

OUR HOUSE GRIEF SUPPORT CENTER

---

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

For The Year Ended December 31, 2015

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
OUR HOUSE Grief Support Center

We have audited the accompanying statements of OUR HOUSE Grief Support Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OUR HOUSE Grief Support Center as of December 31, 2015 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses by Program is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Avery & Greig, LLP

Santa Monica, California  
March 31, 2016

OUR HOUSE GRIEF SUPPORT CENTER, INC.  
STATEMENT OF FINANCIAL POSITION  
December 31, 2015

ASSETS

CURRENT ASSETS	
Cash and equivalents	\$ 2,992,685
Investments	305,695
Accounts receivable	8,790
Pledges receivable	7,250
Prepaid expenses	6,452
Total Current Assets	<u>3,320,872</u>
PROPERTY AND EQUIPMENT - net	1,834
OTHER ASSETS	
Deposits	16,754
Total Other Assets	<u>16,754</u>
TOTAL ASSETS	<u><u>\$ 3,339,460</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 13,454
Accrued expenses	36,145
Total Current Liabilities	<u>49,599</u>
NET ASSETS	
Unrestricted	
Designated for reserve operating fund	1,300,000
Designated for 2016-2017 expansion	300,000
Undesignated	1,552,611
Total Unrestricted Net Assets	<u>3,152,611</u>
Temporarily Restricted	<u>137,250</u>
TOTAL NET ASSETS	<u>3,289,861</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,339,460</u></u>

The accompanying notes are an integral part of these financial statements.

OUR HOUSE GRIEF SUPPORT CENTER, INC.  
STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES:</b>			
Support - community gifts and grants	\$ 1,346,132	\$ 130,000	\$ 1,476,132
Special events, net of direct expenses of \$251,159	719,439	-	719,439
Contributed services	473,906	-	473,906
Program receipts	146,643	-	146,643
Interest and dividends	2,754	-	2,754
Realized and unrealized gains on investments	25,559	-	25,559
Net assets released from restrictions	7,500	(7,500)	-
	<u>2,721,933</u>	<u>122,500</u>	<u>2,844,433</u>
<b>TOTAL</b>			
<b>OPERATING EXPENSES:</b>			
Program services	1,776,694	-	1,776,694
Fundraising	245,089	-	245,089
Management and general	122,771	-	122,771
	<u>2,144,554</u>	<u>-</u>	<u>2,144,554</u>
<b>TOTAL</b>			
Increase/(decrease) in net assets	<u>577,379</u>	<u>122,500</u>	<u>699,879</u>
<b>NET ASSETS:</b>			
Beginning of year	<u>2,575,232</u>	<u>14,750</u>	<u>2,589,982</u>
End of year	<u>\$ 3,152,611</u>	<u>\$ 137,250</u>	<u>\$ 3,289,861</u>

The accompanying notes are an integral part of these statements.

OUR HOUSE GRIEF SUPPORT CENTER, INC.  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2015

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 699,879
Adjustment necessary to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	361
Contribution of securities	(262,400)
Realized and unrealized gains on investments	(25,559)
<b>&lt;INCREASE&gt;/DECREASE IN:</b>	
Accounts receivable	21,166
Pledges receivable	7,500
Prepaid expenses	31,497
Book inventories	0
<b>INCREASE/&lt;DECREASE&gt; IN:</b>	
Accounts payable	8,594
Accrued expenses	<u>(4,726)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>476,312</u>
Net increase in cash for the year	476,312
<b>CASH, BEGINNING OF THE YEAR</b>	<u>2,516,373</u>
<b>CASH, END OF THE YEAR</b>	<u>\$ 2,992,685</u>

The accompanying notes are an integral part of these statements.

OUR HOUSE GRIEF SUPPORT CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2015

	Program Services	Fundraising	General and Administrative	Total
Salaries	\$ 736,246	\$ 134,642	\$ 14,598	\$ 885,486
Payroll tax expense	64,955	11,469	1,452	77,876
Employee benefits	97,154	15,134	6,445	118,733
Advertising and marketing	40,544	3,969	-	44,513
Bank charges	-	35,860	20	35,880
Depreciation and amortization	-	-	361	361
Donor expenses	-	3,590	-	3,590
Dues and subscriptions	3,096	-	-	3,096
Equipment rental	1,307	-	-	1,307
Insurance	20,999	2,901	4,155	28,055
Mileage and parking	6,043	82	-	6,125
Miscellaneous	4,878	260	4,205	9,343
Occupancy	157,432	24,329	13,028	194,789
Office supplies	13,057	2,167	818	16,042
Professional services	18,243	3,533	61,679	83,455
Payroll processing fees	-	-	1,807	1,807
Postage and delivery	3,069	416	21	3,506
Printing and reproduction	8,343	2,251	-	10,594
Program activity supplies	79,273	-	-	79,273
Repairs and maintenance	1,997	-	-	1,997
Staff training and development	10,578	1,047	-	11,625
Strategic planning	-	-	10,952	10,952
Tax, license and permits	-	-	489	489
Telephone	15,140	2,540	2,741	20,421
Contributed services	473,906	-	-	473,906
Volunteer training expenses	12,539	-	-	12,539
Website expenses	7,895	899	-	8,794
Total	<u>\$ 1,776,694</u>	<u>\$ 245,089</u>	<u>\$ 122,771</u>	<u>\$ 2,144,554</u>
Percentage of total expenses	82.9%	11.4%	5.7%	100%

The accompanying notes are an integral part of these statements.

OUR HOUSE GRIEF SUPPORT CENTER  
NOTES TO FINANCIAL STATEMENTS

---

NOTE 1 - NATURE OF ACTIVITIES

OUR HOUSE Grief Support Center (Organization), formerly known as Our House, Inc., is a California nonprofit corporation founded in 1993 to provide grief support services through grief support groups, education and other resources. The Organization's support comes mainly from donor contributions.

The OUR HOUSE Grief Support Center mission is to provide the community with grief support services, education, resources and hope. For over 20 years, the Organization has helped thousands of grieving children, teens and adults embark upon their journey to hope and healing. The Organization offers age appropriate and relationship specific grief support to adults and children ages 4 through 18. Groups are offered in English and Spanish. The Organization also offers school-based grief support groups, medical and professional education programs, post-crisis grief intervention for businesses and the community, grief support resources and referrals.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Accounting and Reporting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting.

The Organization records contributions as unrestricted, temporarily restricted, or permanently restricted support (i.e. income) depending upon the existence and/or nature of any donor-imposed restrictions. Unconditional promises to give ("Pledges") are recorded as income at their net realizable value in the year the promise is received. Unconditional promises to give are generally collectible in less than one year. Donated materials are valued at fair market value at the date donations are received. If time or use restrictions are imposed by the donor, net assets are reclassified to unrestricted net assets upon satisfaction of the time or use restrictions. If a restriction is fulfilled in the same period the contribution is received, the Organization reports the support as unrestricted.

The Organization reports information regarding its financial position and its activities by three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. This statement also encourages Not-for-Profit organizations to disclose their total expenses in a functional array so that readers are better able to understand and evaluate the organization's overall cost of providing various programs and services. A functional expense disclosure is included on page 6 of this report.

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values at the Organization's fiscal year end. Unrealized gains and losses are included in the Statement of Activities, generally as increases or decreases in unrestricted net assets.



OUR HOUSE GRIEF SUPPORT CENTER  
NOTES TO FINANCIAL STATEMENTS

---

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. All of the Organization's federal and California exempt organization returns are current. The Organization's federal exempt returns are subject to examination by the IRS generally for three years after they were filed and California exempt returns are subject to examination by the California Franchise Tax Board generally for four years after they were filed.

Accounting for Property and Equipment

Fixed assets are recorded at cost. Additions, renewals, and betterments are capitalized, whereas expenditures for maintenance and repairs are charged to expense. Depreciation has been recognized on the books of the Organization on a straight-line basis over the following estimated lives of assets:

Office equipment	5 years
Computer software	4 years
Furniture and fixtures	5 years

Accounts Receivable

Accounts receivable consists of small amounts due from a large number of clients for grief support meetings. The Organization provides for uncollectible accounts receivable through the allowance method of accounting. Under this method, a provision for uncollectible accounts is charged to expense and the allowance account is increased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account and recoveries of previously uncollectible accounts are added to the account. Management believes that all accounts receivable are fully collectible at December 31, 2015. Accordingly, there is no allowance for doubtful accounts receivable.

Pledges Receivable

Pledges receivable consists of amounts due from individuals, companies and foundations. The Organization provides for uncollectible pledges receivable through the allowance method of accounting. Under this method, a provision for uncollectible pledges is charged to expense and the allowance account is adjusted based on past collection history and management's evaluation of pledges receivable. All amounts considered uncollectible are charged against the allowance account and recoveries of previously uncollectible pledges are added to the account. Management has reviewed pledges receivable and believes all pledges are fully collectible at December 31, 2015. Accordingly, there is no allowance for uncollectible pledges.

OUR HOUSE GRIEF SUPPORT CENTER  
NOTES TO FINANCIAL STATEMENTS

---

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are recorded at fair market value and consist of shares in a government agency mutual fund and equity securities.

	Cost	Fair Market Value
Governmental agency mutual fund	\$ 16,461	\$ 17,095
Equity securities	262,400	288,600
Total	<u>\$ 278,861</u>	<u>\$ 305,695</u>

It is the Organization's policy to liquidate contributed securities as soon as practical in order to minimize exposure to market fluctuations and to maximize funds available for program services.

Contributed Services

Contributed services are recognized at fair value when received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. During the year ended December 31, 2015, the value of contributed services included in revenues and expenses in the accompanying financial statements amounted to \$473,906. This amount consists of skilled support group leaders and skilled Camp Erin volunteers of \$344,287 and \$129,619, respectively.

The Organization also receives a significant amount of contributed time from volunteers that does not meet the two recognition criteria described above. Accordingly, the value of this contributed time is not reflected in the accompanying financial statements.

Cash Flows

For purposes of the accompanying statement of cash flows, the Organization considers all financial instruments with a maturity of less than 6 months to be cash equivalents.

Advertising Costs

Advertising costs are expensed as incurred.

Allocation of Functional Expenses

Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are allocated to functions based on various factors including employee time and square footage of space occupied.

OUR HOUSE GRIEF SUPPORT CENTER  
NOTES TO FINANCIAL STATEMENTS

---

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The income and expenses of OUR HOUSE Grief Support Center are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements. The Organization is not a private foundation as defined in Section 509(a) of the Code.

Use of Estimates

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

Date of Management's Review

Management has evaluated subsequent events through March 31, 2016, the date at which the financial statements were available to be issued.

NOTE 3 - PLEDGES RECEIVABLE

Activity in unconditional promises to give for the year is as follows:

Pledges receivable, January 1,	\$ 14,750
Collections during year	<7,500>
New pledges during year	<u>-</u>
Less, allowance for uncollectibles	<u>-</u>
Pledges receivable, December 31	<u>\$ 7,250</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2015 consists of the following:

Office equipment	\$ 57,158
Computer software	20,859
Furniture and fixtures	<u>16,180</u>
Less: accumulated depreciation	<u>(92,363)</u>
Net property and equipment	<u>\$ 1,834</u>

OUR HOUSE GRIEF SUPPORT CENTER  
NOTES TO FINANCIAL STATEMENTS

---

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

The Organization's statement of financial position includes net assets to be used for the following future purposes:

Camp Erin	\$	7,250
School based grief support		<u>130,000</u>
Total	\$	<u><u>144,750</u></u>

NOTE 6 - DESIGNATION OF UNRESTRICTED NET ASSETS

The Board of Directors has established reserve funds totaling \$1,600,000. Of that amount, \$1,300,000 is reserved to cover nine months of operating expenses. It is the Board's intention that the reserve fund assist in providing stability during unexpected cash flow shortages, expenses, or losses. The remaining \$300,000 is reserved for an anticipated expansion of the Los Angeles office in 2016 and an anticipated expansion/relocation of the Woodland Hills location in 2017.

NOTE 7 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at various financial institutions. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Balances may, at times, exceed those limits.

NOTE 8 - LEASES

The Organization leases office space in Los Angeles and Woodland Hills, California under non-cancelable operating lease agreements. Minimum future annual rental payments required under these leases as of December 31, 2015 are as follows:

2016	\$	154,761
2017		<u>15,333</u>
Total	\$	<u><u>170,094</u></u>

Rent expense for the year ended December 31, 2015 amounted to \$178,566.

NOTE 9 - EMPLOYEE SAVINGS PLAN

The Organization has established a 403(b) savings plan covering substantially all employees. Employees may defer current compensation into the plan within Internal Revenue Service limitations.

SUPPLEMENTAL INFORMATION

OUR HOUSE GRIEF SUPPORT CENTER, INC.  
SUPPLEMENTAL INFORMATION - SCHEDULE OF PROGRAM EXPENSES BY PROGRAM  
For the Year Ended December 31, 2015

	In-House Children's Program	Children's School Program	Camp Erin	Adult Program	Satellite Program	Training and Education Programs	Total
Salaries	98,797	113,301	130,789	260,967	116,328	16,064	736,246
Payroll tax expense	8,681	9,744	11,197	23,411	10,344	1,578	64,955
Employee benefits	18,096	18,017	21,549	22,841	14,417	2,234	97,154
Advertising and marketing	4,531	5,138	4,041	4,661	17,648	4,525	40,544
Dues and subscriptions	810	294	427	749	311	505	3,096
Equipment rental	263	263	263	263	255	-	1,307
Insurance	4,255	3,539	3,682	6,580	2,714	229	20,999
Mileage and parking	408	2,487	614	1,717	647	170	6,043
Miscellaneous	762	493	592	2,147	771	113	4,878
Occupancy	25,440	12,945	25,072	49,770	31,295	12,910	157,432
Office supplies	1,961	2,534	2,893	3,328	2,295	46	13,057
Professional services	3,541	3,541	3,541	3,540	4,080	-	18,243
Postage and delivery	371	370	1,126	370	385	447	3,069
Printing and reproduction	1,350	1,166	1,166	2,129	1,576	956	8,343
Program activity supplies	3,067	16,006	52,923	3,010	2,396	1,871	79,273
Repairs and maintenance	438	375	300	543	297	44	1,997
Staff training and development	2,262	1,286	1,260	4,433	1,221	116	10,578
Telephone	2,557	2,631	2,484	2,557	2,354	2,557	15,140
Contributed services	74,672	66,324	129,619	196,311	6,980	-	473,906
Volunteer training expenses	2,015	2,358	4,285	2,662	1,219	-	12,539
Website expenses	907	907	906	906	3,363	906	7,895
TOTAL	<u>255,184</u>	<u>263,719</u>	<u>398,729</u>	<u>592,895</u>	<u>220,896</u>	<u>45,271</u>	<u>1,776,694</u>

The accompanying notes are an integral part of these financial statements.