

HAVIN FOUNDATION
FINANCIAL STATEMENTS
Years Ended June 30, 2013 and 2012

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Creese, Smith & Co. LLC
CERTIFIED PUBLIC ACCOUNTANTS
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
HAVIN Foundation

We have audited the accompanying financial statements of HAVIN Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of HAVIN Foundation as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Creese, Smith & Co. LLC

October 15, 2013

HAVIN FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 27,693	\$ 452
Long-term investments	173,790	148,351
Property and equipment, net	<u>262,009</u>	<u>272,457</u>
Total Assets	<u>\$ 463,492</u>	<u>\$ 421,260</u>
LIABILITIES		
Due to HAVIN, Inc.	<u>30,923</u>	<u>2,984</u>
Total Liabilities	<u>30,923</u>	<u>2,984</u>
NET ASSETS		
Unrestricted	<u>432,569</u>	<u>418,276</u>
Total Liabilities and Net Assets	<u>\$ 463,492</u>	<u>\$ 421,260</u>

See accompanying notes.

HAVIN FOUNDATION
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2013 and 2012

UNRESTRICTED NET ASSETS	<u>2013</u>	<u>2012</u>
Revenues and gains:		
Special events and other	\$ 36,880	\$ 36,444
2nd Chance Shop	17,412	-
Rental income	9,600	14,400
Individuals and businesses	1,331	3,763
Miscellaneous income	460	-
Income on long-term investments	5,703	5,535
Net unrealized gain (loss) on long-term investments	<u>19,744</u>	<u>(7,498)</u>
Total revenues and gains	<u>91,130</u>	<u>52,644</u>
Expenses:		
Supporting services		
Management and general	70,780	71,683
Fundraising	<u>6,057</u>	<u>7,202</u>
Total expenses	<u>76,837</u>	<u>78,885</u>
CHANGE IN NET ASSETS	<u>14,293</u>	<u>(26,241)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>418,276</u>	<u>444,517</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 432,569</u></u>	<u><u>\$ 418,276</u></u>

See accompanying notes.

HAVIN FOUNDATION
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2013 and 2012

	2013	2012
OPERATIONS		
Change in net assets	\$ 14,293	\$ (26,241)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	16,899	16,671
Net unrealized (gain) loss on long-term investments	(19,744)	7,498
Increase in:		
Due to HAVIN, Inc.	27,939	1,587
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	39,387	(485)
INVESTING ACTIVITIES		
Purchase of long-term investments	(5,695)	(5,517)
Purchase of property and equipment	(6,451)	-
NET CASH USED BY INVESTING ACTIVITIES	(12,146)	(5,517)
FINANCING ACTIVITIES		
Principal payments on mortgage note	-	(13,759)
NET CASH USED BY FINANCING ACTIVITIES	-	(13,759)
NET INCREASE (DECREASE) IN CASH	27,241	(19,761)
CASH AT BEGINNING OF YEAR	452	20,213
CASH AT END OF YEAR	\$ 27,693	\$ 452
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 442	\$ 1,132

See accompanying notes.

HAVIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - HAVIN Foundation is a not-for-profit entity that was formed as a support organization for Helping All Victims In Need, Inc. (HAVIN). HAVIN Foundation will enable HAVIN to raise supplemental funds and broaden the scope of its education programs to increase public awareness of the incidence and implications of domestic violence and sexual assault in Armstrong County, Pennsylvania. In March, 2013 the Foundation opened the 2nd Chance Shop. This shop collects donated items and sells them to the general public in order to raise additional funds for critical services and to raise awareness in the community.

Basis of Presentation - The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards FASB ASC 958, Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958, HAVIN Foundation is required to report information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Investments - HAVIN Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Restricted and Unrestricted Revenue and Support - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, 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 restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as a net asset released from restrictions.

Donated Property and Equipment - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. HAVIN Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and Equipment - All acquisitions of property and equipment in excess of \$ 500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Purchased property and equipment are carried at cost. Depreciation is computed using primarily the straight-line method.

Building and improvements	25 – 39 years
Furniture and fixtures	5 – 7 years
Computers	5 – 7 years
Equipment	5 – 7 years

HAVIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Advertising - Advertising costs are expensed as incurred.

Income Tax Status - HAVIN Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization that is a non-private foundation under Section 509(a)(3). In addition, HAVIN Foundation has not identified any material uncertain tax positions requiring an accrual or disclosure in the financial statements.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE B – DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

The following supporting services are included in the accompanying financial statements:

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 through the Executive Director; secure proper administrative functioning of the Board of Directors; maintain competent legal services for the program administration of the Organization; and manage the financial and budgetary responsibilities of the Organization.

Fundraising - Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

NOTE C – FAIR VALUE MEASUREMENT

This standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The fair value hierarchy is as follows:

Level 1 – Quoted (unadjusted) prices for identical assets in active markets.

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.); and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

HAVIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE C – FAIR VALUE MEASUREMENT (CONTINUED)

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and Cash Equivalents: The carrying value of cash and cash equivalents approximates fair value as maturities are less than three months.

Long-term Investments: Valued at the net asset value (NAV) of shares held by HAVIN Foundation at year end.

The following sets forth by level, with the fair value hierarchy, the Foundation's investments at fair value of June 30, 2013.

Assets at Fair Value as of June 30, 2013				
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 27,693	\$ -	\$ -	\$ 27,693
Long-term Investments	173,790	-	-	173,790
Total Assets at Fair Value	\$ 201,483	\$ -	\$ -	\$ 201,483

Assets at Fair Value as of June 30, 2012				
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 452	\$ -	\$ -	\$ 452
Long-term Investments	148,351	-	-	148,351
Total Assets at Fair Value	\$ 148,803	\$ -	\$ -	\$ 148,803

NOTE D – LONG-TERM INVESTMENTS

Long-term investments are stated at fair value and consist of mutual funds, fixed income, cash and cash equivalents held for long-term purposes. Costs, fair values and unrealized appreciation (depreciation) at June 30, 2013 and 2012 are summarized as follows:

	2013			2012		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and equivalents	\$ 16,162	\$ 16,162	\$ -	\$ 10,467	\$ 10,467	\$ -
Fixed income	5,148	5,154	6	5,148	5,341	193
Equities	89,315	111,494	22,179	89,315	97,707	8,392
Mutual Funds	35,853	40,980	5,127	35,853	34,836	(1,017)
	\$ 146,478	\$ 173,790	\$ 27,312	\$ 140,783	\$ 148,351	\$ 7,568

HAVIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2013</u>	<u>2012</u>
Land	\$ 5,000	\$ 5,000
Security system	3,055	3,055
Building and leasehold improvements	<u>563,476</u>	<u>557,025</u>
	571,531	565,080
Less: accumulated depreciation	<u>309,522</u>	<u>292,623</u>
	<u>\$ 262,009</u>	<u>\$ 272,457</u>

NOTE F – RELATED PARTY TRANSACTIONS

For the years ended June 30, 2013 and 2012, the Foundation gave grants to HAVIN, Inc. of \$ 20,000 and \$ 35,000, respectively.

NOTE G – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 15, 2013, the date the financial statements were available to be issued.