
OUR LITTLE HAVEN
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

Caring for Children. Mind. Body. Soul.



Contents

	Page
Independent Auditors' Report	1 - 2
 Consolidated Financial Statements	
Consolidated Statement Of Financial Position	3
Consolidated Statement Of Activities.....	4
Consolidated Statement Of Functional Expenses.....	5
Consolidated Statement Of Cash Flows	6
Notes To Consolidated Financial Statements	7 - 24

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Our Little Haven, a not-for-profit organization, and Our Little Haven Service Agency, LLC, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, 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.

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, 2024 and 2023, and the changes in their consolidated net assets and their consolidated cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Consolidated Financial Statements section of our report. We are required to be independent of Our Little Haven and Our Little Haven Service Agency, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Our Little Haven's and Our Little Haven Service Agency's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities For The Audit Of The Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

RubinBrown LLP

September 17, 2024

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

	June 30,	
	2024	2023
Cash and cash equivalents (Note 3)	\$ 1,511,570	\$ 1,825,270
Investments (Note 9)	3,479,058	3,068,631
Assets held on behalf of others (Notes 3 and 4)	—	2,660,769
Accounts receivable (Note 5)	85,960	127,142
Promises to give	17,000	30,454
Prepaid expenses	94,636	116,884
Advances on life insurance contracts (Note 7)	352,400	352,400
Property and equipment (Note 8)	315,056	297,041
Assets restricted and appropriated for endowment (Notes 3 and 11)	12,622,357	11,504,490
Total Assets	\$ 18,478,037	\$ 19,983,081

Liabilities And Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 97,923	\$ 109,126
Agency funds held on behalf of others (Note 4)	—	2,660,769
Deferred revenue (Note 5)	34,100	—
Total Liabilities	132,023	2,769,895

Net Assets

Without donor restrictions		
Undesignated	5,338,601	5,411,655
Invested in property and equipment	315,056	297,041
Board-appropriated endowment (Note 11)	9,644,404	8,858,144
Total without donor restrictions	15,298,061	14,566,840
With donor restrictions (Note 11)	3,047,953	2,646,346
Total Net Assets	18,346,014	17,213,186
Total Liabilities And Net Assets	\$ 18,478,037	\$ 19,983,081

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF ACTIVITIES

	For The Years Ended June 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support And Revenue						
Public Support						
Contributions:						
Churches/schools	\$ 430	\$ —	\$ 430	\$ 9,936	\$ —	\$ 9,936
Civic groups	1,000	—	1,000	1,300	—	1,300
Corporations	114,391	—	114,391	112,914	—	112,914
Memorials and tributes	61,663	—	61,663	14,100	—	14,100
Foundations	353,726	70,000	423,726	315,770	—	315,770
Individuals	561,563	—	561,563	625,686	—	625,686
Total Contributions	1,092,773	70,000	1,162,773	1,079,706	—	1,079,706
Community grants (Note 5)	222,729	—	222,729	206,159	—	206,159
Contributed nonfinancial assets (Note 13)	32,600	—	32,600	23,950	—	23,950
Fundraising (net of direct expenses of \$249,376 in 2024 and \$190,194 in 2023)	497,908	—	497,908	415,633	—	415,633
Total Public Support	1,846,010	70,000	1,916,010	1,725,448	—	1,725,448
Revenue						
Program service revenues (Note 5)	485,916	—	485,916	1,509,659	—	1,509,659
Interest and dividends	356,341	51,664	408,005	292,239	58,555	350,794
Other income	15,000	—	15,000	—	—	—
Total Revenue	857,257	51,664	908,921	1,801,898	58,555	1,860,453
Total Public Support And Revenue	2,703,267	121,664	2,824,931	3,527,346	58,555	3,585,901
Expenses						
Program services	2,304,305	—	2,304,305	2,855,260	—	2,855,260
Management and general	312,762	—	312,762	283,575	—	283,575
Fundraising	388,366	—	388,366	403,568	—	403,568
Total Expenses	3,005,433	—	3,005,433	3,542,403	—	3,542,403
Increase (Decrease) In Net Assets Before Gains	(302,166)	121,664	(180,502)	(15,057)	58,555	43,498
Realized And Unrealized Gains On Investments	1,033,387	279,943	1,313,330	745,144	193,787	938,931
Increase In Net Assets	731,221	401,607	1,132,828	730,087	252,342	982,429
Net Assets - Beginning Of Year	14,566,840	2,646,346	17,213,186	13,836,753	2,394,004	16,230,757
Net Assets - End Of Year	\$ 15,298,061	\$ 3,047,953	\$ 18,346,014	\$ 14,566,840	\$ 2,646,346	\$ 17,213,186

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For The Years Ended June 30,

	2024				2023			
	Program Services	Management And General	Fundraising	Total	Program Services	Management And General	Fundraising	Total
Salaries	\$ 1,429,790	\$ 135,542	\$ 267,180	\$ 1,832,512	\$ 1,737,997	\$ 130,646	\$ 263,814	\$ 2,132,457
Payroll taxes	109,830	10,619	20,688	141,137	130,325	10,036	20,146	160,507
Health insurance	176,747	15,341	21,744	213,832	206,579	11,043	26,679	244,301
403(b) contribution (Note 12)	67,036	7,108	13,020	87,164	70,605	6,814	10,293	87,712
Total Payroll Expenses	1,783,403	168,610	322,632	2,274,645	2,145,506	158,539	320,932	2,624,977
Advertising/newsletter	8,601	—	7,948	16,549	2,842	1,104	23,394	27,340
Case management expenses	49,339	—	—	49,339	275,164	—	—	275,164
Conferences and meetings	854	380	387	1,621	675	1,076	358	2,109
Data processing	71,937	10,997	450	83,384	63,009	9,529	3,913	76,451
Dues and subscriptions	6,756	213	13,686	20,655	8,992	680	12,097	21,769
Indirect fundraising event costs	—	—	5,699	5,699	—	—	13,830	13,830
Insurance	104,356	33,000	18,047	155,403	95,322	32,770	17,561	145,653
Maintenance of buildings and equipment	10,384	4,375	—	14,759	10,877	2,340	—	13,217
Miscellaneous expense	—	(210)	111	(99)	156	—	138	294
Office expense	14,610	2,848	1,948	19,406	17,538	3,766	2,400	23,704
Outpatient services expense	40,856	—	—	40,856	47,552	—	—	47,552
Payroll processing	1,091	4,069	—	5,160	106	3,611	—	3,717
Postage	3,060	312	312	3,684	2,887	408	796	4,091
Preschool expenses	7,489	—	—	7,489	7,130	—	—	7,130
Printing	2,414	206	226	2,846	2,607	244	189	3,040
Professional fees	37,024	56,734	6,734	100,492	17,335	45,812	3,000	66,147
Program supplies	20,171	9,012	2,645	31,828	24,617	9,055	—	33,672
Telephone	14,343	892	892	16,127	12,391	950	950	14,291
Training	18,494	—	1,529	20,023	13,699	—	—	13,699
Utilities	22,527	2,726	2,845	28,098	22,343	2,619	2,608	27,570
Volunteer recruitment and awards	6,296	2,664	1,062	10,022	7,810	101	190	8,101
Total Other Expenses	440,602	128,218	64,521	633,341	633,052	114,065	81,424	828,541
Total Expenses Before Depreciation And Amortization	2,224,005	296,828	387,153	2,907,986	2,778,558	272,604	402,356	3,453,518
Depreciation And Amortization	80,300	15,934	1,213	97,447	76,702	10,971	1,212	88,885
	\$ 2,304,305	\$ 312,762	\$ 388,366	\$ 3,005,433	\$ 2,855,260	\$ 283,575	\$ 403,568	\$ 3,542,403

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF CASH FLOWS

	For The Years Ended June 30,	
	2024	2023
Cash Flows From Operating Activities		
Increase in net assets	\$ 1,132,828	\$ 982,429
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	97,447	88,885
Realized gains on investments	(125,831)	(4,217)
Unrealized gains on investments	(1,187,499)	(934,714)
Changes in assets and liabilities:		
Accounts receivable	41,182	(43,992)
Promises to give	13,454	(21,188)
Employee retention credit receivable	—	437,547
Prepaid expenses	22,248	(31,687)
Accounts payable and accrued expenses	(11,203)	(4,904)
Deferred revenue	34,100	—
Net Cash Provided By Operating Activities	16,726	468,159
Cash Flows From Investing Activities		
Payments for the purchase of property and equipment	(115,462)	(22,370)
Proceeds from sales and maturities of investments	4,555,742	184,790
Purchases of investments	(4,907,620)	(2,153,069)
Net Cash Used In Investing Activities	(467,340)	(1,990,649)
Net Decrease In Cash And Cash Equivalents	(450,614)	(1,522,490)
Cash And Cash Equivalents - Beginning Of Year	2,217,918	3,740,408
Cash And Cash Equivalents - End Of Year	\$ 1,767,304	\$ 2,217,918
Cash And Cash Equivalents Consist Of:		
Undesignated cash and cash equivalents	\$ 1,511,570	\$ 1,825,270
Donor restricted term endowment cash and cash equivalents	255,734	121,199
Board-appropriated endowment cash and cash equivalents	—	271,449
	\$ 1,767,304	\$ 2,217,918

OUR LITTLE HAVEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024 And 2023

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 the following services:

Keystone Mental Health provides a comprehensive range of mental health services for many types of problems. Additionally, Keystone specializes in treatment of the very young child, comprehensive psychological evaluations, play therapy, and treating complex conditions.

Our Little Haven Academy is a full day program that provides therapeutic treatment for children aged three to five who cannot participate in a traditional preschool/daycare due to behavioral or emotional problems.

Our Little Haven's Community Family Services at the Taylor Family Care Center provides services for children and families in the foster care and adoption community by filling significant gaps in the child welfare system by meeting current needs.

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 consolidated financial statement presentation follows the requirements of the Financial Accounting Standards Board for Not-for-Profit Organizations by presenting assets and liabilities within similar groups and classifying them in ways that provide relevant information about their interrelationships, liquidity and financial flexibility. As a result, the Organization is required to report its financial position and activities according to the following two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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, 2024, cash and cash equivalents held in excess of the FDIC limit amounted to approximately \$956,946. Total cash and cash equivalents held in bank represents the amount physically deposited in the bank at June 30, 2024, without regard to deposits in transit or outstanding checks.

New Accounting Pronouncement

As of July 1, 2023, the Organization adopted Accounting Standards Codification (ASC) Topic 326, *Financial Instruments - Credit Losses*, using a modified-retrospective approach. The standard replaces the previous incurred loss model and requires entities to record an estimate of expected losses on financial assets for the remaining estimated life of the asset. This estimate must include consideration of historical experience, current conditions and reasonable and supportable forecasts. The standard applies to the Organization's accounts receivable. The adoption did not have a material impact on these consolidated financial statements.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (*Continued*)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. The carrying amount is reduced by a valuation allowance, through a charge to earnings, that reflects management's best estimate of amounts that will not be collected. This assessment considers historical experience, current conditions, and when appropriate, reasonable and supportable forecasts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

The Organization provides an allowance for credit losses on its accounts receivable. To estimate the expected credit losses, receivables have been grouped based on the customer contract. The allowance is determined by applying an expected credit loss percentage to the carrying value of the assets by categories. The percentages, which are updated at least annually, are based on historical experience and may be adjusted to the extent that future results are expected to differ from past experience. Given that the Organization extends credit terms on a short-term basis, changes to the credit loss percentages due to future events are expected to be rare. Additionally, the allowance is also adjusted due to the changes in the collectability assessment of individual balances.

The Organization has concluded that no allowance for current expected credit losses was necessary at June 30, 2024 and no allowance for doubtful accounts was necessary at June 30, 2023.

Promises To Give

Unconditional promises to give are recognized as support in the period the promises are received. Conditional promises to give, that is, those with a measurable performance or other barrier, are not recognized until the conditions on which they depend have been met. All promises to give are expected to be collected within one year. Promises to give are reported at the amount management expects to collect on balances outstanding at year end. 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 Restricted And Appropriated For Endowment

Investments and assets restricted and appropriated for endowment are reported at fair value, except for the certificate of deposit (Note 9) which is stated at cost plus accrued interest which approximates 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.

Public Support

The Organization reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. In situations where the restriction is met in the same period the contribution is made, the support is recorded in net assets without donor restrictions. The Organization has also adopted the policy of reporting net assets released from restrictions upon completion of the donor purpose restriction, regardless of whether the related cash has been received.

Revenue Recognition

The Organization has contractual arrangements with various funders to provide services at negotiated rates for specific services. The Organization recognizes revenue at the time the contracted services are provided. Revenues and related accounts receivable are recorded at their estimated net realizable amounts. Timing of cash flows varies by funder type.

The Organization records fundraising revenue when the related fundraising event takes place. At times, payment is collected in advance of the fundraising event and is deferred until the fundraising event takes place.

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.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements *(Continued)*

Management And General

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Executive 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

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Payroll expenses are charged to program services and supporting activities on the basis of periodic time and expense studies. Depreciation and amortization expense is allocated based on the use of the space in the Organization's buildings. All other allocations are performed based on specific identification of expenses.

Donated Services

Various services and materials are donated to the Organization. Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by 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 2020 and later remain subject to examination by taxing authorities.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (Continued)

Subsequent Events

Management evaluates subsequent events through the date the consolidated 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>2024</u>	<u>2023</u>
Checking and savings accounts	\$ 1,266,568	\$ 2,980,392
Sweep account	463,737	900,298
Money market	33,176	32,550
Short-term Treasury bills	3,823	206,679
	<u>\$ 1,767,304</u>	<u>\$ 4,119,919</u>

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,511,570	\$ 1,825,270
Assets held on behalf of others	—	1,902,001
Cash and cash equivalents - donor restricted endowment (Note 11)	255,734	121,199
Cash and cash equivalents - board appropriated endowment (Note 11)	—	271,449
	<u>\$ 1,767,304</u>	<u>\$ 4,119,919</u>

In addition to the cash in assets held on behalf of others, during the year ended June 30, 2023, the LLC invested in U.S. Treasury Securities totaling \$758,768 (Note 9).

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.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (*Continued*)

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 450 cases. Through the proposal submitted to the State Agency, there were four social service organizations providing such foster care case management services. Our Little Haven was one of the four social service organizations providing these services.

The LLC received the monthly funding from the State Agency, distributed the funding to the four social service organizations and other providers of room and board for the foster children, and paid for the administrative costs of the program. These administrative costs paid by the LLC included rent for office space for which Our Little Haven was entered into a lease agreement with monthly payments of \$850 through September 2023. Rent expense was \$2,550 and \$10,200 in 2024 and 2023, respectively, which is included in case management expenses.

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. On September 30, 2023, the foster care case management contract with the state agency expired, and the contract was not renewed.

5. Accounts Receivable, Deferred Revenue, Program Service Revenues And Community Grants

In 2011, the Organization entered into a service agreement with the LLC to provide case management services for a fee. In 2024 and 2023, the fees earned were \$1,019 per month per child (Note 4). Amounts totaling \$338,068 and \$1,356,712 were received by the Organization for these services for the years ended June 30, 2024 and 2023, respectively.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (Continued)

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 \$79 per one hour unit of service billed. Amounts totaling \$110,796 and \$130,321 were billed to Medicaid for the years ended June 30, 2024 and 2023, 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 \$37,052 and \$22,626 in 2024 and 2023, respectively.

In addition, the Organization received community grants totaling \$222,729 and \$206,159 in 2024 and 2023, respectively, from St. Louis County Children's Service Fund.

The following table provides opening and closing balances of receivables from contracts with customers for the years ended June 30, 2024 and 2023:

	July 1, 2022	June 30, 2023	June 30, 2024
Missouri Department of Social Services (Preschool)	\$ 5,104	\$ 3,275	\$ —
Medicaid And Other Insurance Companies (Keystone)	13,391	32,179	25,697
St. Louis Mental Health Board (Community Grant)	23,875	—	—
St. Louis County Children's Service Fund (Community Grant)	40,780	91,688	52,848
Other	—	—	7,415
	<u>\$ 83,150</u>	<u>\$ 127,142</u>	<u>\$ 85,960</u>

The following table provides opening and closing balances of deferred revenue from contracts with customers for the years ended June 30, 2024 and 2023:

	July 1, 2022	June 30, 2023	June 30, 2024
Fundraising events	\$ —	\$ —	\$ 34,100

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements *(Continued)*

6. Concentrations

In 2024, the Organization received approximately 12% of its total public support and revenue from one revenue source. In 2023, the Organization received approximately 38% 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 \$352,400 of the premiums paid at June 30, 2024 and 2023, respectively.

8. Property And Equipment

Property and equipment consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Land	\$ 92,000	\$ 92,000
Buildings	895,975	895,975
Building improvements	1,244,097	1,165,446
Furniture and equipment	397,948	384,221
	<u>2,630,020</u>	<u>2,537,642</u>
Less: Accumulated depreciation and amortization	<u>2,314,964</u>	<u>2,240,601</u>
	<u>\$ 315,056</u>	<u>\$ 297,041</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:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Money Market Fund	\$ 555,829	\$ 555,829	\$ 350,265	\$ 350,265
Certificates Of Deposits	1,046,551	1,046,551	1,000,000	1,000,000
U.S. Treasury Securities	1,160,714	1,173,715	1,360,126	1,367,148
Equity Mutual Funds				
Small Cap	915,460	1,464,173	913,117	1,364,113
Small Blend	528,735	664,465	528,735	613,310
Large Cap	1,047,402	3,379,127	870,036	2,489,480
Large Blend	1,338,832	2,015,075	1,434,492	1,874,108
Real Estate	576,211	526,152	530,610	467,648
International	1,682,519	2,019,791	1,678,284	1,863,608
Emerging Markets	598,517	597,865	541,004	499,223
U.S. Core Equity	—	—	129,351	240,242
Bond Mutual Funds				
Corporate U.S.				
Investment Grade	2,108,588	1,800,687	2,108,588	1,817,833
Multisector	564,000	479,567	564,000	476,630
One Year Fixed	56,851	56,310	453,547	452,760
Five Year Global Fixed	71,681	66,374	68,845	62,873
	\$ 12,251,890	\$ 15,845,681	\$ 12,531,000	\$ 14,939,241

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

	2024	2023
Investments	\$ 3,479,058	\$ 3,068,631
Assets restricted for endowment	2,722,219	2,525,147
Assets held on behalf of others (Note 3)	—	758,769
Assets appropriated for board designated endowment	9,644,404	8,586,695
	\$ 15,845,681	\$ 14,939,242

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (*Continued*)

As described in Note 2, investments are carried at fair value in accordance with generally accepted accounting principles in the United States of America. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques are required to maximize the use of the observable inputs and minimize the use of unobservable inputs.

There are three general valuation techniques that may be used to measure fair value, as described below:

- *Market approach* - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- *Cost approach* - Based on the amount that currently would be required to replace the service capacity of an asset.
- *Income approach* - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts.

Investments measured and reported at fair value are classified and disclosed in one of the following three categories:

- | | |
|----------------|---|
| <i>Level 1</i> | Quoted prices that are readily available in active markets/exchanges for identical investments. |
| <i>Level 2</i> | Pricing inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly. |
| <i>Level 3</i> | Significant pricing inputs that are unobservable for the investment and includes investments for which there is little, if any, market activity for the investment. |

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (Continued)

The following are the major categories of financial assets and liabilities measured at fair value on a recurring basis during the years ended June 30, 2024 and 2023:

	2024			Total
	Level 1	Level 2	Level 3	
Money Market Fund	\$ 555,829	\$ —	\$ —	\$ 555,829
U.S. Treasury Securities	—	1,173,715	—	1,173,715
Equity Mutual Funds				
Small Cap	1,464,173	—	—	1,464,173
Small Blend	664,465	—	—	664,465
Large Cap	3,379,127	—	—	3,379,127
Large Blend	2,015,075	—	—	2,015,075
Real Estate	526,152	—	—	526,152
International	2,019,791	—	—	2,019,791
Emerging Markets	597,865	—	—	597,865
Bond Mutual Funds				
Corporate U.S.				
Investment Grade	1,800,687	—	—	1,800,687
Multisector	479,567	—	—	479,567
One Year Fixed	56,310	—	—	56,310
Five Year Global Fixed	66,374	—	—	66,374
	<u>\$ 13,625,415</u>	<u>\$ 1,173,715</u>	<u>\$ —</u>	<u>\$ 14,799,130</u>
Certificates of Deposits				<u>1,046,551</u>
Total Investments				<u><u>\$ 15,845,681</u></u>

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (Continued)

	2023			
	Level 1	Level 2	Level 3	Total
Money Market Fund	\$ 350,265	\$ —	\$ —	\$ 350,265
U.S. Treasury Securities	—	1,367,148	—	1,367,148
Equity Mutual Funds				
Small Cap	1,364,113	—	—	1,364,113
Small Blend	613,310	—	—	613,310
Large Cap	2,489,480	—	—	2,489,480
Large Blend	1,874,108	—	—	1,874,108
Real Estate	467,648	—	—	467,648
International	1,863,608	—	—	1,863,608
Emerging Markets	499,223	—	—	499,223
U.S. Core Equity	240,242	—	—	240,242
Bond Mutual Funds				
Corporate U.S.				
Investment Grade	1,817,833	—	—	1,817,833
Multisector	476,630	—	—	476,630
One Year Fixed	452,760	—	—	452,760
Five Year Global Fixed	62,873	—	—	62,873
	<u>\$ 12,572,093</u>	<u>\$ 1,367,148</u>	<u>\$ —</u>	<u>\$ 13,939,241</u>
Certificates Of Deposits				<u>1,000,000</u>
Total Investments				<u>\$ 14,939,241</u>

U.S. Treasury Securities are valued using techniques consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker-dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options.

During 2024 and 2023, there were no changes in the methods or assumptions utilized to derive the fair value of the Organization's assets.

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.

At June 30, 2024 and 2023, assets restricted and appropriated for endowment include cash and cash equivalents of \$527,183 and \$392,648, respectively (Note 3).

10. Debt

Line Of Credit

At June 30, 2024, 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, 2024, is unsecured and bears interest at the prime rate, 8.50% as of June 30, 2024.

11. Net Assets

In 2024, the Organization received a \$70,000 purpose restricted contribution to provide programming services to children in Jefferson County, Missouri. As of June 30, 2024, the amount remains in net assets with donor restrictions, as the Organization has not incurred expenses to satisfy the restricted purposes.

In 2020, the Organization received a \$2,500,000 donor-restricted contribution for investment over a 20-year term. This gift is classified as a term endowment. Beginning in year three, appropriations can be used to support the operating budget of the Organization, and appropriations can be made from accumulated earnings as well as the corpus of the gift.

The Organization's endowment funds include both a donor-restricted endowment fund, and funds designated by the Executive Board of Directors of the Organization to function as an endowment. Assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (Continued)

Endowment funds were as follows for the years ended June 30, 2024 and 2023:

	2024		Total
	Without Donor Restrictions	With Donor Restrictions	
	Board-Appropriated Endowment	Term Endowment	
Board-appropriated endowment funds	\$ 9,644,404	\$ —	\$ 9,644,404
Donor restricted endowment fund	—	2,977,953	2,977,953
	<u>\$ 9,644,404</u>	<u>\$ 2,977,953</u>	<u>\$ 12,622,357</u>

	2023		Total
	Without Donor Restrictions	With Donor Restrictions	
	Board-Appropriated Endowment	Term Endowment	
Board-appropriated endowment funds	\$ 8,858,144	\$ —	\$ 8,858,144
Donor restricted endowment fund	—	2,646,346	2,646,346
	<u>\$ 8,858,144</u>	<u>\$ 2,646,346</u>	<u>\$ 11,504,490</u>

Changes in the endowment assets were as follows for the years ended June 30, 2024 and 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
	Board-Appropriated Endowment	Term Endowment	
	Endowment Assets - July 1, 2022	\$ 8,066,607	
Investment return			
Interest and dividends	172,843	58,555	231,398
Net realized and unrealized gains on investments	618,694	193,787	812,481
Net investment return	791,537	252,342	1,043,879
Endowment Assets - June 30, 2023	8,858,144	2,646,346	11,504,490
Withdrawals	(271,449)	—	(271,449)
Investment return			
Interest and dividends	249,157	51,664	300,821
Net realized and unrealized gains on investments	808,552	279,943	1,088,495
Net investment return	1,057,709	331,607	1,389,316
Endowment Assets - June 30, 2024	\$ 9,644,404	\$ 2,977,953	\$ 12,622,357

Board-Appropriated Endowment

The purpose of the board-appropriated 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 board-appropriated endowment grows and as determined by the Executive Board of Directors, it may be subdivided into specific purpose funds or may remain as a general board-appropriated endowment fund.

The goal of the board-appropriated 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. The goal of the aggregate fund is to meet or exceed an 8% rate of return on an annualized basis.

Access to these funds should be limited and require both management and board approval before any funds are withdrawn. As a guiding principal, the Organization has established a discretionary spending target equal to 3% of the portfolio value, defined as the average market value of the fund over the preceding twelve quarters ending on the most recent December 31st. The 3% guideline is based on a discretionary policy as determined by the Organization's Investment Committee and may be forgone in years where the annual budget and fundraising activities of the Organization are sufficient to meet the operating needs of the Organization.

Donor Restricted Endowment

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Executive Board of Directors appropriates such amounts for expenditure. The net assets also are subject to time and purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Executive Board of Directors of the Organization has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. The donor-restricted endowment fund does not require the original value of the gift to be maintained in perpetuity; the gift is to be invested for at least a term of 20 years.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements (*Continued*)

Additionally, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund,
- 2) The purposes of the Organization and the donor-restricted endowment fund,
- 3) General economic conditions,
- 4) The possible effect of inflation and deflation,
- 5) The expected total return from income and the appreciation of investments,
- 6) Other resources of the Organization, and
- 7) The investment policies of the Organization.

The purpose of the donor-restricted endowment is to provide an annual stream of revenue to maintain financial stability to the Organization for a minimum of 20 years. Beginning in year three, distributions from the endowment are to be added to the annual operating budget.

The goal of the donor-restricted endowment is to achieve between 6 and 7% growth, which will allow for \$250,000 of annual distributions beginning in year three over a twenty year investment horizon.

12. Deferred Compensation Plan

The Organization provides a tax-deferred annuity plan under Internal Revenue Code Section 403(b), which allows eligible employees to make tax-deferred contributions. The plan provides for discretionary contributions by the Organization. The Organization's contribution to the plan for the years ending June 30, 2024 and 2023 was 5% of eligible employees' salaries and amounted to \$87,164 and \$87,712, respectively.

13. Contributed Nonfinancial Assets

During the years ending June 30, 2024 and 2023, the Organization received \$32,600 and \$23,950, respectively, of auction items, reported as contributed nonfinancial assets.

Contributed auction items are valued at the gross selling price received. The proceeds from the sale of auction items are used for general purposes of the Organization's operations.

OUR LITTLE HAVEN

Notes To Consolidated Financial Statements *(Continued)*

14. Liquidity And Availability Of Resources

At June 30, 2024 and 2023, the Organization has the following financial assets available to meet general expenditures over the next twelve months:

	<u>2024</u>	<u>2023</u>
Financial assets available to meet general expenditures over the next twelve months:		
Cash and cash equivalents	\$ 1,511,570	\$ 1,825,270
Investments	3,479,058	3,068,631
Accounts receivable	85,960	127,142
Available appropriation from endowment	267,925	254,064
	<u>\$ 5,344,513</u>	<u>\$ 5,275,107</u>

The Organization manages liquidity on annual and quarterly basis via executive meetings where financial statements, investment performance and expected expenditures are reviewed. Liquidity risk is minimal due to free cash balance and overall Organization budget. The Organization also has a \$300,000 line of credit available as described in Note 10 to meet cash flow needs. The board-appropriated endowment described in Note 11 is intended by the Executive Board of Directors to be held in perpetuity but could be undesignated if needed to provide further liquidity to the Organization.