
OUR LITTLE HAVEN
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2015

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 (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2015 and 2014, 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, 2015 and 2014, 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 12, 2015

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

| | June 30, | |
|---|----------------------|---------------------|
| | 2015 | 2014 |
| Cash and cash equivalents (Note 3) | \$ 2,366,042 | \$ 1,197,040 |
| Assets held on behalf of others (Notes 3 and 4) | 1,895,252 | 1,317,164 |
| Accounts receivable (Note 5) | 77,727 | 53,887 |
| Promises to give | 500 | — |
| Prepaid expenses | 38,115 | 1,459 |
| Advances on life insurance contracts (Note 7) | 317,021 | 295,407 |
| Property and equipment (Note 8) | 672,010 | 736,819 |
| Assets appropriated for endowment (Notes 3 and 9) | 5,771,503 | 5,734,522 |
| Total Assets | \$ 11,138,170 | \$ 9,336,298 |

Liabilities And Net Assets

Liabilities

| | | |
|--|------------------|------------------|
| Current maturities of long-term debt | \$ — | \$ 1,779 |
| Accounts payable and accrued expenses | 80,982 | 72,619 |
| Agency funds held on behalf of others (Note 4) | 1,895,252 | 1,317,164 |
| Deferred revenue | — | 17,000 |
| Total Liabilities | 1,976,234 | 1,408,562 |

Net Assets

| | | |
|---|----------------------|---------------------|
| Unrestricted: | | |
| Unappropriated: | | |
| Invested in property and equipment | 672,010 | 735,040 |
| Operations | 2,718,423 | 1,458,174 |
| Total Unappropriated | 3,390,433 | 2,193,214 |
| Board-appropriated endowment (Note 11) | 5,771,503 | 5,734,522 |
| Total Unrestricted Net Assets | 9,161,936 | 7,927,736 |
| Total Liabilities And Net Assets | \$ 11,138,170 | \$ 9,336,298 |

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF ACTIVITIES

| | For The Years Ended June 30, | |
|--|---------------------------------|--------------|
| | 2015 | 2014 |
| Changes In Unrestricted Net Assets: | | |
| Public Support And Revenue | | |
| Public Support | | |
| Contributions: | | |
| Churches/schools | \$ 1,797 | \$ 3,071 |
| Civic groups | 20,453 | 14,289 |
| Corporations | 131,023 | 188,812 |
| Memorials and tributes | 15,690 | 13,800 |
| Foundations | 200,350 | 222,625 |
| Individuals | 1,355,362 | 309,466 |
| Total Contributions | 1,724,675 | 752,063 |
| Community grants (Note 5) | 585,144 | 482,778 |
| Fundraising (net of direct expenses of \$131,237 in 2015 and \$114,382 in 2014) | 297,164 | 294,158 |
| Total Public Support | 2,606,983 | 1,528,999 |
| | | |
| Revenue | | |
| Program service revenues (Note 5) | 1,131,481 | 1,083,050 |
| Interest and dividends | 101,553 | 94,271 |
| Total Revenue | 1,233,034 | 1,177,321 |
| | | |
| Total Public Support And Revenue | 3,840,017 | 2,706,320 |
| | | |
| Expenses | | |
| Program services | 2,208,832 | 2,114,214 |
| Management and general | 125,383 | 135,340 |
| Fundraising | 259,605 | 242,777 |
| Total Expenses | 2,593,820 | 2,492,331 |
| | | |
| Increase In Unrestricted Net Assets Before Realized And Unrealized Gains On Investments | 1,246,197 | 213,989 |
| | | |
| Realized And Unrealized Gains (Losses) On Investments (Note 9) | (11,997) | 654,413 |
| | | |
| Increase In Unrestricted Net Assets | 1,234,200 | 868,402 |
| | | |
| Unrestricted Net Assets - Beginning Of Year | 7,927,736 | 7,059,334 |
| | | |
| Unrestricted Net Assets - End Of Year | \$ 9,161,936 | \$ 7,927,736 |

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

| | For The Years Ended June 30, | | | | | | | |
|--|------------------------------|---------------------------|-------------------|---------------------|---------------------|---------------------------|-------------------|---------------------|
| | 2015 | | | | 2014 | | | |
| | Program Services | Management And General | Fundraising | Total | Program Services | Management And General | Fundraising | Total |
| Salaries | \$ 1,219,375 | \$ 62,945 | \$ 167,201 | \$ 1,449,521 | \$ 1,162,909 | \$ 64,992 | \$ 155,317 | \$ 1,383,218 |
| Payroll taxes | 107,998 | 5,515 | 14,506 | 128,019 | 107,026 | 6,000 | 13,484 | 126,510 |
| Health insurance | 131,584 | 12,068 | 16,323 | 159,975 | 136,121 | 11,450 | 13,463 | 161,034 |
| 403(b) contribution (Note 12) | 54,165 | 2,807 | 7,868 | 64,840 | 38,130 | 2,455 | 5,983 | 46,568 |
| Total Payroll Expenses | 1,513,122 | 83,335 | 205,898 | 1,802,355 | 1,444,186 | 84,897 | 188,247 | 1,717,330 |
| Advertising/newsletter | 15,858 | — | 4,910 | 20,768 | 12,261 | — | 4,558 | 16,819 |
| Case management expenses | 292,915 | — | 177 | 293,092 | 263,371 | 201 | — | 263,572 |
| Conferences and meetings | 1,955 | 202 | 1,197 | 3,354 | 566 | 557 | 716 | 1,839 |
| Data processing | 28,985 | 4,419 | 2,652 | 36,056 | 35,714 | 5,089 | 2,676 | 43,479 |
| Dues and subscriptions | 8,930 | 629 | 4,838 | 14,397 | 7,630 | 867 | 4,527 | 13,024 |
| Indirect fundraising event costs | — | — | 20,511 | 20,511 | — | — | 19,662 | 19,662 |
| Insurance | 31,131 | 14,696 | 6,537 | 52,364 | 41,704 | 16,944 | 9,350 | 67,998 |
| Interest expense | 224 | 18 | — | 242 | — | 341 | — | 341 |
| Maintenance of buildings and equipment | 15,952 | 1,848 | 305 | 18,105 | 16,704 | 4,982 | 188 | 21,874 |
| Miscellaneous expense | 1,527 | 230 | 1,202 | 2,959 | 850 | 662 | 447 | 1,959 |
| Office expense | 17,777 | 1,952 | 272 | 20,001 | 18,422 | 3,527 | 1,889 | 23,838 |
| Outpatient services expense | 26,447 | — | — | 26,447 | 20,274 | — | — | 20,274 |
| Payroll processing | 3,265 | 921 | 521 | 4,707 | 3,151 | 1,503 | 517 | 5,171 |
| Postage | 3,476 | 637 | 601 | 4,714 | 3,024 | 487 | 341 | 3,852 |
| Preschool expenses | 9,192 | 112 | — | 9,304 | 13,439 | — | — | 13,439 |
| Printing | 6,842 | 1,064 | 920 | 8,826 | 3,652 | 635 | 1,304 | 5,591 |
| Professional fees | 56,897 | 6,790 | 1,660 | 65,347 | 29,459 | 6,145 | 2,000 | 37,604 |
| Program supplies | 26,986 | 4,320 | 963 | 32,269 | 31,343 | 3,740 | 556 | 35,639 |
| Telephone | 8,791 | 944 | — | 9,735 | 8,272 | 1,177 | 401 | 9,850 |
| Training | 6,637 | — | 1,170 | 7,807 | 7,038 | — | 20 | 7,058 |
| Travel and entertainment | 173 | — | 457 | 630 | 159 | 118 | 422 | 699 |
| Utilities | 23,825 | 1,623 | 580 | 26,028 | 24,673 | 1,737 | 612 | 27,022 |
| Volunteer recruitment and awards | 8,364 | 241 | 40 | 8,645 | 14,391 | 75 | 902 | 15,368 |
| Total Other Expenses | 596,149 | 40,646 | 49,513 | 686,308 | 556,097 | 48,787 | 51,088 | 655,972 |
| Total Expenses Before Depreciation And Amortization | 2,109,271 | 123,981 | 255,411 | 2,488,663 | 2,000,283 | 133,684 | 239,335 | 2,373,302 |
| Depreciation And Amortization | 99,561 | 1,402 | 4,194 | 105,157 | 113,931 | 1,656 | 3,442 | 119,029 |
| | \$ 2,208,832 | \$ 125,383 | \$ 259,605 | \$ 2,593,820 | \$ 2,114,214 | \$ 135,340 | \$ 242,777 | \$ 2,492,331 |

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF CASH FLOWS

| | For The Years Ended June 30, | |
|---|---------------------------------|---------------------|
| | 2015 | 2014 |
| Cash Flows From Operating Activities | | |
| Increase in net assets | \$ 1,234,200 | \$ 868,402 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 105,157 | 119,029 |
| Realized gains on investments | (40,492) | (42,058) |
| Unrealized (gains) losses on investments | 52,489 | (612,355) |
| Changes in assets and liabilities: | | |
| Increase in accounts receivable | (23,840) | (7,003) |
| Increase in promises to give | (500) | — |
| (Increase) decrease in prepaid expenses | (36,656) | 10,872 |
| Increase in accounts payable and accrued expenses | 8,363 | 11,334 |
| Increase (decrease) in deferred revenue | (17,000) | 12,000 |
| Net Cash Provided By Operating Activities | 1,281,721 | 360,221 |
| Cash Flows From Investing Activities | | |
| Payments for the purchase of property and equipment | (40,348) | (39,170) |
| Proceeds from sales and maturities of investments | 190,737 | 176,329 |
| Purchases of investments | (237,782) | (219,186) |
| Increase in advances on life insurance contracts | (21,614) | (11,772) |
| Net Cash Used In Investing Activities | (109,007) | (93,799) |
| Cash Flows Used In Financing Activities | | |
| Principal payments on long-term debt | (1,779) | (6,849) |
| Net Increase In Cash And Cash Equivalents | 1,170,935 | 259,573 |
| Cash And Cash Equivalents - Beginning Of Year | 1,732,982 | 1,473,409 |
| Cash And Cash Equivalents - End Of Year | \$ 2,903,917 | \$ 1,732,982 |
| Supplemental Disclosure Of Cash Flow Information | | |
| Interest paid | \$ 242 | \$ 341 |
| Cash And Cash Equivalents Consist Of: | | |
| Unrestricted cash | \$ 2,366,042 | \$ 1,197,040 |
| Board appropriated cash | 537,875 | 535,942 |
| | \$ 2,903,917 | \$ 1,732,982 |

OUR LITTLE HAVEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015 And 2014

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, 2015 or 2014.

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, 2015, cash and cash equivalents held in excess of the FDIC limit amounted to \$2,694,114. As of June 30, 2015, assets held on behalf of others include cash and cash equivalents of \$1,943,460, of which \$1,693,460 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, 2015, 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. 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.

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.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (Continued)

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 2011 and later remain subject to examination by taxing authorities.

Subsequent Events

Management has evaluated subsequent events through October 12, 2015, 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:

| | <u>2015</u> | <u>2014</u> |
|-------------------------------|---------------------|---------------------|
| Checking and savings accounts | \$ 4,265,923 | \$ 2,672,918 |
| Sweep account | 505,064 | 350,408 |
| Money market | 28,182 | 26,777 |
| | <u>\$ 4,799,169</u> | <u>\$ 3,050,103</u> |

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

| | <u>2015</u> | <u>2014</u> |
|--|---------------------|---------------------|
| Cash and cash equivalents - unrestricted | \$ 2,366,042 | \$ 1,197,040 |
| Assets held on behalf of others | 1,895,252 | 1,317,121 |
| Cash and cash equivalents - board appropriated endowment (Note 9) | 537,875 | 535,942 |
| | <u>\$ 4,799,169</u> | <u>\$ 3,050,103</u> |

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (*Continued*)

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 375 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. Rent expense was \$9,600 in 2015 and 2014, which is included in case management expenses. The future minimum rental commitments required under this operating lease are as follows:

| <u>Year Ended June 30,</u> | <u>Amount</u> |
|----------------------------|---------------|
| 2016 | \$ 4,000 |

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.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (Continued)

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 2015 and 2014, the fees earned were \$908 and \$913, respectively, per month, per child (Note 4). Amounts totaling \$987,583 and \$971,339 were received by the Organization for these services for the years ended June 30, 2015 and 2014, 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 \$55,352 and \$38,184 were billed to Medicaid for the years ended June 30, 2015 and 2014, 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 \$88,546 and \$73,527 in 2015 and 2014, respectively.

In addition, the Organization received community grants totaling \$585,144 and \$482,778 in 2015 and 2014, respectively, from St. Louis County Children's Service Fund and St. Louis Mental Health Board.

At June 30, accounts receivable consist of the following:

| | <u>2015</u> | <u>2014</u> |
|---|------------------|------------------|
| St. Louis Public Schools (preschool) | \$ 14,579 | \$ 8,296 |
| Missouri Department of Social Services (preschool) | 12,306 | 10,454 |
| Mental Health Board (community grant) | 21,082 | — |
| St. Louis County Children's Service Fund (community grant) | 29,760 | 35,089 |
| Other | — | 48 |
| | <u>\$ 77,727</u> | <u>\$ 53,887</u> |

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (Continued)

6. Concentrations

In 2015, the Organization received approximately 52% of its total public support and revenue from two revenue sources. In 2014, the Organization received approximately 36% 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 the greater of the premiums paid or the cash value of the policies, such amount reduced by any indebtedness against the life insurance policies.

8. Property And Equipment

Property and equipment consist of the following at June 30:

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|
| Land | \$ 92,000 | \$ 92,000 |
| Buildings | 895,975 | 895,975 |
| Building improvements | 1,035,417 | 1,014,201 |
| Furniture and equipment | 301,023 | 396,880 |
| | <u>2,324,415</u> | <u>2,399,056</u> |
| Less: Accumulated depreciation and amortization | 1,652,405 | 1,662,237 |
| | <u>\$ 672,010</u> | <u>\$ 736,819</u> |

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (Continued)

9. Assets Appropriated For Endowment

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

| | 2015 | | 2014 | |
|-----------------------------------|--------------|--------------|--------------|--------------|
| | Cost | Fair Value | Cost | Fair Value |
| Money market fund | \$ 2,931 | \$ 2,931 | \$ 235,006 | \$ 235,006 |
| Equity Mutual Funds | | | | |
| Micro Cap | 69,751 | 81,530 | 69,750 | 76,120 |
| Small Cap | 297,492 | 447,332 | 282,041 | 413,001 |
| Mid Cap | 580,392 | 1,100,275 | 327,949 | 840,762 |
| Large Cap | 1,123,997 | 1,838,425 | 1,104,869 | 1,775,180 |
| Real Estate | 53,916 | 59,033 | 54,547 | 63,886 |
| International | 464,098 | 416,172 | 458,302 | 490,804 |
| U.S. Treasury | 50,935 | 50,916 | 50,395 | 50,736 |
| Emerging Markets | 152,543 | 137,748 | 152,642 | 150,000 |
| Bond Mutual Funds | | | | |
| Short Term | 576,452 | 544,200 | 558,884 | 539,406 |
| Corporate U.S. Investment Grade | 151,616 | 192,940 | 151,616 | 195,977 |
| Credit Bond U.S. Investment Grade | 179,690 | 147,462 | 176,417 | 147,952 |
| Liquid High Yield Corporate Bond | | | | |
| Index | 149,648 | 142,080 | 149,648 | 152,320 |
| Inflation Protected | 10,147 | 9,921 | 9,719 | 10,210 |
| One Year Fixed | 52,382 | 52,223 | 47,775 | 47,723 |
| Two Year Global | 10,725 | 10,440 | 9,618 | 9,497 |
| | \$ 3,926,715 | \$ 5,233,628 | \$ 3,839,178 | \$ 5,198,580 |

Investments are carried at fair value using quoted prices in active markets (Level 1). Net realized and unrealized gains (losses) totaling \$(11,997) and \$654,413 were recorded at June 30, 2015 and 2014, 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 \$537,875 and \$535,942 at June 30, 2015 and 2014, respectively (Note 3).

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (Continued)

10. Line Of Credit

At June 30, 2015, 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, 2015, is unsecured and bears interest at the prime rate, 3.25% as of June 30, 2015.

11. Net Assets

There are no temporarily restricted net assets as of June 30, 2015 or 2014.

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 \$5,771,503 and \$5,734,522 as of June 30, 2015 and 2014, respectively.

Changes in the board-appropriated endowment assets were as follows for the years ended June 30, 2015 and 2014:

| | |
|---|----------------------------|
| Endowment Assets - July 1, 2013 | <u>\$ 5,035,308</u> |
| Withdrawals | <u>(45,000)</u> |
| Investment return | |
| Interest and dividends | 89,801 |
| Net realized and unrealized gains on investments | <u>654,413</u> |
| Total investment return | <u>744,214</u> |
| Endowment Assets - June 30, 2014 | <u>5,734,522</u> |
| Withdrawals | <u>(50,000)</u> |
| Investment return | |
| Interest and dividends | 98,978 |
| Net realized and unrealized losses on investments | <u>(11,997)</u> |
| Total investment return | <u>86,981</u> |
| Endowment Assets - June 30, 2015 | <u><u>\$ 5,771,503</u></u> |

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Notes To Consolidated Financial Statements (*Continued*)

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 5% and 4% of eligible employees' salaries and amounted to \$64,840 and \$46,568 for the years ended June 30, 2015 and 2014, respectively.