

HAVIN FOUNDATION
FINANCIAL STATEMENTS
Years Ended June 30, 2010 and 2009

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5



Creese, Smith & Co. LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
HAVIN Foundation

We have audited the accompanying statements of financial position of HAVIN Foundation (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years 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 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 audits 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 HAVIN Foundation as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Creese, Smith & Co. LLC

October 13, 2010

HAVIN FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 22,945	\$ 32,621
Long-term investments	103,306	78,490
Property and equipment, net	<u>305,800</u>	<u>322,783</u>
Total Assets	<u>\$ 432,051</u>	<u>\$ 433,894</u>
 LIABILITIES		
Account payable	370	75
Due to HAVIN, Inc.	946	946
Long-term debt	<u>27,027</u>	<u>39,647</u>
Total Liabilities	<u>28,343</u>	<u>40,668</u>
 NET ASSETS		
Unrestricted	<u>403,708</u>	<u>393,226</u>
Total Liabilities and Net Assets	<u>\$ 432,051</u>	<u>\$ 433,894</u>

See accompanying notes.

HAVIN FOUNDATION
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2010 and 2009

	2010	2009
UNRESTRICTED NET ASSETS		
Revenues and gains:		
Special events and other	\$ 43,004	\$ 42,250
Rental income	14,400	14,400
Individuals and businesses	10,419	12,665
In-kind donations	6,038	-
Insurance reimbursement	-	25,935
Income on long-term investments	4,444	4,825
Net unrealized gain (loss) on long-term investments	7,780	(28,924)
Total revenues and gains	86,085	71,151
Expenses:		
Supporting services		
Management and general	69,171	57,822
Fundraising	6,432	8,236
Total expenses	75,603	66,058
CHANGE IN NET ASSETS	10,482	5,093
NET ASSETS AT BEGINNING OF YEAR	393,226	388,133
NET ASSETS AT END OF YEAR	\$ 403,708	\$ 393,226

See accompanying notes.

HAVIN FOUNDATION
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2010 and 2009

	2010	2009
OPERATIONS		
Change in net assets	\$ 10,482	\$ 5,093
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	16,983	17,725
Net unrealized (gain) loss on long-term investments	(7,780)	28,924
(Increase) decrease in:		
Due from HAVIN, Inc.	-	766
Increase (decrease) in:		
Due to HAVIN, Inc.	-	946
Accounts payable	295	75
NET CASH PROVIDED BY OPERATING ACTIVITIES	19,980	53,529
INVESTING ACTIVITIES		
Purchase of long-term investments	(17,036)	(14,676)
NET CASH USED BY INVESTING ACTIVITIES	(17,036)	(14,676)
FINANCING ACTIVITIES		
Principal payments on mortgage note	(12,620)	(13,135)
NET CASH USED BY FINANCING ACTIVITIES	(12,620)	(13,135)
NET INCREASE (DECREASE) IN CASH	(9,676)	25,718
CASH AT BEGINNING OF YEAR	32,621	6,903
CASH AT END OF YEAR	\$ 22,945	\$ 32,621
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 1,780	\$ 2,229

See accompanying notes.

HAVIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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.

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

Advertising - Advertising costs are expensed as incurred.

HAVIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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).

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

The Organization adopted FASB ASC 820-10 as of July 1, 2008. 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, 2010

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, 2010.

Assets at Fair Value as of June 30, 2010

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 22,945	\$ -	\$ -	\$ 22,945
Long-term Investments	103,306	-	-	103,306
Total Assets at Fair Value	<u>\$ 126,251</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,251</u>

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, 2010 and 2009 are summarized as follows:

	2010			2009		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash and equivalents	\$ 4,734	\$ 4,734	\$ -	\$ 1,409	\$ 1,409	\$ -
Fixed income	5,148	5,295	147	5,148	4,908	(240)
Equities	78,900	64,592	(14,308)	31,147	27,195	(3,952)
Mutual Funds	35,852	28,685	(7,167)	69,893	44,978	(24,915)
	<u>\$ 124,634</u>	<u>\$ 103,306</u>	<u>\$ (21,328)</u>	<u>\$ 107,597</u>	<u>\$ 78,490</u>	<u>\$ (29,107)</u>

HAVIN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2010	2009
Land	\$ 5,000	\$ 5,000
Security system	3,055	9,624
Building and leasehold improvements	557,025	571,757
	565,080	586,381
Less: accumulated depreciation	259,280	263,598
	\$ 305,800	\$ 322,783

The building is pledged as collateral for the mortgage note payable.

NOTE F – LONG-TERM DEBT

Long-term debt consists of the following as of June 30, 2010 and 2009:

Mortgage note payable to Elderton State Bank, due in 120 monthly installments of \$ 787 including interest at 5.25% commencing November 1, 2005, secured by commercial buildings.

	\$ 27,027	\$ 39,647
Less: current portion	8,291	6,889
Net long-term debt	\$ 18,736	\$ 32,758

Estimated scheduled maturities of long-term debt are as follows:

Years ending June 30,	
2011	\$ 8,291
2012	8,666
2013	9,132
2014	938
	\$ 27,027

NOTE G – RELATED PARTY TRANSACTIONS

For the years ended June 30, 2010 and 2009, the Foundation gave grants to HAVIN, Inc. of \$ 30,000 and \$ 10,000, respectively.

NOTE H – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 13, 2010, the date the financial statements were available to be issued.