Losses on Investments Held at Foundation	(42,175)
(Increase) Decrease in Operating Assets:	
Grants Receivable and Promises to Give	(232,360)
Prepaid Expenses and Other Assets	(5,115)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	31,106
Accrued Expenses and Compensated Absences	7,987
Net Cash Used by Operating Activities	<u>(198,245)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Income/Realized Gains on Investments at Foundation	(4,886)
Acquisition of Property and Equipment	<u>(59,444)</u>
Net Cash Used by Investing Activities	(64,330)

CASH FLOWS FROM FINANCING ACTIVITIES

Net Increase on Note Payable - LOC	<u>45,000</u>
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NET DECREASE IN CASH AND CASH EQUIVALENTS (217,575)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 256,068

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 38,493

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, 2019

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, 2019

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 2019. The earliest income tax year that is subject to examination is 2016.

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, 2019

Note 2 - Promises to Give

Promises to give consist of the following:

Louisiana Bar Foundation	\$ 30,000
United Way	105,090
Living Well	<u>6,500</u>
Total Promises to Give	<u>\$ 141,590</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, 2019, The Wellspring Alliance for Families Foundation investments were valued at \$251,992 which consists of the initial investment of \$99,730 and the unrealized gains of \$121,947 and cumulative dividends of \$30,315. 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	106,219
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, 2019

Note 4 - Land, Buildings and Equipment (continued)

Shelter Annex Land	12,000
Outreach and Prevention Equipment	74,380
Big Brothers, Big Sisters Equipment	12,938
Rural Housing Furniture and Fixtures	201,155
Family Justice Center Building	1,158,178
Family Justice Center Land	151,657
Riverside Drive – Bld A	168,629
Riverside Drive Bld A Land	22,014
Counseling Furniture and Equipment	<u>66,260</u>
 Total	 4,135,613
Less: Accumulated Depreciation	<u>(1,910,298)</u>
Net Land, Buildings, and Equipment	<u>\$ 2,225,315</u>

Depreciation expense for the year ended December 31, 2019 totaled \$131,056.

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 \$122,262 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	25,190
Television, Radio, Billboards and Newspaper Ads	<u>10,263</u>
 Total Recorded In-Kind Contributions	 <u>\$ 35,453</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 2020. 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 \$42,348 for 2019.

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 2019, the Organization had a balance of \$45,000 outstanding.

Interest of \$3,494 was paid during 2019.

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	\$ 38,493
Receivables (including promises to give)	986,907
Beneficial Interest in Foundation	<u>251,992</u>
Total Liquid and Available Assets	<u>\$ 1,277,392</u>

Note 10-Fair Value Measurements

Fair values of assets and liabilities measured on a recurring basis at December 31, 2019 are as follows:

		<u>Fair Value Measurements at Reporting Date Using</u>		
	<u>Fair Value</u>	<u>Quoted Prices</u>	<u>in Active</u>	<u>Markets for</u>
		<u>(Level 1)</u>	<u>Markets for</u>	<u>Identical</u>
			<u>Assets/</u>	<u>Assets/</u>
			<u>Liabilities</u>	<u>Liabilities</u>
			<u>(Level 2)</u>	<u>(Level 2)</u>
			<u>Significant</u>	<u>Other</u>
			<u>Observable</u>	<u>Inputs</u>
			<u>(Level 3)</u>	<u>Significant</u>
			<u>(Level 3)</u>	<u>Unobservable</u>
			<u>(Level 3)</u>	<u>Inputs</u>
			<u>(Level 3)</u>	<u>(Level 3)</u>
<u>December 31, 2019</u>				
Beneficial Interest				
In Foundation	\$ 251,992	\$ 251,992	-	-

Note 11 - Concentrations of Credit Risk

Cash

The Organization maintains its cash balances in one financial institution. At December 31, 2019, the Organization had bank statement balances totaling \$106,060 of which was insured by the Federal Deposit Insurance Corporation.

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 12 - Receivables

The Organization receives a substantial amount of its support from governmental entities and United Way. At December 31, 2019, account receivables consisted of:

State and Federal Government Funds	<u>\$ 834,236</u>
Promises to Give:	
Living Well	\$ 6,500
Louisiana Bar Association	30,000
United Way of Northeast Louisiana	<u>105,090</u>
Total Promises to Give	<u>\$ 141,590</u>
Miscellaneous Receivables	<u>\$ 11,081</u>

Note 13 - Advertising

Advertising costs are expensed as incurred. During 2019, the Organization expensed \$29,329 as marketing and printing expenses and \$10,263 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 and renewed for another three years in 2019. Also, the Organization has leased several apartments for a year each, ranging from \$450 to \$725 per month, for various dates concluding in 2020 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 \$151,684 were charged to expense during 2018.

Minimum future rental payments under non-cancelable operating leases as of December 31, 2019 are as follows:

<u>December 31,</u>	<u>Amount</u>
2020	\$ 89,240
2021	63,840
2022	20,680
2023	<u>-</u>
Total	<u>\$ 173,760</u>

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 15 - Subsequent Events

Management has evaluated subsequent events through November 3, 2020, the date which the financial statements were available to be issued. This evaluation included the effects of the COVID-19 pandemic and the ensuing economic impact on the Wellspring. During the spring of 2020, the Wellspring received a loan through the Paycheck Protection Program. This loan was used to pay salaries and benefits to employees. Management has reviewed the terms of this loan and believes the loan will be forgiven during the 2020 year. If that were to not occur, the loan would accrue interest of 1% per year from the date the loan was received and would be payable in 60 months.

As of November 3, 2020, management has not identified any material effects to the financial statements and is unable to determine what, if any, effects this will have on future operations.

OTHER SUPPLEMENTARY INFORMATION –
GRANT INFORMATION

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Federal CFDA Number</u>	<u>Fiscal Period</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
Raise the Roof	14.267	2019	163,083	\$ 163,083
Reach Out: The Rural Initiative	14.267	2018-2019	265,653	92,445
Reach Out: The Rural Initiative	14.267	2019-2020	278,421	190,106
Wellspring Permanent Housing Project	14.267	2018-2019	53,899	47,402
Permanent Supportive Housing II	14.267	2018-2019	109,752	103,387
Help and Home	14.267	2018-2019	90,189	76,628
Permanent Supportive Housing	14.267	2018-2019	111,312	39,582
Permanent Supportive Housing	14.267	2019-2020	255,150	28,155
Regional Rapid Rehousing	14.267	2018-2019	147,632	134,470
Regional Rapid Rehousing	14.267	2019-2020	140,132	21,519
				<u>896,777</u>
Through City of Monroe, LA				
HUD Emergency Solutions Grants Program	14.231	2018-2019	75,000	27,146
HUD Emergency Solutions Grants Program	14.231	2019-2020	75,000	45,078
				<u>72,224</u>
<u>U.S. Department of Justice</u>				
Violence Against Women Transitional Housing	16.736	2017-2020	327,539	114,714
Wellspring Legal Assistance Program	16.524	2016-2020	600,000	184,590
Wellspring SAFER MultiDisciplinary Hight Risk Team Program	16.589	2016-2022	1,101,099	154,271
Justice Systems Response for Families	16.021	2015-2021	1,050,000	181,261
Improving Criminal Justice Responses	16.590	2018 2021	450,000	126,179
Through Louisiana Commission on Law Enforcement				
Victims Assistance Program - 4379	16.575	2019	726,998	708,047
Domestic Violence Program 3 - 4362	16.575	2019	74,803	74,803
				<u>782,850 *</u>
Domestic Violence Program - 4814	16.588	2019	18,818	18,818
Sexual Assault - 4690	16.588	2019	34,906	34,902
				<u>53,720</u>
Sexual Assault Services Program - 4656	16.017	2019	54,302	53,471

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019 (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	2018-2019	27,812	6,071
Child and Adult Care Food Program	10.558	2019-2020	39,121	<u>1,296</u>
				7,367
<u>Louisiana Department of Health & Hospitals</u>				
Through Louisiana Foundation Against Sexual Assault				
Rape Crisis Program	93.991	2018-2019	84,019	33,095
Rape Crisis Program	93.991	2019-2020	38,521	<u>27,049</u>
				60,144
Through Office of Behavioral Health				
Northeast Delta Human Services Authority	93.958	2018-2019	37,879	18,702
Northeast Delta Human Services Authority	93.958	2019-2020	50,649	<u>18,557</u>
				37,259
<u>Louisiana Department of Children and Family Services</u>				
Family Violence Prevention & Services	93.671	2018-2019	625,041	303,359
Family Violence Prevention & Services	93.671	2019-2020	625,041	<u>298,662</u>
				602,021
Temporary Assistance to Needy Families	93.558	2018-2019	241,875	135,811
Temporary Assistance to Needy Families	93.558	2019	120,938	<u>120,383</u>
				256,194
Through Tulane University				
Child Care and Development Block Grant	93.575	2016-2019	630,733	145,211
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter Program	97.024	2018-2020	24,570	24,570
<u>U.S. Department of Veterans Affairs</u>				
Supportive Services for Veteran Families	64.033	2018-2019	723,939	576,812
Supportive Services for Veteran Families	64.033	2019-2020	723,939	<u>209,992</u>
				<u>786,804</u> *
Total Federal Expenditures				<u>\$ 4,539,627</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, 2019

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, 2019.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

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, 2019, 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 November 3, 2020.

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
November 3, 2020

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

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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, 2019. 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, 2019.

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
November 3, 2020

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 a major program included the Department of Justice under CFDA #16.575 and Department of Veteran Affairs under CFDA #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 WELLSRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

(Continued)

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. Department of Justice

CFDA No. 16.575; Program Period - 1/1/19-6/30/21

U.S. Department of Veteran Affairs

CFDA No. 64.033; Program Period - 10/1/18-9/30/20

There were no findings that relate 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, 2019

There were no findings in the prior year audit report dated June 26, 2019.

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
DECEMBER 31, 2019

Agency Head -
Caroline Cascio

Salary and Expense Account	\$ 97,522
Per Diem Allowance	-
Benefits - Insurance	7,628
Benefits - Retirement	1,950
Cell Phone Reimbursement	600
Travel	343
Registration Fees	-
Conference Travel	-
Continuing professional education fees	<u>216</u>
	<u>\$ 108,259</u>