

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
MONROE, LOUISIANA

Financial Statements
For the Year Ended December 31, 2012



THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report -----	1-2
 <u>FINANCIAL STATEMENTS</u> 	
Statement of Financial Position -----	3
Statement of Activities -----	4
Statement of Functional Expenses -----	5
Statement of Cash Flows -----	6
Notes to Financial Statements -----	7-13
 <u>OTHER SUPPLEMENTAL INFORMATION -</u> <u>GRANT INFORMATION</u> 	
Schedule of Expenditures of Federal Awards -----	14-15
Notes to Schedule of Expenditures of Federal Awards -----	16
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> -----	17-18
Independent Auditors' Report on Compliance with Requirements That Could Have A Direct and Material Effect On Each Major Program And Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i> -----	19-20
Schedule of Findings and Questioned Costs -----	21-22
Status of Prior Year Findings -----	23

CAMERON, HINES & COMPANY

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of The Wellspring Alliance for Families, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 2012, 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 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 financial statement presentation.

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, 2012, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or 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 20, 2013, 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 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 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 20, 2013

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012

ASSETS

Current Assets	
Cash	\$ 452,430
Grants and Other Receivables	689,034
Promises to give, one year or less	295,966
Prepaid Expenses and Other Assets	8,686
Total Current Assets	<u>1,446,116</u>
Land, Building, and Other Assets	2,479,917
Less: Accumulated Depreciation	<u>(1,169,184)</u>
	1,310,733
Other Assets	
Promises to give, greater than one year	115,771
Beneficial Interest in Wellspring Foundation	102,951
Total Other Assets	<u>218,722</u>
<u>TOTAL ASSETS</u>	<u>\$ 2,975,571</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$ 94,828
Accrued Expenses	123,502
Accrued Compensated Absences	88,260
Total Current Liabilities	<u>306,590</u>
Unrestricted	
Operations	793,611
Fixed Assets	1,310,733
Beneficial Interest in Wellspring Foundation	102,951
Temporarily Restricted	<u>461,686</u>
Total Net Assets	<u>2,668,981</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 2,975,571</u>

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

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

CHANGES IN UNRESTRICTED NET ASSETS:

Revenues, Gains, and Other Support	
Contributions	\$ 105,892
In-kind Contributions	188,714
Counseling Fees	190,761
Grants	4,300,935
Interest and Dividend Income	6,134
Realized Gains	15,305
Other Income	31,809
Gain on Beneficial Interest in Wellspring Foundation	3,221
Net Unrestricted Revenues, Gains, and Other Support	<u>4,842,771</u>
Net Assets Released from Restrictions	<u>306,343</u>
Total Revenue, Gains, and Other Support	5,149,114
Expenses	
Program Services	
Counseling and Family Development	988,672
Domestic Violence	584,518
Family Justice Center	359,882
Housing & Supportive Services	2,225,937
Big Brothers, Big Sisters	362,064
Crisis Lines	150,728
Total Program Services	<u>4,671,801</u>
Mangement and General	451,854
Total Expenses	<u>5,123,655</u>
Increase in Unrestricted Net Assets	25,459

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

Contributions Restricted by Donor	267,405
Net Assets Released from Donor Restrictions	<u>(306,343)</u>
Decrease in Temporarily Restricted Net Assets	<u>(38,938)</u>
<u>TOTAL DECREASE IN NET ASSETS</u>	(13,479)
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>2,682,460</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 2,668,981</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, 2012

	PROGRAM SERVICES			
	Counseling- Family Development	Domestic Violence	Family Justice Center	Housing & Supportive Services
Salaries	\$ 561,887	\$ 289,170	\$ 100,150	\$ 879,085
Retirement Expense	27,729	14,499	5,038	27,896
Payroll Taxes	47,365	22,799	7,895	69,100
Employee Benefits	25,352	14,301	9,445	29,155
Total Salaries and Related	<u>662,333</u>	<u>340,769</u>	<u>122,528</u>	<u>1,005,236</u>
Computer Maintenance & Network	9,767	6,991	5,994	27,165
Direct Aid to Individuals	-	37,099	-	610,257
Dues and Memberships	421	1,727	-	195
Fund Raising	-	-	-	-
Groceries and Supplies	7,850	37,733	15,747	23,980
Indirect Costs Allocated	42,794	49,102	-	31,696
Insurance	7,938	10,768	3,854	30,528
Interest	-	-	-	-
In-Kind Contributions	-	-	123,016	56,358
Printing, Marketing and Public Relations	4,350	2,189	6,187	119,048
Miscellaneous	2,141	319	75	1,052
Office Supplies	7,024	5,857	11,003	20,965
Postage and Shipping	1,336	583	349	983
Professional Fees	93,673	1,223	721	13,999
Rental Expense	62,875	890	2,377	59,288
Repairs and Maintenance	5,025	26,242	13,090	49,953
Seminars and Training	1,238	150	2,349	27,839
Telephone	8,897	10,885	12,307	12,244
Travel	55,657	18,654	16,166	49,706
Utilities	5,575	14,923	19,512	26,511
Depreciation and Amortization	9,778	18,414	4,607	58,934
<u>TOTAL EXPENSES</u>	<u>\$ 988,672</u>	<u>\$ 584,518</u>	<u>\$ 359,882</u>	<u>\$ 2,225,937</u>

Big Brothers, Big Sisters	Crisis Lines	Total Program Services	Management & General	Total
\$ 215,469	\$ 110,497	\$ 2,156,258	\$ 360,526	\$ 2,516,784
9,645	2,214	87,021	21,913	108,934
17,000	8,468	172,627	26,740	199,367
4,402	7,291	89,946	18,829	108,775
<u>246,516</u>	<u>128,470</u>	<u>2,505,852</u>	<u>428,008</u>	<u>2,933,860</u>
3,297	1,972	55,186	13,644	68,830
-	-	647,356	-	647,356
8,175	-	10,518	10,164	20,682
5,596	-	5,596	1,954	7,550
3,796	-	89,106	12,603	101,709
-	-	123,592	(123,592)	-
4,291	2,921	60,300	13,200	73,500
-	-	-	2,314	2,314
9,340	-	188,714	-	188,714
12,703	-	144,477	9,570	154,047
3,605	78	7,270	5,658	12,928
1,159	-	46,008	9,425	55,433
316	-	3,567	4,274	7,841
5,320	328	115,264	8,621	123,885
20,710	11,156	157,296	5,361	162,657
3,839	957	99,106	22,160	121,266
570	-	32,146	5,925	38,071
13,474	1,695	59,502	3,720	63,222
13,583	-	153,766	985	154,751
2,514	1,061	70,096	8,624	78,720
3,260	2,090	97,083	9,236	106,319
<u>\$ 362,064</u>	<u>\$ 150,728</u>	<u>\$ 4,671,801</u>	<u>\$ 451,854</u>	<u>\$ 5,123,655</u>

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, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in Net Assets	\$ (13,479)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation and Amortization	106,319
Unrealized Gains on Investments Held at Foundation	(2,303)
(Increase) Decrease in Operating Assets:	
Grants Receivable and Promises to Give	(176,558)
Prepaid Expenses and Other Assets	5,228
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	19,845
Accrued Expenses and Compensated Absences	29,010
Net Cash Used by Operating Activities	(31,938)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Investments	250,172
Transfer to Wellspring Foundation	(99,730)
Income/Realized Gains Losses on Investments	(20,662)
Income/Realized Gains on Investments at Foundation	(918)
Purchases of Property and Equipment	(232,827)
Net Cash Used by Investing Activities	(103,965)

CASH FLOWS FROM FINANCING ACTIVITIES

Notes Payable Payments	(96,806)
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NET DECREASE IN CASH AND CASH EQUIVALENTS (232,709)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 685,139

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 452,430

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

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 the 12 parishes in Northeast Louisiana with direct services, education and advocacy. The agency mission, to strengthen and value the family, provides the direction for services and programs which include counseling, telephone crisis intervention, emergency shelter and housing, and mentoring (Big Brother Big Sisters).

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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, 2012

Note 1 - Summary of Significant Accounting Policies (continued)

Fixed Assets (Continued)

Purchases of fixed assets and major improvements in excess of \$1,000 are capitalized at cost. The cost of furniture and equipment acquired prior to 1965 is not determinable and, therefore, is not shown. Value for fixed assets donated prior to 1986 is not determinable and, therefore, not shown. As of January 1, 1986, donated assets have been recorded at their fair market value. Depreciation is computed on the straight-line method over the asset's estimated useful life. The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

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 2012. The earliest income tax year that is subject to examination is 2009.

Financial Statement Presentation

FASB Accounting Standards Codification (ASC) section 958-205 *Not-for-Profit Entities, Presentation of Financial Statements* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions as follows: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this statement, the Organization does not use fund accounting.

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.

Note 2 - Promises to Give

Promises to give consist of the following:

Louisiana Bar Foundation	\$ 58,432
United Way	<u>353,305</u>
Total Promises to Give	<u>\$ 411,737</u>

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 2 - Promises to Give (continued)

Amounts Due In:	
Less Than One Year	\$ 295,966
One to Five Years	<u>115,771</u>
Total	<u>\$ 411,737</u>

Note 3 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

Periods after December 31, 2012	
United Way of Northeast Louisiana	\$ 353,305
Specific Grant Programs	
Louisiana Bar Foundation Grant	51,795
Avon	1,542
Mary Kay	15,615
Dubois	4,429
Verizon	10,000
Baton Rouge Area Foundation	<u>25,000</u>
Total Temporarily Restricted Assets	<u>\$ 461,686</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Time Restrictions Expired:	
United Way of Northeast Louisiana	\$ 226,836
Purpose Restrictions Fulfilled:	
Louisiana Bar Foundation Grant	46,599
ACES	4,073
Avon	312
Dubois	<u>28,523</u>
Total Restriction Released	<u>\$ 306,343</u>

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Note 4 - 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 unrestricted net assets. 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.

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 4 - Beneficial Interest in Wellspring Foundation (continued)

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, 2012, The Wellspring Alliance for Families Foundation investments were valued at \$102,951 which consists of the initial investment of \$99,730 and the unrealized gains of \$2,303 and dividends of \$918.

Note 5 - Land, Buildings and Equipment

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

The Wellspring Building and Parking Lot	\$ 562,510
The Wellspring Land	2,500
Holly Street Property and Improvements	817,464
Holly Street/Railroad Street Land	204,552
The Wellspring Furniture and Equipment	80,734
Shelter House and Improvements	250,336
Shelter House Land	5,000
Transitional Housing Improvements	5,603
Rape Crisis Equipment – VOCA	6,718
Family Violence Furniture and Equipment	38,089
Family Justice Center	44,455
Rape Crisis Equipment	11,899
Child Abuse – VOCA	6,991
Crisis Lines	4,612
Shelter Annex Building and Improvements	170,379
Shelter Annex Land	12,000
Big Brothers, Big Sisters Equipment	15,810
Rural Housing Furniture and Fixtures	186,674
Counseling Furniture and Equipment	<u>53,591</u>
Total	2,479,917
Less: Accumulated Depreciation	<u>(1,169,184)</u>
Net Land, Buildings, and Equipment	<u>\$ 1,310,733</u>

Depreciation expense for the year ended December 31, 2012 totaled \$106,319.

Note 6 - Investments

Investments are presented in the financial statements at fair market value based on quoted prices in active markets of the securities on a recurring basis at December 31, 2012.

A portion of the investments held at Morgan Keegan were transferred to The Wellspring Alliance for Families Foundation, an organization specifically set up to support The Wellspring Alliance for Families, Inc. The remaining investments were sold and used for various items.

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 6 - Investments (continued)

The following schedule summarizes the investment return as it appears in unrestricted net assets for 2012 prior to the transfer of the investments:

Interest and Dividends	\$ 5,357
Realized Gain	<u>15,305</u>
Total Investment Return	<u>\$ 20,662</u>

Note 7 - 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 \$88,260 are recorded for vested vacation time.

Note 8 - Long-Term Debt

The Organization paid off its remaining debt during the year ended December 31, 2012 and no other debt has been issued since.

Interest paid during 2012 was \$2,314, which includes interest paid on the line of credit.

Note 9 - 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	\$ 123,016
Television, Radio, Billboards and Newspaper Ads	<u>65,698</u>
Total Recorded In-Kind Contributions	<u>\$ 188,714</u>

Note 10 - 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 2012. The Organization anticipates a 6% profit sharing contribution during 2013 as was paid in 2012. 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 \$108,934 for 2012.

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 11 - 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 \$440,000 and can be used for operating expense shortfalls. This amount reflects a \$50,000 increase received on one of the lines of credit during 2012. In 2012, the line of credit was paid off and no additional debt was incurred.

Note 12 - Concentrations of Credit Risk

Cash

The Organization maintains its cash balances in one financial institutions. At December 31, 2012, the Organization had bank statement balances totaling \$481,455 all of which was insured by the Federal Deposit Insurance Corporation.

Receivables

The Organization receives a substantial amount of its support from governmental entities and United Way. At December 31, 2012, account receivables consisted of:

State and Federal Government Funds	<u>\$ 689,034</u>
Promises to Give:	
Louisiana Bar Foundation	\$ 58,432
United Way of Northeast Louisiana	<u>353,305</u>
Total Promises to Give	<u>\$ 411,737</u>

Note 13 - Advertising

Advertising costs are expensed as incurred. During 2012, the Organization expensed \$154,047 as marketing and printing expenses and \$65,698 as in-kind advertising donations.

Note 14 - Subsequent Events

Subsequent events have been evaluated through June 20, 2013, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Note 15 - Leases

The Organization signed a lease in November of 2005 for counseling space in Monroe, LA under an operating lease. This operating lease had a term of seven years and ended in November 2012. The Organization had the option to cancel the lease at the end of year three if a reduction in income necessitates. At the end of this lease, a new lease 18 month lease was signed through May 2014. In 2011, the Organization signed two new 18 months leases for office space in Monroe, LA and Winnsboro, LA of which both expired during 2012. The lease in Winnsboro is currently on a month to month basis while the Monroe lease was merged with the lease above for 18 months. The Organization also leases several satellite offices on a month to month basis, and rents various office equipment items under operating leases. Rentals aggregating \$162,657 were charged to expense during 2012.

Minimum future rental payments under non-cancelable operating leases as of December 31, 2012 are as follows:

<u>December 31,</u>	<u>Amount</u>
2013	\$ 68,772
2014	\$ 22,924

OTHER SUPPLEMENTARY INFORMATION –
GRANT INFORMATION

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Federal CFDA Number	Fiscal Period	Program or Award Amount	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Raise the Roof	14.235	2012	160,032	\$ 160,032
Homeless Management Information System	14.235	2011-2012	72,859	32,420
Homeless Management Information System	14.235	2012-2013	72,859	36,961
Reach Out: The Rural Initiative	14.235	2011-2012	260,685	94,988
Reach Out: The Rural Initiative	14.235	2012-2013	260,685	158,017
Wellspring Permanent Housing Project	14.235	2011-2013	89,532	45,807
Permanent Supportive Housing II	14.235	2011-2012	91,725	1,967
Help and Home	14.235	2011-2012	80,209	72,526
Help and Home	14.235	2012-2013	80,209	17,846
VOA Supportive Housing	14.235	2012-2013	96,206	52,960
				673,524 *
Through City of Monroe, LA				
HUD Emergency Shelter Grants Program	14.231	2011-2012	43,915	29,314
HUD Emergency Shelter Grants Program	14.231	2012-2013	55,000	34,918
				64,232
Homeless Prevention and Rapid Re-housing	14.257	2009-2012	606,569	1,444
<u>U.S. Department of Justice</u>				
Transitional Housing (ARRA)	16.805	2009-2012	499,999	100,635
Violence Against Women Transitional Housing	16.736	2011-2014	250,000	67,496
Violence Against Women Rural DV , Dating & SA & Stalking	16.589	2008-2015	2,300,000	384,450 *
OJJDP Recovery Act (ARRA)	16.808	2009-2012	500,000	150,996
Through Louisiana Foundation Against Sexual Assault				
Sexual Assault Services Formula Grant	16.017	2011-2013	25,896	15,599
Through Louisiana Commission on Law Enforcement				
Victims of Crime	16.575	2011-2012	238,896	35,423
Victims of Crime	16.575	2012-2013	238,896	214,428
				249,851
Violence Against Women Act - Domestic Violence Services	16.588	2011-2012	15,117	5,475
Violence Against Women Act - Domestic Violence Services	16.588	2012-2013	20,080	16,190
Violence Against Women Act - Sexual Assault	16.588	2011-2012	18,426	2,283
Violence Against Women Act - Sexual Assault	16.588	2012-2013	12,778	9,057
				33,005
Through Ouachita Parish Police Jury				
Arrest Grant	16.590	2012-2014	300,000	5,733
Community Defined Solutions	16.590	2006-2012	1,199,767	208,476
				214,209
Supervised Visitation (OPPJ Fiscal Agent)	16.527	2009-2012	400,000	99,908
Through Big Brothers Big Sisters of America				
Office of Juvenile Justice and Delinquency Prevention	16.726	2011-2013	131,250	87,700

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012 (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	2011-2012	23,384	11,255
Child and Adult Care Food Program	10.558	2012-2013	24,195	6,127
				<u>17,382</u>
<u>Louisiana Department of Health & Hospitals</u>				
Through Louisiana Foundation Against Sexual Assault				
Rape Crisis Program	93.991	2011-2012	16,846	7,346
Rape Crisis Program	93.991	2012-2013	17,107	8,191
				<u>15,537</u>
Through Office of Behavioural Health				
Block Grant for Community Health Services	93.958	2012-2014	168,685	28,991
Block Grant for Community Health Services	93.958	2012-2014	18,040	7,721
				<u>36,712</u>
<u>Louisiana Department of Children and Family Services</u>				
Family Violence Prevention & Services	93.671	2011-2012	144,042	72,020
Family Violence Prevention & Services	93.671	2012-2013	521,680	219,138
				<u>291,158</u>
Temporary Assistance to Needy Families	93.558	2011-2012	403,644	116,509
Temporary Assistance to Needy Families	93.558	2012-2013	318,750	157,103
				<u>273,612</u>
Through Tulane University				
Child Care and Development Block Grant	93.575	2012	436,658	420,947 *
<u>U.S. Department of Health and Human Services</u>				
Through Louisiana Children's Trust Fund	93.590	2012-2013	10,000	9,700
<u>U.S. Department of Veterans Affairs</u>				
Supportive Services for Veteran Families	64.033	2011-2012	444,236	374,534
Supportive Services for Veteran Families	64.033	2011-2012	444,236	184,410
				<u>558,944 *</u>
Total Federal Expenditures				<u>\$ 3,767,041</u>

* Denotes major programs.

See accompanying notes to schedule of expenditures of federal awards.

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

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 statements of financial position as of December 31, 2012, 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 20, 2013.

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 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Wellspring Alliance for Families, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Wellspring Alliance for Families, Inc.'s internal control and compliance. Accordingly, the communication is not suitable for any other purpose.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
June 20, 2013

CAMERON, HINES & COMPANY

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Certified Public Accountants

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

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 Circular A-133 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, 2012. 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 the requirements of laws, regulations, contracts and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The 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 material 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, 2012.

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 audits 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 a major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The 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 the 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
June 20, 2013

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 Based on an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards* and Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133.
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 OMB Circular A-133.
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 programs for Wellspring.
7. The programs tested as a major program included the Department of Housing and Urban Development under CFDA No. 14.235, Department of Justice under CFDA No. 16.589, Department of Health and Human Services under CDFA 93.575 and Department of Veteran Affairs under CFDA 64.033.
8. The threshold for distinguishing between Types A and B programs was \$300,000.
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, 2012

(Continued)

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. Department of Housing and Urban Development

CFDA No. 14.235; Program Period - 5/1/11-12/31/13.

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

U.S. Department of Health and Human Services

CFDA No. 93.575; Program Period - 1/1/12-12/31/12.

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

U.S. Department of Justice

CFDA No. 16.589; Program Period - 10/1/08-9/30/15.

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

U.S. Department of Veteran Affairs

CFDA No. 64.033; Program Period - 9/15/11-9/30/12.

There were no findings that relate to the major federal program

FINDINGS - FINANCIAL STATEMENT AUDIT

None

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012

There were no findings in the prior year audit report dated June 22, 2012.