
OUR LITTLE HAVEN
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

Caring for Children. Mind. Body. Soul.



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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, which comprise the consolidated statement of financial position as of June 30, 2018 and 2017, 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, 2018 and 2017, 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

September 7, 2018

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

	June 30,	
	2018	2017
Cash and cash equivalents (Note 3)	\$ 2,067,211	\$ 1,876,085
Investments (Note 9)	1,204,546	1,127,825
Assets held on behalf of others (Notes 3 and 4)	956,194	1,512,995
Accounts receivable (Note 5)	86,206	65,524
Promises to give	—	5,140
Prepaid expenses	57,731	45,893
Advances on life insurance contracts (Note 7)	352,426	352,426
Property and equipment (Note 8)	476,253	560,637
Assets appropriated for endowment (Notes 3 and 9)	6,905,651	6,412,409
Total Assets	\$ 12,106,218	\$ 11,958,934

Liabilities And Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 75,565	\$ 78,132
Agency funds held on behalf of others (Note 4)	956,194	1,512,995
Deferred revenue	1,900	—
Total Liabilities	1,033,659	1,591,127

Net Assets

Unrestricted:		
Unappropriated:		
Invested in property and equipment	476,253	560,637
Operations	3,690,655	3,394,761
Total Unappropriated	4,166,908	3,955,398
Board-appropriated endowment (Note 11)	6,905,651	6,412,409
Total Unrestricted Net Assets	11,072,559	10,367,807
Total Liabilities And Net Assets	\$ 12,106,218	\$ 11,958,934

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF ACTIVITIES

	For The Years Ended June 30,	
	2018	2017
Changes In Unrestricted Net Assets:		
Public Support And Revenue		
Public Support		
Contributions:		
Churches/schools	\$ 2,497	\$ 4,715
Civic groups	3,050	5,759
Corporations	144,315	125,342
Memorials and tributes	73,078	180,535
Foundations	191,373	183,415
Individuals	384,109	377,298
Total Contributions	798,422	877,064
Community grants (Note 5)	483,373	562,057
Fundraising (net of direct expenses of \$147,776 in 2018 and \$124,902 in 2017)	523,301	333,123
Total Public Support	1,805,096	1,772,244
Revenue		
Program service revenues (Note 5)	1,216,128	1,311,422
Interest and dividends	178,633	158,844
Total Revenue	1,394,761	1,470,266
Total Public Support And Revenue	3,199,857	3,242,510
Expenses		
Program services	2,554,154	2,507,038
Management and general	143,040	127,828
Fundraising	269,509	243,419
Total Expenses	2,966,703	2,878,285
Increase In Unrestricted Net Assets Before Realized And Unrealized Gains On Investments	233,154	364,225
Realized And Unrealized Gains On Investments (Note 9)	471,598	743,229
Increase In Unrestricted Net Assets	704,752	1,107,454
Unrestricted Net Assets - Beginning Of Year	10,367,807	9,260,353
Unrestricted Net Assets - End Of Year	\$ 11,072,559	\$ 10,367,807

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	For The Years Ended June 30,							
	2018				2017			
	Program Services	Management And General	Fundraising	Total	Program Services	Management And General	Fundraising	Total
Salaries	\$ 1,485,796	\$ 70,463	\$ 162,036	\$ 1,718,295	\$ 1,453,294	\$ 65,443	\$ 156,148	\$ 1,674,885
Payroll taxes	117,309	5,454	12,408	135,171	115,920	5,371	11,893	133,184
Health insurance	151,503	6,396	10,650	168,549	140,606	5,472	12,702	158,780
403(b) contribution (Note 12)	50,903	2,437	5,973	59,313	51,729	2,399	4,565	58,693
Total Payroll Expenses	1,805,511	84,750	191,067	2,081,328	1,761,549	78,685	185,308	2,025,542
Advertising/newsletter	9,785	—	7,237	17,022	11,468	—	8,664	20,132
Case management expenses	344,183	—	—	344,183	354,936	—	—	354,936
Conferences and meetings	1,973	—	820	2,793	1,320	44	759	2,123
Data processing	29,778	3,733	3,566	37,077	33,627	4,685	1,483	39,795
Dues and subscriptions	7,511	155	4,324	11,990	5,467	188	5,008	10,663
Indirect fundraising event costs	—	—	24,318	24,318	—	—	15,108	15,108
Insurance	65,007	23,759	16,018	104,784	56,060	15,297	9,495	80,852
Maintenance of buildings and equipment	8,293	1,824	18	10,135	7,785	1,235	509	9,529
Miscellaneous expense	276	—	302	578	15	54	154	223
Office expense	10,400	2,308	2,026	14,734	18,291	2,493	2,172	22,956
Outpatient services expense	18,262	—	—	18,262	25,868	—	—	25,868
Payroll processing	2,841	793	397	4,031	3,120	877	538	4,535
Postage	3,160	553	2,545	6,258	3,517	805	653	4,975
Preschool expenses	6,314	—	—	6,314	11,398	184	—	11,582
Printing	2,341	323	2,733	5,397	3,928	955	1,364	6,247
Professional fees	39,063	7,370	1,820	48,253	29,884	8,379	1,700	39,963
Program supplies	20,283	6,968	—	27,251	20,614	5,163	1,409	27,186
Telephone	11,281	816	—	12,097	10,398	751	—	11,149
Training	26,919	—	3,165	30,084	19,951	93	2,135	22,179
Travel and entertainment	—	—	45	45	34	—	343	377
Utilities	24,805	1,474	498	26,777	23,153	1,308	468	24,929
Volunteer recruitment and awards	11,315	648	2,341	14,304	7,814	863	623	9,300
Total Other Expenses	643,790	50,724	72,173	766,687	648,648	43,374	52,585	744,607
Total Expenses Before Depreciation And Amortization	2,449,301	135,474	263,240	2,848,015	2,410,197	122,059	237,893	2,770,149
Depreciation And Amortization	104,853	7,566	6,269	118,688	96,841	5,769	5,526	108,136
	\$ 2,554,154	\$ 143,040	\$ 269,509	\$ 2,966,703	\$ 2,507,038	\$ 127,828	\$ 243,419	\$ 2,878,285

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF CASH FLOWS

	For The Years Ended June 30,	
	2018	2017
Cash Flows From Operating Activities		
Increase in net assets	\$ 704,752	\$ 1,107,454
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	118,688	108,136
Realized (gains) losses on investments	1,556	(3,562)
Unrealized gains on investments	(473,154)	(739,667)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(20,682)	18,540
Decrease in promises to give	5,140	6,360
Increase in prepaid expenses	(11,838)	(8,029)
Decrease in accounts payable and accrued expenses	(2,567)	(6,275)
Increase in deferred revenue	1,900	—
Net Cash Provided By Operating Activities	323,795	482,957
Cash Flows From Investing Activities		
Payments for the purchase of property and equipment	(34,304)	(43,245)
Proceeds from sales and maturities of investments	19,815	46,728
Purchases of investments	(116,562)	(125,049)
Increase in advances on life insurance contracts	—	(12,386)
Net Cash Used In Investing Activities	(131,051)	(133,952)
Net Increase In Cash And Cash Equivalents	192,744	349,005
Cash And Cash Equivalents - Beginning Of Year	2,367,408	2,018,403
Cash And Cash Equivalents - End Of Year	\$ 2,560,152	\$ 2,367,408
Cash And Cash Equivalents Consist Of:		
Unrestricted cash	\$ 2,067,211	\$ 1,876,085
Board appropriated cash	492,941	491,323
	\$ 2,560,152	\$ 2,367,408

OUR LITTLE HAVEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2018 And 2017

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. Our Little Haven 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.

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 4 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, 2018 or 2017.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements *(Continued)*

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, 2018, cash and cash equivalents held in excess of the FDIC limit amounted to \$2,214,781. As of June 30, 2018, assets held on behalf of others include cash and cash equivalents of \$1,020,798 of which \$770,798 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, 2018, 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.

Promises To Give

Promises to give are recognized as support in the period the promises are received and are recorded at the present value of estimated future cash flows. All promises to give are expected to be collected within one year. Management has determined that all promises to give are collectible and that an allowance for uncollectible promises to give is not necessary.

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.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (*Continued*)

Investments And Assets Appropriated For Endowment

Investments and assets appropriated for endowment are reported at fair value. 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 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 early intervention treatment for those impacted by abuse, neglect and mental or behavioral health needs. Services included are foster care case management for children and families, psycho-social assessment and treatment services, and therapeutic day treatment.

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.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements *(Continued)*

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 2014 and later remain subject to examination by taxing authorities.

Subsequent Events

Management evaluates subsequent events through the date the financial statements are available for issue, which is the date of the Independent Auditors' Report.

3. Cash And Cash Equivalents

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

	<u>2018</u>	<u>2017</u>
Checking and savings accounts	\$ 2,674,426	\$ 3,208,547
Sweep account	809,855	640,978
Money market	32,065	30,878
	<u>\$ 3,516,346</u>	<u>\$ 3,880,403</u>

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements *(Continued)*

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

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents - unrestricted	\$ 2,067,211	\$ 1,876,085
Assets held on behalf of others	956,194	1,512,995
Cash and cash equivalents - board appropriated endowment (Note 9)	492,941	491,323
	<u>\$ 3,516,346</u>	<u>\$ 3,880,403</u>

4. **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 390 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 with monthly payments of \$850 through May 2019. Rent expense was \$10,200 in 2018 and 2017, which is included in case management expenses. The future minimum rental commitments required under this operating lease are \$9,350 through May 2019.

In the consolidated financial statements, amounts received by the Organization for foster care case management are reported as program service revenues. Administrative expenses paid by the LLC are reported as expenses in the Organization's consolidated statement of functional expenses, as well as the revenues from the State Agency reimbursing such expenses. 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.

5. Accounts Receivable, Community Grants And Program Service Revenues

In 2011, the Organization entered into a service agreement with the LLC to provide case management services for a fee. In 2018 and 2017, the fees earned were \$1,021 and \$1,014, respectively, per month, per child (Note 4). Amounts totaling \$1,079,238 and \$1,128,524 were received by the Organization for these services for the years ended June 30, 2018 and 2017, respectively.

Since 1998, the Organization has had a contractual agreement with MO HealthNet 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 \$76,669 and \$104,413 were billed to Medicaid for the years ended June 30, 2018 and 2017, 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 \$60,221 and \$78,485 in 2018 and 2017, respectively.

In addition, the Organization received community grants totaling \$483,373 and \$562,057 in 2018 and 2017, respectively, from St. Louis County Children's Service Fund and St. Louis Mental Health Board.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (Continued)

At June 30, accounts receivable consist of the following:

	<u>2018</u>	<u>2017</u>
Missouri Department of Social Services (preschool)	\$ 11,803	\$ 14,810
Medicaid And Other Insurance Companies (Keystone)	20,927	23,870
Mental Health Board (community grant)	22,158	—
St. Louis County Children's Service Fund (community grant)	31,318	26,844
	<u>\$ 86,206</u>	<u>\$ 65,524</u>

6. Concentrations

In 2018, the Organization received approximately 34% of its total public support and revenue from one revenue source. In 2017, the Organization received approximately 35% of its total public support and revenue from one revenue source.

7. Advances On Life Insurance Contracts

The Organization has advanced premiums for life insurance on its officers. The Organization has a beneficiary interest in \$352,426 of the premiums paid.

8. Property And Equipment

Property and equipment consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Land	\$ 92,000	\$ 92,000
Buildings	895,975	895,975
Building improvements	1,103,432	1,073,215
Furniture and equipment	270,286	266,199
	<u>2,361,693</u>	<u>2,327,389</u>
Less: Accumulated depreciation and amortization	1,885,440	1,766,752
	<u>\$ 476,253</u>	<u>\$ 560,637</u>

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (Continued)

9. Investments And Assets Appropriated For Endowment

Investments consist of the following as of June 30:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Money market fund	\$ 115,050	\$ 115,050	\$ 97,430	\$ 97,430
Equity Mutual Funds				
Micro Cap	69,750	105,620	69,750	88,930
Small Cap	390,706	742,269	386,477	626,110
Small Blend	119,533	170,321	119,533	146,557
Mid Cap	601,096	1,242,625	601,096	1,162,612
Large Cap	1,373,349	2,625,406	1,326,836	2,340,955
Large Blend	120,280	162,768	120,280	145,080
Real Estate	26,034	36,047	26,034	35,790
International	663,635	660,014	654,708	656,773
U.S. Treasury	117,254	115,467	117,254	117,019
Emerging Markets	199,048	224,662	205,914	221,719
US Core Equity	136,378	191,810	132,630	166,232
Bond Mutual Funds				
Short Term	632,492	568,499	611,984	566,778
Corporate U.S. Investment Grade	218,314	226,276	218,314	238,007
Credit Bond U.S. Investment Grade	215,307	211,548	215,307	214,832
Liquid High Yield Corporate Bond				
Index	149,648	136,128	149,648	141,424
One Year Fixed	37,765	37,371	37,765	37,553
Five Year Global Fixed	46,173	45,375	45,660	45,110
	\$ 5,231,812	\$ 7,617,256	\$ 5,136,620	\$ 7,048,911

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

	2018	2017
Investments	\$ 1,204,546	\$ 1,127,825
Assets appropriated for endowment	6,412,710	5,921,086
	\$ 7,617,256	\$ 7,048,911

Investments are carried at fair value using quoted prices in active markets (Level 1). Net realized and unrealized gains totaling \$471,598 were recorded at June 30, 2018. Net realized and unrealized gains totaling \$743,229 were recorded at June 30, 2017.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements *(Continued)*

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 \$492,941 and \$491,323 at June 30, 2018 and 2017, respectively (Note 3).

10. Line Of Credit

At June 30, 2018, 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, 2018, is unsecured and bears interest at the prime rate, 5% as of June 30, 2018.

11. Net Assets

There are no temporarily or permanently restricted net assets as of June 30, 2018 or 2017.

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 \$6,905,651 and \$6,412,409 as of June 30, 2018 and 2017, respectively.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (*Continued*)

Changes in the board-appropriated endowment assets were as follows for the years ended June 30, 2018 and 2017:

Endowment Assets - July 1, 2016	<u>\$ 5,717,278</u>
Withdrawals	<u>(50,000)</u>
Investment return	
Interest and dividends	129,793
Net realized and unrealized gains on investments	<u>615,338</u>
Net investment return	<u>745,131</u>
Endowment Assets - June 30, 2017	<u>6,412,409</u>
Withdrawals	<u>(50,000)</u>
Investment return	
Interest and dividends	148,365
Net realized and unrealized gains on investments	<u>394,877</u>
Net investment return	<u>543,242</u>
Endowment Assets - June 30, 2018	<u><u>\$ 6,905,651</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 was 4% of eligible employees' salaries and amounted to \$59,313 and \$58,693 for the years ended June 30, 2018 and 2017, respectively.