

THE HAVEN OF GRACE

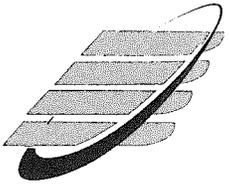
FINANCIAL STATEMENTS

JUNE 30, 2012

THE HAVEN OF GRACE
JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Haven of Grace

We have audited the accompanying statement of financial position of The Haven of Grace as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides 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 of Grace as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Bergman, Schraier & Co., P.C.

St. Louis, Missouri
October 30, 2012

THE HAVEN OF GRACE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

CURRENT ASSETS		
Cash and equivalents	\$ 41,648	
Accounts receivable	46	
Promises to give - current	58,750	
Prepaid expenses	5,381	
Deposits	<u>2,313</u>	
Total Current Assets		\$ 108,138
PROMISES TO GIVE - LONG-TERM		3,750
INVESTMENTS		476,561
PROPERTY AND EQUIPMENT, NET		<u>3,689,890</u>
TOTAL ASSETS		<u><u>\$ 4,278,339</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 9,111	
Accrued expenses	10,715	
Other current liabilities	<u>1,505</u>	
Total Current Liabilities		\$ 21,331
NET ASSETS		
Unrestricted:		
Investment in equipment and improvements, net	3,689,890	
Available for general use	<u>453,101</u>	
Total Unrestricted Net Assets	4,142,991	
Temporarily restricted	<u>114,017</u>	
Total Net Assets		<u>4,257,008</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 4,278,339</u></u>

The accompanying notes should be read in conjunction
with the financial statements.

THE HAVEN OF GRACE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions	\$ 207,360	\$ -	\$ 207,360
Private grants	296,130	37,500	333,630
Fundraisers (net of \$18,071 in direct benefit to donors)	152,339	-	152,339
Governmental grants	29,582	-	29,582
Other	21,131	-	21,131
Investment income	7,179	-	7,179
Net assets released from restrictions	80,250	(80,250)	-
Total Revenue and Support	793,971	(42,750)	751,221
EXPENSES			
Program services	595,325	-	595,325
Management and general	93,064	-	93,064
Fundraising	108,883	-	108,883
Total Expenses	797,272	-	797,272
UNCOLLECTIBLE RESTRICTED PLEDGES	-	9,000	9,000
CHANGE IN NET ASSETS	(3,301)	(51,750)	(55,051)
NET ASSETS			
Beginning of year	4,146,292	165,767	4,312,059
End of year	<u>\$ 4,142,991</u>	<u>\$ 114,017</u>	<u>\$ 4,257,008</u>

The accompanying notes should be read in conjunction
with the financial statements.

THE HAVEN OF GRACE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

	Program Services	Supporting Services			Total
		Management and General	Fund Raising	Total Supporting Services	
Salaries	\$ 259,074	\$ 47,655	\$ 56,260	\$ 103,915	\$ 362,989
Payroll taxes and benefits	46,061	8,472	10,002	18,474	64,535
Total Salaries and Related Expenses	305,135	56,127	66,262	122,389	427,524
Client education and events	8,549	-	-	-	8,549
Client financial assistance and scholarships	7,821	-	-	-	7,821
Client transportation	6,533	-	-	-	6,533
Food	20,349	-	-	-	20,349
Fundraisers	-	-	20,115	20,115	20,115
Household supplies	5,463	-	-	-	5,463
Insurance	29,603	5,921	3,947	9,868	39,471
Maintenance and repairs	25,764	-	-	-	25,764
Miscellaneous	-	4,146	-	4,146	4,146
Office	25,743	5,149	3,432	8,581	34,324
Professional services	21,599	10,800	10,800	21,600	43,199
Utilities	32,455	6,491	4,327	10,818	43,273
Subtotal	489,014	88,634	108,883	197,517	686,531
Depreciation	106,311	4,430	-	4,430	110,741
Total Expenses	\$ 595,325	\$ 93,064	\$ 108,883	\$ 201,947	\$ 797,272

The accompanying notes should be read in conjunction
with the financial statements.

THE HAVEN OF GRACE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

OPERATING ACTIVITIES

Change in net assets	\$ (55,051)	
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	110,741	
Unrealized gains on investments	(4,406)	
(Increase) Decrease in operating assets:		
Accounts receivable	(46)	
Promises to give	3,698	
Prepaid expenses	8,401	
Deposits	(2,313)	
Increase (Decrease) in operating liabilities:		
Accounts payable	(5,356)	
Accrued expenses	6,144	
Other current liabilities	(340)	
	<hr/>	
Net Cash Provided by Operating Activities		\$ 61,472

INVESTING ACTIVITIES

Acquisition of equipment	(1,792)	
Investments purchased	(122,773)	
	<hr/>	
Net Cash Used in Investing Activities		<hr/> <u>(124,565)</u>

CASH AND EQUIVALENTS

Net decrease		(63,093)
Beginning of year		<hr/> 104,741
End of year		<hr/> <u>\$ 41,648</u>

The accompanying notes should be read in conjunction
with the financial statements.

THE HAVEN OF GRACE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Haven of Grace (the "Organization"), a not-for-profit corporation, provides support services to single, homeless women over the age of sixteen who have children and/or are expecting a child.

Summary of Significant Accounting Policies

The following summary of significant accounting policies of the Organization is presented to assist in the understanding of the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who are responsible for their integrity and objectivity.

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting.

Estimates and Assumptions

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

Cash and Equivalents

Cash and equivalents include all cash balances and highly liquid investments purchased with a maturity of three months or less.

Concentrations of Risk

Financial instruments that are exposed to concentrations of credit risk consist of cash and investments. Market risk could occur and is dependent on the future changes in market prices of the various investments held. Cash is held in high quality institutions and companies with high credit ratings. Realization of these items is dependent on various individual economic conditions. Cash and investments are based on quoted market prices. As of June 30, 2012, the Organization believed no significant concentrations of credit risk existed.

Accounts Receivable

The Organization states accounts receivable at the amount management expects to collect from individual balances outstanding at year-end. Accounts receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary.

Promises To Give

Legally enforceable promises to give are recorded as receivable in the year made. Management wrote-off uncollectible promises to give totaling \$9,000 during the year. Management expects to collect all remaining promises to give; therefore, they did not consider an allowance for uncollectible promises to give necessary as of June 30, 2012.

Fair Value Measurements

The Fair Value Measurement and Disclosure Topic of the FASB ASC 820-10 defines fair value 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 Organization determines the fair values of its financial instruments based on the fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets or liabilities. Level 2 financial instruments are valued using quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data of substantially the full term of the assets or liabilities. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable and when determination of the fair value requires significant management judgment or estimation. The Organization's portfolio investments classified as follows, based on their fair value:

	<u>Fair Value</u>
Level 1	\$ 476,561
Level 2	-
Level 3	-
Total Portfolio Investments	<u>\$ 476,561</u>

Property and Equipment

Property and equipment are valued at cost. Depreciation and amortization are recorded on a straight-line basis over the estimated useful lives of the assets ranging from three to forty years. Routine repairs and maintenance are expensed as incurred.

Revenue Recognition

The Organization reports revenues as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions and reports expenses as decreases in unrestricted net assets. Unconditional promises to give are recognized in the period in which the pledge is made.

The Organization records temporarily restricted contributions whose restrictions are met in the period received as changes in unrestricted net assets.

Donated Services

Donated services are recorded as public support only if they create or enhance non-financial assets, require specialized services, or represent an integral part of the Organization's programs.

A substantial number of unpaid volunteers contributed their time to develop the Organization's program services and fundraising campaigns. The value of these services is not reflected in the financial statements since their valuation is not susceptible to an objective measurement.

Net Asset Classifications

The financial statements are prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This is accomplished by classifying beginning net assets and current year transactions into three classes of net assets: unrestricted, temporarily restricted, or permanently restricted.

Unrestricted net assets

"Unrestricted" means those resources over which the Board of Directors has discretionary control. Designated amounts represent those resources the Board has set aside for a particular purpose. Unrestricted net assets are not subject to donor-imposed stipulations. 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.

Temporarily restricted net assets

This category represents net assets subject to donor-imposed stipulations that may or may not be met by actions of the Organization and/or the passage of time. After the donor-imposed time or purpose restriction is satisfied, the Organization reclassifies temporarily restricted net assets to unrestricted net assets and reports them within the statement of activity as net assets released from restrictions.

Permanently restricted net assets

These assets represent contributions subject to donor-imposed stipulations requiring that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for specific purposes. The Organization did not have permanently restricted net assets at June 30, 2012.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated among the program services, management and general and fundraising. Costs common to several functions are allocated based on periodic time and expense studies.

Federal Income Tax Status

The Internal Revenue Service issued a determination ruling exempting the Organization from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service does not consider the Organization a private foundation; therefore, income from certain unrelated business activities not directly related to its exempt purpose, if any, is subject to income tax.

The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's federal Exempt Organization Business Returns are subject to examination by the IRS for the statutory period.

Subsequent Events

As required by the Subsequent Events Topic of the FASB Accounting Standards Codification the Organization has evaluated subsequent events through October 30, 2012, the date which the financial statements were available to be issued.

2. PROMISES TO GIVE

Promises to give consist of unconditional contributions collectible as follows:

Less than one year	\$ 58,750	
One to five years	<u>3,750</u>	
Total Promises to Give		<u>\$ 62,500</u>

3. INVESTMENTS

Investments at fair value:

Money market funds	\$ 348,889	
Mutual funds	<u>127,672</u>	
Total Investments		<u>\$ 476,561</u>

The following summarizes investment income included in the Statement of Activities:

Dividends	\$ 2,773	
Unrealized gains	<u>4,406</u>	
Total Return		<u>\$ 7,179</u>

4. PROPERTY AND EQUIPMENT

Land	\$ 214,401	
Buildings	3,976,570	
Furniture and equipment	60,059	
Computer equipment and software	64,804	
Sculpture	<u>37,515</u>	
		\$ 4,353,349
Less accumulated depreciation and amortization		<u>663,459</u>
Net Book Value		<u><u>\$ 3,689,890</u></u>

5. NET ASSETS

Temporarily restricted net assets subject to the following donor-imposed restrictions:

Employment training	\$ 47,606	
Salaries and client assistance	52,500	
Mentoring of women	<u>13,911</u>	
Total Temporarily Restricted Net Assets		<u><u>\$ 114,017</u></u>

Net assets released from donor-imposed restrictions:

Passage of time	\$ 21,250	
Salaries and client assistance	<u>59,000</u>	
Net Assets Released from Restriction		<u><u>\$ 80,250</u></u>

6. RETIREMENT PLAN

The Organization provides a 403(b) Employee Retirement Plan for all full-time employees. The Organization matches employee contributions at a rate of 50% for each dollar contributed up to \$1,000 per employee. Matching contributions totaled \$3,079 for the year ended June 30, 2012.