

THE HAVEN SHELTER AND SERVICES, INC.

Financial Statements

for the year ended
June 30, 2009

THE HAVEN SHELTER AND SERVICES, INC.

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Report of Independent Certified Public Accountants

Board of Directors
The Haven Shelter and Services, Inc.
Warsaw, Virginia

We have audited the accompanying statements of financial position of The Haven Shelter and Services, Inc. as of June 30, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the year ended June 30, 2009. These financial statements are the responsibility of The Haven Shelter and Services, Inc.'s management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Haven Shelter and Services, Inc. as of June 30, 2009 and 2008, and the changes in its net assets, and its cash flows for the year ended June 30, 2009, in conformity with accounting principles generally accepted in the United States of America.

Barcalow & Hart, PLLC

Barcalow & Hart, P.L.L.C.
Richmond, Virginia
August 25, 2009

THE HAVEN SHELTER AND SERVICES, INC.

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Statements of Financial Position

June 30, 2009 and 2008

Assets

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 30 151	\$ 33 142
Restricted cash equivalents	157 068	270 920
Certificates of deposits	100 911	-
Pledges receivable, net of allowance of \$3,000 and \$5,000 for 2009 and 2008, respectively	25 137	42 692
Grants receivable	23 869	6 885
Prepaid expenses	12 251	1 895
Land, building, furniture and equipment, net of accumulated depreciation of \$91,447 and \$103,572, respectively	<u>654 858</u>	<u>660 727</u>
Total assets	\$ <u>1 004 245</u>	\$ <u>1 016 261</u>

Liabilities and net assets

Accounts payable	\$ 3 941	\$ 1 040
Deferred revenue	-	7 925
Accrued vacation and other	<u>7 195</u>	<u>8 702</u>

Total liabilities

11 136 17 667

Commitments

Net assets

Unrestricted	663 308	684 982
Temporarily restricted	<u>329 801</u>	<u>313 612</u>

Total net assets

993 109 998 594

Total liabilities and net assets

\$ 1 004 245 **\$ 1 016 261**

See notes to financial statements.

THE HAVEN SHELTER AND SERVICES, INC.

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Statement of Activities

Year Ended June 30, 2009

(With Summarized Financial Information as of 2008)

	2009			2008
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenue				
Grants	\$ -	\$ 341 081	\$ 341 081	292 336
Contributions	89 899	5 750	95 649	447 185
Donated in-kind	-	-	-	160 000
Annual Campaign	73 103	-	73 103	75 316
Special events				
Fashion Show, net	-	-	-	19 110
Just Gardens, net	-	13 848	13 848	10 923
Golf tournament	34 488	-	34 488	17 334
Miscellaneous income	966	-	966	433
	198 456	360 679	559 135	1 022 637
Net assets released from restrictions				
Expiration of time or purpose restrictions	344 490	(344 490)	-	-
Total support and revenue	<u>542 946</u>	<u>16 189</u>	<u>559 135</u>	<u>1 022 637</u>
Expenses				
Program services	424 015	-	424 015	389 852
Management and general	92 197	-	92 197	73 781
Fundraising	48 408	-	48 408	50 178
Total expenses	<u>564 620</u>	<u>-</u>	<u>564 620</u>	<u>513 811</u>
Change in net assets	(21 674)	16 189	(5 485)	508 826
Net assets at beginning of year	<u>684 982</u>	<u>313 612</u>	<u>998 594</u>	<u>489 768</u>
Net assets at end of year	<u>\$ 663 308</u>	<u>\$ 329 801</u>	<u>\$ 993 109</u>	<u>\$ 998 594</u>

See notes to financial statements.

THE HAVEN SHELTER AND SERVICES, INC.

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Statement of Cash Flows

Year Ended June 30, 2009

Cash flows from operating activities

Change in net assets	\$(5 485)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities	
Depreciation	31 260
(Increase) decrease in grants receivable	(16 984)
(Increase) decrease in prepaid expenses	(10 356)
(Increase) decrease in pledges receivable	17 555
Increase (decrease) in deferred revenue	(7 925)
Increase (decrease) in accounts payable	2 901
Increase (decrease) in accrued expenses	<u>(1 507)</u>

Net cash (used in) provided in operating activities 9 459

Cash flows (used in) investing activities

Investment in certificates of deposit	(100 911)
Acquisition of property and equipment	<u>(23 895)</u>

Net cash (used in) provided in investing activities (124 806)

Cash flows used in financing activities

Change in restricted cash designated for long-term capital improvements	<u>112 356</u>
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Net increase (decrease) in cash and cash equivalents (2 991)

Cash and cash equivalents, beginning of year 33 142

Cash and cash equivalents, end of year \$ 30 151

See notes to financial statements.

THE HAVEN SHELTER AND SERVICES, INC.

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Notes to Financial Statements June 30, 2009

Note 1 - Summary of significant accounting policies

Nature of organization

The Haven Shelter and Services, Inc. (The Haven), a nonprofit corporation, was incorporated in October 1999, for the purpose of providing services and programs to and for the advocacy of victims of domestic violence, sexual assault, and stalking from Essex County, Lancaster County, Northumberland County, Richmond County, and Westmoreland County in the State of Virginia. The Haven provides support services to victims and their families. To greater further its mission, the Haven seeks to enhance public awareness of domestic violence and sexual assault through community outreach and education.

The Haven is funded primarily through grants from the Commonwealth of Virginia and the federal government, and local funding from churches, individuals, and the five counties served.

Promises to give

Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Amounts due more than one year later are recorded at the present value of the estimated future cash flows, discounted at risk-free rates applicable to the years in which the promises were received. Currently, all pledges receivable are related to the capital campaign.

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Under generally accepted accounting principles, The Haven is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At the present time, the Corporation does not have any permanently restricted net assets.

Certificates of deposits

Investments in certificates of deposits are reported at their fair value plus accrued interest.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain prior year balances may have been reclassified to conform to current year presentation. (continued)

**Notes to Financial Statements
June 30, 2009**

Note 1 - Summary of significant accounting policies (continued)

Grant support

The Haven recognizes revenue from its grants as costs are incurred. Revenues are received monthly, based on a request for reimbursement to its various funding sources. These programs are subject to approval by the grantors and their representatives. Accordingly, compliance with applicable requirements may not be established until some future date. The amount, if any, of expenditures, which may be disallowed by granting agencies, cannot be determined.

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and supporting services benefited.

Property and equipment

Building, property and equipment are recorded at cost and at fair market value, if donated, for all items valued or expended over \$500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of 5 to 31.5 years.

Donated materials and services

Donated materials, facilities, and professional services are reflected as contributions in the accompanying statements at their estimated values at the date of the receipts. No amounts have been reflected in the statements for volunteer services inasmuch as they do not meet the criteria for recognition; however, a substantial number of volunteers have donated significant amounts of their time in The Haven's program services and in its fundraising efforts.

Cash equivalents

For purposes of the Statement of Cash Flows, The Haven considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude temporarily restricted cash and cash equivalents.

Income taxes

The Haven is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from Virginia state income taxes. Therefore, no provision or liability for federal or state income taxes has been made. In addition, The Haven has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the code.

Comparative totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2008, from which the summarized information was derived.

Notes to Financial Statements June 30, 2009

Note 2 – Retirement Plan

The Haven sponsors a defined contribution plan for the benefit of its employees. Under the plan, The Haven contributes 5% of applicable gross salaries, with an additional match of an employee's contribution up to 5%. Employees are eligible to receive the Haven's contribution after one year of employment, but employees may contribute individually upon the start of employment. Benefits are vested in the first year of participation. During the years ended June 30, 2009 and 2008, the Corporation contributed \$16,407 and \$10,952, respectively, which is included in the Statements of Activities.

Note 3 – Grants

The Haven received grants from the following sources for the years ended June 30, 2009 and 2008:

Commonwealth of Virginia – Department of Criminal Justice Services Sexual Assault Program	\$ 53 108	\$ 51 561
Commonwealth of Virginia – Department of Criminal Justice Services Victims' Advocacy Program	25 875	27 472
Commonwealth of Virginia – Department of Social Services Virginia Domestic Violence Prevention Program	152 424	124 410
Department of Housing and Community Development – Federal Shelter Grant	7 837	8 305
Department of Housing and Community Development – Shelter Support Grant	17 328	16 075
Other grants	<u>84 509</u>	<u>64 513</u>
	\$ <u>341 081</u>	\$ <u>292 336</u>

Note 4 – Temporarily restricted net assets

Temporarily restricted net assets include contributions related to the capital campaign and must be used for capital expenditures. As of June 30, 2009 and 2008, temporarily restricted net assets for the capital campaign amounted to \$329,801 and \$313,162 respectively. These net assets include cash and cash equivalents, restricted, certificates of deposit and pledges receivable. All proceeds received from the Just Gardens special event have been designated by the donors as funds for the capital campaign.

Temporarily restricted net assets also include balances owed to the capital funds, borrowed for operations, totaling \$45,000.

Net assets released for purpose restrictions for 2009 totaled \$344,490 for capital campaign purposes, building of the new shelter, and other program restrictions.

Note 5 – Certificates of deposits

The Organization currently has three outstanding certificates of deposit in the amounts of \$33,000, \$33,000 and \$34,000, due October 2009, October 2010, and October 2011, respectively, interest on each is 4.0%.

Note 6 - Commitments

The Organization is obligated under an operating lease for the administrative office. The lease term commenced on January 1, 2007 and continues until December 31, 2009. Rent for this lease is \$1,225/monthly. Commitments for this lease are \$14,700 annually.

Notes to Financial Statements June 30, 2009

Note 7 - Concentration of credit risk

Financial instruments, which potentially subject The Haven to concentration of credit risk, consist principally of cash, cash equivalents, and unsecured receivables. Cash and cash equivalents are maintained in two financial institutions in Warsaw, Virginia. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 and \$100,000, at June 30, 2009 and 2008, respectively. There were no uninsured balances at June 30, 2009. Uninsured balances at June 30, 2008 were \$171,260. Management believes there are no significant credit risks from receivables that are due primarily from grant funding.

Note 8 – Contracts

The Organization has also contracted for a service agreement for hotline (telephone) services. The contract period is for the year of 2009, at a rate of \$1,040, quarterly.

Note 9 - Donated services and facilities

Services, materials, and facilities are donated to the Organization by various individuals and organizations. Donated services, materials and facilities were \$160,000 during the year ended June 30, 2008. Donations were recorded at fair market value at the date of the donation and have been included in revenue, expenses, or capitalized assets in the statements of position or the statements of activities. The amount for 2008 includes \$160,000 related to the construction of the new shelter.

Note 10 - Pledges receivable

The pledges receivable from the capital campaign for the new shelter are temporarily restricted net assets. These unconditional promises to give are to be received by the Organization for years subsequent to June 30, 2009, and 2008, respectively.

Receivable in less than one year	\$ 19 203	\$ 29 587
Receivable in one to five years	<u>11 000</u>	<u>22 333</u>
	30 203	51 920
Less discounts to net present value	<u>2 066</u>	<u>4 228</u>
Less allowance for uncollectible accounts	<u>3 000</u>	<u>5 000</u>
Net pledges receivable	\$ <u>25 137</u>	\$ <u>42 692</u>

Unconditional promises to give are primarily from individuals and corporations located in Essex County, Lancaster County, Northumberland County, Richmond County, and Westmoreland County in the State of Virginia and are reflected at present value of estimated future cash flows using a discount rate of approximately 5%. The discount will be recognized as contribution income, which is amortized using an effective yield over duration of the pledge.