

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2011Open to Public
Inspection**A** For the **2011** calendar year, or tax year beginning **JUL 1, 2011** and ending **JUN 30, 2012****B** Check if applicable

- ☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization**A SAFE HAVEN FOUNDATION**

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address)

2750 ROOSEVELT ROAD

Room/suite

City or town, state or country, and ZIP + 4

CHICAGO, IL 60608**F** Name and address of principal officer: **NELI VAZQUEZ-ROWLAND****2750 W. ROOSEVELT ROAD, CHICAGO, IL 60608****D** Employer identification number**36-4444200****E** Telephone number**312-372-6707****G** Gross receipts \$ **8,311,310.****H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)**H(c)** Group exemption number ▶**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c)() (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: **WWW.ASAFEHAVEN.ORG****K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: **2001** **M** State of legal domicile: **IL****Part I Summary**

Activities & Governance		Revenue		Expenses		Net Assets or Fund Balances	
1 Briefly describe the organization's mission or most significant activities: THE ORGANIZATION WILL PROVIDE JOB PLACEMENT, REHABILITATION SERVICES IN A RESIDENTIAL SETTING FOR							
2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.							
3 Number of voting members of the governing body (Part VI, line 1a)		3	5				
4 Number of independent voting members of the governing body (Part VI, line 1b)		4	5				
5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)		5	74				
6 Total number of volunteers (estimate if necessary)		6	907				
7a Total unrelated business revenue from Part VIII, column (C), line 12		7a	0.				
b Net unrelated business taxable income from Form 990-T, line 34		7b	0.				
8 Contributions and grants (Part VIII, line 1h)		Prior Year	Current Year				
9 Program service revenue (Part VIII, line 2g)		4,207,866.	6,175,417.				
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		978,798.	1,340,655.				
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		0.	115.				
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		450,671.	795,123.				
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		5,637,335.	8,311,310.				
14 Benefits paid to or for members (Part IX, column (A), line 4)		0.	0.				
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		0.	0.				
16a Professional fundraising fees (Part IX, column (A), line 11e)		1,916,724.	2,596,970.				
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 747,559.		0.	0.				
17 Other expenses (Part IX, column (A), lines 12-14, 11f, 11g)		3,486,232.	4,913,437.				
18 Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25)		5,402,956.	7,510,407.				
19 Revenue less expenses - Subtract line 18 from line 12		234,379.	800,903.				
20 Total assets (Part X, line 16)		Beginning of Current Year	End of Year				
21 Total liabilities (Part X, line 26)		16,356,460.	17,236,371.				
22 Net assets or fund balances - Subtract line 21 from line 20		16,113,416.	16,192,424.				
		243,044.	1,043,947.				

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer

Date

NELI VAZQUEZ-ROWLAND, DIRECTOR, CEO AND PRESIDENT

Type or print name and title

Paid

Print/Type preparer's name

MICHAEL DONATO

Preparer's signature

Michael Donato

Date

10/30/12Check ☐ if self-employed

PTIN

P00171725**Preparer**

Firm's name ▶

FGMK, LLC

Firm's EIN ▶

36-2929601**Use Only**

Firm's address ▶

2801 LAKESIDE DRIVE, 3RD FLOORPhone no. **847-374-0400****BANNOCKBURN, IL 60015**

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

132001 01-23-12 LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2011)**SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION**

SCANNED DEC 03 2012

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

☒ X

1 Briefly describe the organization's mission:

THE CORPORATION SHALL PROVIDE SUPPORT AND ASSISTANCE TO CHILDREN, FAMILIES AND ADULTS WHO ARE HOMELESS OR IN JEOPARDY OF HOMELESSNESS, SUFFER FROM SUBSTANCE ABUSE AND/OR OTHER MENTAL HEALTH CONDITIONS OR OTHER DEBILITATING SOCIAL OR EMOTIONAL HEALTH CONDITIONS. THE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code _____) (Expenses \$ 3,863,410. including grants of \$ _____) (Revenue \$ 4,294,712.)

HOUSING: THIS PROGRAM IS DESIGNED TO PROVIDE INTERIM HOUSING AND SUPPORTIVE CASE MANAGEMENT SERVICES FOR THE HOMELESS POPULATIONS OF CHICAGO THAT TEMPORARILY LIVE AT 2750 W ROOSEVELT ROAD.

4b (Code _____) (Expenses \$ 1,199,830. including grants of \$ _____) (Revenue \$ 1,217,645.)

SUPPORTIVE SERVICES: THIS SET OF PROGRAMS ARE DESIGNED TO PROVIDE SUPPORTIVE CASE MANAGEMENT SERVICES ONLY TO THOSE INDIVIDUALS AND FAMILIES THAT LIVE IN OTHER FACILITIES THAN 2750 W ROOSEVELT ROAD.

4c (Code _____) (Expenses \$ 203,784. including grants of \$ _____) (Revenue \$ 276,828.)

WORKFORCE SERVICES: THIS SET OF PROGRAMS ARE DESIGNED TO PROVIDE JOB TRAINING AND EMPLOYMENT ASSISTANCE IN FINDING NEW JOBS FOR THOSE INDIVIDUALS THAT LIVE IN CHICAGO.

4d Other program services (Describe in Schedule O)

(Expenses \$ 186,639. including grants of \$ _____) (Revenue \$ 222,987.)4e Total program service expenses **5,453,663.**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule OForm **990** (2011)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year.		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		
c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

☒**Section A. Governing Body and Management**

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	5	
1b Enter the number of voting members included in line 1a, above, who are independent	5	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6 Did the organization have members or stockholders?	6	X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	X
13 Did the organization have a written whistleblower policy?	13	X
14 Did the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	X
b Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)	15b	X
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **IL**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization **MICHAEL KIRK - (312) 372-6707**
P.O. BOX 210, PALOS PARK, IL 60464

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Part VII	Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees <i>(continued)</i>
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(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								0.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ►

0

		Yes	No
3	Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization		0

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	249,298.			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	556,452.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	361,595.			
	g	Noncash contributions included in lines 1a-1f \$		223,545.			
	h	Total. Add lines 1a-1f		617,541.			
	Program Service Revenue	2 a	DEBT SERVICE PAID FOR	Business Code 561000	755,634.	755,634.	
b		INVESTMENT FEES FOR SE	561000	400,100.	400,100.		
c		FOOD SERVICE JOB TRAIN	561000	96,000.	96,000.		
d		MANAGEMENT OF HOMELESS	561000	72,195.	72,195.		
e							
f		All other program service revenue	561000	16,726.	16,726.		
g		Total. Add lines 2a-2f		134,065.			
Other Revenue		3	Investment income (including dividends, interest, and other similar amounts)		115.		
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross rents	(i) Real 795,123.				
	b	Less: rental expenses	0.				
	c	Rental income or (loss)	795,123.				
	d	Net rental income or (loss)		795,123.	795,123.		
	7 a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	b	Less: cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)					
	8 a	Gross income from fundraising events (not including \$ 249,298. of contributions reported on line 1c) See Part IV, line 18					
	b	Less: direct expenses					
	c	Net income or (loss) from fundraising events		0.			
	9 a	Gross income from gaming activities See Part IV, line 19					
	b	Less: direct expenses					
	c	Net income or (loss) from gaming activities					
	10 a	Gross sales of inventory, less returns and allowances					
	b	Less: cost of goods sold					
	c	Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code					
11 a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d						
12	Total revenue. See instructions.		831,131.	213,577.	0.	115.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	2,596,970.	2,223,144.	125,112.	248,714.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees)				
a Management	1,061,515.		816,550.	244,965.
b Legal	21,172.		21,172.	
c Accounting	67,039.		67,039.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	279,023.	49,593.	166,014.	63,416.
12 Advertising and promotion				
13 Office expenses	142,947.	87,255.	51,284.	4,408.
14 Information technology				
15 Royalties				
16 Occupancy	448,645.	444,221.	4,424.	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	646,119.	646,119.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	474,394.	474,394.		
23 Insurance	48,579.	46,722.	1,857.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PROGRAM FOOD, CLOTHING	1,368,116.	1,368,116.		
b OTHER	174,948.	58,388.	48,939.	67,621.
c SPECIAL EVENTS	109,195.			109,195.
d TRANSPORTATION	47,907.	32,481.	6,186.	9,240.
e All other expenses	23,838.	23,230.	608.	
25 Total functional expenses. Add lines 1 through 24e	7,510,407.	5,453,663.	1,309,185.	747,559.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	272,969.	1	326,725.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	794,973.	4	661,681.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net	16,805.	7	149,308.
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	5,312.	9	47,804.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 15,710,384.		
	b Less: accumulated depreciation	10b 880,925.	10c	14,829,459.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11	0.	13	820,100.
	14 Intangible assets	454,056.	14	401,294.
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	16,356,460.	16	17,236,371.	
Liabilities	17 Accounts payable and accrued expenses	179,201.	17	211,672.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	15,119,191.	23	14,817,682.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	815,024.	25	1,163,070.
	26 Total liabilities. Add lines 17 through 25	16,113,416.	26	16,192,424.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	219,814.	27	1,043,947.
	28 Temporarily restricted net assets	23,230.	28	0.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	243,044.	33	1,043,947.
	34 Total liabilities and net assets/fund balances	16,356,460.	34	17,236,371.

Form 990 (2011)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	8,311,310.
2	Total expenses (must equal Part IX, column (A), line 25)	2	7,510,407.
3	Revenue less expenses Subtract line 2 from line 1	3	800,903.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	243,044.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	1,043,947.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII ☐

- 1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O
- d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both.
☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b		X
2c		
3a		X
3b		

Form 990 (2011)

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

A SAFE HAVEN FOUNDATION

Employer identification number

36-4444200

Part I	Reason for Public Charity Status (All organizations must complete this part) See instructions
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The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state. _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box _____

g ☐ Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) ☐ A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) ☐ A family member of a person described in (i) above?

(iii) ☐ A 35% controlled entity of a person described in (i) or (ii) above?

h ☐ Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

[illegible]

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2011

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4,660.	112,304.	1,144,724.	5,637,335.	8,311,310.	15,210,333.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	4,660.	112,304.	1,144,724.	5,637,335.	8,311,310.	15,210,333.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						15,210,333.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	4,660.	112,304.	1,144,724.	5,637,335.	8,311,310.	15,210,333.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets. (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						15,210,333.
12 Gross receipts from related activities, etc. (see instructions)					12	21,550.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	100.00	%
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	100.00	%
16a 33 1/3% support test - 2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input checked="" type="checkbox"/>			
b 33 1/3% support test - 2010. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>			
17a 10% -facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>			
b 10% -facts-and-circumstances test - 2010. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>			
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► <input type="checkbox"/>			

Schedule A (Form 990 or 990-EZ) 2011

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11, and 12)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

SCHEDULE D
(Form 990)

Department of the Treasury,
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011
Open to Public
Inspection

Name of the organization

A SAFE HAVEN FOUNDATION

Employer identification number
36-4444200

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1	▶ \$
(ii) Assets included in Form 990, Part X	▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1	▶ \$
b Assets included in Form 990, Part X	▶ \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply).

- a ☐ Public exhibition d ☐ Loan or exchange programs
 b ☐ Scholarly research e ☐ Other _____
 c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

1a Beginning of year balance

b Contributions

c Net investment earnings, gains, and losses

d Grants or scholarships

e Other expenditures for facilities and programs

f Administrative expenses

g End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
1b					
1c					
1d					
1e					
1f					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ► _____ %

b Permanent endowment ► _____ %

c Temporarily restricted endowment ► _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

(ii) related organizations

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		
3a(ii)		
3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,064,763.		1,064,763.
b Buildings		13,861,407.	697,158.	13,164,249.
c Leasehold improvements				
d Equipment		784,214.	183,767.	600,447.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				14,829,459.

Schedule D (Form 990) 2011

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ►		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ►		

Part IX Other Assets. See Form 990, Part X, line 15

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ►	

Part X Other Liabilities. See Form 990, Part X, line 25

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ACCRUED INTEREST	104,910.
(3) DUE TO RELATED PARTIES	566,493.
(4) DEFERRED REVENUE	71,667.
(5) DEFERRED GRANT REVENUE	420,000.
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ►	

FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	8,311,310.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	7,510,407.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	800,903.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	800,903.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	8,311,310.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	8,311,310.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	8,311,310.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	7,529,689.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	19,282.
e	Add lines 2a through 2d	2e	19,282.
3	Subtract line 2e from line 1	3	7,510,407.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	7,510,407.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4, Part IV, lines 1b and 2b; Part V, line 4, Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART XIII, LINE 2D - OTHER ADJUSTMENTS:**SUBSIDIARY'S EXPENSES**

19,282.

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

2011

Open To Public Inspection

Name of the organization

A SAFE HAVEN FOUNDATION

Employer identification number

36-4444200

Part I

Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part

- 1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

- 2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes☐ No

- b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

	(a) Event #1 WINTER CAMPAIGN (event type)	(b) Event #2 RUN TO END HOMELESSNESS (event type)	(c) Other events 6 (total number)	(d) Total events (add col. (a) through col. (c))
Revenue				
1 Gross receipts	80,604.	54,400.	135,081.	270,085.
2 Less: Charitable contributions	80,604.	54,400.	135,081.	270,085.
3 Gross income (line 1 minus line 2)				
Direct Expenses				
4 Cash prizes				
5 Noncash prizes				
6 Rent/facility costs				
7 Food and beverages				
8 Entertainment				
9 Other direct expenses	5,309.	7,148.	83,572.	96,029.
10 Direct expense summary. Add lines 4 through 9 in column (d)				(96,029)
11 Net income summary. Combine line 3, column (d), and line 10				<96,029.>

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

	(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue				
1 Gross revenue				
Direct Expenses				
2 Cash prizes				
3 Noncash prizes				
4 Rent/facility costs				
5 Other direct expenses				
6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7 Direct expense summary. Add lines 2 through 5 in column (d)				()
8 Net gaming income summary. Combine line 1, column d, and line 7				

9 Enter the state(s) in which the organization operates gaming activities _____**a** Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No**b** If "No," explain _____**10a** Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No**b** If "Yes," explain. _____

11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No**12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No**13** Indicate the percentage of gaming activity operated in:**a** The organization's facility**b** An outside facility

13a	%
13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No**b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____**c** If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

☐ Director/officer☐ Employee☐ Independent contractor**17** Mandatory distributions**a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No**b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____**Part IV** **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**SCHEDULE M
(Form 990)**

Department of the Treasury
Internal Revenue Service

Noncash Contributions

► **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
► **Attach to Form 990.**

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization

A SAFE HAVEN FOUNDATION

Employer identification number

36-4444200

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded				
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (<u>DONATED FOOD</u>)	X	1	149,859.	VALUATION BY GREATER
26 Other ► (<u>DONATED SERVI</u>)	X	907	40,434.	COMPARABLE HOURLY WA
27 Other ► (<u>FOOD FOR EVEN</u>)	X	8	9,250.	FAIR MARKET VALUE
28 Other ► (<u>GIFTS/PRODUCT</u>)	X	2	8,550.	FAIR MARKET VALUE

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

b If "Yes," describe the arrangement in Part II

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

b If "Yes," describe in Part II

33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

	Yes	No
30a		X
31		X
32a		X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2011)

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

PART I, OTHER TYPES OF PROPERTY:**PROFESSIONAL SERVICES**

(A) CHECK IF APPLICABLE = X

(B) NUMBER OF CONTRIBUTORS = 6

(C) REVENUE REPORTED ON FORM 990, PART VIII \$ 7775.

(D) METHOD OF DETERMINING REVENUE: COMPARABLE HOURLY WAGES FOR SERVICES RE

ADVERTISING

(A) CHECK IF APPLICABLE = X

(B) NUMBER OF CONTRIBUTORS = 2

(C) REVENUE REPORTED ON FORM 990, PART VIII \$ 6000.

(D) METHOD OF DETERMINING REVENUE: COMPARABLE HOURLY WAGES FOR SERVICES RE

ENTERTAINMENT

(A) CHECK IF APPLICABLE = X

(B) NUMBER OF CONTRIBUTORS = 5

(C) REVENUE REPORTED ON FORM 990, PART VIII \$ 1477.

(D) METHOD OF DETERMINING REVENUE: FAIR MARKET VALUE

TRAVEL

(A) CHECK IF APPLICABLE = X

(B) NUMBER OF CONTRIBUTORS = 1

(C) REVENUE REPORTED ON FORM 990, PART VIII \$ 200.

(D) METHOD OF DETERMINING REVENUE: FAIR MARKET VALUE

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization

A SAFE HAVEN FOUNDATION

Employer identification number

36-4444200

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

INDIVIDUALS WITH DRUG OR ALCOHOL ADDICTIONS.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

CORPORATION SHALL ALSO PROVIDE SUPPORT THROUGH, BUT NOT LIMITED TO,
FURNISHING STRUCTURED LIVING ENVIRONMENTS (INCLUDING TRANSITIONAL AND
PERMANENT AFFORDABLE HOUSING), RECOVERY MANAGEMENT SERVICES,
EDUCATIONAL AND LIFE-SKILLS TRAINING PROGRAMS, AND OFFERING REFERRAL TO
APPROPRIATE AGENCIES, ORGANIZATIONS AND INSTITUTIONS AS NEEDED.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

KMA V - PREFORMS CONSTRUCTION ACTIVITIES FOR LOW INCOME HOUSING UNITS
LOCATED IN EAST DUNDEE, ILLINOIS DEDICATED TO SENIOR INDIVIDUALS WITH A
SET ASIDE FOR VETERANS.

ADULT EDUCATION - A SET OF PROGRAMS THAT ARE DESIGNED TO ASSIST THE
HOMELESS POPULATION IN RAISING THEIR BASIC EDUCATIONAL LEVELS BY
EMPHASIZING READING AND MATHEMATICAL EXERCISE IN ORDER TO BE MORE
SUCCESSFUL IN INTERNAL EMPLOYMENT ASSISTANCE PROGRAMS AND IN EMPLOYMENT
SEARCHES.

EXPENSES \$ 186,639. INCLUDING GRANTS OF \$ 0. REVENUE \$ 222,987.

FORM 990, PART VI, SECTION A, LINE 3: A MANAGEMENT AGREEMENT WAS ENTERED
INTO WITH AN ENTITY WITH COMMON CONTROL.

FORM 990, PART VI, SECTION B, LINE 11: A COPY OF FORM 990 WILL BE

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2011)

132211
01-23-12

Name of the organization

A SAFE HAVEN FOUNDATION

Employer identification number

36-4444200

PRESENTED AT THE NEXT BOARD MEETING BEFORE THE FILING DUE DATE.

FORM 990, PART VI, SECTION C, LINE 18: THE ORGANIZATION'S FORM 1023, AND 990 ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART VII CONTACT ADDRESSES FOR OFFICERS, DIRECTORS, ETC:

NELI VAZQUEZ-ROWLAND - 2750 W ROOSEVELT ROAD, CHICAGO, IL 60608

MARK G. MULROE - 2750 W ROOSEVELT ROAD, CHICAGO, IL 60608

SKIP LAND - 2716 W MONTROSE, CHICAGO, IL 60618

LINDA MENSCH - BRYAN CAVE LLP, 161 N. CLARK STREET, SUITE 4300

CHICAGO, IL 60601

ABE THOMPSON - EVENT CREATIVE, 219 NORTH PAULINA STREET, CHICAGO, IL 60612

**A SAFE HAVEN FOUNDATION
(AN ILLINOIS NOT-FOR-PROFIT CORPORATION)**

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

**A SAFE HAVEN FOUNDATION
(AN ILLINOIS NOT-FOR-PROFIT CORPORATION)**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
A Safe Haven Foundation

We have audited the accompanying consolidated statements of financial position of A Safe Haven Foundation (the "Organization") as of June 30, 2012 and 2011, and the related consolidated statements of cash flows for the years then ended and the consolidated statements of activities and functional expenses for the year ended June 30, 2012. 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. The prior year summarized comparative information has been derived from the Organization's 2011 financial statements and, in our report dated October 25, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audits 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of A Safe Haven Foundation as of June 30, 2012 and 2011, and the changes in its cash flows for the years then ended and the changes in its net assets for the year ended June 30, 2012 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 October 25, 2012, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended June 30, 2012. 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 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.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of the Organization as a whole. The accompanying supplementary information comprising the annual financial report and grant allowable cost summary for IDHS contract #281XQ250000 and the schedule of expenditures of federal awards for the year ended June 30, 2012 is presented for purposes of additional analysis as required by the Illinois Department of Human Services and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

FGMK, LLC

Bannockburn, Illinois
October 25, 2012

2801 Lakeside Drive
3rd Floor
Bannockburn, IL 60015

847 374 0400 v
847 374 0420 f

www.fgmk.net

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2012 AND 2011

	ASSETS	
	2012	2011
Current Assets		
Cash and cash equivalents	\$ 326,725	\$ 272,969
Accounts receivable -net	661,681	794,973
Due from related parties	149,308	16,805
Prepaid expenses	47,804	5,313
Total current assets	1,185,518	1,090,060
Property and Equipment		
Land	1,064,763	1,041,020
Buildings and improvements	13,046,080	12,819,557
Furniture, fixtures, and equipment	626,715	483,585
Automobiles	45,425	-
Site improvements	815,327	528,319
Computer software	112,074	-
Construction in progress	-	401,431
	15,710,384	15,273,912
Less: Accumulated depreciation	(880,925)	(461,568)
Net property and equipment	14,829,459	14,812,344
Other Assets		
Debt issue costs	525,127	522,852
Less: Accumulated amortization	(123,833)	(68,796)
	401,294	454,056
Investment in partnership	820,100	-
	1,221,394	454,056
Total assets	\$ 17,236,371	\$ 16,356,460
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current maturities of long-term debt	\$ 776,356	\$ 583,246
Accounts payable and accrued expenses	230,954	179,201
Accrued interest	104,910	115,796
Deferred revenue	71,667	-
Due to related parties	566,493	699,228
Total current liabilities	1,750,380	1,577,471
Long-term Liabilities		
Deferred grant revenue	420,000	-
Long-term debt	14,041,326	14,535,945
Total long-term liabilities	14,461,326	14,535,945
Total liabilities	16,211,706	16,113,416
Net Assets		
Unrestricted	1,024,665	219,814
Temporarily restricted	-	23,230
Total net assets	1,024,665	243,044
Total liabilities and net assets	\$ 17,236,371	\$ 16,356,460

The accompanying notes are an integral part of these statements.

A SAFE HAVEN FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2012

(With Summarized Financial Information for the Year Ended June 30, 2011)

	2012			2011
	Unrestricted	Temporarily Restricted	Total	
Support and Revenue				
Service contracts	\$ 5,564,524	\$ -	\$ 5,564,524	\$ 3,880,149
Rental income	795,123	-	795,123	450,671
Tax incremental fund revenue	755,634	-	755,634	755,634
Contributions	610,892	-	610,892	259,182
Project fees rebate	400,100	-	400,100	-
Other income	112,842	-	112,842	68,155
Management fees	72,195	-	72,195	223,544
Net assets released from restrictions	23,230	(23,230)	-	-
Total support and revenue	8,334,540	(23,230)	8,311,310	5,637,335
Expenses				
Program services	5,472,945	-	5,472,945	4,267,518
Management and general	1,309,185	-	1,309,185	745,756
Fundraising	747,559	-	747,559	389,682
Total expenses	7,529,690	-	7,529,690	5,402,956
Change in net assets	804,851	(23,230)	781,621	234,379
Net assets - beginning of year	219,814	23,230	243,044	8,665
Net assets - end of year	\$ 1,024,665	\$ -	\$ 1,024,665	\$ 243,044

The accompanying notes are an integral part of this statement.

A SAFE HAVEN FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2012

(With Summarized Financial Information for the Year Ended June 30, 2011)

	2012				2011
	Program Services	Management and General	Fundraising	Total	
Salaries and related expenses	\$ 2,242,426	\$ 125,112	\$ 248,714	\$ 2,616,252	\$ 1,916,724
Interest	646,119	-	-	646,119	732,022
Program food, clothing and personal maintenance	1,368,117	-	-	1,368,117	911,792
Utilities and maintenance	444,221	4,424	-	448,645	412,490
General insurance	46,722	1,857	-	48,579	88,630
Professional fees/contract services	49,593	1,070,775	308,381	1,428,749	549,966
Office expenses	80,073	46,802	3,019	129,894	85,889
Miscellaneous	998	48,939	67,621	117,558	51,625
Special events	-	-	109,195	109,195	57,123
Telephone	23,230	608	-	23,838	24,692
Other program costs	57,389	-	-	57,389	99,898
Postage/printing	7,182	4,482	1,389	13,053	12,512
Transportation and travel	32,481	6,186	9,240	47,907	34,883
Total expenses before depreciation and amortization	4,998,551	1,309,185	747,559	7,055,295	4,978,246
Depreciation	419,357	-	-	419,357	369,673
Amortization	55,037	-	-	55,037	55,037
	<u>\$ 5,472,945</u>	<u>\$ 1,309,185</u>	<u>\$ 747,559</u>	<u>\$ 7,529,689</u>	<u>\$ 5,402,956</u>

The accompanying notes are an integral part of this statement.

A SAFE HAVEN FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
Cash flows from operating activities		
Change in net assets	\$ 781,621	\$ 234,379
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Deemed contribution for investment in partnership	(400,100)	-
Loan payments made by third party	(408,246)	(378,005)
Depreciation	419,357	369,673
Amortization	55,037	55,037
Changes in operating assets and liabilities:		
Accounts receivable	133,292	(537,444)
Prepaid expenses	(42,491)	(2,141)
Accounts payable	51,752	135,256
Accrued interest	(10,886)	21,388
Deferred revenue	71,667	-
Net cash provided by (used in) operating activities	<u>651,003</u>	<u>(101,857)</u>
Cash flow from investing activities		
Purchases of property and equipment	<u>(301,146)</u>	<u>(422,540)</u>
Cash flows from financing activities		
Net change in due to/from related parties	(265,238)	665,759
Net change in escrow deposits	-	134,409
Net change in debt issue costs	(2,275)	-
Proceeds from long-term debt	150,000	-
Principal payments on long-term debt	<u>(178,588)</u>	<u>(75,000)</u>
Net cash provided by (used in) financing activities	<u>(296,101)</u>	<u>725,168</u>
Net change in cash and cash equivalents	53,756	200,771
Cash and cash equivalents - beginning of year	<u>272,969</u>	<u>72,198</u>
Cash and cash equivalents - end of year	<u>\$ 326,725</u>	<u>\$ 272,969</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid by Organization	<u>\$ 298,730</u>	<u>\$ 333,004</u>
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Financed property and equipment	<u>\$ 135,326</u>	<u>\$ -</u>
Partnership investment funded by deferred grant revenue	<u>\$ 420,000</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Organization and Program Description

A Safe Haven Foundation ("ASHF") was formed on April 26, 2001 as a not-for-profit corporation under the laws of the State of Illinois to provide job placement, rehabilitation services, and shelter to the people of the City of Chicago ("City") that are in need. In 2011, the Foundation added to its mission other activities to create and promote long-term housing for those in need.

On September 30, 2009, ASHF signed a management agreement with the Chicago Christian Industrial League ("CCIL"), an unrelated party at that time, to act as Manager and to oversee CCIL's programs and facilities. This agreement charged ASHF with the establishment of a long-term strategic plan and efficient operation of CCIL's business plan. On March 24, 2010, ASHF entered into a Strategic Alliance/Transfer Agreement ("Strategic Alliance") with CCIL that provides for an alignment of revenue contracts, oversight of fund raising efforts, oversight of the human resource function, working with service providers and other vendor relationships to carry out the strategic joint mission of ASHF and CCIL. Concurrent with the Strategic Alliance, CCIL assigned its interest in the 2750 W Roosevelt Building and related debt, and certain identified homeless service contracts with the City to ASHF. Accordingly, assets and liabilities of approximately \$15,572,000 were transferred and recorded by ASHF based on CCIL's net book value. The Strategic Alliance also provided an option of transferring future responsibility from CCIL to ASHF for any contractual responsibility when it becomes mutually beneficial to both organizations to do so. Additional grants and contracts were transferred to ASHF during the fiscal years ended June 30, 2012 and 2011.

In 2012, ASHF became the single member of an Illinois Limited Liability Company known as KMA Holdings V, LLC ("KMA"). KMA is a limited partner in a real estate development project (Note 3) for low income housing where ASHF will provide case management and supportive services to certain residents of the housing development once construction and leasing are complete. Once those services have been successfully put in place, KMA will be considered for the property management assignment.

Note 2 – Summary of Significant Accounting Policies**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of ASHF and KMA (collectively the "Organization")

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Information regarding the financial position and activities of the Organization are reported in three classes of net assets (as applicable): unrestricted, temporarily restricted, and permanently restricted. Management has determined that no net assets were permanently restricted as of June 30, 2012 and 2011.

Financial Statement Presentation

Comparative financial information presented on the consolidated statement of activities is summarized and does not present revenues, expenses, gains and losses by net asset class. Similarly, comparative financial information presented on the consolidated statement of functional expenses does not present the functional analysis of that information. This prior year financial information is presented for comparative purposes only and does not include sufficient detail to constitute a presentation in accordance with GAAP. Accordingly, such financial information should be read in conjunction with ASHF's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

Revenue and Support

ASHF receives all of its grant revenue from federal, state and local agencies. Revenue is recognized as services are provided in accordance with the terms of the grants. Grant funds received in advance of being earned are reported as deferred revenue at year-end. Any of the funders may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by ASHF with the terms of the grants.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

-(Continued)-

Note 2 – Summary of Significant Accounting Policies (Continued)

Revenue and Support (Concluded). Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets when the donor makes a promise to give to ASHF. 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.

Rental income for office/retail space is from other service providers that provide specific services that complement ASHF's homeless service programs. ASHF also leases beds to a related entity that has similar government funded programs for populations better suited to be served at ASHF's Roosevelt Road site. Rental income is recognized as it is earned under the specific non-cancellable operating lease agreements.

Allocation of Expenses

The costs of providing the various programs, fund-raising, and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain indirect costs have been allocated among program, administrative and fundraising activities benefited on the basis of management's estimates.

Management Estimates and Assumptions

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid short-term investments with original maturities of three months or less to be cash equivalents. The Organization regularly maintains cash balances, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk related to cash and cash equivalents.

Investment In Partnership

The Organization accounts for investments in partnerships under the equity method of accounting because the Organization does not have operational and financial control. The aspects of control are reviewed annually. The equity method of accounting shows the net equity investment in the partnership consisting of total contributions to the partnership less distributions adjusted for the income or loss allocated to the Organization from the partnership.

Interest Reserve

Concurrent with the Strategic Alliance, the Organization received the remaining balance of the existing interest reserve created at the time of CCIL's debt restructure. The reserve was used to pay for interest on the debt and was fully expended as of June 30, 2011.

Accounts Receivable

Accounts receivable represent amounts due for various program services provided to funding agencies and others. The allowance for doubtful accounts is determined based on historical experience and analysis of specific accounts. Uncollectible amounts are charged to bad debt expense when that determination is made. The allowance for doubtful accounts was \$14,666 and \$13,748 as of June 30, 2012 and 2011, respectively.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Note 2 – Summary of Significant Accounting Policies (Concluded)**Property and Equipment**

Property and equipment purchased are recorded at cost. Donations of property and equipment are recorded as contributions at their estimated fair market value at the time of donation. Improvements are capitalized, while expenditures for ordinary maintenance and repairs are expensed as incurred. Property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. There were no impairment charges for the years ended June 30, 2012 and 2011.

Property and equipment are depreciated over their estimated useful lives, using the straight-line method as follows:

	<u>Estimated Useful Lives (in Years)</u>
Building and improvements	50
Furniture, fixtures, and equipment	5 - 10
Automobiles	5
Site improvements	15
Computer software	3
Tenant improvements	Lease Life

Debt Issue Costs

Debt issue costs consist of bond issuance costs and other fees incurred in order to obtain financing. Such amounts are amortized over the term of the related loans.

Income Taxes

ASHF qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes excluding any income not related to its tax-exempt purpose. Accordingly, no provision for income taxes has been recorded in the financial statements for the years ended June 30, 2012 and 2011.

Under provisions of the Internal Revenue Code, KMA has elected to be taxed as a corporation.

GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or other tax authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2012 and 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements. The Organization is subject to routine audits by the Internal Revenue Service or other tax authorities, generally for three years after the tax returns are filed; however, there are currently no audits for any tax periods in progress.

Note 3 – Investment in Partnership

In June 2012, ASHF received \$400,100 of project fee rebates from the Village of East Dundee in connection with the first phase of a two phase development project to provide low income housing for individuals and families. ASHF contributed this amount to KMA. ASHF was also awarded an Affordable Housing Program (AHP) grant of \$420,000 through a Member bank of the Federal Home Loan Bank system in connection with the development which it also contributed to KMA.

KMA used the combined funds of \$820,100 to make a capital contribution to Gardiner Senior Development, LLC which is the general partner of Gardiner Senior Apartments, L.P., and the owner of the first phase of a low income housing project. KMA has a 26% interest in the general partner and is a non-managing member. The general partner in turn made an \$820,000 capital contribution to the owner.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Note 3 – Investment in Partnership (Concluded)

The general partner acts as developer for the construction and that role will generate owner development fees in addition to future property cash flows. It is also anticipated that ASHF will provide social service support for a portion of the tenants in the housing development.

Note 4 – Related Party Transactions

The following is a summary of transactions between the Organization and related parties as of and for the years ended June 30, 2012 and 2011:

	2012	2011
Property rent paid to affiliated companies	\$ 34,225	\$ 9,600
Advances due from affiliates	\$ 149,308	\$ 16,805
Advances due to affiliates	\$ 566,493	\$ 699,228
Management fee income from affiliate	\$ 72,195	\$ 223,544
Expense reimbursements from affiliate	\$ 950,912	\$ 1,675,510
Expense reimbursements to affiliate	\$ 2,082,360	\$ 1,238,761
Bed-leasing revenue from affiliate	\$ 530,904	\$ 235,592
Management fee expense/payable to affiliate	\$ 1,061,515	\$ 342,650
Supportive service fees from affiliate	\$ 157,216	\$ -

In July 2011, ASHF entered into a promissory note line of credit with an affiliate. Unpaid amounts accrue interest at a floating rate based on the affiliate's cost of capital based on its underlying line of credit (4.5% at June 30 2012) and matures June 30, 2014 at which time all unpaid principal and interest are due. At June 30, 2012, total unpaid interest and principal was \$461,346 and is included in advances due to affiliates above. All other advances between ASHF, affiliates and related parties are unsecured, non-interest bearing and payable on demand. See Note 1 regarding the Strategic Alliance agreement between ASHF and CCIL.

Note 5 – Working Capital

Current liabilities include the short-term portion of the National Consumer Cooperative Bank loan described in Note 7 and accrued interest thereon totaling \$545,815 and \$699,042 as of June 30, 2012 and 2011, respectively. Under the terms of the redevelopment agreement described in Note 9, this obligation is met from funds provided by the City and does not impact ASHF's cash flows.

Note 6 – Deferred Grant Revenue

Deferred grant revenue consists of the \$420,000 Affordable Housing Program grant used to fund ASHF's partnership investment as described in Note 3. The grant requires that 70 units of the 80 total units of the project be leased to individuals who qualify as very low and/or low income under HUD guidelines. The grant requires that the project be compliant with this use over the next 15 years. ASHF will recognize the grant revenue evenly over the 15 year compliance period.

Note 7 – Long-Term Debt

In connection with the Strategic Alliance, the following is a summary of debt that was transferred to ASHF on March 24, 2010.

A promissory note dated May 1, 2004, held by National Consumer Cooperative Bank ("NCB"), bearing interest at 8.00%, requiring an annual payment of principal and interest due on each February 28, maturing February 28, 2019. This note is collateralized by two Tax Increment Financing ("TIF") notes granted by the City. The balance on this note was \$3,934,111 and \$4,342,357 as of June 30, 2012 and 2011, respectively. Also see Note 9 for discussion regarding the Redevelopment Agreement.

(Continued)

A SAFE HAVEN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Note 7 – Long-Term Debt (Concluded)

A loan that was originally with Amalgamated Bank (the “Trustee”) and Illinois Finance Authority (the “Issuer”) dated December 1, 2006 and collateralized by a mortgage lien on the 2750 W Roosevelt Building. This loan was funded from the issuance of tax-exempt Adjustable Rate Demand Revenue Bonds Series 2006A and 2006B (Bonds) in the amount of \$10,870,000. Urban Partnership Bank (“Urban”), formerly known as Shore Bank, issued a letter of credit to provide credit and liquidity support for the Bonds. As of December 1, 2009, the Illinois Finance Authority under its right pursuant to the letter of credit received proceeds from Urban and transferred its right to the bonds to Urban. On December 29, 2009, prior to the Strategic Alliance, ASHF negotiated on behalf of CCIL a reduction of certain loans and modification of the original terms of other loans whereby the balance on the original note was divided into two portions. A summary of the new terms for the loans transferred to ASHF are as follows.

- Note A Portion – This loan is in the amount of \$7,346,284 and \$7,521,284 as of June 30, 2012 and 2011, respectively. It accrues interest at 4%, which was initially paid from the proceeds in the interest reserve that was received in connection with the Strategic Alliance and subsequently from operating cash flow. Additionally, the loan requires quarterly principal payments of: \$37,500 that began March 31, 2011, and increased to \$50,000 beginning March 31, 2012, and will increase to \$75,000 beginning March 2013 until September 30, 2019 when the final payment of principal and unpaid interest is due.
- Note B Portion - this loan is in the amount \$3,255,550 as of June 30, 2012 and 2011 and accrues interest at 2%. The interest accrues but is deferred until maturity on September 30, 2019. Such interest will be forgiven and cancelled on September 30, 2019 provided no event of default exists and both Note A and Note B are paid in full at maturity. The amount of deferred interest as of June 30, 2012 was approximately \$163,000; due to the contingent nature of this interest no amounts have been accrued in the accompanying consolidated financial statements.

During the year end June 30, 2012, the Organization financed equipment purchases and other expenditures totaling \$153,781. These loans require minimum monthly principal and interest payments of \$4,654, bear interest ranging from 0.00% to 12.75%, and mature from December 2013 through March 2015.

Also during the year ended June 30, 2012, the Organization obtained a mortgage loan in the amount of \$150,000 on certain real property. This note requires minimum monthly payments of principal and interest of \$3,459, bears interest at 5.00%, and matures June 2016.

Maturities of long-term debt as of June 30, 2012, are as follows:

<u>Year Ending June 30:</u>	
2013	\$ 776,356
2014	862,302
2015	884,189
2016	895,658
2017	899,847
Thereafter	<u>10,499,330</u>
	14,817,682
Less: Current portion	<u>776,356</u>
	<u>\$ 14,041,326</u>

Note 8 – Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2011 of \$23,230 consisted of the remaining balance of a \$75,000 grant restricted by the donor for the purpose of expanding and maintaining the facilities' web conferencing capabilities. These restricted funds were utilized for their restricted purpose during the year ended June 30, 2012. As of June 30, 2012, there were no remaining temporarily restricted net assets.

A SAFE HAVEN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Note 9 – Redevelopment Agreement

In connection with the Strategic Alliance, ASHF assumed the rights and obligations of a Redevelopment Agreement originally entered into on May 14, 2004 between CCIL and the City. The City, through the West Ogden TIF, and the Near West TIF, provided substantial financing for the 2750 W. Roosevelt Building. The agreement expires February 5, 2021. The Redevelopment Agreement provides funding for a transitional housing facility, adult and child training center, and staff offices.

The Redevelopment Agreement provides for the City to provide funds subject to the terms and conditions as defined in the agreement. The expected future payments under the Redevelopment Agreement match the loan obligation to NCB described in Note 5. The anticipated revenue from the TIF received by the City pursuant to the Redevelopment Agreement is in an annual amount of approximately \$756,000 and over the course of the remainder of the agreement will pay off the NCB loan and accrued interest. Management believes that the provisions within the Redevelopment Agreement define the financing as a gain contingency and as such, ASHF only recognizes revenue when the payment has been made by the City. Payments of \$755,634 were made to NCB during each of the fiscal years ended June 30, 2012 and 2011 and are reported as tax incremental fund revenue on the consolidated statement of activities.

Note 10 – Significant Contracts

In connection with the Strategic Alliance, ASHF took assignment of two revenue contracts from CCIL to provide homeless housing and supportive services. These contracts have projected annual revenues of approximately \$1,000,000 and renew annually. During the year ended June 30, 2011, ASHF assumed five grants from CCIL to provide transitional housing and supportive services to a variety of populations. Projected annual revenues are approximately \$1,000,000. These contracts provide for partial funding of total program costs and requires a portion of the program costs, as defined, to be matched by other contracts or contributions. Total revenue recognized by ASHF under these contracts was \$2,339,585 and \$2,034,743 for the years ended June 30, 2012 and 2011, respectively.

ASHF has a contract with the Illinois Department of Human Services to perform supportive services for people who are formerly homeless, or who are under threat of homelessness, who occupy units of affordable housing with affiliated companies. This contract provides partial funding for the program and requires a portion of the program costs, as defined, to be matched by other contracts or contributions. During the year ended June 30, 2012, ASHF took assignment from CCIL of two similar programs which increased the contract to \$473,092. Total revenue recognized by ASHF under this contract was \$473,092 and \$195,950 for each of the years ended June 30, 2012 and 2011, respectively.

ASHF was awarded two federal grants during the year ended June 30, 2011 that were non-renewable for one-year periods of service totaling \$800,000. Revenues recognized on these two contract agreements were \$196,643 and \$598,107 for the years ended June 30, 2012 and 2011, respectively.

ASHF was awarded a five year federal contract during the year ended June 30, 2011 to provide transitional housing services to the Veteran's Administration that reimburses ASHF at a per diem rate. Revenues recognized on this agreement were \$1,550,400 and \$363,660 for the years ended June 30, 2012 and 2011, respectively.

On September 30, 2009, ASHF signed an agreement with CCIL to provide management services to CCIL. The agreement provides for a fee of 13% of CCIL revenues, as defined. Total revenue earned under this agreement was \$72,195 and \$223,544 for the years ended June 30, 2012 and 2011, respectively. Unpaid management fees were \$17,686 and \$- 0 as of June 30, 2012 and 2011, respectively.

ASHF has portions of its 2750 W Roosevelt Building under lease to one service provider whose services complement the homeless service programs housed at the facility. The lease expires March 1, 2013, with provisions for renewals. Approximate future rentals to be received under the lease as of June 30, 2012 are \$117,000 during the year ended June 30, 2013.

ASHF has a management agreement whereby a related party provides management services to ASHF. Management fees incurred under the agreement were \$1,061,515 and \$342,650 for the years ended June 30, 2012 and 2011, respectively.

A SAFE HAVEN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

(Concluded)

Note 11 – Employee Benefit Plan

ASHF has a contract with ADP Total Source Inc. ("ADP") where ADP provides employees for ASHF. The contract provides for ASHF to reimburse ADP for all employee related costs. As part of that relationship, ADP maintains a 401(k) profit sharing plan for the benefit of its eligible employees. Eligible employees are defined as those who are 21 years of age or older, who have completed three months or more of service and who are not members of a union. The plan provides for discretionary matching contributions, not to exceed 6% of each participant's eligible compensation per payroll period. The plan also provides for an annual profit sharing contribution to be made at the discretion of ASHF for the benefit of all eligible employees who have worked at least 1,000 hours during the plan year. Matching contributions of \$13,339 and \$9,351 were made for the years ended June 30, 2012 and 2011, respectively. No annual profit sharing contributions were elected for either year.

Note 12 – Donated Services

ASHF received donated services in the amount of \$223,545 and \$140,554 during the years ended June 30, 2012 and 2011, respectively. These donated services were recorded at fair value and recognized as income and expense when the services were performed.

Note 13 – Concentrations

Three grantors accounted for approximately 49% and 50% of total support and revenue for the years ended June 30, 2012 and 2011, respectively, and approximately 75% and 50% of total accounts receivable as of June 30, 2012 and 2011, respectively.

Note 14 – Subsequent Events

In August 2012, ASHF received \$1,000,000 of project fee rebates from the Village of East Dundee in connection with the second phase of the two phase development project to provide low income housing for individuals and families described in Note 3 and contributed that amount to KMA for the purpose of making a capital contribution to River Haven Place GP, LLC which is the general partner in River Haven Place, LP, the owner of the project. KMA has a 26% non-managing interest in the general partner. The general partner, in turn made a \$1,000,000 capital contribution to the owner.

Management has evaluated all known subsequent events from June 30, 2012 through October 25, 2012, the date the accompanying consolidated financial statements were available to be issued, and is not aware of any material subsequent events occurring during this period that have not been disclosed in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

A SAFE HAVEN FOUNDATION

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2012

FOR IDHS CONTRACT #281XQ250000

	<u>Contract</u>	<u>All Other</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$ 447,667	\$ 1,794,759	\$ 125,112	\$ 248,714	\$ 2,616,252
Interest	-	646,119	-	-	646,119
Program food, clothing and personal maintenance	397,602	970,515	-	-	1,368,117
Utilities and maintenance	1,865	442,356	4,424	-	448,645
General insurance	-	46,722	1,857	-	48,579
Professional fees/contract services	9,453	40,140	1,070,775	308,381	1,428,749
Office expenses	21,288	58,785	46,802	3,019	129,894
Miscellaneous	-	998	48,939	67,621	117,558
Special events	-	-	-	109,195	109,195
Telephone	2,063	21,167	608	-	23,838
Other program costs	212	57,177	-	-	57,389
Postage/printing	-	7,182	4,482	1,389	13,053
Transportation and travel	3,638	28,843	6,186	9,240	47,907
Total expenses before depreciation and amortization	883,788	4,114,763	1,309,185	747,559	7,055,295
Depreciation	-	419,357	-	-	419,357
Amortization	-	55,037	-	-	55,037
	<u>\$ 883,788</u>	<u>\$ 4,589,157</u>	<u>\$ 1,309,185</u>	<u>\$ 747,559</u>	<u>\$ 7,529,689</u>

See Independent Auditor's Report.



State of Illinois
Department of Human Services

Grant Allowable Cost Summary

GRANT REPORT for the period July 1 through June 30, 2012

AGENCY NAME: A Safe Haven Foundation

FEIN 36-4444200

		DHS GRANT - FUNDED SERVICES					All other Programs	Mgmt & General	Total
		Program 1	Program 2	Program 3	Program 4	Program 5			
	Program Name/Number/Contract Number/Other Identification	281XQ250							
A	Direct Program expenses	883788					5336716	1309185	7529689
B	Allocate Management and General Costs (Note 1)	261360					1047826	- 1309185	-0-
C	SUBTOTAL A & B	1145148					6384541	-0-	7529689
D	Subtract Unallowable costs per page 2	122956							
E	Add other approved uses (attach documentation)								
F	TOTAL Allowable costs	1022192							
G	Special provisions (see instructions)								
H	Interest Earned (see instructions)								

NOTE 1: Management and General costs are allocated based on ☒ direct salaries, ☐ total direct costs, ☐ other basis (attach explanation)



State of Illinois - Department of Human Services

UNALLOWABLE COST REPORTAgency Name Â Safe Haven FoundationFEIN 36-4444200

Program Name/Number/Contract Number	DHS Grant-Funded Services				
	Program 1	Program 2	Program 3	Program 4	Program 5
	281XQ25005				

Unallowable Costs (see instructions)

Compensation of Governing Body					
Entertainment					
Association Dues					
Meetings and Conventions					
Fundraising					
Bad Debt					
Charity and Grants					
Unallowable Interest					
Inventories					
Depreciation of DHS-funded Assets					
Cost of Production					
In-Kind Expenses					
Alcoholic Beverages					
Personal Automobile					
Fines and Penalties					
Personal Use Items					
Lobbying					
Unallowable Relocation					
Gratuities					
Political Contributions					
Related Party Transactions	122956				
Costs Where a Conflict of Interest Exists					

Unallowable Cost if Program is Federally
Funded or Cost Restricted by Contract
(See Instructions)

Explain:					
Explain:					
Total Unallowable Costs (to line D of Grant Report) - See below if None					

If no unallowable costs are listed, sign and date as follows.

I certify that no unallowable costs are included in either direct costs or allocated Management and General costs on the
Grant Report.

Signature: *Michael E. Kelly* CFODate 10/26/12

Printed Name and Title: _____



A SAFE HAVEN FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012

Federal Grantor	Annual Contribution Contract #	Program or Award CFDA#	Federal Awards Expended
Major Federal Programs			
U.S Department of Housing and Urban Development			
Douglas Villa	IL0114B5T100803	14 235	\$ 61,621
Douglas Villa	IL0114B5T100804	14 235	30,405
Family Wellness	IL0121B5T100803	14 235	344,365
Westside Independent	IL0236B5T100803	14 235	212,378
1801 Studios	IL0222B5T100803	14 235	170,306
1801 Studios	IL0222B5T100804	14 235	132,475
600 Studios	IL0095B5T100803	14 235	40,450
600 Studios	IL0095B5T100804	14 235	15,700
			<u>1,007,700</u>
Department of Veteran Affairs			
VA Homeless Providers and Per Diem	10-804-IL	64 024	<u>293,572</u>
Total Major Programs Expenditures			<u>1,301,272</u>
Non-Major Federal Programs			
U.S Department of Agriculture			
Passed-through the Greater Chicago Food Depository			
Emergency Food Assistance Program		10 569	<u>149,859</u>
U.S Department of Housing and Urban Development			
Passed Through the City of Chicago. Department of Human Services			
Interim Housing	24257 R 1	14 218	120,044
Interim Housing	23986 R 18	14 218	<u>60,371</u>
			<u>180,415</u>
Interim Housing	23986 R 11	14 231	82,540
Interim Housing	23986 R 12	14 231	34,046
Interim Housing	23986 R 20	14 231	36,025
Interim Housing	23986 R 21	14 231	<u>63,401</u>
			<u>216,012</u>
Interim Housing	23986 R 10	93 569	56,127
Interim Housing	23986 R 19	93 569	<u>60,280</u>
			<u>116,407</u>
Shelter Plus Care	23987 R 2	14 238	<u>246,859</u>
Department of Justice/Congressionally Recommended Award	2010-DD-BX-0645	16 803	<u>107,720</u>
Department of Health and Human Services			
Passed Through Respiratory Health of Metropolitan Chicago			
ARRA Funded Prevention and Wellness	1U58DP002446-01	93 724	<u>15,030</u>
Department of Health and Human Services			
Substance Abuse and Mental Health Services Administration			
	C7880	93 243	<u>83,570</u>
Total Non- Major Program Expenditures			<u>1,115,872</u>
Total Federal Program Expenditures			<u>\$ 2,417,144</u>

See Independent Auditor's Report

A SAFE HAVEN FOUNDATION**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS****Note 1 – Basis of Presentation**

The schedule of expenditures of federal awards (the “Schedule”) of A Safe Haven Foundation (“ASHF”) is presented on the same basis of accounting as ASHF’s consolidated financial statements. ASHF uses the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in the Schedule may differ from the amounts presented in, or used in the preparation of the basic consolidated financial statements.

Note 2 – Program Costs

Expenditures represent only the federally funded portions of ASHF programs. Entire program costs, including the portions funded by ASH, may be more than shown.

Note 3 – Non-cash Awards

The amount reported for the Emergency Food Assistance Program on the Schedule is the value of food distributed and priced by the Greater Chicago Food Depository during the current year.

Note 4 – Sub-recipients

ASHF provided no awards to sub-recipients during the year ended June 30, 2012 with respect to the federal awards reported on the Schedule.

Note 5 – Non-cash Assistance from Federal Loans and Insurance

ASHF had no insurance provided under federal awards during the year ended June 30, 2012 or any federal loans or federal loan guarantees outstanding at June 30, 2012.

**INDEPENDENT AUDITORS 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***

Board of Directors
A Safe Haven Foundation

We have audited the consolidated financial statements of A Safe Haven Foundation ("ASHF") as of and for the year ended June 30, 2012, and have issued our report thereon dated October 25, 2012. 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 ASHF's internal control over financial reporting as a basis for designing 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 ASHF's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the ASHF's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ASHF'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 and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

FGMK, LLC

Bannockburn, Illinois
October 25, 2012

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
A Safe Haven Foundation

Compliance

We have audited A Safe Haven Foundation's ("ASHF") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of ASHF's major federal programs for the year ended June 30, 2012. ASHF's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of ASHF's management. Our responsibility is to express an opinion on ASHF's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ASHF's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of ASHF's compliance with those requirements.

In our opinion, ASHF complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-1, 2012-2, 2012-3, and 2012-4.

Internal Control over Compliance

Management of ASHF is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered ASHF's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ASHF's internal control over compliance.

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2012-1, 2012-2, 2012-3 and 2012-4. A significant deficiency in internal control over compliance with a type of compliance requirement of a federal program is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

ASHF's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit ASHF's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

FGMK, LLC

Bannockburn, Illinois
October 25, 2012

A SAFE HAVEN FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditors' Results

Financial Statements

The type of report issued: **Unqualified**

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Deficiencies identified not considered to be material weaknesses?
☐ Yes ☒ None reported

Noncompliance material to financial statements noted?
☐ Yes ☒ None reported

Federal Awards

Internal control over major programs:

Material weakness (es) identified? ☐ Yes ☒ No

Deficiencies identified not considered to be material weaknesses?
☒ Yes ☐ None reported

Type of auditor's report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?
☒ Yes ☐ No

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.235	Interim Housing
64.024	VA Homeless Providers and Per Diem

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

A SAFE HAVEN FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**Section II – Financial Statement Findings**

None Noted

Section III – Federal Award Findings and Questioned Costs**2012-1 – Personnel activity reports:**

Program identification - All federal programs per the Schedule of Expenditures of Federal Awards.

Criteria or specific requirement – Allowable compensation costs

Condition – Compensation charges to federally funded programs during fiscal 2012 were not based on specific time and effort reports. Program directors determined allocation of compensation costs between programs, where applicable, based on the director's knowledge of the circumstances.

Effects or possible effects– Compensation costs were documented in accordance with the provisions of OMB Circular A-122. Unallowable costs could potentially be charged to federally funded programs

Questioned costs – All compensation charges to the above programs are questioned in that they were not supported in accordance with the provisions of OMB Circular A-122.

Cause - The Organization changed to an electronic time keeping system during Fiscal 2012 with more capabilities than the prior time-clock system. The new system has the features necessary to comply with federal requirements but was not fully implemented during the fiscal year.

Recommendation – We recommend the organization fully implement its time-keeping system and use the system to determine compensation costs chargeable to federally funded programs.

Management Response:

Management concurs with the finding. In the early part of Fiscal 2013, we have identified some of the logistical areas that need continued focus and employee training. Our Chief Financial Officer is responsible for the complete and successful implementation of the system.

2012-2 – Drawdown of HUD Funds:

Program identification – Supportive Housing Program. CFDA # 14.235

Criteria or specific requirement – HUD draws should be based on specific reimbursable costs.

Condition – Interim draw-down of HUD funds are based on worksheet calculations of costs incurred that are chargeable to the applicable grant rather than cost reports generated from the accounting system.

Effects or possible effects: Interim grant reporting is not integrated with the ongoing accounting for the federally funded program. This may result in inaccurate reporting or early draw-down of funds on an interim basis.

Questioned costs – None significant noted.

Cause - Accounting system reports may not have been available on a timely basis during Fiscal 2012 as the Organization was in the process of implementing new time-keeping and reporting systems.

Recommendation – We recommend that the Organization review its procedures for determining interim draws on HUD funds and continue to develop its cost reporting systems to support the amounts drawn as necessary.

Management Response:

Management concurs with this finding and is currently working on the removing some final logistical barriers and making payroll allocations a much more efficient process so that the grant cost reports from the accounting system includes all costs along with sufficient detail prior to completing a draw down request. Our Chief Financial officer is responsible for the project completion and our Accounting Manager is leading the effort of making the payroll reporting process more efficient and timely.

A SAFE HAVEN FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**2012-3 – Procurement Procedures:**

Program identification – All federal programs per the Schedule of Expenditures of Federal Awards.

Criteria or specific requirement – Procurement Procedures

Condition – The Organization's procurement procedures do not currently include a policy to prevent the Organization from conducting business with vendors that have been suspended or debarred from federal contracts.

Effects or possible effects: The Organization did not have documentation required by suspension and debarment guidelines and could potentially conduct business affecting federally funded programs with vendors that have been suspended or debarred.

Questioned costs – None noted.

Cause - Management was not specifically aware of this requirement and had not assessed a significant risk of non-compliance in this area because of limited use of vendors for federally funded programs.

Recommendation – We recommend that the Organization review its procurement procedures and implement a specific procedure related to performing a check of vendors' suspension and debarment status.

Management Response:

Management concurs with this finding. We will implement in the second quarter of Fiscal 2013 a review of all recurring vendors against the debarment list of vendors as maintained on the Federal websites. The great majority of the expenditures are for payroll related items where the debarment procedures would not apply or current vendors that are either major corporations (like utility companies) where alternative vendor selections are impossible to change or really small companies where ASHF is their only source of government flow through funds. The implementation of this procedure will be lead by our Accounting Manager and is anticipated to be completed by the end of November 2012.

2012-4 – Income Verification Procedures:

Program identification – Veterans Administration Capital and Per Diem Program. CFDA # 64.024

Criteria or specific requirement – Controls are required over procedures for determining rental fees charged to per diem residents including verification of income amounts used in determining the fees charged.

Condition – Documentation supporting income verification was not present in all resident files selected for audit testing.

Effects or possible effects: Documentation supporting procedures performed did not appear to be on file as required by the Organization's policies. Fees charged to residents may not be properly calculated as a result.

Questioned costs – None noted.

Cause - Procedures for file maintenance were apparently not followed in all cases.

Recommendation – We recommend the Organization reinforce controls to ensure that procedures for file maintenance are uniformly followed.

Management Response:

Management concurs with this finding. All resident files will be reviewed for file maintenance compliance. Our Program Executive Director will ensure the timely completion of this review and it is anticipated to be completed before the end of November 2012.

A SAFE HAVEN FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Concluded)**Section IV – Summary of Prior Year Audit Findings****2011-1 – Personnel activity reports:**

Condition - Timesheets are maintained for each employee but timesheets do not track time by program or contract. Timesheets are not signed by the individual employee or his/her supervisor

Cause - The organization did not have internal processes during the year ended June 30, 2011 to comply with the requirements contained in OMB Circular A-122.

Recommendation – We recommend the organization institute procedures to ensure compliance with federal requirements related to charging compensation costs to federal programs.

Management Response:

Management concurs with this finding. During the fiscal year ended June 30, 2011, payroll costs were charged to programs based on estimates of the time spent by employees on those programs. This methodology provided an accurate record of payroll charges to programs but did not comply with federal costing principles per OMB Circular A-122. Management has been aware of this issue and has acquired systems and established procedures subsequent to year end to be compliant with the above procedures.

Current Year Status:

The Organization changed to an electronic time-keeping system during Fiscal 2012 and the system provides for electronic entry and approval of time charges to costs centers including federally funded programs. However, the system was not fully implemented during Fiscal 2012 and charges to cost centers on the Organization's accounting system were based on management's knowledge of the circumstances.

2011-2 – Cost Allocations:

Program identification - Department of Justice /Congressionally Recommended Awards/Project Number 2010-DD-BX-0645.

Condition - Costs are not specifically allocated to the federally funded program. Billings to the program are based on a daily rate per client rather than on reimbursement of specific costs.

Recommendation – We recommend that management institute procedures to track direct costs to this program and clarify the funding arrangement with the federal agency.

Management Response:

Management is aware that costs are not specifically charged to the above program. As noted in the finding, the billing arrangement with the Department of Justice is based on a daily rate rather than on reimbursement of specific costs. However, costs related to daily rate programs including those funded by the above award, are tracked in a separate cost center on the Organization's accounting system. It has not been feasible in practice to further allocate costs to this program and is not economic to do so because of the short term nature of this funding which ended on August 31, 2011.

Current Year Status:

The Department of Justice program ended during Fiscal 2012 and this finding is no longer relevant as a result. As funding was based on a per diem rate the costs related to the program are not in question.