OUR LITTLE HAVEN

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

Caring for Children. Mind. Body. Soul.

our little haven®

ourlittlehaven.org

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Independent Auditors' Report

Executive Board of Directors
Our Little Haven
St. Louis, Missouri

Report On The Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Our Little Haven, a not-for-profit organization, and Our Little Haven Service Agency, LLC (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2013 and 2012, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility For The Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Our Little Haven and Our Little Haven Service Agency, LLC as of June 30, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

RubinBrown LLP

October 3, 2013

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

	June 30, 2013	June 30, 2012
Cash and cash equivalents - unrestricted (Note 3)	$ 939,411	$ 566,801
Assets held on behalf of others (Notes 3 and 5)	1,047,293	779,362
Accounts receivable (Note 4)	46,884	47,552
Prepaid expenses	12,331	11,662
Advances on life insurance contracts (Note 6)	283,635	273,524
Property and equipment (Notes 7 and 10)	816,678	841,534
Assets appropriated for endowment (Notes 3 and 8)	5,035,308	4,553,519
Total Assets	$ 8,181,540	$ 7,073,954

Liabilities And Net Assets

	2013	2012
Liabilities		
Current maturities of long-term debt (Note 10)	$ 6,849	$ 6,440
Accounts payable and accrued expenses	61,285	57,567
Agency funds held on behalf of others (Note 5)	1,047,293	779,362
Deferred revenue	5,000	4,200
Long-term debt (Note 10)	1,779	8,628
Total Liabilities	1,122,206	856,197
Net Assets		
Unrestricted:		
Unappropriated:		
Invested in property and equipment	808,050	826,466
Operations	1,215,976	837,772
Total Unappropriated	2,024,026	1,664,238
Board-appropriated endowment (Note 11)	5,035,308	4,553,519
Total Unrestricted Net Assets	7,059,334	6,217,757
Total Liabilities And Net Assets	$ 8,181,540	$ 7,073,954

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF ACTIVITIES

	For The Years Ended June 30,					
	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public Support And Revenue						
Public Support						
Contributions:						
Churches/schools	$ 14,293	$ —	$ 14,293	$ 9,331	$ —	$ 9,331
Civic groups	21,916	—	21,916	15,279	—	15,279
Corporations	177,978	—	177,978	167,172	—	167,172
Memorials and tributes	11,076	—	11,076	6,635	—	6,635
Foundations	242,061	—	242,061	227,550	—	227,550
Individuals	340,382	—	340,382	333,644	—	333,644
	807,706	—	807,706	759,611	—	759,611
Community grants	456,821	—	456,821	352,437	—	352,437
Fundraising (net of direct expenses of $154,549 in 2013 and $150,780 in 2012)	340,309	—	340,309	300,908		300,908
Total Public Support	1,604,836	—	1,604,836	1,412,956	—	1,412,956
Revenue						
Program service revenues (Note 4)	971,764	—	971,764	1,162,592	—	1,162,592
Interest and dividends	106,366	—	106,366	70,316	—	70,316
Other income	4,000	—	4,000	—	—	—
Total Revenue	1,082,130	—	1,082,130	1,232,908	—	1,232,908
Net Assets Released From Restrictions (Note 11)	—	—	—	15,000	(15,000)	—
Total Public Support And Revenue	2,686,966	—	2,686,966	2,660,864	(15,000)	2,645,864
Expenses						
Program services	1,885,198	—	1,885,198	2,549,092	—	2,549,092
Management and general	131,749	—	131,749	116,993	—	116,993
Fundraising	205,484	—	205,484	290,894	—	290,894
Total Expenses	2,222,431	—	2,222,431	2,956,979	—	2,956,979
Increase (Decrease) In Net Assets Before Realized And Unrealized Gains (Losses) On Investments	464,535	—	464,535	(296,115)	(15,000)	(311,115)
Realized And Unrealized Gains (Losses) On Investments (Note 8)	377,042	—	377,042	(55,505)	—	(55,505)
Increase (Decrease) In Net Assets	841,577	—	841,577	(351,620)	(15,000)	(366,620)
Net Assets - Beginning Of Year	6,217,757	—	6,217,757	6,569,377	15,000	6,584,377
Net Assets - End Of Year	$ 7,059,334	$ —	$ 7,059,334	$ 6,217,757	$ —	$ 6,217,757

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	For The Years Ended June 30,							
	2013				2012			
	Program Services	Management And General	Fundraising	Total	Program Services	Management And General	Fundraising	Total
Salaries	$ 1,167,874	$ 64,738	$ 130,648	$ 1,363,260	$ 1,658,176	$ 63,455	$ 193,383	$ 1,915,014
Payroll taxes	99,392	6,374	10,476	116,242	143,879	6,064	16,172	166,115
Health insurance	131,798	6,790	10,767	149,355	190,345	9,626	17,137	217,108
403(b) contribution (Note 12)	29,551	1,452	2,755	33,758	31,905	1,927	3,263	37,095
Total Payroll Expenses	1,428,615	79,354	154,646	1,662,615	2,024,305	81,072	229,955	2,335,332
Advertising/newsletter	9,735	—	7,336	17,071	8,520	—	13,672	22,192
Case management expenses	78,536	—	160	78,696	87,113	—	—	87,113
Conferences and meetings	1,156	866	236	2,258	1,624	375	242	2,241
Data processing	34,207	9,543	3,399	47,149	18,990	4,803	3,714	27,507
Dues and subscriptions	6,538	58	4,574	11,170	10,003	2,330	3,338	15,671
Indirect fundraising event costs	—	—	14,569	14,569	—	—	16,111	16,111
Insurance	39,967	15,211	6,306	61,484	48,643	8,937	4,508	62,088
Interest expense	—	750	—	750	—	875	—	875
Maintenance of building and equipment	45,676	4,903	35	50,614	21,963	2,243	67	24,273
Miscellaneous expense	—	169	548	717	414	77	—	491
Office expense	21,330	1,769	1,241	24,340	20,997	2,049	1,416	24,462
Outpatient services expense	30,409	—	—	30,409	27,652	—	—	27,652
Payroll processing	3,189	872	495	4,556	4,340	1,491	672	6,503
Postage	3,278	893	1,324	5,495	3,466	978	875	5,319
Preschool expenses	10,115	12	—	10,127	6,979	—	—	6,979
Printing	3,422	343	1,485	5,250	2,431	813	972	4,216
Professional fees	22,852	6,161	3,416	32,429	47,170	4,192	10,329	61,691
Program supplies	12,173	1,380	510	14,063	51,154	—	—	51,154
Special activities	—	—	—	—	4,651	—	—	4,651
Telephone	8,788	1,685	934	11,407	14,305	584	840	15,729
Training	4,357	—	—	4,357	5,562	10	—	5,572
Travel and entertainment	20	21	591	632	29	58	342	429
Utilities	22,186	2,575	902	25,663	28,913	2,442	830	32,185
Volunteer recruitment and awards	2,508	3,276	1,565	7,349	7,758	244	353	8,355
Total Other Expenses	360,442	50,487	49,626	460,555	422,677	32,501	58,281	513,459
Total Expenses Before Depreciation And Amortization	1,789,057	129,841	204,272	2,123,170	2,446,982	113,573	288,236	2,848,791
Depreciation And Amortization	96,141	1,908	1,212	99,261	102,110	3,420	2,658	108,188
	$ 1,885,198	$ 131,749	$ 205,484	$ 2,222,431	$ 2,549,092	$ 116,993	$ 290,894	$ 2,956,979

See the accompanying notes to consolidated financial statements.

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF CASH FLOWS

	For The Years Ended June 30, 2013	2012
Cash Flows From Operating Activities		
Increase (decrease) in net assets	$ 841,577	$ (366,620)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	99,261	108,188
Donated stock	(3,526)	(27,261)
Realized (gains) losses on investments	(1,970)	369
Unrealized (gains) losses on investments	(375,072)	55,136
Changes in assets and liabilities:		
Decrease in accounts receivable	668	56,367
Decrease in unconditional promises to give	—	15,000
(Increase) decrease in prepaid expenses	(669)	5,433
Increase (decrease) in accounts payable and accrued expenses	3,718	(90,995)
Increase (decrease) in deferred revenue	800	(330)
Net Cash Provided By (Used In) Operating Activities	564,787	(244,713)
Cash Flows From Investing Activities		
Payments for the purchase of property and equipment	(74,405)	(24,144)
Proceeds from sales and maturities of investments	21,426	59,639
Purchases of investments	(51,226)	(97,858)
Increase in advances on life insurance contracts	(10,111)	(20,331)
Net Cash Used In Investing Activities	(114,316)	(82,694)
Cash Flows Used In Financing Activities		
Principal payments on long-term debt	(6,440)	(6,056)
Net Increase (Decrease) In Cash And Cash Equivalents	444,031	(333,463)
Cash And Cash Equivalents - Beginning Of Year	1,029,378	1,362,841
Cash And Cash Equivalents - End Of Year	$ 1,473,409	$ 1,029,378
Supplemental Disclosure Of Cash Flow Information		
Interest paid	$ 750	$ 875
Cash And Cash Equivalents Consist Of:		
Unrestricted cash	$ 939,411	$ 566,801
Board appropriated cash	533,998	462,577
	$ 1,473,409	$ 1,029,378

1. Operations

Our Little Haven, a not-for-profit organization, was founded to provide early intervention services to young children who need healing care early in their lives. Since 1993, Our Little Haven has grown from a single program serving 30 children annually to three programs serving more than 500 children and families each year. As specialists in care for young children, Our Little Haven helps them recover from the early trauma of abuse and neglect as well as behavioral and emotional challenges so they can live, learn and grow in their home, family, school and community. Early intervention builds foundations for productive, healthy lives full of promise. Our Little Haven has shown that when children have appropriate treatment services, even those who had a very rough start can succeed. Without Our Little Haven, these children would have no access to professional care and little hope of beating the odds. The Our Little Haven Care is focused on early intervention and includes Keystone Mental Health Services providing professional assessments, testing, treatment, counseling and healing care; Our Little Academy, a therapeutic preschool designed to work with children who need special care not found in traditional preschool settings; and the Taylor Family Care Center, a holistic approach to resolving significant family issues allowing for a permanent, loving, healthy home for the children.

In May 2012, Our Little Haven discontinued its residential program.

2. Summary Of Significant Accounting Policies

Basis Of Consolidation

The accompanying consolidated financial statements include the accounts of Our Little Haven and its wholly-owned subsidiary, Our Little Haven Service Agency, LLC (the LLC), (collectively, the Organization). The single member LLC was created March 1, 2011. See Note 5 for further description of the LLC.

Basis Of Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board for not-for-profit organizations. The Organization is required to report information regarding its consolidated 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 temporarily or permanently restricted net assets at June 30, 2013 or 2012.

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.

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. At June 30, 2013, cash and cash equivalents and certificates of deposit held in excess of the FDIC limit amounted to $1,251,154. As of June 30, 2013, assets held on behalf of others include cash and cash equivalents of $1,069,373, of which $819,373 was held in excess of the FDIC limit. Total cash held in bank represents the amount of cash physically deposited in the bank at June 30, 2013, without regard to deposits in transit or outstanding checks.

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.

Property And Equipment

Property and equipment are carried at cost, less accumulated depreciation and amortization. Depreciation and amortization 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.

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 consolidated 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 consolidated 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.

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 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.

Tax Status

Our Little Haven 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 on related, exempt income. Our Little Haven Service Agency, LLC is a single member LLC, and thus is also tax exempt under Section 501(c)(3).

The Organization's federal and state tax returns for tax years 2009 and later remain subject to examination by taxing authorities.

Subsequent Events

Management has evaluated subsequent events through October 3, 2013, the date which the consolidated financial statements were available for issue.

3. Cash And Cash Equivalents

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

	2013	2012
Checking and savings accounts	$ 2,192,575	$ 1,615,806
Sweep account	281,766	108,981
Money market	46,318	82,791
	$ 2,520,659	$ 1,807,578

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

	2013	2012
Cash and cash equivalents - unrestricted	$ 939,411	$ 566,801
Assets held on behalf of others	1,047,250	778,200
Cash and cash equivalents - board appropriated endowment (Note 8)	533,998	462,577
	$ 2,520,659	$ 1,807,578

4. Accounts Receivable And Program Service Revenues

The Organization had 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 Organization terminated its residential program, as well as its agreement with the State to provide residential services, on May 31, 2012. The contract provided for rates ranging from $80 to $159 per day, per child. Amounts totaling $293,561 were billed to the State of Missouri Children's Division or its contractors for the year ended June 30, 2012. No amounts were billed for the year ended June 30, 2013.

In 2011, the Organization entered into a service agreement with the LLC to provide case management services for a fee. In 2013 and 2012, respectively, the fees earned were $850 and $815 per month, per child (Note 5). Amounts totaling $802,577 and $659,517 were received by the Organization for these services for the years ended June 30, 2013 and 2012, respectively.

Since 1998, the Organization has had a contractual agreement with MO HealthNet (formerly Division of Medical Services) to provide mental health services under their Medicaid program. Services include individual, group and family counseling, psychological evaluations and parenting assessments. Rates range from $48 to $60 per one hour unit of service billed. Amounts totaling $96,531 and $128,247 were billed to Medicaid for the years ended June 30, 2013 and 2012, respectively.

In 2006, the Organization began a preschool program to provide day treatment services for children between the ages of three and six years old. Revenues received from this program amounted to $72,656 and $73,585 in 2013 and 2012, respectively.

At June 30, accounts receivable consist of the following:

	2013	2012
St. Louis Public Schools	$ 2,310	$ —
Missouri Department of Social Services	17,189	29,178
Department of Elementary and Secondary Education	—	163
St. Louis County Children's Service Fund	22,385	18,211
Other	5,000	—
	$ 46,884	$ 47,552

5. Contract For Foster Care Case Management

In March 2011, the LLC was formed, with Our Little Haven as its sole member. The LLC's purpose is to provide case management and other support services to children and youth in need thereof, either directly or in conjunction with children's service organizations.

The State of Missouri Department of Social Services, Children's Division (the State Agency) has contracted with the LLC to provide foster care case management for 350 cases. Through the proposal submitted to the State Agency, there are four social service organizations providing such foster care case management services. Our Little Haven is one of the four social service organizations providing these services. The LLC receives the monthly funding from the State Agency, distributes the funding to the four social service organizations and other providers of room and board for the foster children, and pays for the administrative costs of the program. These administrative costs paid by the LLC include rent for office space for which Our Little Haven has entered into a lease agreement effective December 1, 2012. The terms of the lease agreement require monthly payments of $800 through November 2015. The future minimum rental commitments required under this operating lease are as follows:

Year	Amount
2014	$ 9,600
2015	9,600
2016	4,000
	$ 23,200

In the consolidated financial statements, amounts received by the Organization for foster care case management are reported as program service revenues. The remaining transactions passing through the LLC to the other three social service organizations and providers of room and board are excluded from the Organization's revenues and expenses because the LLC is considered a disbursing agent for these funds, and, therefore, no revenue or expenses should be reported.

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 greater of the premiums paid or the cash value of the policies, such amount reduced by any indebtedness against the life insurance policies.

7. Property And Equipment

Property and equipment consist of the following at June 30:

	2013	2012
Land	$ 92,000	$ 92,000
Buildings	895,975	895,975
Building improvements	1,002,201	927,796
Furniture and equipment	369,710	392,313
	2,359,886	2,308,084
Less: Accumulated depreciation and amortization	1,543,208	1,466,550
	$ 816,678	$ 841,534

8. Assets Appropriated For Endowment

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

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Certificates of deposit	$ —	$ —	$ 565,486	$ 565,486
Money market fund	713,528	713,528	181,151	181,151
Equity Mutual Funds				
Micro Cap	51,732	61,730	51,733	50,040
Small Cap	267,583	329,475	266,755	268,295
Mid Cap	297,476	652,440	299,521	533,237
Large Cap	1,046,315	1,404,779	1,029,235	1,178,923
Real Estate	34,193	37,869	32,793	35,294
International	178,737	161,396	176,127	144,897
U.S. Treasury	50,395	50,568	50,395	50,622
Emerging Markets	65,272	54,667	63,119	53,123
Bond Mutual Funds				
Short Term	537,872	517,924	503,491	518,058
Corporate U.S. Investment Grade	151,616	159,110	151,616	164,626
Credit Bond U.S. Investment Grade	146,679	147,042	146,680	146,594
Liquid High Yield Corporate Bond Index	147,291	145,408	147,291	146,064
Inflation Protected	12,134	12,119	10,534	11,506
One Year Fixed	40,102	40,057	31,802	31,833
Two Year Global	13,338	13,198	11,238	11,193
	$ 3,754,263	$ 4,501,310	$ 3,718,967	$ 4,090,942

Investments are carried at fair value using quoted prices in active markets (Level 1) with the exception of certificates of deposit, which are valued at cost. Net realized and unrealized gains totaling $377,042 and net realized and unrealized losses totaling $55,505 were recorded at June 30, 2013 and 2012, respectively.

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 consolidated statement of financial position.

Assets appropriated for endowment also include cash and cash equivalents of $533,998 and $462,577 at June 30, 2013 and 2012, respectively (Note 3).

9. Line Of Credit

At June 30, 2013, the Organization had an available and unused line of credit with a bank in the amount of $300,000. The agreement expires on November 1, 2013, is unsecured and bears interest at the prime rate less 0.5%, with a floor of 4%.

10. Long-Term Debt

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

	2013	2012
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	$ 8,628	$ 15,068
Less: Current maturities	6,849	6,440
	$ 1,779	$ 8,628

The scheduled maturities of long-term debt as of June 30, 2013 are as follows:

Year	Amount
2014	$ 6,849
2015	1,779
	$ 8,628

11. Net Assets

There are no temporarily restricted net assets as of June 30, 2013 or 2012.

During 2012, net assets of $15,000 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 $5,035,308 and $4,553,519 as of June 30, 2013 and 2012, respectively.

Changes in the board-appropriated endowment assets were as follows for the years ended June 30, 2013 and 2012:

Endowment Assets - July 1, 2011	$ 4,541,230
Investment return	
Interest and dividends	67,794
Net realized and unrealized losses on investments	(55,505)
Total investment return	12,289
Endowment Assets - June 30, 2012	4,553,519
Investment return	
Interest and dividends	104,747
Net realized and unrealized gains on investments	377,042
Total investment return	481,789
Endowment Assets - June 30, 2013	$ 5,035,308

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 was 3% of eligible employees' salaries and amounted to $33,758 and $37,095 for the years ended June 30, 2013 and 2012, respectively.