

OUR HOUSE, INC.

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**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**For The Year Ended December 31, 2013**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Our House, Inc.

We have audited the accompanying statements of Our House, Inc. aka Our House Grief Support Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013 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.

## Report on Supplementary Information

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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Our House, Inc. as of December 31, 2013 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.



Avery & Greig, LLP

Santa Monica, California  
May 2, 2014

OUR HOUSE, INC.  
STATEMENT OF FINANCIAL POSITION  
December 31, 2013

ASSETS

CURRENT ASSETS

Cash and equivalents	\$ 1,868,406
Investments	16,373
Inventories	8,560
Accounts receivable	39,853
Pledges receivable	35,000
Prepaid expenses	12,455
Total Current Assets	<u>1,980,647</u>

PROPERTY AND EQUIPMENT - net	2,645
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OTHER ASSETS

Deposits	<u>16,754</u>
Total Other Assets	<u>16,754</u>

TOTAL ASSETS	<u><u>\$ 2,000,046</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 5,762
Accrued expenses	<u>33,040</u>
Total Current Liabilities	38,802

NET ASSETS

Unrestricted	
Designated for reserve operating fund	775,000
Undesignated	<u>1,156,244</u>
Total Unrestricted Net Assets	1,931,244
Temporarily Restricted	<u>30,000</u>

TOTAL NET ASSETS	<u>1,961,244</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,000,046</u></u>
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The accompanying notes are an integral part of these financial statements.

OUR HOUSE, INC.  
STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Support - community gifts and grants	\$ 783,217	\$ -	\$ 783,217
Special events, net of direct expenses of \$188,885	908,161	-	908,161
Contributed services	351,029	-	351,029
Program receipts	143,359	-	143,359
Interest and dividends	607	-	607
Unrealized losses on investments	(1,331)	-	(1,331)
Other income	2,427	-	2,427
Net assets released from restrictions	15,000	(15,000)	-
	<u>2,202,469</u>	<u>(15,000)</u>	<u>2,187,469</u>
TOTAL			
	2,202,469	(15,000)	2,187,469
OPERATING EXPENSES:			
Program services	1,396,975	-	1,396,975
Fundraising	244,257	-	244,257
Management and general	89,479	-	89,479
	<u>1,730,711</u>	<u>-</u>	<u>1,730,711</u>
TOTAL			
	1,730,711	-	1,730,711
Increase/(decrease) in net assets	<u>471,758</u>	<u>(15,000)</u>	<u>456,758</u>
NET ASSETS:			
Beginning of year	<u>1,459,486</u>	<u>45,000</u>	<u>1,504,486</u>
End of year	<u>\$ 1,931,244</u>	<u>\$ 30,000</u>	<u>\$ 1,961,244</u>

The accompanying notes are an integral part of these statements.

OUR HOUSE, INC.  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2013

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 456,758
Adjustment necessary to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,459
Unrealized losses on investments	1,331
<b>&lt;INCREASE&gt;/DECREASE IN:</b>	
Accounts receivable	(21,585)
Pledges receivable	45,000
Prepaid expenses	(3,896)
Book inventories	224
<b>INCREASE/&lt;DECREASE&gt; IN:</b>	
Accounts payable	5,542
Accrued expenses	<u>5,541</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>490,374</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments	(958)
Purchases of fixed assets	<u>(1,361)</u>
<b>NET CASH &lt;USED IN&gt;/PROVIDED BY INVESTING ACTIVITIES</b>	<u>(2,319)</u>
Net increase in cash for the year	488,055
<b>CASH, BEGINNING OF THE YEAR</b>	<u>1,380,350</u>
<b>CASH, END OF THE YEAR</b>	<u><u>\$ 1,868,405</u></u>

The accompanying notes are an integral part of these statements.

OUR HOUSE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2013

	Program Services	Fundraising	General and Administrative	Total
Salaries	\$ 554,114	\$ 151,164	\$ 7,578	\$ 712,856
Payroll tax expense	47,030	12,830	643	60,503
Employee benefits	48,332	14,846	1,299	64,477
Advertising and marketing	34,321	6,864	-	41,185
Bank charges	-	22,616	2,884	25,500
Depreciation and amortization	-	-	1,459	1,459
Dues and subscriptions	3,655	-	-	3,655
Equipment rental	2,156	252	127	2,535
Insurance	8,535	5,915	4,950	19,400
Mileage and parking	5,241	-	-	5,241
Miscellaneous	3,812	1,121	3,974	8,907
Occupancy	194,292	16,236	8,118	218,646
Office supplies	9,011	964	938	10,913
Outside services	23,712	2,790	54,243	80,745
Payroll processing fees	-	-	1,464	1,464
Postage and delivery	3,209	451	187	3,847
Printing and reproduction	6,862	807	404	8,073
Program activity supplies	47,994	-	-	47,994
Repairs and maintenance	1,550	182	91	1,823
Staff training and development	3,067	1,155	480	4,702
Telephone	16,345	1,379	640	18,364
Travel	1,300	-	-	1,300
Contributed services	351,029	-	-	351,029
Volunteer training expenses	7,982	-	-	7,982
Website expenses	23,426	4,685	-	28,111
Total	<u>\$ 1,396,975</u>	<u>\$ 244,257</u>	<u>\$ 89,479</u>	<u>\$ 1,730,711</u>
Percentage of total expenses	80.7%	14.1%	5.2%	100%

The accompanying notes are an integral part of these statements.

OUR HOUSE, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 1 - NATURE OF ACTIVITIES

Our House, Inc. (Organization) is a California nonprofit corporation founded in 1993 to provide grief support services through group settings, education and other resources. The Organization's support comes mainly from donor contributions.

The Our House 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. The Organization also offers school-based grief support groups, medical and professional education programs, continuing education workshops, 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 7 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, INC.  
NOTES TO FINANCIAL STATEMENTS

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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, 2013. 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, 2013. Accordingly, there is no allowance for uncollectible pledges.

OUR HOUSE, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories consist of books and miscellaneous publications and are valued at the lower of cost (first in, first out) or market.

Investments

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

	<u>Cost</u>	<u>Fair Market Value</u>
Governmental agency mutual fund	\$ 14,992	\$ 16,373

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, 2013, the value of contributed services included in revenues and expenses in the accompanying financial statements amounted to \$351,029. This amount consists of skilled support group leaders and skilled Camp Erin volunteers of \$245,000 and \$106,029, 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, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The income and expenses of Our House, Inc. 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 May 2, 2014, 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,	\$ 80,000
Collections during year	<45,000>
New pledges during year	<u>-</u>
Less, allowance for uncollectibles	<u>-</u>
Pledges receivable, December 31	<u>\$ 35,000</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2013 consists of the following:

Office equipment	\$ 57,158
Computer software	20,859
Furniture and fixtures	<u>16,180</u>
Less: accumulated depreciation	<u>(91,552)</u>
Net property and equipment	<u>\$ 2,645</u>

OUR HOUSE, INC.  
NOTES TO FINANCIAL STATEMENTS

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NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2013 consists of the following:

Office equipment	\$ 57,158
Computer software	20,859
Furniture and fixtures	<u>16,180</u>
Less: accumulated depreciation	<u>(91,552)</u>
Net property and equipment	<u>\$ 2,645</u>

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

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

Camp Erin	\$ 30,000
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NOTE 7 - DESIGNATION OF UNRESTRICTED NET ASSETS

The Board of Directors has established a reserve fund totaling \$775,000 to cover six 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.

NOTE 8 - 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 9 - 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, 2013 are as follows:

2014	\$ 176,261
2015	181,546
2016	154,761
2017	<u>15,333</u>
TOTAL	<u>\$ 527,901</u>

Rent expense for the year ended December 31, 2013 amounted to \$202,486.

**SUPPLEMENTAL INFORMATION**

OUR HOUSE, INC.  
 SUPPLEMENTAL INFORMATION - SCHEDULE OF PROGRAM EXPENSES BY PROGRAM  
 For the Year Ended December 31, 2013

	In-House Children's Program	Children's School Program	Camp Erin	Adult Program	Training and Education Programs	Total
Salaries	105,755	100,427	87,913	257,017	3,003	554,114
Payroll tax expense	8,976	8,524	7,462	21,814	255	47,030
Employee benefits	22,084	5,232	12,061	8,465	490	48,332
Advertising and marketing	6,864	6,864	6,864	6,864	6,864	34,321
Dues and subscriptions	731	731	731	1,462	-	3,655
Equipment rental	760	127	127	1,014	127	2,156
Insurance	2,023	2,023	2,023	2,466	-	8,535
Mileage and parking	780	780	780	1,920	982	5,241
Miscellaneous	1,142	363	363	1,400	546	3,813
Occupancy	68,408	13,747	13,747	87,458	10,932	194,292
Office supplies	3,352	400	400	4,496	363	9,011
Outside services	8,369	1,395	1,395	11,159	1,395	23,712
Postage and delivery	1,133	189	189	1,510	189	3,209
Printing and reproduction	2,422	404	404	3,229	404	6,862
Program activity supplies	4,122	1,676	39,304	1,341	1,551	47,994
Repairs and maintenance	547	91	91	730	91	1,550
Staff training and development	566	566	566	1,368	-	3,067
Telephone	5,753	1,187	1,187	7,305	913	16,345
Travel	260	260	260	520	-	1,300
Contributed services	45,614	52,346	106,029	147,040	-	351,029
Volunteer training expenses	1,597	1,597	1,596	3,193	-	7,982
Website expenses	4,685	4,685	4,685	4,685	4,685	23,426
<b>TOTAL</b>	<b>295,943</b>	<b>203,611</b>	<b>288,176</b>	<b>576,456</b>	<b>32,790</b>	<b>1,396,975</b>

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