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**OUR LITTLE HAVEN**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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Caring for Children. Mind. Body. Soul.



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## Independent Auditors' Report

Board of Directors  
Our Little Haven  
St. Louis, Missouri

We have audited the accompanying statement of financial position of Our Little Haven (the Organization), a not-for-profit organization, as of June 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. 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 audits provide 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 Our Little Haven as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*RubinBrown LLP*

September 30, 2009

# OUR LITTLE HAVEN

## STATEMENT OF FINANCIAL POSITION

### Assets

	<b>June 30,</b>	
	<b>2009</b>	<b>2008</b>
Cash and cash equivalents - unrestricted (Note 3)	\$ 1,011,625	\$ 1,169,053
Cash and cash equivalents - board appropriated (Notes 3 and 8)	358,312	—
Accounts receivable (Note 4)	97,118	80,695
Unconditional promises to give (Note 5)	52,500	14,764
Prepaid expenses	156,011	147,771
Advances on life insurance contracts (Note 6)	68,883	72,319
Property and equipment (Notes 7 and 10)	1,008,221	1,035,780
Other assets	21,267	337
Assets appropriated for endowment (Note 8)	1,670,948	2,335,806
<b>Total Assets</b>	<b>\$ 4,444,885</b>	<b>\$ 4,856,525</b>

### Liabilities And Net Assets

#### Liabilities

Current maturities of long-term debt (Note 10)	\$ 5,355	\$ 5,035
Accounts payable and accrued expenses	82,437	77,619
Deferred revenue	2,950	15,000
Long-term debt (Note 10)	26,819	32,174
<b>Total Liabilities</b>	<b>117,561</b>	<b>129,828</b>

#### Net Assets

Unrestricted:		
Unappropriated:		
Invested in property and equipment	976,047	998,571
Operations	1,269,517	1,377,556
Total Unappropriated	2,245,564	2,376,127
Board-appropriated endowment (Note 11)	2,029,260	2,335,806
Total Unrestricted	4,274,824	4,711,933
Temporarily restricted (Note 11)	52,500	14,764
<b>Total Net Assets</b>	<b>4,327,324</b>	<b>4,726,697</b>
<b>Total Liabilities And Net Assets</b>	<b>\$ 4,444,885</b>	<b>\$ 4,856,525</b>

# OUR LITTLE HAVEN

## STATEMENT OF ACTIVITIES

For The Years Ended June 30,

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Public Support And Revenue</b>						
<b>Public Support</b>						
Contributions:						
Churches/schools	\$ 7,540	\$ —	\$ 7,540	\$ 28,204	\$ —	\$ 28,204
Civic groups	25,965	—	25,965	29,217	—	29,217
Corporations	148,700	—	148,700	88,004	—	88,004
Memorials and tributes	15,754	—	15,754	19,340	—	19,340
Foundations	174,850	40,000	214,850	120,250	—	120,250
Individuals	231,045	—	231,045	297,345	—	297,345
In-kind donations	51,000	—	51,000	35,000	—	35,000
	654,854	40,000	694,854	617,360	—	617,360
Fundraising (net of direct expenses of \$123,774 in 2009 and \$165,437 in 2008)	318,406	12,500	330,906	365,946	9,785	375,731
<b>Total Public Support</b>	973,260	52,500	1,025,760	983,306	9,785	993,091
<b>Revenue</b>						
Program service revenues (Note 4)	1,630,647	—	1,630,647	1,656,570	—	1,656,570
Other income	17,381	—	17,381	7,635	—	7,635
Interest and dividends	56,012	—	56,012	83,586	—	83,586
<b>Total Revenue</b>	1,704,040	—	1,704,040	1,747,791	—	1,747,791
<b>Net Assets Released From Restrictions (Note 11)</b>	14,764	(14,764)	—	50,277	(50,277)	—
<b>Total Public Support And Revenue</b>	2,692,064	37,736	2,729,800	2,781,374	(40,492)	2,740,882
<b>Expenses</b>						
Program services	2,383,359	—	2,383,359	2,312,294	—	2,312,294
Management and general	130,274	—	130,274	139,936	—	139,936
Fundraising	274,841	—	274,841	217,875	—	217,875
<b>Total Expenses</b>	2,788,474	—	2,788,474	2,670,105	—	2,670,105
<b>Increase (Decrease) In Net Assets Before Realized And Unrealized Losses On Investments</b>	(96,410)	37,736	(58,674)	111,269	(40,492)	70,777
<b>Realized And Unrealized Losses On Investments (Note 8)</b>	(340,699)	—	(340,699)	(153,120)	—	(153,120)
<b>Increase (Decrease) In Net Assets</b>	(437,109)	37,736	(399,373)	(41,851)	(40,492)	(82,343)
<b>Net Assets - Beginning Of Year</b>	4,711,933	14,764	4,726,697	4,753,784	55,256	4,809,040
<b>Net Assets - End Of Year</b>	\$ 4,274,824	\$ 52,500	\$ 4,327,324	\$ 4,711,933	\$ 14,764	\$ 4,726,697

# OUR LITTLE HAVEN

## STATEMENT OF FUNCTIONAL EXPENSES

For The Years Ended June 30,

	2009				2008			
	Program Services	Management And General	Fundraising	Total	Program Services	Management And General	Fundraising	Total
Salaries	\$ 1,567,290	\$ 77,655	\$ 127,444	\$ 1,772,389	\$ 1,485,069	\$ 90,975	\$ 127,420	\$ 1,703,464
Payroll taxes	129,656	6,539	10,291	146,486	120,802	7,506	10,401	138,709
Health insurance	190,243	16,489	15,111	221,843	176,288	10,171	13,980	200,439
403(b) contribution (Note 12)	—	—	—	—	30,401	2,929	4,010	37,340
<b>Total Payroll Expenses</b>	<b>1,887,189</b>	<b>100,683</b>	<b>152,846</b>	<b>2,140,718</b>	<b>1,812,560</b>	<b>111,581</b>	<b>155,811</b>	<b>2,079,952</b>
Advertising/newsletter	11,409	—	7,832	19,241	13,448	—	8,023	21,471
Case management expenses	62,479	—	30	62,509	56,203	—	63	56,266
Conferences and meetings	358	264	375	997	286	132	402	820
Data processing	20,735	929	—	21,664	9,146	2,036	3,501	14,683
Dues and subscriptions	9,602	910	2,739	13,251	10,607	865	2,485	13,957
Indirect fundraising event costs	—	—	55,777	55,777	—	—	19,400	19,400
Insurance	52,998	10,615	3,390	67,003	66,062	1,810	3,272	71,144
Interest expense	—	2,155	—	2,155	—	2,456	—	2,456
Maintenance of building and equipment	27,349	2,224	30	29,603	30,240	1,617	361	32,218
Miscellaneous expense	212	—	1,432	1,644	(137)	—	—	(137)
Office expense	19,461	1,096	1,587	22,144	15,913	2,429	1,039	19,381
Outpatient services expense	27,361	—	—	27,361	34,567	750	362	35,679
Payroll processing	3,866	1,096	519	5,481	4,259	1,367	295	5,921
Postage	4,462	1,680	732	6,874	4,474	978	2,674	8,126
Preschool expenses	9,002	—	—	9,002	8,781	—	—	8,781
Printing	5,818	1,049	710	7,577	3,314	797	2,649	6,760
Professional fees	24,500	—	37,500	62,000	30,403	744	8,683	39,830
Residential program supplies	55,500	52	84	55,636	72,269	1,474	844	74,587
Special activities	6,451	—	—	6,451	6,293	—	—	6,293
Telephone	14,118	653	831	15,602	13,990	570	370	14,930
Training	9,863	—	135	9,998	13,029	1,075	175	14,279
Travel and entertainment	27	—	627	654	92	—	1,705	1,797
Utilities	27,894	2,249	698	30,841	26,915	2,061	320	29,296
Volunteer recruitment and awards	20,392	83	2,431	22,906	4,247	144	662	5,053
<b>Total Other Expenses</b>	<b>413,857</b>	<b>25,055</b>	<b>117,459</b>	<b>556,371</b>	<b>424,401</b>	<b>21,305</b>	<b>57,285</b>	<b>502,991</b>
<b>Total Expenses Before Depreciation</b>	<b>2,301,046</b>	<b>125,738</b>	<b>270,305</b>	<b>2,697,089</b>	<b>2,236,961</b>	<b>132,886</b>	<b>213,096</b>	<b>2,582,943</b>
<b>Depreciation</b>	<b>82,313</b>	<b>4,536</b>	<b>4,536</b>	<b>91,385</b>	<b>75,333</b>	<b>7,050</b>	<b>4,779</b>	<b>87,162</b>
	<b>\$ 2,383,359</b>	<b>\$ 130,274</b>	<b>\$ 274,841</b>	<b>\$ 2,788,474</b>	<b>\$ 2,312,294</b>	<b>\$ 139,936</b>	<b>\$ 217,875</b>	<b>\$ 2,670,105</b>

**OUR LITTLE HAVEN**  
**STATEMENT OF CASH FLOWS**

	<b>For The Years Ended June 30,</b>	
	<b>2009</b>	<b>2008</b>
<b>Cash Flows From Operating Activities</b>		
Decrease in net assets	\$ (399,373)	\$ (82,343)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation	91,385	87,162
Donated stock	—	(13,920)
In-kind donation of property and equipment	(31,000)	—
Realized losses on investments	—	338
Unrealized losses on investments	340,699	152,782
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(16,423)	31,012
(Increase) decrease in unconditional promises to give	(37,736)	40,492
Increase in prepaid expenses	(8,240)	(32,215)
(Increase) decrease in other assets	(20,930)	38
Increase in accounts payable and accrued expenses	4,818	21,749
Increase (decrease) in deferred revenue	(12,050)	15,000
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>(88,850)</b>	<b>220,095</b>
<b>Cash Flows From Investing Activities</b>		
Payments for the purchase of property and equipment	(32,826)	(23,090)
Proceeds from sales and maturities of investments	324,159	13,582
Purchases of investments	—	(43,543)
(Increase) decrease in advances on life insurance contracts	3,436	(7,635)
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>294,769</b>	<b>(60,686)</b>
<b>Cash Flows Used In Financing Activities</b>		
Principal payments on long-term debt	(5,035)	(4,735)
<b>Net Increase In Cash And Cash Equivalents</b>	<b>200,884</b>	<b>154,674</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>1,169,053</b>	<b>1,014,379</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 1,369,937</b>	<b>\$ 1,169,053</b>
<b>Supplemental Disclosure Of Cash Flow Information</b>		
Interest paid	\$ 2,155	\$ 2,456

# OUR LITTLE HAVEN

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2009 And 2008

### 1. Operations

Our Little Haven (the Organization) is a not-for-profit organization, which was incorporated in October 1990 in the State of Missouri. The purpose of the Organization is to provide early intervention services for children and their families. As such, multiple services are provided to children suffering from the effect of abuse and neglect. The Organization provides therapeutic residential and respite services meeting the needs of children born drug exposed, abused and/or neglected, whose parents are unable to provide for these needs. Such care includes basic nutritional needs, a healthy living environment, psycho-social and emotional stimulation, and development care. In addition, the Organization provides comprehensive case management services for children and families, psycho-social assessment and treatment services, parenting training, in-home therapy and therapeutic day treatment.

### 2. Summary Of Significant Accounting Policies

#### Basis Of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Organization does not have any permanently restricted net assets at June 30, 2009 or 2008.

#### Estimates And Assumptions

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

## **OUR LITTLE HAVEN**

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### Notes To Financial Statements *(Continued)*

#### **Cash And Cash Equivalents**

The Organization considers all highly liquid instruments available for operations to be cash equivalents. The Organization invests its excess cash in debt instruments and securities with financial institutions with strong credit ratings and has established guidelines relative to diversification and maturities that maintain safety and liquidity. At times, such amounts may be in excess of the Federal Deposit Insurance Corporation (FDIC) and Securities Investors Protection Corporation (SIPC) insurance amounts.

#### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial.

#### **Promises To Give**

Unconditional promises to give are recognized as support in the period the promises are received. Conditional promises to give, which depend upon specified future and certain events, are recognized as support when the conditions upon which they depend are substantially met. No allowance for uncollectible promises to give is considered necessary by management.

#### **Property And Equipment**

Property and equipment are carried at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over periods ranging from 3 to 30 years.

#### **Assets Appropriated For Endowment**

Assets appropriated for endowment are reported at fair value, with the exception of certificates of deposit, which are valued at cost. Gains or losses on sales of investments are determined on a specific cost identification basis. Unrealized gains and losses are determined based on year-end fair value fluctuations.

## OUR LITTLE HAVEN

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### Notes To Financial Statements (*Continued*)

Effective July 1, 2008, the Organization adopted SFAS No. 157, *Fair Value Measurements*. SFAS 157 requires specific disclosures regarding assets and liabilities measured at fair value, including the primary sources and potentially the inputs used to determine fair value, depending on the type and reliability of those inputs. Currently, the disclosures prescribed by SFAS 157 apply only to financial assets and liabilities. Applicability to nonfinancial assets and liabilities is effective for the Organization on July 1, 2009. The Organization's investments are measured at fair value using quoted prices in active markets, except for certificates of deposit, which are stated at cost.

Also, effective July 1, 2008, the Organization adopted Financial Accounting Standards Board (FASB) Staff Position No. 117-1, *Endowments of Not-for Profit Organizations: Net Asset Classification Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for All Endowment Funds*. FASB Statement No. 117-1 expands disclosures related to endowment funds (Note 11).

#### **Restricted And Unrestricted Revenues And Public Support**

The Organization reports gifts of cash and other assets as unrestricted, temporarily restricted or permanently restricted, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### **Description Of Program Services And Supporting Activities**

The following program services and supporting activities are included in the accompanying financial statements:

##### **Program Services**

Includes expenses incurred in providing residential treatment for drug exposed, abused and/or neglected children ages birth through seven years of age, case management services for children and families, psycho-social assessment and treatment services, parenting training, in-home therapy, therapeutic day treatment and foster/adoptive parent recruiting.

## **OUR LITTLE HAVEN**

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### Notes To Financial Statements (*Continued*)

#### **Management And General**

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

#### **Fundraising**

Provides the structure necessary to encourage and secure private financial support from corporations, foundations, other organizations and individuals.

#### **Expense Allocation**

Expenses are charged to program services and supporting activities on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

#### **Donated Services**

Various services and materials are donated to the Organization. Those donated services and materials that meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received And Contributions Made*, are recorded at fair value at the date of donation. A substantial number of other volunteers have also donated a significant amount of time to the Organization. However, such donated services have not been recorded because they do not meet the criteria for recognition under SFAS No. 116.

#### **Reclassifications**

Certain amounts in the 2008 financial statements were reclassified, where appropriate, to conform to the presentation used in the 2009 financial statements.

#### **Tax Status**

The Organization constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code, and is, therefore, exempt from federal income taxes.

#### **Subsequent Events**

Management has evaluated subsequent events through September 30, 2009, the date which the financial statements were available for issue.

## OUR LITTLE HAVEN

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### Notes To Financial Statements (Continued)

In accordance with Financial Accounting Standards Board Staff Position FIN 48-3, the Organization has elected to defer implementation of FIN 48, *Accounting for Uncertainty in Income Taxes*, until July 1, 2009. FIN 48 clarifies the accounting for uncertainty in tax positions. FIN 48 requires financial statement recognition of the impact of a tax position if a position is more likely than not of being sustained on audit, based on the technical merits of the position. Additionally, FIN 48 provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, transition, and disclosure requirements for uncertain tax positions. The Organization's current accounting policy is to evaluate uncertain tax positions, including those related to unrelated business income, using the framework set forth in SFAS 5, *Accounting for Contingencies*.

### 3. Cash And Cash Equivalents

Cash and cash equivalents consist of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Checking and savings accounts	\$ 975,287	\$ 624,231
Sweep account	145,131	265,053
Bear Stearns Temp Fund	249,519	279,769
	<u>\$ 1,369,937</u>	<u>\$ 1,169,053</u>

These amounts are reported on the statement of financial position as follows:

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents - unrestricted	\$ 1,011,625	\$ 1,169,053
Cash and cash equivalents - board appropriated	358,312	—
	<u>\$ 1,369,937</u>	<u>\$ 1,169,053</u>

## OUR LITTLE HAVEN

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### Notes To Financial Statements (Continued)

#### 4. Accounts Receivable

The Organization has a contractual agreement with the State of Missouri Children's Division to provide residential treatment services for a fixed price per day, per child. The current contract, which runs through June 30, 2010, provides for rates ranging from \$80 to \$159 per day, per child. The previous contract, which ran through June 30, 2009, provided for rates ranging from \$76 to \$150 per day, per child. Amounts totaling \$513,468 and \$659,220 were billed to the State of Missouri Children's Division or its contractors for the years ended June 30, 2009 and 2008, respectively. The Organization has also entered into a service agreement with Catholic Charities to provide case management services for a fee of \$659 per month, per child during 2009, and a fee of \$766 per month, per child during 2008. Amounts totaling \$555,556 and \$495,607 were billed to Catholic Charities for these services for the years ended June 30, 2009 and 2008, respectively.

These amounts are reported on the statement of financial position as follows:

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents - unrestricted	\$ 1,011,625	\$ 1,169,053
Cash and cash equivalents - board appropriated	358,312	—
	<u>\$ 1,369,937</u>	<u>\$ 1,169,053</u>

In 1996, the Organization signed a contractual agreement with the United States Department of Agriculture (USDA) for the "School Lunch Program," which provided, on average, \$4.10 during 2008 per child per day for breakfast and lunch. An amount totaling \$16,585 was billed to the USDA for the year ended June 30, 2008. In 2009, the agreement was transferred to the Department of Elementary and Secondary Education (DESE), which now administers the program. During 2009, DESE provided, on average, \$4.48 per child per day for breakfast and lunch. An amount of \$13,670 was billed to DESE for the year ended June 30, 2009.

During 1998, the Organization entered into an agreement with Medicaid for counseling and therapy work with the children. Also, in 2003, the Organization entered into another agreement with Medicaid for a parenting program. Medicaid pays \$24 per half-hour used for treatments. During 2004, a psychological assessment and treatment program was added to operations. Medicaid pays \$30 per half hour used for consultation. Amounts totaling \$22,463 and \$26,160 were billed to Medicaid for the years ended June 30, 2009 and 2008, respectively. For the years ended June 30, 2009 and 2008, the Organization received training and assessment revenue of \$108,139 and \$61,162, respectively.

## OUR LITTLE HAVEN

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### Notes To Financial Statements (Continued)

In 2006, the Organization began a preschool program. Revenues received from this program amounted to \$73,703 and \$56,882 in 2009 and 2008, respectively.

During 2009 and 2008, the Organization received a grant from the St. Louis Mental Health Board to fund various programs. This grant totaled \$343,648 and \$340,954 in 2009 and 2008, respectively.

At June 30, accounts receivable consist of the following:

	<u>2009</u>	<u>2008</u>
State of Missouri Children's Division	\$ 97,118	\$ 79,244
United States Department of Agriculture	—	1,451
	<u>\$ 97,118</u>	<u>\$ 80,695</u>

## 5. Unconditional Promises To Give

The unconditional promises to give are temporarily restricted and are expected to be received as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 48,500
2011	4,000
	<u>\$ 52,500</u>

## 6. Advances On Life Insurance Contracts

The Organization has advanced premiums for life insurance on its officers. The Organization has a beneficiary interest in the cash value of the policies.

## OUR LITTLE HAVEN

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### Notes To Financial Statements (Continued)

#### 7. Property And Equipment

Property and equipment consist of the following at June 30:

	<u>2009</u>	<u>2008</u>
Land	\$ 92,000	\$ 92,000
Buildings	895,975	895,975
Building improvements	931,824	895,284
Furniture and equipment	372,763	345,789
	<u>2,292,562</u>	<u>2,229,048</u>
Less: Accumulated depreciation	1,284,341	1,193,268
	<u>\$ 1,008,221</u>	<u>\$ 1,035,780</u>

#### 8. Assets Appropriated For Endowment

Assets appropriated for endowment consist of the following as of June 30:

	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	\$ 787,860	\$ 787,860	\$ 1,112,019	\$ 1,112,019
Mutual funds	876,536	854,712	876,536	1,173,217
Common stock	52,133	28,376	52,133	50,570
	<u>\$ 1,716,529</u>	<u>\$ 1,670,948</u>	<u>\$ 2,040,688</u>	<u>\$ 2,335,806</u>

Investments are carried at fair value using quoted prices in active markets with the exception of certificates of deposit, which are valued at cost. Unrealized losses of \$340,699 and \$152,782 were recorded at June 30, 2009 and 2008, respectively, to adjust the investments to fair value.

Investment securities are exposed to various risks, such as significant world events, interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statement of financial position.

Assets appropriated for endowment also include cash and cash equivalents of \$358,312 at June 30, 2009 (Note 3).

## OUR LITTLE HAVEN

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### Notes To Financial Statements (Continued)

#### 9. Line Of Credit

At June 30, 2008, the Organization had an available and unused line of credit with a bank in the amount of \$300,000. The agreement expired on October 1, 2008, was unsecured and bore interest at the prime rate less 0.75%. There were no amounts borrowed on the line of credit at June 30, 2008.

#### 10. Long-Term Debt

Long-term debt consists of the following at June 30:

	<u>2009</u>	<u>2008</u>
Note payable, individual, secured by a deed of trust on building, payable in monthly installments of \$599 including principal and interest at 6.17%, with final installment due in October 2014	\$ 32,174	\$ 37,209
Less: Current maturities	5,355	5,035
	<u>\$ 26,819</u>	<u>\$ 32,174</u>

The scheduled maturities of long-term debt as of June 30, 2009 are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 5,355
2011	5,695
2012	6,056
2013	6,441
2014	8,627
	<u>\$ 32,174</u>

#### 11. Net Assets

Temporarily restricted net assets at June 30, 2009 and 2008 consist of \$52,500 and \$14,764, respectively, in unconditional promises to give subject to donor-imposed time restrictions.

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### Notes To Financial Statements (Continued)

During 2009 and 2008, net assets of \$14,764 and \$50,277, respectively, were released from donor-imposed time restrictions.

The Organization's board-appropriated endowment consists of funds designated by the Board of Directors to function as an endowment. As required by generally accepted accounting principles, net assets associated with funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

Board-appropriated endowment funds amounted to \$2,029,260 and \$2,335,806 as of June 30, 2009 and 2008, respectively.

Changes in the board-appropriated endowment net assets were as follows for the year ended June 30, 2009:

Endowment Net Assets - beginning of the year	<u>\$ 2,335,806</u>
Investment return	
Investment income	34,153
Unrealized losses on investments	<u>(340,699)</u>
Total investment return	<u>(306,546)</u>
Endowment Net Assets - end of year	<u><u>\$ 2,029,260</u></u>

The purpose of the endowment is to further the mission of the Organization, with a primary focus of generating funds for programs, services, building and capital improvements and to enhance the development of the Organization. As the endowment grows and as determined by the Board of Directors, it may be subdivided into specific purpose funds or may remain as a general endowment fund.

The goal of the endowment is to exist in perpetuity and has an objective to maintain purchasing power after spending as well as to grow the aggregate portfolio value in excess of inflation over the Organization's ten-year investment horizon.

## 12. Deferred Compensation Plan

The Organization provides a tax-deferred annuity plan under Internal Revenue Code Section 403(b), which allows eligible employees to make tax-deferred contributions. The plan provides for discretionary contributions by the Organization. The Organization's contribution to the plan for 2008 was 3% of eligible employees' salaries or \$37,340. There was no contribution for 2009.