

OUR HOUSE GRIEF SUPPORT CENTER

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For The Year Ended December 31, 2016

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, 2016 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, 2016 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.

A handwritten signature in black ink that reads "Avery & Greig". The script is cursive and fluid, with the ampersand clearly visible.

Avery & Greig, LLP

Santa Monica, California
March 30, 2017

OUR HOUSE GRIEF SUPPORT CENTER, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2016

ASSETS

CURRENT ASSETS

Cash and equivalents	\$ 2,883,037
Investments	214,490
Accounts receivable	10,256
Pledges receivable	5,000
Prepaid expenses	7,309
Other receivables	13,194
Total Current Assets	<u>3,133,286</u>

PROPERTY AND EQUIPMENT - net	51,427
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OTHER ASSETS

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

TOTAL ASSETS	<u><u>\$ 3,201,467</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 12,857
Accrued expenses	47,649
Total Current Liabilities	<u>60,506</u>

NET ASSETS

Unrestricted	
Designated for reserve operating fund	1,800,000
Designated for expansion	100,000
Undesignated	1,035,961
Total Unrestricted Net Assets	<u>2,935,961</u>

Temporarily Restricted	<u>205,000</u>
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TOTAL NET ASSETS	<u>3,140,961</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,201,467</u></u>
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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, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Support - community gifts and grants	\$ 1,043,450	\$ 205,000	\$ 1,248,450
Special events, net of direct expenses of \$98,844	448,826	-	448,826
Contributed services	515,441	-	515,441
Program receipts	209,691	-	209,691
Interest and dividends	1,216	-	1,216
Realized gains on investments	174	-	174
Unrealized losses on investments	(91,838)	-	(91,838)
Net assets released from restrictions	<u>137,250</u>	<u>(137,250)</u>	<u>-</u>
TOTAL	2,264,210	67,750	2,331,960
OPERATING EXPENSES:			
Program services	2,066,300	-	2,066,300
Fundraising	276,276	-	276,276
Management and general	<u>138,284</u>	<u>-</u>	<u>138,284</u>
TOTAL	2,480,860	-	2,480,860
Increase/(decrease) in net assets	<u>(216,650)</u>	<u>67,750</u>	<u>(148,900)</u>
NET ASSETS:			
Beginning of year	<u>3,152,611</u>	<u>137,250</u>	<u>3,289,861</u>
End of year	<u>\$ 2,935,961</u>	<u>\$ 205,000</u>	<u>\$ 3,140,961</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, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (148,900)
Adjustment necessary to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4,648
Realized gains on investments	(174)
Unrealized losses on investments	91,838
<INCREASE>/DECREASE IN:	
Accounts receivable	(1,306)
Pledges receivable	2,250
Other receivables	(13,194)
Prepaid expenses	(1,476)
INCREASE/<DECREASE> IN:	
Accounts payable	(597)
Accrued expenses	<u>11,504</u>
NET CASH <USED IN> OPERATING ACTIVITIES	<u>(55,407)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of fixed assets	<u>(54,241)</u>
NET CASH <USED IN> INVESTING ACTIVITIES	<u>(54,241)</u>
Net <decrease> in cash for the year	(109,648)
CASH, BEGINNING OF THE YEAR	<u>2,992,685</u>
CASH, END OF THE YEAR	<u><u>\$ 2,883,037</u></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, 2016

	Program Services	Fundraising	General and Administrative	Total
Salaries	\$ 925,689	\$ 192,504	\$ 15,232	\$ 1,133,425
Payroll tax expense	79,292	13,885	1,967	95,144
Employee benefits	78,747	12,977	1,683	93,407
Advertising and marketing	55,464	5,139	-	60,603
Bank charges	-	-	21,127	21,127
Depreciation and amortization	-	-	4,648	4,648
Donor expenses	-	5,948	-	5,948
Dues and subscriptions	2,295	-	-	2,295
Equipment rental	4,703	-	-	4,703
Insurance	17,164	2,281	3,964	23,409
Mileage and parking	7,378	55	-	7,433
Miscellaneous	5,751	243	2,068	8,062
Occupancy	198,042	31,405	14,737	244,184
Office supplies	10,157	2,321	237	12,715
Professional services	17,915	3,333	65,940	87,188
Payroll processing fees	-	-	1,977	1,977
Postage and delivery	3,949	674	-	4,623
Printing and reproduction	6,573	947	-	7,520
Program activity supplies	85,982	-	-	85,982
Repairs and maintenance	3,237	-	-	3,237
Staff training and development	10,993	1,450	-	12,443
Strategic planning	4,168	-	-	4,168
Tax, license and permits	1,020	-	2,328	3,348
Telephone	13,649	2,243	2,376	18,268
Contributed services	515,441	-	-	515,441
Volunteer training expenses	11,336	-	-	11,336
Website expenses	7,355	871	-	8,226
Total	<u>\$ 2,066,300</u>	<u>\$ 276,276</u>	<u>\$ 138,284</u>	<u>\$ 2,480,860</u>
Percentage of total expenses	83.3%	11.1%	5.6%	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 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, on-site grief intervention for businesses and the community, grief support resources and referrals. Additionally, the Organization runs Camp Erin-LA, a grief camp held two weekends every summer for grieving children.

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. A functional expense disclosure is included on page 6 of this report to disclose 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.

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 sessions. 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, 2016. 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, 2016. 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 security.

	Fair Market Value
Governmental agency mutual fund	\$ 18,022
Equity security	196,468
Total	<u>\$ 214,490</u>

The fair value measurements authoritative literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, level 2 inputs consist of observable inputs other than quoted prices for identical assets, and level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Only Level 1 inputs were used to measure the values at December 31, 2016.

The fair values of the governmental agency mutual fund and equity security are based on quoted market prices.

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. Due to a request by the donor, the Organization has not yet been able to liquidate the equity security.

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, 2016, the value of contributed services included in revenues and expenses in the accompanying financial statements amounted to \$515,441. This amount consists of skilled support group leaders and skilled Camp Erin volunteers of \$382,320 and \$133,121, respectively.

OUR HOUSE GRIEF SUPPORT CENTER
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services - continued

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.

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 30, 2017, the date at which the financial statements were available to be issued.

OUR HOUSE GRIEF SUPPORT CENTER
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - PLEDGES RECEIVABLE

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

Pledges receivable, January 1,	\$ 7,250
Collections during year	<7,250>
New pledges during year	<u>5,000</u>
Less, allowance for uncollectibles	<u>-</u>
Pledges receivable, December 31	<u>\$ 5,000</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2016 consists of the following:

Office equipment	\$ 67,010
Computer software	20,859
Furniture and fixtures	48,971
Leasehold improvements	<u>11,598</u>
Less: accumulated depreciation	<u>(97,012)</u>
Net property and equipment	<u>\$ 51,427</u>

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	\$ 5,000
Children's program	140,000
Medical education	50,000
Parents' Nights & Karsh Center	<u>10,000</u>
Total	<u>\$ 205,000</u>

OUR HOUSE GRIEF SUPPORT CENTER
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - DESIGNATION OF UNRESTRICTED NET ASSETS

The Board of Directors has established reserve funds totaling \$1,900,000. Of that amount, \$1,800,000 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 \$100,000 is reserved for an anticipated expansion 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, 2016 are as follows:

2017	\$ 178,431
2018	167,991
2019	173,031
2020	178,222
2021	<u>136,652</u>
Total	<u>\$ 834,327</u>

Rent expense for the year ended December 31, 2016 amounted to \$218,083.

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. The Organization made no contribution to the plan for the year ended December 31, 2016.

SUPPLEMENTAL INFORMATION

OUR HOUSE GRIEF SUPPORT CENTER, INC.
SUPPLEMENTAL INFORMATION - SCHEDULE OF PROGRAM EXPENSES BY PROGRAM
For the Year Ended December 31, 2016

	In-House Children's Program	Children's School Program	Camp Erin	Adult Program	Satellite Program	Training and Education Programs	Total
Salaries	125,625	131,411	158,282	329,557	156,253	24,561	925,689
Payroll tax expense	10,697	11,122	13,003	28,494	13,780	2,196	79,292
Employee benefits	13,424	13,801	14,398	23,860	10,538	2,726	78,747
Advertising and marketing	6,496	6,515	6,503	6,524	22,956	6,470	55,464
Dues and subscriptions	361	361	361	667	545	-	2,295
Equipment rental	938	938	935	1,284	608	-	4,703
Insurance	2,980	2,805	3,021	6,079	2,135	144	17,164
Mileage and parking	318	3,055	970	544	2,180	311	7,378
Miscellaneous	1,744	951	68	1,523	1,465	-	5,751
Occupancy	32,332	14,745	31,565	66,033	38,610	14,757	198,042
Office supplies	1,345	1,222	3,117	2,293	2,180	-	10,157
Professional services	3,333	3,333	3,333	3,333	3,333	1,250	17,915
Postage and delivery	653	666	661	654	661	654	3,949
Printing and reproduction	1,082	1,076	1,157	1,076	1,076	1,106	6,573
Program activity supplies	8,021	9,117	53,978	5,152	7,993	1,721	85,982
Repairs and maintenance	588	752	552	628	717	-	3,237
Staff training and development	2,543	1,676	1,979	3,025	1,475	295	10,993
Strategic planning	1,042	1,042	-	1,042	1,042	-	4,168
Tax, license and permits	260	-	-	260	500	-	1,020
Telephone	2,243	2,243	2,268	2,243	2,409	2,243	13,649
Contributed services	91,082	77,638	133,121	206,289	7,311	-	515,441
Volunteer training expenses	1,861	2,590	2,513	2,908	1,464	-	11,336
Website expenses	835	835	835	835	3,214	801	7,355
TOTAL	309,803	287,894	432,620	694,303	282,445	59,235	2,066,300

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