OUR HOUSE, INC.

AUDITED FINANCIAL STATEMENTS
Together with
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2014 AND 2013

OUR HOUSE, INC.

AUDIT REPORT

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CRISP | LONG
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

November 4, 2014

INDEPENDENT AUDITOR'S REPORT

To the Management
and Board of Directors of
Our House, Inc.

We have audited the accompanying financial statements of Our House, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditor's 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 from 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 purpose 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis -of- Matter

As described in Note 14, effective July 1, 2014, the Organization merged with another Georgia nonprofit organization with a similar mission. Our House, Inc. is the surviving entity after the merger. Our opinion is not modified with respect to this matter.

Crisp, Long & Associates, LLC
Certified Public Accountants

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OUR HOUSE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2014 AND 2013

ASSETS	2014	2013
Current Assets:		
Cash and cash equivalents	$ 2,013,215	$ 620,376
Investments	335,019	224,722
Grant funds receivable	85,724	22,471
Contributions receivable - net	209,400	94,407
Other receivables	6,490	1,931
Prepaid expenses	11,391	19,039
Total Current Assets	2,661,239	982,946
Property and equipment - net	1,159,707	1,215,471
Other Assets:		
Investments restricted for endowment purposes	425,000	350,000
Total Other Assets	425,000	350,000
TOTAL ASSETS	$ 4,245,946	$ 2,548,417

LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 16,454	$ 18,039
Accrued payroll	47,287	32,581
Refundable advances	4,529	-
Total Liabilities	68,270	50,620
Net Assets		
Unrestricted		
Board designated	160,699	160,699
Undesignated	1,807,368	1,826,950
Temporarily restricted	1,784,609	160,148
Permanently restricted	425,000	350,000
Total Net Assets	4,177,676	2,497,797
TOTAL LIABILITIES AND NET ASSETS	$ 4,245,946	$ 2,548,417

See accompanying notes which are an integral part of these financial statements

OUR HOUSE, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

REVENUE, GAINS, AND OTHER SUPPORT	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions	$ 786,626	$ 1,622,752	$ 75,000	$ 2,484,378
Government grants	499,024	-	-	499,024
Daycare services	27,899	-	-	27,899
Special events (net of costs of direct benefit to donors of $43,238)	122,462	-	-	122,462
Investment return	24,196	79,446	-	103,642
Other income	1,238	-	-	1,238
Net assets released from restrictions:				
Satisfaction of program restrictions	77,737	(77,737)	-	-
Total Revenues, Gains and Other Support	1,539,182	1,624,461	75,000	3,238,643
EXPENSES				
Operating Expenses				
Program services	1,081,093	-	-	1,081,093
Supporting services			-	
Management and general	98,583	-	-	98,583
Fundraising	251,513	-	-	251,513
Total Operating Expenses	1,431,189	-	-	1,431,189
Change in Net Assets from Operating Activities	107,993	1,624,461	75,000	1,807,454
Non-operating Expenses				
Costs related to merger	127,575	-	-	127,575
Change in Net Assets	(19,582)	1,624,461	75,000	1,679,879
NET ASSETS AT BEGINNING OF YEAR	1,987,649	160,148	350,000	2,497,797
NET ASSETS AT END OF YEAR	$ 1,968,067	$ 1,784,609	$ 425,000	$ 4,177,676

See accompanying notes which are an integral part of these financial statements

OUR HOUSE, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

REVENUE, GAINS, AND OTHER SUPPORT	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions	$ 738,963	$ 100,054	$ -	$ 839,017
Government grants	491,929	-	-	491,929
Daycare services	3,764	-	-	3,764
Special events (net of costs of direct benefit to donors of $42,497)	75,573	-	-	75,573
Investment return	14,488	47,355	-	61,843
Net assets released from restrictions:				
Satisfaction of program restrictions	108,799	(108,799)	-	-
Total Revenues, Gains and Other Support	1,433,516	38,610	-	1,472,126
EXPENSES				
Program services	1,044,445	-	-	1,044,445
Supporting services				
Management and general	124,106	-	-	124,106
Fundraising	153,306	-	-	153,306
Total Expenses	1,321,857	-	-	1,321,857
Change in Net Assets	111,659	38,610	-	150,269
NET ASSETS AT BEGINNING OF YEAR	1,875,990	121,538	350,000	2,347,528
NET ASSETS AT END OF YEAR	$ 1,987,649	$ 160,148	$ 350,000	$ 2,497,797

See accompanying notes which are an integral part of these financial statements

OUR HOUSE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	Program Services		Supporting Services: Management and General		Supporting Services: Fundraising		Total Expenses	
	2014	2013	2014	2013	2014	2013	2014	2013
Salaries	$ 577,309	$ 587,900	$ 42,318	$ 48,394	$ 188,903	$ 101,304	$ 808,530	$ 737,598
Parent Intern Stipends	80,007	49,973	-	-	-	-	80,007	49,973
Fringe Benefits	114,734	119,273	8,103	9,561	36,172	20,080	159,009	148,914
Total	772,050	757,146	50,421	57,955	225,075	121,384	1,047,546	936,485
Accounting	-	-	25,687	24,070	-	-	25,687	24,070
Contract Labor	21,753	43,910	1,715	13,210	-	2,600	23,468	59,720
Supplies	66,099	47,342	1,684	7,473	5,144	4,119	72,927	58,934
Telephone	3,379	3,608	220	298	981	625	4,580	4,531
Postage	1,171	1,694	224	282	1,398	2,622	2,793	4,598
Depreciation	49,836	39,378	5,676	5,948	1,746	1,830	57,258	47,156
Staff Training	14,931	13,737	185	90	443	98	15,559	13,925
Food Costs	47,697	47,717	-	-	-	-	47,697	47,717
Repairs and Maintenance	13,646	17,723	1,973	2,652	607	816	16,226	21,191
Occupancy	38,881	43,034	3,397	5,704	3,547	3,822	45,825	52,560
Printing	1,094	1,927	66	576	4,185	6,793	5,345	9,296
Insurance	10,674	11,641	3,028	3,115	514	541	14,216	15,297
Travel	4,193	1,911	76	97	286	577	4,555	2,585
Transportation	2,549	2,485	-	-	-	-	2,549	2,485
Other	33,140	11,192	4,231	2,636	7,587	7,479	44,958	21,307
TOTAL EXPENSES	$ 1,081,093	$ 1,044,445	$ 98,583	$ 124,106	$ 251,513	$ 153,306	$ 1,431,189	$ 1,321,857

See accompanying notes which are an integral part of these financial statements

OUR HOUSE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014 AND 2013

	2014	2013
Change in Net Assets	$ 1,679,879	$ 150,269
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (used) by Operating Activities:		
Depreciation	57,258	47,156
Provision for uncollectble promises to give	2,813	-
Realized (gain) loss on investments	85	(76)
Unrealized (Gain) loss investments	(73,903)	(46,624)
Donations of stock	(10,850)	(4,615)
Costs related to merger	127,575	-
Contrbutions restricted for endowment	(75,000)	-
(Increase) decrease in operating assets:		
Grant funds receivable	(63,253)	18,576
Contributions receivable	(117,806)	(59,601)
Other receivables	(4,559)	(298)
Prepaid expenses	7,648	1,762
Increase (decrease) in operating liabilities		
Accounts payable	(1,585)	9,242
Accrued payroll	14,706	351
Grant funds received in advance	4,529	(2,906)
Net Cash Provided by Operating Activities	1,547,537	113,236
Cash Flows from Investing Activities		
Costs related to merger	(127,575)	-
Purchase of property and equipment	(1,494)	(57,638)
Proceeds from sales of investments	69,375	4,263
Purchase of investments	(95,004)	(13,733)
Net Cash (Used) by Investing Activities	(154,698)	(67,108)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,392,839	46,128
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	620,376	574,248
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,013,215	$ 620,376

See accompanying notes which are an integral part of these financial statements

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Our House, Inc. is a private, nonprofit day shelter for homeless children in DeKalb County, Georgia. Its purpose is to provide a safe environment for homeless children and to assist homeless parents in obtaining employment and affordable housing. The Organization is financed primarily by federal and state grants and private donations. Government grants comprise approximately 15% of revenue for the year ended June 30, 2014.

Financial Statement Presentation

Our House, Inc. presents its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles, under which the Organization reports information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

Estimates

Preparation of financial statements in accordance 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.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Promises to Give and Contributions

Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. All contributions are considered to be available for unrestricted use unless restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the support is recognized.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Assets and Services

Contributions of marketable securities and other non-cash items and donated use of facilities are recorded at their fair market values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Grant Revenue

The Organization receives its grant revenue from federal, state, and local government agencies. Federal, state and local government grants are considered to be exchange transactions. Our House, Inc. recognizes grant revenue to the extent of related expenses incurred in compliance with the grant provisions. Grant funds received which are unexpended at year end are reported on the statement of financial position as grant funds received in advance.

Property and Equipment

Property and equipment are stated at cost. Depreciation of property is computed on a straight-line basis over the estimated service lives of the assets. The following lives have been assigned to the capitalized assets:

Vehicles	5 years
Leasehold Improvements	5-32 years
Playground Equipment	10 years
Furniture and Equipment	5-7 years

Donations of fixed assets are recorded as support at their estimated fair market value. Such donations are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions regarding their use and contributions of cash that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long the long-lived assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired long-lived assets are acquired or placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. The Organization's policy is to capitalize property and equipment acquisitions over $5,000.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax-Exempt Status

Our House, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements. Our House, Inc. is not classified as a private foundation.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2014 and 2013.

Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal, or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used in the methodology to measure fair value:

- **Level 1** – quoted prices (unadjusted) in active markets that are accessible at the measurement date for the assets or liabilities;
- **Level 2** – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and
- **Level 3** – unobservable inputs are used when little or no market data is available

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Organization has the following financial instruments to which it had to consider fair values and had to make fair value assessments:

- Investments in common stock and mutual funds for which the fair values are measured as a level 1 instrument.

Subsequent Events Date of Review

Management has evaluated subsequent events through November 4, 2014, which was the date the financial statements were available to be issued. As further discussed in Note 14, effective July 1, 2014 Our House, Inc. merged with another Georgia nonprofit organization with a similar mission.

Note 2 - INVESTMENTS

Investments consisted of the following as of June 30, 2014 and 2013:

	2014	2013
Money Market Funds	$ 390,518	$ 18,026
Certificates of Deposit	1,195,069	179,845
Corporate Common Stock Mutual Funds	760,019	574,722
	$ 2,345,606	$ 772,593
Less amount classified as cash and cash equivalents	1,585,587	197,871
Total Investments	$ 760,019	$ 574,722
Classified on statement of financial position:		
Current	335,019	224,722
Non-Current	425,000	350,000
Total	$ 760,019	$ 574,722
Investment return is summarized as follows:		
Interest and dividends	$ 29,824	$ 15,143
Realized gains (losses) on investments	(85)	76
Net unrealized gains (losses) on investments	73,903	46,624
Total	$ 103,642	$ 61,843

Investment return is reported net of investment fees of $5,641 for the year ended June 30, 2014 and $4,701 for the year ended June 30, 2013.

Note 3 - GRANT FUNDS RECEIVABLE

Grant funds receivable consists of the following as of June 30, 2014 and 2013:

	2014	2013
Partnership for Community Action, Inc.	$ 31,758	$ 1,886
Fulton County	23,923	-
Georgia CAPS	147	-
DeKalb County - CDBG	4,612	2,689
DeKalb County	2,000	-
United Way of Metro Atlanta	-	1,388
Georgia Department of Community Affairs	3,979	10,574
U.S. Department of Housing and Urban Development	19,305	5,934
Total	$ 85,724	$ 22,471

Grant funds receivable are considered fully collectible and all due within one year.

Note 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable reported in the statements of financial position represent unconditional promises to give and are classified as follows for the years ended June 30, 2014 and 2013:

	2014	2013
Unrestricted	$ 79,013	$ 94,984
Temporarily restricted	133,200	-
Total	$ 212,213	$ 94,984
Receivable in less than one year	$ 212,213	$ 79,984
Receivable in one to five years	-	15,000
Total unconditional promises to give	212,213	94,984
Less discount to present value	-	(577)
Less allowance for uncollectible promises to give	(2,813)	-
	$ 209,400	$ 94,407

Unconditional promises to give receivable in more than one year are discounted at 4%.

Note 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2014 and 2013:

	2013	2012
Vehicles	$ 65,561	$ 65,561
Playground Equipment	51,387	49,893
Equipment & Furniture	22,787	22,787
Leasehold Improvements	1,376,312	1,376,312
	1,516,047	1,514,553
Accumulated Depreciation	356,340	299,082
	$ 1,159,707	$ 1,215,471
Depreciation Expense	$ 57,258	$ 47,156

Building renovations and improvements are reported in the financial statements as leasehold improvements because Our House, Inc. leases the building and land from a church. The lease expires in 2040.

Note 6 - NET ASSETS

Designation of Unrestricted Net Assets

The Board of Directors has chosen to designate unrestricted net assets for the following purposes as of June 30, 2014 and 2013:

	2014	2013
Designated for Endowment Purposes	$ 160,699	$ 160,699

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods as of June 30, 2014 and 2013:

	2014	2013
Family services	$ 5,747	$ 11,400
Merger Costs	1,237,463	-
Fee Assistance to Students	247,500	-
Teacher Salaries and Benefits	107,042	-
Unappropriated Endowment Earnings	156,717	97,271
Health Services	25,000	-
Early Childhood Education	-	26,781
Community Development	-	10,900
Scholarship Funds	5,140	5,140
Other Miscellaneous	-	298
Parent Interns	-	5,038
Vehicle	-	3,320
	$ 1,784,609	$ 160,148

Note 7 – DONATED FACILITIES, GOODS AND SERVICES

The Organization received donated services, non-cash items and donated use of facilities. Included as contributions in the financial statements and the corresponding program expenses for the years ended June 30, 2014, and 2013, are as follows:

	2014	2013
Contributed space	$ 11,500	$ 11,500
Contributed Services	28,000	-
Contributed goods	25,000	750
Contributed meals	34,000	34,000
	$ 98,500	$ 46,250

Note 8 – ENDOWMENT FUNDS AND PERMANENTLY RESTRICTED NET ASSETS

The Organization maintains 3 endowment funds which include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of Our House, Inc. has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Our House, Inc. classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the organization
(7) The investment policies of the organization

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return. The targeted annualized return objective is 3% plus inflation, net of all expenses. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Note 8 – ENDOWMENT FUNDS (Continued)

Endowments are to support the Organization's general operations. Endowment net asset composition by type of fund as of June 30, 2014 and 2013 is as follows:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 156,717	$ 425,000	$ 581,717
Board-designated endowment funds	160,699	-	-	160,699
	$ 160,699	$ 156,717	$ 425,000	$ 742,416

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 97,271	$ 350,000	$ 447,271
Board-designated endowment funds	160,699	-	-	160,699
	$ 160,699	$ 97,271	$ 350,000	$ 607,970

Changes in endowment net assets as of June 30, 2014 and 2013 are as follows:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	$ 160,699	$ 97,271	$ 350,000	$ 607,970
Contributions	-	-	75,000	75,000
Investment Return:				
Interest and dividends	-	21,222	-	21,222
Unrealized gains (losses)	-	58,224	-	58,224
Amount appropriated for expenditure	-	(20,000)	-	(20,000)
	$ 160,699	$ 156,717	$ 425,000	$ 742,416

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	$ 160,699	$ 49,917	$ 350,000	$ 560,616
Contributions	-	-	-	-
Investment Return:				
Interest and dividends	-	11,134	$ -	11,134
Unrealized gains (losses)	-	36,220	$ -	36,220
Amount appropriated for expenditure	-	-	-	-
	$ 160,699	$ 97,271	$ 350,000	$ 607,970

Note 8 – ENDOWMENT FUNDS (Continued)

Beneficial Interests

In 2008, the Organization received a permanent endowment in the amount of $100,000 from a donor for operational support. The endowment was paid directly to a community foundation to be held in perpetuity in the name of Our House, Inc. and administered by the community foundation. The Organization has a beneficial interest in those assets. Since the Community Foundation retains variance power, the beneficial interests are not recorded on the books of Our House, Inc.

The Organization will receive distributions from the fund based on a spending policy determined by the community foundation's Board of Directors. Distributions from the fund will be reported in the temporarily restricted net asset class. The restrictions will be released when the funds are appropriated for expenditure.

	2014	2013
Balance, beginning of year	$ 98,501	$ 97,293
Contribution	-	-
Investment return	15,433	9,915
Distributions	(4,500)	(8,707)
Balance, end of year	$ 109,434	$ 98,501

Note 9 -CONCENTRATION OF CREDIT RISK -DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains its cash deposits with various financial institutions. At times, the balances in these accounts may be in excess of federally insured limits established by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA). Cash and cash equivalents also include accounts at an investment brokerage company. Cash and cash equivalents at the brokerage company includes money market mutual funds, which are not insured by the FDIC, NCUA, or otherwise guaranteed by the U.S. Government. The Organization's cash and cash equivalents in excess of FDIC and NCUA coverage was approximately $390,518 and $18,026 at June 30, 2014 and 2013, respectively.

Note 10 - RETIREMENT PLAN

Our House, Inc. adopted a Savings Incentive Match Plan (SIMPLE) under Section 408(p) of the Internal Revenue Code. The plan covers all employees with at least $5,000 in total compensation for a calendar year. The plan began on July 1, 1999. The Organization matches employee contributions up to 3% of gross salaries. Employees may make contributions to the plan up to a maximum allowed by the Internal Revenue Code if they wish. Employer contributions to the plan for the years ended June 30, 2014 and 2013 were $6,484 and $6,275, respectively.

Note 12 – FAIR VALUE MEASUREMENTS

Fair values of assets and liabilities measured on a recurring basis at June 30, 2014 are as follows:

	2014			
	Fair Value	Level 1	Level 2	Level 3
Corporate Common Stock & Mutual Funds	$ 760,019	$ 760,019	$ -	$ -
	$ 760,019	$ 760,019	$ -	$ -

	2013			
	Fair Value	Level 1	Level 2	Level 3
Corporate Common Stock & Mutual Funds	$ 574,722	$ 574,722	$ -	$ -
	$ 574,722	$ 574,722	$ -	$ -

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Cash and receivables approximate fair value due to the short maturity of those balances. The Organization has no other assets or liabilities measured at fair value on a recurring basis.

Note 13 - COMMITMENTS AND CONTINGENCIES

Grant Commitments

Federal awards require the fulfillment of certain conditions as set forth in the contracts. Failure to fulfill the conditions could result in the return of funds to grantors. Although the return of funds is a possibility, the Board of Directors deems the contingency unlikely since, upon accepting the grants, the Organization has agreed to comply with the provisions thereof.

Facility Lease

Our House, Inc. leases facilities and land under a long-term lease expiring in 2040. The lease calls for rent in the amount of $1 per year. Management has estimated the value of the contributed space at $11,500. This amount has been recorded as an unrestricted contribution and program expense in the statement of activities.

Note 14 - SUBSEQUENT EVENT

In February 2014, Our House, Inc. entered into a merger agreement with Genesis Shelter, Inc., a Georgia nonprofit organization with a similar mission. In accordance with the agreement, Genesis Shelter, Inc. merged into Our House, Inc., the surviving entity, effective July 1, 2014. Our House, Inc. assumed all property, liabilities and obligations of Genesis Shelter, Inc. on the effective date. The transaction will be accounted for as an acquisition. Assets acquired and liabilities assumed are to be recorded at fair value.

The following summarizes the assets acquired and liabilities assumed at the July 1, 2014 acquisition date:

Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash	$ 216,329
Grants receivable	7,213
Other financial assets	3,378
Building and land (one-third interest)	983,333
Financial liabilities including accounts payable and accrued expenses	(40,378)
Restricted contributions assumed	(66,849)
Contribution received	$ 1,103,026

The building and land acquired represents Genesis Shelter, Inc.'s one-third interest in a building owned with the Community Foundation for Greater Atlanta, Inc. The remaining two-thirds is leased by Genesis Shelter, Inc. The lease agreement was entered into in December 2002 and provides for a lease term of 99 years with a lease payment of $1 per year.

No consideration was transferred by Our House, Inc. as part of the acquisition. The resulting contribution amount is due primarily to the transfer of the building and land to Our House, Inc. and the benefits that Our House, Inc. will be able to provide the constituents of Genesis Shelter, Inc.

Additional details and disclosures regarding the acquisition will be presented in the financial statements for the year ended June 30, 2015.

OUR HOUSE, INC.

SUPPLEMENTAL INFORMATION

JUNE 30, 2014

CRISP | LONG
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

November 4, 2014

INDEPENDENT AUDITOR'S
REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors of
Our House, Inc.

We have audited the financial statements of Our House, Inc. as of and for the year ended June 30, 2014, and have issued our report thereon dated November 4, 2014, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of state contractual assistance is presented for the 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.

Crisp, Long & Associates, LLC
Certified Public Accountants

1325 Satellite Blvd. NW, Suite 1504 – Suwanee, GA 30024
Phone: 678-327-4382 - Fax: 678-828-5910

OUR HOUSE, INC.

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE

FOR THE YEAR ENDED JUNE 30, 2014

Grantor/Program Name	CFDA No.	Contract Period	Grant Amount	Revenue Recognized 6/30/2014	Amount Due from State	Amount Due to State
State of Georgia Department of Early Care and Learning						
Georgia Pre-K	NA	7/1/13-6/30/14	$ 69,310	$ 61,409	$ -	$ -
Summer Transition Program	93.575	6/2/14-7/31/14	24,000	14,134	-	5,337
State of Georgia Department of Community Affairs						
Emergency Shelter Grant						
Contract #2013 HTF ES 13C138	NA	7/1/13-6/30/14	25,000	25,000	3,979	-
Total State Contractual Assistance				$ 100,543	$ 3,979	$ 5,337