

OUR HOUSE GRIEF SUPPORT CENTER

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For The Year Ended December 31, 2017

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, 2017 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, 2017 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 signature is written in a cursive, flowing style.

Avery & Greig, LLP

Santa Monica, California
May 3, 2018

OUR HOUSE GRIEF SUPPORT CENTER, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2017

ASSETS

CURRENT ASSETS

Cash and equivalents	\$	2,219,316
Investments		467,184
Accounts receivable		1,858
Receivable - Our House Orange County		13,182
Prepaid expenses		22,713
Total Current Assets		2,724,253

PROPERTY AND EQUIPMENT - net		84,362
------------------------------	--	--------

OTHER ASSETS

Deposits		16,754
Total Other Assets		16,754

TOTAL ASSETS	\$	2,825,369
--------------	----	-----------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	15,822
Accrued expenses		52,151
Total Current Liabilities		67,973

NET ASSETS

Unrestricted		
Designated for reserve operating fund		1,670,000
Designated for expansion		50,000
Undesignated		848,996
Total Unrestricted Net Assets		2,568,996

Temporarily Restricted		188,400
------------------------	--	---------

TOTAL NET ASSETS		2,757,396
------------------	--	-----------

TOTAL LIABILITIES AND NET ASSETS	\$	2,825,369
----------------------------------	----	-----------

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, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Support - community gifts and grants	\$ 930,230	\$ 188,400	\$ 1,118,630
Special events, net of direct expenses of \$107,572	604,055	-	604,055
Contributed services	616,323	-	616,323
Program receipts	168,491	-	168,491
Interest and dividends	6,419	-	6,419
Realized losses on investments	(155,967)	-	(155,967)
Unrealized losses on investments	(2,356)	-	(2,356)
Net assets released from restrictions	205,000	(205,000)	-
TOTAL	2,372,195	(16,600)	2,355,595
OPERATING EXPENSES:			
Program services	2,299,087	-	2,299,087
Fundraising	279,239	-	279,239
Management and general	160,834	-	160,834
TOTAL	2,739,160	-	2,739,160
Increase/(decrease) in net assets	<u>(366,965)</u>	<u>(16,600)</u>	<u>(383,565)</u>
NET ASSETS:			
Beginning of year	<u>2,935,961</u>	<u>205,000</u>	<u>3,140,961</u>
End of year	<u>\$ 2,568,996</u>	<u>\$ 188,400</u>	<u>\$ 2,757,396</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, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (383,565)
Adjustment necessary to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	9,909
Realized losses on investments	155,967
Unrealized losses on investments	2,356
<INCREASE>/DECREASE IN:	
Accounts receivable	8,398
Pledges receivable	5,000
Other receivables	12
Prepaid expenses	(15,404)
INCREASE/<DECREASE> IN:	
Accounts payable	2,964
Accrued expenses	<u>4,502</u>
NET CASH <USED IN> OPERATING ACTIVITIES	<u>(209,861)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(451,518)
Proceeds from sale of investments	40,501
Purchases of fixed assets	<u>(42,843)</u>
NET CASH <USED IN> INVESTING ACTIVITIES	<u>(453,860)</u>
Net <decrease> in cash for the year	(663,721)
CASH, BEGINNING OF THE YEAR	<u>2,883,037</u>
CASH, END OF THE YEAR	<u>\$ 2,219,316</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, 2017

	Program Services	Fundraising	General and Administrative	Total
Salaries	\$ 992,099	\$ 194,041	\$ 14,991	\$ 1,201,131
Payroll tax expense	77,285	15,596	1,270	94,151
Employee benefits	74,024	13,009	1,641	88,674
Advertising and marketing	58,397	6,744	-	65,141
Bank charges	-	-	34,151	34,151
Depreciation and amortization	-	-	9,909	9,909
Donor expenses	-	3,443	-	3,443
Dues and subscriptions	1,509	-	-	1,509
Equipment rental	5,090	-	-	5,090
Grants	50,000	-	-	50,000
Insurance	23,788	3,095	6,027	32,910
Mileage and parking	8,280	133	-	8,413
Miscellaneous	5,356	9	194	5,559
Occupancy	212,547	33,518	18,022	264,087
Professional services	26,810	3,635	70,713	101,158
Payroll processing fees	-	-	2,155	2,155
Postage and delivery	3,036	404	-	3,440
Printing and reproduction	4,794	807	-	5,601
Program activity supplies	89,051	-	-	89,051
Repairs and maintenance	1,185	-	-	1,185
Staff training and development	9,964	1,504	117	11,585
Tax, license and permits	-	-	150	150
Telephone	8,001	1,362	1,494	10,857
Contributed services	616,323	-	-	616,323
Volunteer training expenses	15,443	-	-	15,443
Website expenses	16,105	1,939	-	18,044
Total	<u>\$ 2,299,087</u>	<u>\$ 279,239</u>	<u>\$ 160,834</u>	<u>\$ 2,739,160</u>
Percentage of total expenses	83.9%	10.2%	5.9%	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 and some fees for services.

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. The Organization runs Camp Erin-LA, a grief camp held two weekends every summer for grieving children. As part of its desire to expand grief support to communities with few grief resources, the Organization also supports a startup of Our House Grief Support Center Orange County.

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.

OUR HOUSE GRIEF SUPPORT CENTER
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 amounts for grief education. 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, 2017. 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. There were no outstanding pledges at December 31, 2017.

OUR HOUSE GRIEF SUPPORT CENTER
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2017.

The fair values of the governmental agency mutual fund and certificates of deposit 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.

Investments

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

	Fair Market Value
Governmental agency mutual fund	\$ 18,358
Certificates of deposit	448,826
Total	<u>\$ 467,184</u>

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, 2017, the value of contributed services included in revenues and expenses in the accompanying financial statements amounted to \$616,323. This amount consists of skilled support group leaders and skilled Camp Erin volunteers of \$435,132 and \$181,191, 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 May 3, 2018, 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,	\$ 5,000
Collections during year	<5,000>
New pledges during year	<u>-</u>
Less, allowance for uncollectibles	<u>-</u>
Pledges receivable, December 31	<u><u>\$ -</u></u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2017 consists of the following:

Office equipment	\$ 108,821
Computer software	20,859
Furniture and fixtures	49,331
Leasehold improvements	<u>12,272</u>
Less: accumulated depreciation	<u>(106,921)</u>
Net property and equipment	<u><u>\$ 84,362</u></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:

Children's program	\$ 128,400
School program	<u>60,000</u>
Total	<u><u>\$ 188,400</u></u>

NOTE 6 - DESIGNATION OF UNRESTRICTED NET ASSETS

The Board of Directors has established reserve funds totaling \$1,670,000 to cover seven 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 \$50,000 is reserved for an anticipated expansion of the West Los Angeles location in 2019.

OUR HOUSE GRIEF SUPPORT CENTER
NOTES TO FINANCIAL STATEMENTS

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, 2017 are as follows:

2018	\$ 222,087
2019	228,750
2020	201,889
2021	<u>136,652</u>
Total	<u>\$ 789,378</u>

Rent expense for the year ended December 31, 2017 amounted to \$239,301.

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, 2017.

SUPPLEMENTAL INFORMATION

OUR HOUSE GRIEF SUPPORT CENTER, INC.
SUPPLEMENTAL INFORMATION - SCHEDULE OF PROGRAM EXPENSES BY PROGRAM
For the Year Ended December 31, 2017

	In-House Children's Program	Children's School Program	Camp Erin	Adult Program	Satellite Program	Training and Education Programs	Orange County	Total
Salaries	127,586	149,756	145,893	373,980	165,906	28,978	-	992,099
Payroll tax expense	12,724	11,995	9,999	25,707	14,575	2,285	-	77,285
Employee benefits	12,428	12,759	13,305	21,577	11,221	2,734	-	74,024
Advertising and marketing	6,686	5,421	6,813	7,961	24,846	6,670	-	58,397
Dues and subscriptions	228	228	228	502	323	-	-	1,509
Equipment rental	940	885	1,079	1,403	783	-	-	5,090
Grants	-	-	-	-	-	-	50,000	50,000
Insurance	4,160	3,902	4,073	8,558	2,923	172	-	23,788
Mileage and parking	341	3,448	731	783	2,517	460	-	8,280
Miscellaneous	528	571	629	2,384	1,244	-	-	5,356
Occupancy	34,725	15,888	33,948	70,836	41,299	15,851	-	212,547
Professional services	5,362	5,362	5,362	5,362	5,362	-	-	26,810
Postage and delivery	451	404	927	446	404	404	-	3,036
Printing and reproduction	807	807	807	807	772	794	-	4,794
Program activity supplies	2,955	7,348	67,888	4,618	3,592	2,650	-	89,051
Repairs and maintenance	237	237	237	237	237	-	-	1,185
Staff training and development	980	1,328	1,424	3,762	1,286	1,184	-	9,964
Telephone	1,310	1,285	1,375	1,388	1,255	1,388	-	8,001
Contributed services	125,452	91,157	181,191	189,971	28,552	-	-	616,323
Volunteer training expenses	2,074	3,131	5,580	3,616	1,042	-	-	15,443
Website expenses	1,939	1,939	1,939	1,939	6,410	1,939	-	16,105
TOTAL	<u>341,913</u>	<u>317,851</u>	<u>483,428</u>	<u>725,837</u>	<u>314,549</u>	<u>65,509</u>	<u>50,000</u>	<u>2,299,087</u>

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