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The Haven, Inc.

Financial Statements
and Independent Auditor's Report
June 30, 2007

The Haven, Inc.

Financial Statements and Independent Auditor's Report
As of and for the Year Ended
June 30, 2007

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Martin
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(A Professional Corporation)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Haven, Inc.
Houma, Louisiana

We have audited the accompanying statement of financial position of The Haven, Inc. (a nonprofit organization) as of June 30, 2007, 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. 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, Inc. as of June 30, 2007, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2007 on our consideration of The Haven, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Martin and Pellegrin

December 27, 2007

FINANCIAL STATEMENTS SECTION

The Haven, Inc.

Statement of Financial Position
June 30, 2007

ASSETS

Current assets:		
Cash and cash equivalents	$	268,232
Unconditional promises to give:		
Governmental grants		48,103
Corporate grants		28,808
Prepaid expense		4,915
Total current assets		350,058
Property and equipment, less accumulated depreciation of $101,176		221,462
TOTAL ASSETS	$	571,520

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	$	1,109
Accrued expenses		12,829
Capital lease payable		4,093
Note payable		65,203
Total current liabilities		83,234
Net assets:		
Unrestricted		459,478
Temporarily restricted		28,808
Total net assets		488,286
TOTAL LIABILITIES AND NET ASSETS	$	571,520

The accompanying notes are an integral part of this statement.

The Haven, Inc.

Statement of Activities
Year Ended June 30, 2007

	Unrestricted	Temporarily Restricted	Total
REVENUES, OTHER SUPPORT, AND RECLASSIFICATION			
Grants:			
Governmental	$ 432,320	$ -	$ 432,320
Corporate	-	49,500	49,500
Fundraising	111,101	-	111,101
Contributions	84,952	-	84,952
In-kind contributions	74,862	-	74,862
Miscellaneous income	2,493	-	2,493
Investment income	2,356	-	2,356
Net assets released from restrictions	50,920	(50,920)	-
TOTAL REVENUES, OTHER SUPPORT, AND RECLASSIFICATION	759,004	(1,420)	757,584
FUNCTIONAL EXPENSES			
Program services			
Domestic violence	416,985	-	416,985
Sexual assault	82,185	-	82,185
Management and general	65,438	-	65,438
Fundraising	12,900	-	12,900
TOTAL FUNCTIONAL EXPENSES	577,508	-	577,508
INCREASE (DECREASE) IN NET ASSETS	181,496	(1,420)	180,076
NET ASSETS, BEGINNING OF PERIOD	277,982	30,228	308,210
NET ASSETS, END OF PERIOD	$ 459,478	$ 28,808	$ 488,286

The accompanying notes are an integral part of this statement.

The Haven, Inc.

Statement of Functional Expenses
Year Ended June 30, 2007

	Program Services		Management		
	Domestic Violence	Sexual Assault	and General	Fundraising	Total
Salaries	$ 218,763	$ 52,380	$ 36,974	$ -	$ 308,117
Client assistance	56,979	-	-	-	56,979
Health insurance	21,745	5,207	3,675	-	30,627
Payroll taxes	17,323	4,148	2,928	-	24,399
Insurance	15,976	3,825	2,700	-	22,501
Food and house supplies	16,759	-	-	-	16,759
Depreciation	10,176	2,436	1,720	-	14,332
Utilities	9,207	2,204	1,556	-	12,967
Supplies	-	-	-	12,900	12,900
Repairs and maintenance	9,162	2,194	1,548	-	12,904
Advertising	7,452	1,784	1,260	-	10,496
Telephone	6,992	1,674	1,182	-	9,848
Accounting fees	-	-	7,197	-	7,197
Workers' compensation insurance	4,734	1,134	800	-	6,668
Interest	4,425	1,060	748	-	6,233
Dues and subscriptions	3,417	818	578	-	4,813
Retirement contributions	2,797	670	473	-	3,940
Travel and meals	2,636	631	446	-	3,713
Office supplies	2,500	599	423	-	3,522
Postage	2,031	486	343	-	2,860
Miscellaneous	1,380	330	233	-	1,943
Bank charges	962	230	163	-	1,355
Printing and publications material	891	213	151	-	1,255
Seminars and conferences	678	162	115	-	955
Pest control	-	-	225	-	225
Total	$ 416,985	$ 82,185	$ 65,438	$ 12,900	$ 577,508

The accompanying notes are an integral part of this statement.

The Haven, Inc.

Statement of Cash Flows
Year Ended June 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	$ 180,076
Adjustment to reconcile increase in net assets to net cash flows provided by operating activities:	
Depreciation	14,332
Increase in operating assets:	
Unconditional promises to give	(29,696)
Prepaid expense	(4,915)
Increase in operating liabilities:	
Accounts payable	1,109
Accrued expenses	3,702
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	164,608
CASH FLOWS USED IN INVESTING ACTIVITIES:	
Purchases of property and equipment	(6,147)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal payments of capital lease payable	(3,823)
Principal payments of note payable	(47,323)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(51,146)
NET INCREASE IN CASH AND CASH EQUIVALENTS	107,315
BEGINNING CASH AND CASH EQUIVALENTS	160,917
ENDING CASH AND CASH EQUIVALENTS	$ 268,232
SUPPLEMENTAL INFORMATION:	
Cash paid during the year for interest	$ 6,233

The accompanying notes are an integral part of this statement.

The Haven, Inc.

Notes to Financial Statements
As of and for the Year Ended June 30, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF THE ORGANIZATION

The Haven, Inc. was organized in Louisiana as a non-profit organization for the purpose of establishing a comprehensive community-based response to sexual assault and interpersonal and family violence in Terrebonne Parish, Louisiana. The Organization provides crisis intervention, legal advocacy, counseling, and community education related to domestic violence and sexual assault. The Organization also provides temporary housing for women and children who are victims of domestic violence and/or sexual assault.

B. BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the Organization 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 unconditional promises to give. The allowance is based on management's analysis of specific promises made.

D. PROPERTY AND EQUIPMENT

Property and equipment of the Organization, excluding donated property and equipment, are valued at cost. All donated property and equipment are recorded at estimated fair market value on the date of the donation. Assets are capitalized if costs exceed $200 and if they have a useful life of at least one year. Depreciation of all exhaustible property and equipment is calculated using the straight-line method, and is charged as an expense against operations. Property and equipment reported on the statement of financial position are net of accumulated depreciation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

E. FUNCTIONAL ALLOCATION OF 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 among the programs and supporting services benefited.

F. ESTIMATES

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

G. CASH AND CASH EQUIVALENTS

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

H. INCOME TAXES

No provisions for income taxes have been made. The Internal Revenue Service has issued The Haven, Inc. an advance letter ruling exempting the Organization from income taxes. (See Note 2.)

I. ADVERTISING

Advertising costs are expensed as incurred. Advertising expense totaled $10,496 for the year ended June 30, 2007.

NOTE 2 – INCOME TAXES

The Haven, Inc. is a non-profit corporation organized under the laws of the State of Louisiana. The Haven has received an advance letter ruling from the Internal Revenue Service in which it has been recognized by the Internal Revenue Service as being exempt from income taxes under Internal Revenue Code Section 501(c)(3).

The Internal Revenue Service has further determined the Organization not to be a private foundation as within the meaning of Internal Revenue Code Section 509(a). Contributions to The Haven are deductible as provided by Section 170 of the Internal Revenue Code. The Haven is not involved in any trade or business unrelated to the purpose for which it received its exemption from income taxes.

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Haven, Inc. maintains its cash in one financial institution located in Louisiana. The Federal Deposit Insurance Corporation (FDIC) insures the balances up to $100,000 at this institution. The balances at times may exceed federally insured limits. The Organization does not believe that it is exposed to significant credit risk in connection with cash and cash equivalents.

NOTE 4 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following:

Governmental grants/	
Office of the Governor/Office of Women's Services	$ 30,336
Louisiana Commission on Law Enforcement and Administration of Criminal Justice/	
Sexual Assault Program	7,698
Child Abuse Counseling Program	1,073
Domestic Violence Program	1,347
Louisiana Foundation Against Sexual Assault, Inc.	
Rape Prevention Education	7,649
	$ 48,103
Corporate grants/	
United Way for South Louisiana	$ 22,808
IOLTA	6,000
	$ 28,808

All unconditional promises to give are due within one year and are considered to be fully collectible by management.

The amounts due from United Way for South Louisiana and IOLTA represent the Organization's allocation for the remainder of calendar year 2007.

The unconditional promises to give from the United Way for South Louisiana and IOLTA are temporarily restricted as to the expiration of time restrictions. All other unconditional promises to give are unrestricted.

NOTE 5 – IN-KIND CONTRIBUTIONS

In-kind contributions represent the estimated fair value of general corporate goods and services provided. Contributed goods are valued at fair market value on the date of the donation. Contributed services are reflected in the financial statements at the fair value

NOTE 5 – IN-KIND CONTRIBUTIONS (Cont.)

of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation.

The following is a summary of in-kind contributions for the year ended June 30, 2007:

	Estimated Market Value
Client assistance	$ 54,711
Advertising	9,573
Food and housekeeping	9,573
Fundraising	630
Office and shelter supplies	375
	$ 74,862

The value of donated volunteer services is not reflected in the accompanying financial statements since they do not meet the recording criteria as per FASB 116. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program, administrative, and fund-raising activities.

NOTE 6 – PROPERTY AND EQUIPMENT

A summary of changes in property and equipment is as follows:

	Balance July 1, 2006	Additions	Retirements	Balance June 30, 2007
Buildings	$ 259,353	$ -	$ -	$ 259,353
Furniture, fixtures, and equipment	57,138	6,147	-	63,285
	316,491	6,147	-	322,638
Less: accumulated depreciation	(86,844)	(14,332)	-	(101,176)
Total	$ 229,647	$ (8,185)	$ -	$ 221,462

NOTE 7 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The Haven's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, unconditional promises to give, a note payable, and a capital lease obligation. Management estimates that the fair value of all financial instruments as of June 30, 2007 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

NOTE 8 – RESTRICTIONS ON NET ASSETS

The restrictions on net assets as of June 30, 2007 relate to United Way for South Louisiana and IOLTA funding for the remainder of calendar year 2007.

NOTE 9 – NOTE PAYABLE

The terms of the note payable (all current) of the Organization are as follows as of June 30, 2007:

Note payable dated August 9, 2002 to a bank with an interest rate of 7.0%, secured by real estate, payable in monthly installments of $626, including interest, with a maturity date of August 9, 2007.	$ 68,015

NOTE 10 – CAPITAL LEASE PAYABLE

The Organization is engaged in a capital lease for office equipment recorded at a cost of $15,565 and accumulated depreciation of $12,669. The economic substance of the lease is that the Organization is acquiring the equipment through the lease, and the appropriate assets and liabilities have been recorded. The lease has an interest rate of 14.25% and is payable in 60 monthly installments of $362, including interest. The lease matures on June 17, 2008. The principal balance due as of June 30, 2007 is $4,093.

NOTE 11 – LINE OF CREDIT

To aid in cash flow management, the Organization entered into a revolving line of credit agreement with a local bank during the year ended June 30, 2007. This agreement, which is unsecured and due on demand, includes a maximum borrowing limit of $60,000, an interest rate of Wall Street Journal prime (8.25% as of June 30, 2007), and requires monthly payments of principal and accrued interest. As of June 30, 2007, there is no balance due under this agreement.

NOTE 12 – CORPORATE GRANTS

During the year ended June 30, 2007, the Organization recognized grant revenue from the following corporate grants:

United Way for South Louisiana	$ 37,500
IOLTA	12,000
Total corporate grants	$ 49,500

NOTE 13 – GOVERNMENTAL GRANTS

During the year ended June 30, 2007, the Organization recognized grant revenue from the following governmental grantors:

State of Louisiana:	
Office of the Governor/Office of Women's Services	$ 325,796
Louisiana Commission on Law Enforcement and Administration of Criminal Justice	48,095
Louisiana Foundation Against Sexual Assault, Inc.	36,354
Terrebonne Parish Consolidated Government	22,075
Total governmental grants	$ 432,320

NOTE 14 – RETIREMENT PLAN

The Organization established a SIMPLE IRA retirement plan on July 1, 2005. Under the plan, employees are allowed to contribute up to $10,500 of their annual salary. It is available to all employees who have completed the service requirement (one year of service). Under the provisions of the plan, the Company matches 3% of an employee's annual salary. The expense of the Organization related to this plan was $3,940 for the year ended June 30, 2007.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Martin
and
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
The Haven, Inc.
Houma, Louisiana

We have audited the financial statements of The Haven, Inc. (a nonprofit organization) as of and for the year ended June 30, 2007, and have issued our report thereon dated December 27, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Haven, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Haven's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the

Board of Directors
The Haven, Inc.
Houma, Louisiana

Organization's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 07-01 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Haven Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

This report is intended solely for the information and use of the Board of Directors, management, others within the Organization, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

December 27, 2007

SUPPLEMENTAL INFORMATION

The Haven, Inc.

Schedule of Findings and Questioned Costs
As of and for the Year Ended
June 30, 2007

Section I – Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of The Haven, Inc.

2. One significant deficiency (see finding 07-01) was noted during the audit of the financial statements. This significant deficiency was not considered to be a material weakness.

3. No instances of noncompliance or other matters material to the financial statements of The Haven, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. A management letter was not issued.

Section II – Financial Statement Findings

No findings material to the financial statements of The Haven, Inc. were noted during the audit.

Section III – Internal Control Findings

07-01

Statement of Condition: A significant deficiency in the organization's internal control.

Criteria: In our consideration of internal control, we noted that the size of The Haven, Inc.'s operations and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Effects of Condition: The internal control, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause of Condition: The size of The Haven, Inc. and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

The Haven, Inc.

Schedule of Findings and Questioned Costs
As of and for the Year Ended
June 30, 2007

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Response: The management of The Haven, Inc. agrees with this finding.

Questioned Costs: $ -0-

Section IV – Federal Award Findings and Questioned Costs

This section is not applicable.

The Haven, Inc.

Schedule of Prior Findings and Resolution Matters
As of and for the Year Ended
June 30, 2007

Note: All prior findings relate to the June 30, 2006 audit engagement.

Section I – Internal Control and Compliance Material to the Financial Statements

Inadequate Internal Control

Condition: A significant deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Status: The Organization has implemented the recommendation, but the lack of segregation of duties continues to exist. The Board will continue to perform the recommendation until it is financially feasible to employ additional staff.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

Authorized Signatures Exception

Condition: The Organization has adopted a policy requiring two signatures on all checks over $100. Instances were noted whereby when only one check signer was available to sign a check for an invoice or receipt that was over $100, the Organization issued multiple checks, each with a maximum value of $100.

Recommendation: The Organization should only issue checks for invoices or receipts over $100 when two authorized signers are available or address the need to revise its policy to a higher denomination.

Status: Resolved.

The Haven, Inc.

Management's Corrective Action
Plan for Current Year Findings
As of and for the Year Ended
June 30, 2007

The contact person for all corrective actions noted below is Julie Pellegrin, Executive Director.

Section I – Internal Control and Compliance Material to the Financial Statements

Inadequate Internal Control

Condition: A significant deficiency in the internal control related to lack of segregation of duties.

Recommendation: The Board of Directors of The Haven, Inc. should closely monitor the day-to-day activities of the Organization and implement other control procedures until the agency has grown to the point where it is cost beneficial to employ an adequate system of internal controls.

Planned Action: The Board of Directors will closely monitor the day-to-day activities of the Organization until it is financially feasible to employ additional staff.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.