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**OUR LITTLE HAVEN**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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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, 2016 and 2015, 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, 2016 and 2015, 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, 2016

# OUR LITTLE HAVEN

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Assets

	<b>June 30,</b>	
	<b>2016</b>	<b>2015</b>
Cash and cash equivalents (Note 3)	\$ 1,528,552	\$ 2,366,042
Investments (Note 9)	999,934	—
Assets held on behalf of others (Notes 3 and 4)	1,457,832	1,895,252
Accounts receivable (Note 5)	84,064	77,727
Promises to give	11,500	500
Prepaid expenses	37,864	38,115
Advances on life insurance contracts (Note 7)	340,040	317,021
Property and equipment (Note 8)	625,528	672,010
Assets appropriated for endowment (Notes 3 and 9)	5,717,278	5,771,503
<b>Total Assets</b>	<b>\$ 10,802,592</b>	<b>\$ 11,138,170</b>

### Liabilities And Net Assets

#### Liabilities

Accounts payable and accrued expenses	\$ 84,407	\$ 80,982
Agency funds held on behalf of others (Note 4)	1,457,832	1,895,252
<b>Total Liabilities</b>	<b>1,542,239</b>	<b>1,976,234</b>

#### Net Assets

Unrestricted:		
Unappropriated:		
Invested in property and equipment	625,528	672,010
Operations	2,917,547	2,718,423
Total Unappropriated	3,543,075	3,390,433
Board-appropriated endowment (Note 11)	5,717,278	5,771,503
<b>Total Unrestricted Net Assets</b>	<b>9,260,353</b>	<b>9,161,936</b>
<b>Total Liabilities And Net Assets</b>	<b>\$ 10,802,592</b>	<b>\$ 11,138,170</b>

# OUR LITTLE HAVEN

## CONSOLIDATED STATEMENT OF ACTIVITIES

	For The Years Ended June 30,	
	2016	2015
<b>Changes In Unrestricted Net Assets:</b>		
<b>Public Support And Revenue</b>		
<b>Public Support</b>		
Contributions:		
Churches/schools	\$ 4,288	\$ 1,797
Civic groups	16,282	20,453
Corporations	155,376	131,023
Memorials and tributes	11,015	15,690
Foundations	182,503	200,350
Individuals	311,702	1,355,362
<b>Total Contributions</b>	681,166	1,724,675
Community grants (Note 5)	533,531	585,144
Fundraising (net of direct expenses of \$131,798 in 2016 and \$131,237 in 2015)	376,670	297,164
<b>Total Public Support</b>	1,591,367	2,606,983
<b>Revenue</b>		
Program service revenues (Note 5)	1,281,108	1,131,481
Interest and dividends	151,777	101,553
<b>Total Revenue</b>	1,432,885	1,233,034
<b>Total Public Support And Revenue</b>	3,024,252	3,840,017
<b>Expenses</b>		
Program services	2,452,807	2,208,832
Management and general	133,323	125,383
Fundraising	235,251	259,605
<b>Total Expenses</b>	2,821,381	2,593,820
<b>Increase In Unrestricted Net Assets Before</b>		
<b>Realized And Unrealized Losses On Investments</b>	202,871	1,246,197
<b>Realized And Unrealized Losses On Investments (Note 9)</b>	(104,454)	(11,997)
<b>Increase In Unrestricted Net Assets</b>	98,417	1,234,200
<b>Unrestricted Net Assets - Beginning Of Year</b>	9,161,936	7,927,736
<b>Unrestricted Net Assets - End Of Year</b>	\$ 9,260,353	\$ 9,161,936

# OUR LITTLE HAVEN

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	For The Years Ended June 30,							
	2016				2015			
	Program Services	Management And General	Fundraising	Total	Program Services	Management And General	Fundraising	Total
Salaries	\$ 1,424,690	\$ 68,554	\$ 153,659	\$ 1,646,903	\$ 1,219,375	\$ 62,945	\$ 167,201	\$ 1,449,521
Payroll taxes	117,046	6,043	9,635	132,724	107,998	5,515	14,506	128,019
Health insurance	138,965	6,946	12,732	158,643	131,584	12,068	16,323	159,975
403(b) contribution (Note 12)	52,424	2,407	6,053	60,884	54,165	2,807	7,868	64,840
<b>Total Payroll Expenses</b>	<b>1,733,125</b>	<b>83,950</b>	<b>182,079</b>	<b>1,999,154</b>	<b>1,513,122</b>	<b>83,335</b>	<b>205,898</b>	<b>1,802,355</b>
Advertising/newsletter	12,093	100	7,780	19,973	15,858	—	4,910	20,768
Case management expenses	309,375	—	—	309,375	292,915	—	177	293,092
Conferences and meetings	433	405	843	1,681	1,955	202	1,197	3,354
Data processing	39,456	4,829	3,006	47,291	28,985	4,419	2,652	36,056
Dues and subscriptions	9,048	92	3,098	12,238	8,930	629	4,838	14,397
Indirect fundraising event costs	—	—	13,812	13,812	—	—	20,511	20,511
Insurance	49,696	11,618	7,579	68,893	31,131	14,696	6,537	52,364
Interest expense	—	—	—	—	224	18	—	242
Maintenance of buildings and equipment	10,112	1,428	100	11,640	15,952	1,848	305	18,105
Miscellaneous expense	391	557	819	1,767	1,527	230	1,202	2,959
Office expense	19,223	2,260	2,275	23,758	17,777	1,952	272	20,001
Outpatient services expense	19,094	—	20	19,114	26,447	—	—	26,447
Payroll processing	3,580	1,023	512	5,115	3,265	921	521	4,707
Postage	3,768	701	436	4,905	3,476	637	601	4,714
Preschool expenses	8,981	—	—	8,981	9,192	112	—	9,304
Printing	5,100	673	450	6,223	6,842	1,064	920	8,826
Professional fees	38,871	10,084	2,276	51,231	56,897	6,790	1,660	65,347
Program supplies	28,134	4,738	391	33,263	26,986	4,320	963	32,269
Telephone	9,522	1,284	—	10,806	8,791	944	—	9,735
Training	15,140	—	2,123	17,263	6,637	—	1,170	7,807
Travel and entertainment	55	96	454	605	173	—	457	630
Utilities	22,999	1,552	389	24,940	23,825	1,623	580	26,028
Volunteer recruitment and awards	4,788	629	980	6,397	8,364	241	40	8,645
<b>Total Other Expenses</b>	<b>609,859</b>	<b>42,069</b>	<b>47,343</b>	<b>699,271</b>	<b>596,149</b>	<b>40,646</b>	<b>49,513</b>	<b>686,308</b>
<b>Total Expenses Before Depreciation And Amortization</b>	<b>2,342,984</b>	<b>126,019</b>	<b>229,422</b>	<b>2,698,425</b>	<b>2,109,271</b>	<b>123,981</b>	<b>255,411</b>	<b>2,488,663</b>
<b>Depreciation And Amortization</b>	<b>109,823</b>	<b>7,304</b>	<b>5,829</b>	<b>122,956</b>	<b>99,561</b>	<b>1,402</b>	<b>4,194</b>	<b>105,157</b>
	<b>\$ 2,452,807</b>	<b>\$ 133,323</b>	<b>\$ 235,251</b>	<b>\$ 2,821,381</b>	<b>\$ 2,208,832</b>	<b>\$ 125,383</b>	<b>\$ 259,605</b>	<b>\$ 2,593,820</b>

See the accompanying notes to consolidated financial statements.

**OUR LITTLE HAVEN**

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>For The Years</b>	
	<b>Ended June 30,</b>	
	<b>2016</b>	<b>2015</b>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 98,417	\$ 1,234,200
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	122,956	105,157
Realized gains on investments	(29,835)	(40,492)
Unrealized losses on investments	134,289	52,489
Changes in assets and liabilities:		
Increase in accounts receivable	(6,337)	(23,840)
Increase in promises to give	(11,000)	(500)
(Increase) decrease in prepaid expenses	251	(36,656)
Increase in accounts payable and accrued expenses	3,425	8,363
Decrease in deferred revenue	—	(17,000)
<b>Net Cash Provided By Operating Activities</b>	<b>312,166</b>	<b>1,281,721</b>
<b>Cash Flows From Investing Activities</b>		
Payments for the purchase of property and equipment	(76,474)	(40,348)
Proceeds from sales and maturities of investments	516,114	190,737
Purchases of investments	(1,614,301)	(237,782)
Increase in advances on life insurance contracts	(23,019)	(21,614)
<b>Net Cash Used In Investing Activities</b>	<b>(1,197,680)</b>	<b>(109,007)</b>
<b>Cash Flows Used In Financing Activities</b>		
Principal payments on long-term debt	—	(1,779)
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>(885,514)</b>	<b>1,170,935</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>2,903,917</b>	<b>1,732,982</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 2,018,403</b>	<b>\$ 2,903,917</b>
<b>Supplemental Disclosure Of Cash Flow Information</b>		
Interest paid	\$ —	\$ 242
<b>Cash And Cash Equivalents Consist Of:</b>		
Unrestricted cash	\$ 1,528,552	\$ 2,366,042
Board appropriated cash	489,851	537,875
	<b>\$ 2,018,403</b>	<b>\$ 2,903,917</b>



# OUR LITTLE HAVEN

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016 And 2015

### 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, 2016 or 2015.

## **OUR LITTLE HAVEN**

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### 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, 2016, cash and cash equivalents held in excess of the FDIC limit amounted to \$1,727,265. As of June 30, 2016, assets held on behalf of others include cash and cash equivalents of \$1,481,666, of which \$1,231,666 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, 2016, 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**

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

#### **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.

## OUR LITTLE HAVEN

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### 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 2012 and later remain subject to examination by taxing authorities.

#### **Subsequent Events**

Management has evaluated subsequent events through October 12, 2016, 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>2016</u>	<u>2015</u>
Checking and savings accounts	\$ 2,900,409	\$ 4,265,923
Sweep account	546,357	505,064
Money market	29,469	28,182
	<u>\$ 3,476,235</u>	<u>\$ 4,799,169</u>

## OUR LITTLE HAVEN

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### Notes To Consolidated Financial Statements (Continued)

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

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents - unrestricted	\$ 1,528,552	\$ 2,366,042
Assets held on behalf of others	1,457,832	1,895,252
Cash and cash equivalents - board appropriated endowment (Note 9)	489,851	537,875
	<u>\$ 3,476,235</u>	<u>\$ 4,799,169</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 effective December 1, 2012. The terms of the lease agreement required monthly payments of \$800 through November 2015. During 2016, the lease agreement was renewed with monthly payments of \$850 through May 2019. Rent expense was \$9,700 and \$9,600, respectively, in 2016 and 2015, which is included in case management expenses. The future minimum rental commitments required under this operating lease are as follows:

<u>Years</u>	<u>Amount</u>
2017	\$ 10,200
2018	10,200
2019	9,350
	<u>\$ 29,750</u>

## OUR LITTLE HAVEN

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

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 2016 and 2015, the fees earned were \$913 and \$908, respectively, per month, per child (Note 4). Amounts totaling \$1,132,794 and \$987,583 were received by the Organization for these services for the years ended June 30, 2016 and 2015, 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 \$59,705 and \$55,352 were billed to Medicaid for the years ended June 30, 2016 and 2015, 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 \$88,609 and \$88,546 in 2016 and 2015, respectively.

In addition, the Organization received community grants totaling \$533,531 and \$585,144 in 2016 and 2015, respectively, from St. Louis County Children's Service Fund and St. Louis Mental Health Board.

## OUR LITTLE HAVEN

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### Notes To Consolidated Financial Statements (Continued)

At June 30, accounts receivable consist of the following:

	<u>2016</u>	<u>2015</u>
Missouri Department of Social Services (preschool)	\$ 16,530	\$ 14,579
Medicaid And Other Insurance Companies (Keystone)	14,157	12,306
Mental Health Board (community grant)	—	21,082
St. Louis County Children's Service Fund (community grant)	53,377	29,760
	<u>\$ 84,064</u>	<u>\$ 77,727</u>

## 6. Concentrations

In 2016, the Organization received approximately 37% of its total public support and revenue from one revenue source. In 2015, the Organization received approximately 52% of its total public support and revenue from two revenue sources.

## 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>2016</u>	<u>2015</u>
Land	\$ 92,000	\$ 92,000
Buildings	895,975	895,975
Building improvements	1,041,399	1,035,417
Furniture and equipment	254,770	301,023
	<u>2,284,144</u>	<u>2,324,415</u>
Less: Accumulated depreciation and amortization	1,658,616	1,652,405
	<u>\$ 625,528</u>	<u>\$ 672,010</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:

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Money market fund	\$ 76,658	\$ 76,658	\$ 2,931	\$ 2,931
Equity Mutual Funds				
Micro Cap	69,750	70,720	69,751	81,530
Small Cap	383,504	518,399	297,492	447,332
Small Blend	119,533	119,579	—	—
Mid Cap	601,096	1,039,894	580,392	1,100,275
Large Cap	1,292,538	1,993,227	1,123,997	1,838,425
Large Blend	120,280	125,688	—	—
Real Estate	26,034	37,854	53,916	59,033
International	647,831	560,340	464,098	416,172
U.S. Treasury	117,254	118,168	50,935	50,916
Emerging Markets	205,246	182,627	152,543	137,748
US Core Equity	135,466	145,527	—	—
Bond Mutual Funds				
Short Term	593,786	561,491	576,452	544,200
Corporate U.S. Investment Grade	218,314	242,411	151,616	192,940
Credit Bond U.S. Investment Grade	215,307	216,424	179,690	147,462
Liquid High Yield Corporate Bond Index	149,648	135,520	149,648	142,080
Inflation Protected	—	—	10,147	9,921
One Year Fixed	37,765	37,663	52,382	52,223
Two Year Global	—	—	10,725	10,440
Five Year Global Fixed	44,724	45,171	—	—
	\$ 5,054,734	\$ 6,227,361	\$ 3,926,715	\$ 5,233,628

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

	2016	2015
Investments	\$ 999,934	\$ —
Assets appropriated for endowment	5,227,427	5,233,628
	\$ 6,227,361	\$ 5,233,628

Investments are carried at fair value using quoted prices in active markets (Level 1). Net realized and unrealized losses totaling \$104,454 and \$11,997 were recorded at June 30, 2016 and 2015, 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 \$489,851 and \$537,875 at June 30, 2016 and 2015, respectively (Note 3).

### **10. Line Of Credit**

At June 30, 2016, 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, 2016, is unsecured and bears interest at the prime rate, 3.5% as of June 30, 2016.

### **11. Net Assets**

There are no temporarily restricted net assets as of June 30, 2016 or 2015.

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 \$5,717,278 and \$5,771,503 as of June 30, 2016 and 2015, respectively.

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

Changes in the board-appropriated endowment assets were as follows for the years ended June 30, 2016 and 2015:

Endowment Assets - July 1, 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>
Net investment return	<u>86,981</u>
Endowment Assets - June 30, 2015	<u>5,771,503</u>
Withdrawals	<u>(50,000)</u>
Investment return	
Interest and dividends	139,955
Net realized and unrealized losses on investments	<u>(144,180)</u>
Net investment loss	<u>(4,225)</u>
Endowment Assets - June 30, 2016	<u><u>\$ 5,717,278</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% and 5% of eligible employees' salaries and amounted to \$60,884 and \$64,840 for the years ended June 30, 2016 and 2015, respectively.