

OUR HOUSE, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For The Year Ended December 31, 2014

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, 2014 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, 2014 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.

A handwritten signature in black ink that reads "Avery & Greig". The signature is written in a cursive, flowing style.

Avery & Greig, LLP

Santa Monica, California

March 5, 2015

OUR HOUSE, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2014

ASSETS

CURRENT ASSETS

Cash and equivalents	\$ 2,516,373
Investments	17,462
Inventories	8,560
Accounts receivable	29,956
Pledges receivable	14,750
Prepaid expenses	29,663
Total Current Assets	2,616,764

PROPERTY AND EQUIPMENT - net	2,195
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OTHER ASSETS

Deposits	16,754
Total Other Assets	16,754

TOTAL ASSETS	\$ 2,635,713
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 4,860
Accrued expenses	40,871
Total Current Liabilities	45,731

NET ASSETS

Unrestricted	
Designated for reserve operating fund	1,250,000
Designated for 2016 relocation	300,000
Undesignated	1,025,232
Total Unrestricted Net Assets	2,575,232

Temporarily Restricted	14,750
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TOTAL NET ASSETS	2,589,982
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TOTAL LIABILITIES AND NET ASSETS	\$ 2,635,713
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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, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Support - community gifts and grants	\$ 1,225,378	\$ -	\$ 1,225,378
Special events, net of direct expenses of \$218,575	774,463	-	774,463
Contributed services	470,222	-	470,222
Program receipts	145,827	-	145,827
Interest and dividends	2,679	-	2,679
Realized and unrealized losses on investments	(1,007)	-	(1,007)
Other income	140	-	140
Net assets released from restrictions	15,250	(15,250)	-
	<u>2,632,952</u>	<u>(15,250)</u>	<u>2,617,702</u>
OPERATING EXPENSES:			
Program services	1,609,803	-	1,609,803
Fundraising	253,165	-	253,165
Management and general	125,996	-	125,996
	<u>1,988,964</u>	<u>-</u>	<u>1,988,964</u>
Increase/(decrease) in net assets	<u>643,988</u>	<u>(15,250)</u>	<u>628,738</u>
NET ASSETS:			
Beginning of year	<u>1,931,244</u>	<u>30,000</u>	<u>1,961,244</u>
End of year	<u>\$ 2,575,232</u>	<u>\$ 14,750</u>	<u>\$ 2,589,982</u>

The accompanying notes are an integral part of these statements.

OUR HOUSE, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 628,738
Adjustment necessary to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	451
Unrealized losses on investments	1,007
<INCREASE>/DECREASE IN:	
Accounts receivable	9,897
Pledges receivable	20,250
Prepaid expenses	(17,209)
Book inventories	0
INCREASE/<DECREASE> IN:	
Accounts payable	(902)
Accrued expenses	<u>7,831</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>650,063</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	<u>(2,096)</u>
NET CASH <USED IN>/PROVIDED BY INVESTING ACTIVITIES	<u>(2,096)</u>
Net increase in cash for the year	647,967
CASH, BEGINNING OF THE YEAR	<u>1,868,406</u>
CASH, END OF THE YEAR	<u>\$ 2,516,373</u>

The accompanying notes are an integral part of these statements.

OUR HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2014

	Program Services	Fundraising	General and Administrative	Total
Salaries	\$ 659,244	\$ 158,861	\$ 12,653	\$ 830,758
Payroll tax expense	57,007	12,876	1,026	70,909
Employee benefits	51,457	10,438	5,680	67,575
Advertising and marketing	53,882	4,708	-	58,590
Bank charges	-	28,074	506	28,580
Depreciation and amortization	-	-	451	451
Donor expenses	-	10,013	-	10,013
Dues and subscriptions	825	-	35	860
Equipment rental	2,370	372	344	3,086
Insurance	15,995	3,265	6,247	25,507
Mileage and parking	6,171	221	40	6,432
Miscellaneous	7,902	-	2,988	10,890
Occupancy	146,262	15,110	25,167	186,539
Office supplies	10,057	2,028	1,455	13,540
Professional services	15,900	2,017	60,518	78,435
Payroll processing fees	-	-	2,598	2,598
Postage and delivery	4,044	663	543	5,250
Printing and reproduction	8,399	1,260	1,588	11,247
Program activity supplies	56,496	-	-	56,496
Repairs and maintenance	1,653	218	241	2,112
Staff training and development	4,342	371	554	5,267
Tax, license and permits	374	-	613	987
Telephone	13,106	2,159	2,749	18,014
Translation services	6,701	-	-	6,701
Contributed services	470,222	-	-	470,222
Volunteer training expenses	12,796	-	-	12,796
Website expenses	4,598	511	-	5,109
Total	<u>\$ 1,609,803</u>	<u>\$ 253,165</u>	<u>\$ 125,996</u>	<u>\$ 1,988,964</u>
Percentage of total expenses	80.9%	12.7%	6.3%	100%

The accompanying notes are an integral part of these statements.

OUR HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES

Our House, Inc. dba OUR HOUSE Grief Support Center (Organization) 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, INC.
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, 2014. 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, 2014. Accordingly, there is no allowance for uncollectible pledges.

OUR HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS

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	\$ 16,461	\$ 17,462

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, 2014, the value of contributed services included in revenues and expenses in the accompanying financial statements amounted to \$470,222. This amount consists of skilled support group leaders and skilled Camp Erin volunteers of \$326,037 and \$144,185, 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

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 March 5, 2015, 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,	\$ 35,000
Collections during year	<20,250>
New pledges during year	<u>-</u>
Less, allowance for uncollectibles	<u>-</u>
Pledges receivable, December 31	<u>\$ 14,750</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2014 consists of the following:

Office equipment	\$ 57,158
Computer software	20,859
Furniture and fixtures	<u>16,180</u>
Less: accumulated depreciation	<u>(92,002)</u>
Net property and equipment	<u>\$ 2,195</u>

OUR HOUSE, INC.
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 purpose:

Camp Erin	\$ 14,750
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NOTE 6 - DESIGNATION OF UNRESTRICTED NET ASSETS

The Board of Directors has established reserve funds totaling \$1,550,000. Of that amount, \$1,250,000 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 relocation of the Los Angeles office in 2016.

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, 2013 are as follows:

2015	\$ 181,546
2016	154,761
2017	<u>15,333</u>
TOTAL	<u>\$ 351,640</u>

Rent expense for the year ended December 31, 2014 amounted to \$171,065.

NOTE 9 - EMPLOYEE SAVINGS PLAN

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

SUPPLEMENTAL INFORMATION

OUR HOUSE, INC.
SUPPLEMENTAL INFORMATION - SCHEDULE OF PROGRAM EXPENSES BY PROGRAM
For the Year Ended December 31, 2014

	In-House Children's Program	Children's School Program	Camp Erin	Adult Program	Satellite Program	Training and Education Programs	Total
Salaries	108,496	114,602	102,575	249,855	77,030	6,686	659,244
Payroll tax expense	9,203	9,986	8,639	21,912	6,638	629	57,007
Employee benefits	12,433	6,525	11,189	12,964	7,241	1,105	51,457
Advertising and marketing	4,983	5,300	7,433	5,010	26,441	4,715	53,882
Dues and subscriptions	116	116	117	428	48	-	825
Equipment rental	483	539	344	316	344	344	2,370
Insurance	2,585	2,585	2,585	6,190	2,050	-	15,995
Mileage and parking	496	3,158	491	865	1,083	78	6,171
Miscellaneous	1,232	1,450	1,361	994	1,538	1,327	7,902
Occupancy	25,166	25,139	25,166	25,166	20,413	25,212	146,262
Office supplies	1,950	1,685	1,577	1,560	1,797	1,488	10,057
Professional services	3,577	2,004	1,988	4,297	2,017	2,017	15,900
Postage and delivery	679	673	673	673	673	673	4,044
Printing and reproduction	1,261	1,261	1,261	1,650	1,705	1,261	8,399
Program activity supplies	3,360	4,634	44,325	2,711	-	1,466	56,496
Repairs and maintenance	447	245	231	245	240	245	1,653
Staff training and development	1,020	879	1,021	849	573	-	4,342
Tax, licenses and permits	-	-	-	-	-	374	374
Telephone	2,239	2,414	1,866	2,082	2,410	2,095	13,106
Translation services	-	-	-	-	6,701	-	6,701
Contributed services	64,298	68,932	144,185	183,180	9,627	-	470,222
Volunteer training expenses	1,786	2,119	5,272	2,325	1,294	-	12,796
Website expenses	511	511	511	511	2,043	511	4,598
TOTAL	<u>246,321</u>	<u>254,757</u>	<u>362,810</u>	<u>523,783</u>	<u>171,906</u>	<u>50,226</u>	<u>1,609,803</u>

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