

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
MONROE, LOUISIANA

Financial Statements
For the Year Ended December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 14 2011



THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of The Wellspring Alliance for Families, Inc. (a non-profit organization) as of December 31, 2010, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2011, on our consideration of The Wellspring Alliance for Families, Inc.'s internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

Board of Directors
The Wellspring Alliance for Families, Inc.
Monroe, Louisiana
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Our audit was performed for the purpose of forming an opinion on the basic financial statements of The Wellspring Alliance for Families, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic 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 basic financial statements taken as a whole.

Cameron, Hines & Harlt (APAC)

West Monroe, Louisiana
June 21, 2011

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

ASSETS

Current Assets	
Cash	\$ 501,310
Certificate of Deposit	45,265
Investments	198,802
Grants and Other Receivables	663,201
Promises to give, one year or less	273,800
Prepaid Expenses and Other Assets	11,141
Total Current Assets	<u>1,693,519</u>
Promises to give, greater than one year	106,879
Land, Building, and Other Assets	2,270,893
Less: Accumulated Depreciation	<u>(1,087,294)</u>
	<u>1,183,599</u>
<u>TOTAL ASSETS</u>	<u>\$ 2,983,997</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$ 72,303
Line of Credit	87,167
Accrued Expenses	109,680
Current Portion of Long-term Debt	10,847
Accrued Compensated Absences	85,492
Total Current Liabilities	<u>365,489</u>
Long-term Debt	<u>9,518</u>
Total Liabilities	375,007

NET ASSETS

Unrestricted	
Operations	897,961
Board Designated (Note 12)	100,000
Fixed Assets	1,183,599
Temporarily Restricted	<u>427,430</u>
Total Net Assets	<u>2,608,990</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 2,983,997</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, 2010

CHANGES IN UNRESTRICTED NET ASSETS:

Revenues, Gains, and Other Support	
Contributions	\$ 297,284
In-kind Contributions	258,557
Counseling Fees	151,368
Grants	4,188,315
Interest and Dividend Income	5,090
Unrealized Gains	9,303
Other Income	33,073
Net Unrestricted Revenues, Gains, and Other Support	<u>4,942,990</u>
Net Assets Released from Restrictions	<u>320,434</u>
Total Revenue, Gains, and Other Support	5,263,424
 Expenses	
Program Services	
Counseling and Family Development	893,657
Domestic Violence	524,337
Family Justice Center	338,329
Housing & Supportive Services	1,873,544
Big Brothers, Big Sisters	576,120
Crisis Lines	141,325
Total Program Services	<u>4,347,312</u>
Mangement and General	<u>467,092</u>
Total Expenses	<u>4,814,404</u>
 Increase in Unrestricted Net Assets	449,020

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

Contributions Restricted by Donor	305,568
Net Assets Released from Donor Restrictions	<u>(320,434)</u>
 Decrease in Temporarily Restricted Net Assets	<u>(14,866)</u>
 <u>TOTAL INCREASE IN NET ASSETS</u>	434,154
 <u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>2,174,836</u>
 <u>NET ASSETS AT END OF YEAR</u>	<u>\$ 2,608,990</u>

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

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>PROGRAM SERVICES</u>			
	<u>Counseling- Family Development</u>	<u>Domestic Violence</u>	<u>Family Justice Center</u>	<u>Housing & Supportive Services</u>
Salaries	\$ 590,481	\$ 284,620	\$ 108,008	\$ 630,579
Retirement Expense	25,889	13,860	3,102	26,266
Payroll Taxes	48,921	28,609	8,637	50,844
Employee Benefits	28,816	17,163	8,526	31,049
Total Salaries and Related	<u>694,107</u>	<u>344,252</u>	<u>128,273</u>	<u>738,738</u>
Computer Maintenance & Network	3,642	3,131	4,347	28,712
Direct Aid to Individuals	-	32,445	-	631,703
Dues and Memberships	707	1,380	59	171
Fund Raising	-	-	-	-
Groceries and Supplies	3,904	31,901	3,452	15,550
Indirect Costs Allocated	-	-	-	46,108
Insurance	6,879	10,958	3,744	30,980
Interest	-	118	-	(36)
In-Kind Contributions	-	18,000	130,561	39,890
Printing, Marketing and Public Relations	7,192	4,641	2,687	80,393
Miscellaneous	169	33	339	1,508
Office Supplies	4,679	2,889	1,726	21,797
Postage and Shipping	2,732	344	674	7,620
Professional Fees	46,781	-	-	250
Rental Expense	41,172	810	2,158	59,373
Repairs and Maintenance	3,216	17,514	10,274	41,977
Seminars and Training	912	515	1,827	2,421
Telephone	7,779	7,649	11,566	11,753
Travel	52,377	11,716	8,789	40,915
Utilities	5,646	17,866	24,243	27,027
Depreciation and Amortization	11,763	18,175	3,610	46,694
<u>TOTAL EXPENSES</u>	<u>\$ 893,657</u>	<u>\$ 524,337</u>	<u>\$ 338,329</u>	<u>\$ 1,873,544</u>

Big Brothers, Big Sisters	Crisis Lines	Total Program Services	Management & General	Total
\$ 283,739	\$ 100,876	\$ 1,998,303	\$ 326,702	\$ 2,325,005
17,582	2,212	88,911	21,689	110,600
23,706	7,820	168,537	19,527	188,064
7,938	7,121	100,613	14,751	115,364
<u>332,965</u>	<u>118,029</u>	<u>2,356,364</u>	<u>382,669</u>	<u>2,739,033</u>
2,249	1,826	43,907	10,742	54,649
124	-	664,272	(50)	664,222
8,805	-	11,122	9,651	20,773
2,908	-	2,908	3,278	6,186
11,102	-	65,909	13,034	78,943
14,948	-	61,056	(61,056)	-
4,065	2,106	58,732	10,615	69,347
-	-	82	5,254	5,336
70,106	-	258,557	-	258,557
59,657	755	155,325	8,949	164,274
2,649	-	4,698	5,255	9,953
1,616	-	32,707	9,848	42,555
515	51	11,936	3,920	15,856
7,000	-	54,031	13,354	67,385
25,785	12,111	141,409	4,490	145,899
2,111	1,070	76,162	16,989	93,151
700	-	6,375	510	6,885
8,354	4,301	51,402	4,152	55,554
12,067	97	125,961	2,343	128,304
3,119	-	77,901	9,971	87,872
5,275	979	86,496	13,174	99,670
<u>\$ 576,120</u>	<u>\$ 141,325</u>	<u>\$ 4,347,312</u>	<u>\$ -167,092</u>	<u>\$ 4,814,404</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, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in Net Assets	\$ 434,154
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and Amortization	99,670
(Increase) Decrease in Operating Assets:	
Grants Receivable and Promises to give	(127,409)
Prepaid Expenses and Other Assets	6,349
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(10,867)
Accrued Expenses and Compensated Absences	6,822
Net Cash Provided by Operating Activities	<u>408,719</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in Certificate of Deposit	(1,042)
Increase in Investments	(198,781)
Payments for Property and Equipment	<u>(352,821)</u>
Net Cash Used by Investing Activities	(552,644)

CASH FLOWS FROM FINANCING ACTIVITIES

Capital Lease Payments	(7,932)
Proceeds from Line of Credit	100,000
Line of Credit Payments	(12,833)
Notes Payable Payments	<u>(10,017)</u>
Net Cash Provided by Financing Activities	69,218

NET DECREASE IN CASH AND CASH EQUIVALENTS (74,707)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 576,017

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 501,310

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, 2010

Note 1 - Summary of Significant Accounting Policies

Organization

The Wellspring Alliance for Families, Inc., formerly known as YWCA of Northeast Louisiana (the Association), 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).

In 2005, after lengthy and careful deliberation, the organization disaffiliated from the YWCA/USA and strengthened its affiliation with the Alliance for Children and Families, a nonprofit membership association representing more than 360 child and family-serving organizations in the United States and Canada. This action came about as the result of the organization's regular, careful examination of local expectations of a national affiliation. Management believes the change will not impact current funding, programs and services or the local volunteer and staff leadership.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Association 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 Association 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 Association uses the direct write-off method for bad debts. The results of this method do not materially differ from the allowance method.

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 1 - Summary of Significant Accounting Policies (continued)

Fixed Assets

Fixed assets acquired by The Wellspring Alliance for Families, Inc. are considered to be owned by the Association. 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.

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 Association 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 Association 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 2010. The earliest income tax year that is subject to examination is 2007.

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 Association is required to present a statement of cash flows. As permitted by this statement, the Association does not use fund accounting.

Budget Policy

Budgets for various programs are prepared by the Association 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.

Investments

Investments are composed of equity securities and are carried at fair value.

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 2 - Temporarily Restricted Net Assets

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

Periods after December 31, 2010	
United Way of Northeast Louisiana	\$ 316,683
Specific Grant Programs	
IOLTA Grant	63,996
Avon	3,727
Mary Kay	16,297
Dubois	1,727
Baton Rouge Area Foundation	<u>25,000</u>
Total Temporarily Restricted Assets	<u>\$ 427,430</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	\$ 192,860
Purpose Restrictions Fulfilled:	
IOLTA Grant	63,819
Holly & Hays House	1,156
Avon	1,725
Blue Cross Blue Shield	15,059
Dubois	42,112
Mary Kay	<u>3,703</u>
Total Restriction Released	<u>\$ 320,434</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 3 - Promises to Give

Promises to give consist of the following:

Louisiana Bar Foundation	\$ 63,996
United Way	<u>316,683</u>
Total Promises to Give	<u>\$ 380,679</u>
Amounts Due In:	
Less Than One Year	\$ 273,800
One to Five Years	<u>106,879</u>
Total	<u>\$ 380,679</u>

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 4 - Investments

Investments at December 31, 2010 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Morgan Keegan Investments	\$ 187,002	\$ 198,802	\$ 198,802

The following schedule summarizes the investment return as it appears in unrestricted net assets for 2010:

Interest and Dividends	\$ 2,497
Unrealized Gain	<u>9,303</u>
Total Investment Return	<u>\$ 11,800</u>

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	503,413
Holly Street/Railroad Street Land	175,005
Holly Street Furniture and Equipment	125,586
The Wellspring Furniture and Equipment	95,679
Shelter House and Improvements	247,631
Shelter House Land	5,000
Transitional Housing Improvements	8,089
Rape Crisis Equipment – VOCA	9,440
Family Violence Furniture and Equipment	48,881
Family Justice Center	34,526
Rape Crisis Equipment	12,659
Child Abuse – VOCA	11,202
Crisis Lines	2,730
Shelter Annex Building and Improvements	174,060
Shelter Annex Land	12,000
Big Brothers, Big Sisters Equipment	17,548
Rural Housing Furniture and Fixtures	173,046
Counseling Furniture and Equipment	<u>49,388</u>
Total	2,270,893
Less: Accumulated Depreciation	<u>(1,087,294)</u>
Net Land, Buildings, and Equipment	<u>\$ 1,183,599</u>

Depreciation expense for the year ended December 31, 2010 totaled \$99,670.

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 6 - Compensated Absences

The Association's personnel policies permit carry forward of sick time. However, employees are not paid for any unused sick time upon termination. Since the payment for accumulated sick time is contingent upon future employee illness, a liability is not recorded. Accrued compensated absences in the amount of \$85,492 are recorded for vested vacation time.

Note 7 - Long-Term Debt

Long-term debt consists of the following:

<u>Lender</u>	<u>Collateral</u>	<u>Balance</u>
Capital One Note Payable, 7%	none	20,365
Less: Current Maturities		<u>(10,847)</u>
Total Long-Term Debt		<u>\$ 9,518</u>

Interest paid during 2010 was \$5,336, which includes interest paid on the line of credit.

Debt maturities for each of the next five years:

<u>December 31,</u>	<u>Debt Maturities</u>
2011	\$ 10,847
2012	9,518
2013	-
2014	-
2015	-
Total	<u>\$ 20,365</u>

Note 8 - 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	\$ 118,561
Television, Radio, Billboards and Newspaper Ads	<u>139,996</u>
Total Recorded In-Kind Contributions	<u>\$ 258,557</u>

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 9 - Commitments and Contingencies

Economic Dependence

The Association 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 Association's programs and activities.

Line of Credit

The Association has entered into two line of credit agreements with local banks. The two lines of credit have a combined balance available of \$390,000 and can be used for operating expense shortfalls. In 2010, one of these lines of credit was used to partially pay for acquisition of some Holly Street properties in the amount of \$100,000. At December 31, 2010, \$87,167 was outstanding on these lines of credit.

Note 10 - Defined Contribution Plan

During 2007, the Association 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 Association 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 are planned for 2010. The Association anticipates a 6% profit sharing contribution during 2011 as was paid in 2010. 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 \$110,600 for 2010.

Note 11 - Concentrations of Credit Risk

Cash

The Association maintains its cash balances in two financial institutions. At December 31, 2010, the Association had bank statement balances totaling \$598,700 of which \$309,892 was insured by the Federal Deposit Insurance Corporation.

Receivables

The Association receives a substantial amount of its support from governmental entities and United Way. At December 31, 2010, account receivables consisted of:

State and Federal Government Funds	<u>\$ 663,201</u>
Promises to Give:	
Louisiana Bar Foundation	\$ 63,996
United Way of Northeast Louisiana	<u>316,683</u>
Total Promises to Give	<u>\$ 380,679</u>

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Note 12 - Advertising

Advertising costs are expensed as incurred. During 2010, the Association expensed \$164,274 as marketing and printing expenses and \$139,996 as in-kind advertising donations.

Note 13 - Board Designations

During 1999, the Association received a substantial unrestricted contribution from a donor. The Board voted to set aside \$100,000 to start an endowment fund. Since 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 Association 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 memorial and other miscellaneous contributions which are going toward the endowment.

Note 14 - Leases

The Association signed a lease in November of 2005 for counseling space in Monroe, LA under an operating lease on a monthly basis. This operating lease has a term of seven years terminating in November 2012. The Association has the option to cancel the lease at the end of year three if a reduction in income necessitates. In addition, the Association signed a lease for The Family Justice Center in June 2005. The term of this operating lease was completed in October 2006. The Association also leases several satellite offices on a month to month basis, and rents various office equipment items under operating leases. Rentals aggregating \$145,899 were charged to expense during 2010.

Minimum future rental payments under non-cancelable operating leases as of December 31, 2010 for each of the next five years and in aggregate are as follows:

<u>December 31,</u>	<u>Amount</u>
2011	\$ 98,326
2012	\$ 88,230
2013	\$ -
2014	\$ -
2015	\$ -

Note 15 - Subsequent Events

Subsequent events have been evaluated through June 21, 2011, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Federal CFDA Number	Fiscal Period	Program or Award Amount	Federal Expenditures
<u>Department of Housing and Urban Development</u>				
Supportive Housing Program				
Raise the Roof	14,235	2010	160,032	\$ 160,032
Homeless Management Information System	14,235	2009-2010	72,859	51,402
Homeless Management Information System	14,235	2010-2011	72,859	24,444
Reach Out: The Rural Initiative	14,235	2009-2010	260,685	145,701
Reach Out: The Rural Initiative	14,235	2010-2011	260,685	128,730
				<u>510,309</u> *
Homeless Prevention and Rapid Re-housing (ARRA)	14,257	2009-2011	557,819	380,268 *
Through City of Monroe, LA				
HUD Emergency Shelter Grants Program	14,231	2009-2010	40,000	15,491
HUD Emergency Shelter Grants Program	14,231	2010-2011	45,226	18,378
				<u>33,869</u>
HOME Investment Partnership Program	14,239	2009-2010	20,000	20,000
<u>Department of Education</u>				
DOE Grant (OPSB fiscal agent)	84,184	2007-2010	791,274	136,101
<u>Department of Justice</u>				
Through Louisiana Commission on Law Enforcement				
Crime Victim Assistance:				
Crime	16,575	2009-2010	187,638	11,349
Crime	16,575	2009-2010	217,650	184,505
				<u>195,854</u>
Violence Against Women Act				
Sexual Assault Services Formula Grant	16,017	2010-2011	25,896	19,833
Domestic Violence Services	16,736	2009-2010	12,246	7,671
Domestic Violence Services	16,736	2010-2011	14,525	7,021
Domestic Violence Services (ARRA)	16,736	2009-2011	15,500	12,944
Sexual Assault Services	16,736	2009-2010	16,698	10,816
Sexual Assault Services	16,736	2010-2011	18,426	7,077
Sexual Assault Services (ARRA)	16,736	2009-2011	20,735	19,237
Transitional Housing	16,736	2005-2011	350,000	53,695
Transitional Housing (ARRA)	16,805	2009-2012	499,999	168,052
Rural Development, Dating & SA & Stalking	16,589	2008-2012	1,400,000	346,008 *
Rural Development & Child Victim Enf. Grant	16,589	2009-2010	22,000	16,279 *
				<u>648,800</u>
Juvenile Justice	16,541	2010	53,000	53,000

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010 (CONTINUED)

	<u>Federal CFDA Number</u>	<u>Fiscal Period</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
<u>Department of Justice (continued)</u>				
Arrest Grant (OPPJ fiscal agent)	16.590	2006-2012	1,199,767	195,268
OJJDP Recovery Act (ARRA)	16.808	2009-2012	500,000	161,960
Supervised Visitation (OPPJ Fiscal Agent)	16.257	2009-2012	400,000	24,967
<u>Federal Emergency Management Agency</u>				
Emergency Food and Shelter Program	97.024	2009-2010	3,569	3,569
<u>Department of Agriculture</u>				
Child and Adult Care Food Program	10.558	2010	18,000	10,827
<u>Department of Health & Hospitals</u>				
Louisiana Foundation Against Sexual Assault:				
Rape Crisis Program	93.991	2009-2010	30,361	15,901
Rape Crisis Program	93.991	2010-2011	32,403	14,156
				<u>30,057</u>
Louisiana Office on Women's Policy - Federal Portion:				
Family Violence Prevention & Services	93.671	2009-2010	108,891	108,891
Family Violence Prevention & Services	93.671	2010-2011	107,352	53,676
				<u>162,567</u>
<u>Department of Social Services</u>				
Temporary Assistance to Needy Families	93.558	2010	146,400	37,041
Temporary Assistance to Needy Families	93.558	2010	166,657	65,528
Temporary Assistance to Needy Families	93.558	2010-2011	425,000	150,439
				<u>253,008</u>
<u>Administration for Children and Families</u>				
Mentoring Children of Prisoners	93.616	2007-2010	209,442	50,037
Mentoring Children of Prisoners	93.616	2010-2012	249,930	46,702
				<u>96,739</u>
Total Federal Expenditures				<u>\$ 2,936,996</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, 2010

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 & HARTT

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Certified Public Accountants

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**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
The Wellspring Alliance for Families, Inc.
Monroe, Louisiana

We have audited the financial statements of The Wellspring Alliance for Families, Inc. as of and for the year ended December 31, 2010, and have issued our report thereon dated June 21, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Wellspring Alliance for Families, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of The Wellspring Alliance for Families, Inc.'s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Board of Directors
The Wellspring Alliance for Families, Inc.
Monroe, Louisiana
Page 2

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Legislative Auditor, The Wellspring Alliance for Families, Inc. and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
June 21, 2011

CAMERON, HINES & HARTT

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**INDEPENDENT AUDITORS' 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**

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

Compliance

We have audited compliance The Wellspring Alliance for Families, Inc. compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Wellspring Alliance for Families, Inc.'s major federal programs for the year ended December 31, 2010. The Wellspring Alliance for Families, Inc.'s major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of The Wellspring Alliance for Families, Inc.'s management. Our responsibility is to express an opinion on The Wellspring Alliance for Families, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Wellspring Alliance for Families, Inc.'s compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination in The Wellspring Alliance for Families, Inc.'s compliance with those requirements.

In our opinion, The Wellspring Alliance for Families, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The management of The Wellspring Alliance for Families, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered The Wellspring Alliance for Families, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, The Wellspring Alliance for Families, Inc., the Louisiana Legislative Auditor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cameron Hines & Hartt (APAC)

West Monroe, Louisiana
June 21, 2011

THE WELLSRING ALLIANCE FOR FAMILIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unqualified 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 unqualified 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 and CFDA No. 14.257 as well as Department of Justice under CFDA No. 16.589.
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, 2010

(Continued)

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. Department of Housing and Urban Development

CFDA No. 14.235; Program Period - 5/1/08-5/31/10.

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

U.S. Department of Housing and Urban Development

CFDA No. 14.257; Program Period - 10/1/09-9/30/11.

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

U.S. Department of Justice

CFDA No. 16.589; Program Period - 10/1/08-9/30/12.

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

FINDINGS - FINANCIAL STATEMENT AUDIT

None

THE WELLSPRING ALLIANCE FOR FAMILIES, INC.
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

There were no findings in the prior year audit report dated June 18, 2010.