

**OUR HOUSE, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**SEPTEMBER 30, 2019**

OUR HOUSE, INC.  
September 30, 2019

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**BROWN, EWING & CO.**  
P. A.  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Our House, Inc.  
Greenville, Mississippi

**Report on the Financial Statements**

We have audited the accompanying financial statements of Our House, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statement 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2021, on our consideration of Our House, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Our House, Inc.'s internal control over financial reporting and compliance.

  
Ridgeland, Mississippi  
July 12, 2021

OUR HOUSE, INC.  
Statement of Financial Position  
September 30, 2019

CURRENT ASSETS	
Grants receivable	\$ <u>7,777</u>
Total Current Assets	<u>7,777</u>
FIXED ASSETS	
Building and improvements	687,154
Furniture and equipment	251,959
Less: accumulated depreciation	<u>(554,401)</u>
Net Fixed Assets	<u>384,712</u>
TOTAL ASSETS	<u>\$ 392,489</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Bank overdraft	\$ 2,483
Accounts payable	97,917
Loan payable	5,700
Accrued payroll payable	8,269
Mortgage & note payable - current portion	<u>34,309</u>
Total Current Liabilities	<u>148,678</u>
Long-Term Liabilities	
Mortgage and note payable net of current portion (Note 8)	<u>282,336</u>
Total Long-Term Liabilities	<u>282,336</u>
Total Liabilities	<u>431,014</u>
NET ASSETS	
Without Donor Restrictions	<u>(38,525)</u>
Total Net Assets	<u>(38,525)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 392,489</u>

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

OUR HOUSE, INC.  
Statement of Activities  
September 30, 2019

	<u>Without Donor Restrictions</u>
SUPPORT AND REVENUE	
Support:	
Grants and contracts	\$ 373,947
City and county grants	24,000
Building rental	1,490
Contributions	15,342
Fee income	103,234
Interest income	9
Other income	<u>14,335</u>
Total Support and Revenue	<u>532,357</u>
EXPENSES	
Program Services	
Family preservation	<u>290,909</u>
Total Program Services	<u>290,909</u>
Supportive Services	
General and administrative	<u>242,975</u>
Total Supportive Services	<u>242,975</u>
TOTAL EXPENSES	<u>533,884</u>
Change in Net Assets	(1,527)
Net assets at beginning of year	96,691
Prior period adjustment	<u>(133,689)</u>
Net Assets at beginning of year, as restated	<u>(36,998)</u>
Net Assets at End of Period	<u>\$ (38,525)</u>

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

OUR HOUSE, INC.  
Statement of Functional Expenses  
For the Year Ended September 30, 2019

EXPENSES	<u>Family Preservation</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Personnel	\$ 183,110	183,110	81,165	\$ 264,275
Fringe benefits	34,505	34,505	35,928	70,433
Travel and conferences	34,414	34,414	1,828	36,242
Supplies	4,811	4,811	6,309	11,120
Utilities	8,690	8,690	2,143	10,833
Printing and duplicating	-	-	239	239
Telephone and postage	6,288	6,288	1,291	7,579
Legal and accounting	-	-	1,940	1,940
Professional and contractual	12,609	12,609	5,762	18,371
Insurance	5,067	5,067	14,960	20,027
Dues and subscriptions	-	-	405	405
Advertisement	1,416	1,416	-	1,416
Bank charges	-	-	1,106	1,106
Building maintenance and upkeep	-	-	15,847	15,847
Interest	-	-	51,369	51,369
Other	-	-	375	375
	<u>-</u>	<u>-</u>	<u>375</u>	<u>375</u>
Total expenses before depreciation	290,910	290,910	220,667	511,577
Depreciation	-	-	22,308	22,308
	<u>-</u>	<u>-</u>	<u>22,308</u>	<u>22,308</u>
TOTAL EXPENSES	<u>\$ 290,910</u>	<u>290,910</u>	<u>242,975</u>	<u>\$ 533,885</u>

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

OUR HOUSE, INC.  
Statement of Cash Flows  
September 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net asset	\$ (1,527)
Adjustment to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	22,308
Prior period adjustment	(133,689)
Change in operating assets and liabilities: (Increase) decrease in:	
Grants receivable	(5,176)
Deposits	500
Increase (decrease) in:	
Accounts payable	110,615
Accrued payroll taxes	(1,211)
Loan payable	(4,000)
Accrued payroll payable	4,913
Refundable advance	<u>(12,548)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(19,815)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Reclassification of property and equipment	<u>17,275</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>17,275</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Short term borrowings	2,474
Principal payments on notes payable	<u>(815)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>1,659</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(881)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>881</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ -</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Interest paid	<u>\$ 51,369</u>

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



OUR HOUSE, INC.  
Notes to the Financial Statements  
September 30, 2019

NOTE 1 - AGENCY'S HISTORY AND OPERATING STRUCTURE

Our House, Inc., was incorporated in February 1996. Our House, Inc., "New Birth For Violent Free Living", is a minority community base organization servicing nine counties, (Bolivar, Humphreys, Leflore, Sharkey, Sunflower, Washington, Grenada, Carroll, and Holmes).

Vision: A world free of interpersonal violence

Mission: To lead, empower and inspire change by eliminating domestic violence and sexual violence through intervention, prevention, prosecution, victim protection and sustainable restoration in rural communities; and, to enhance the lives of survivors of interpersonal violence by providing services that meet the psychological, spiritual and cultural needs of those we serve.

The goals of Our House, Inc. shall be, but not limited to the following:

- A. To establish and maintain emergency temporary housing in the form of shelters, volunteer homes, safe houses, second stage shelters, agency locations, private hotels and motels, and other appropriate housing; and, to otherwise offer assistance in the help and care of victims of domestic violence and rape;
- B. To provide and care for all persons maintained in temporary shelters, to provide peer support and other counseling services, to provide advocacy services, to coordinate court ordered treatment programs for abusers, to launch a program to aid victims of domestic violence & rape, and to provide a 24 hour crisis intervention telephone line; (however, it is not the purpose of Our House, Inc. to operate any of its shelters as an acute general hospital or long term care facility);
- C. To acquire, hold, manage, convey, lease, sell, dispose of, exchange, mortgage, pledge and receive by gift, devise, bequeath, or otherwise, all kinds of property, real or personal, to enter into contracts, to borrow money and incur indebtedness in order to accomplish its purpose, and to give security when necessary to achieve its purposes, and to do any and all things of any character and kind that may from time to time be necessary in the proper management and administration of the affairs of the corporation;
- D. To develop and maintain programs that target strengthening the "Family" structure. Examples of programs: STD/HIV/AIDS Prevention Programs, Alcohol, Tobacco, & Other Drugs (ATOD) Prevention, Abstinence Program, Teen Pregnancy Prevention Program, Afterschool Tutorial programs, and other programs as deem appropriate by the board;
- E. To initiate primary prevention through increased public awareness via special presentations, literature, and creative activities for youth and adults; and,
- F. To develop a faith - based Ministry of Helps that will provide services to both secular and religious leaders.

OUR HOUSE, INC.  
Notes to the Financial Statements  
September 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

- A. Basis of Accounting - The financial statements of Our House, Inc. are presented on the accrual basis of accounting.
- B. Basis of Presentation - The Organization is required to report 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.
- C. Cash and Cash Equivalents - For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.
- D. Donated Property and Equipment - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.
- E. Donated Services - No amounts have been reflected in the financial statements for donated materials. The Organization receives donated clothing and supplies from various corporations and individuals. The donated materials value is determined by the donor at the time the materials are contributed.
- F. Donated Materials - No amounts have been reflected in the financial statements for donated materials. The Organization received donated clothing and supplies from various corporations and individuals. The donated materials value is determined by the donor at the time the materials are contributed.
- G. Expense Allocation - The cost of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- H. Fund Accounting - The accounts of the Organization are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

OUR HOUSE, INC.  
Notes to the Financial Statements  
September 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

- I. Property and Equipment - Property and equipment are carried at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Acquisitions in excess of \$5000 are capitalized. Depreciation is computed on the straight line method over the estimated useful life of assets ranging from 5 to 40 years. All furniture and equipment purchased with grant funds, as well as the proceeds from the disposal of such furniture and equipment, are subject to a reversionary ownership interest on the part of the grantor agency.
- J. Restricted and Unrestricted Revenue and Support - Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.
- K. Employees' Annual Leave - Our House, Inc. does not charge annual leave earned by employees which has not been used by them at the end of a period to the period that the leave is earned.
- L. 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.
- M. Income Taxes - Our House, Inc. is a not-for-profit corporation, granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "code"); accordingly, no provision has been made for income taxes.

The Organization has analyzed its tax positions taken for filings with the Internal Revenue Service. It believes that its tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations, or cash flows. The Organization's federal and state income tax returns for 2016, 2017, and 2018 are subject to examination by federal, state, and local taxing authorities, generally for three years after they are filed.

NOTE 3 - FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents: the carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

OUR HOUSE, INC.  
Notes to the Financial Statements  
September 30, 2019

NOTE 3 - FINANCIAL INSTRUMENTS (CONTINUED)

The estimated fair values of the Organization's financial instruments, none of which are held for trading purposes, are as follows:

Financial Liabilities:	<u>Carrying Amount</u>	<u>Fair Value</u>
Mortgage and notes payable	\$ 316,645	\$ 316,645

NOTE 4 - CONCENTRATIONS OF CREDIT RISK ARISING FROM DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains its cash balances in two (2) financial institutions located in Greenville, Mississippi. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2019, the Organization did not have an uninsured cash balance.

NOTE 5 - PROPERTY AND EQUIPMENT

At September 30, 2019, property and equipment consisted of the following:

	<u>Total</u>
Building	\$ 687,154
Equipment	251,959
Less: Accumulated Depreciation	<u>(554,401)</u>
Total	<u>\$ 384,712</u>

Depreciation expense for the year ended September 30, 2019 was \$22,308.

NOTE 6 - SUMMARY OF FUNDING AND SUPPORT

Our House, Inc.'s operations are funded through grants and contracts from various sources. The grants and contracts for the current period are shown below.

<u>Grant/Contract Name</u>	<u>Funding Source</u>	<u>Amount</u>
Culturally Specific Interpersonal Violence Grant	U.S. Department of Justice	\$ 101,790
Sexual Assault Services Culturally Specific Grant	U. S. Department of Justice	74,194
Washington County Board of Supervisors	Washington County	15,000
City of Greenwood	City of Greenwood	9,000
United Way	United Way	18,525
Rural Sexual Assault and Domestic Violence Grant	U.S. Department of Justice	<u>179,438</u>
		<u>\$ 397,947</u>

OUR HOUSE, INC.  
Notes to the Financial Statements  
September 30, 2019

NOTE 7 - CONCENTRATION OF CONTRIBUTIONS OR GRANTS

Approximately 75% of the Organization's funding is provided by grants from the U.S. Department of Justice as both direct and pass through funding.

NOTE 8 - LONG-TERM NOTES PAYABLE

Long-Term Notes payable consist of the following at September 30, 2019:

4.95% Planter's Bank fixed note dated November 22, 2016, payable in monthly payments of \$4,124 which includes principal and interest; matures November 30, 2021, collateralized by real estate.	\$ 316,645
Less: Current portion	<u>(34,309)</u>
TOTAL LONG-TERM DEBT	<u>\$ 282,336</u>

Maturities of long-term debt are as follows:

	Planters Bank	Region's Bank	
	Principal	Interest	TOTAL
2020	\$ 34,309	15,181	\$ 49,490
2021	36,118	13,373	49,491
2022	<u>246,218</u>	<u>9,363</u>	<u>255,581</u>
Totals	<u>\$ 316,645</u>	<u>37,917</u>	<u>\$ 354,562</u>

NOTE 9 - LIQUIDITY AND AVAILABILITY

The organization receives significant grants restricted by grantors and considers grant funds restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The organization has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days operating expenses.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Accounts Receivable	\$ <u>7,777</u>
Total financial assets	<u>7,777</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,777</u>

OUR HOUSE, INC.  
Notes to the Financial Statements  
September 30, 2019

NOTE 10 - GRANT BALANCES AND GRANT CONDITIONS

The Organization has responsibility for expending grant funds in accordance with specified instructions from its funding sources. Any deficits resulting from over expenditures and/or questioned costs are the responsibility of the Organization.

Any unexpended grant funds at the end of the grant period may be refundable or carried over to the following period at the discretion of the funding sources.

Notwithstanding the audits by independent certified public accountants, all costs included in this report remain subject to audit by the agencies providing financial support within the limits of the Uniform Guidance. The determination as to whether costs will be allowable or unallowable under the grants will be made by representatives of the funding sources having authority to make and enforce contracts.

NOTE 11 - MANAGEMENT'S PLAN FOR CONTINUING OPERATIONS

The Organization has experienced operating losses and incurred negative cash flows from operating activities in the current year. As of September 30, 2019, the Organization has accumulated a deficit in net assets without donor restrictions of \$38,525. The Organization has taken measures to reduce its operating costs and is in the process of developing a strategic plan to increase fundraising efforts. In management's opinion, these actions will allow Our House, Inc. to generate sufficient cash flows to meet its program commitments for fiscal year 2020.

NOTE 12 - RELATED PARTY TRANSACTION

The Agency has a loan payable at September 30, 2019 to the Chief Executive Officer in the amount of \$5,700. The loan was made to assist Our House, Inc. in operations and in paying property taxes for their property at 1213 VFW Road, Greenville, MS. The loan bears interest at 1% per annum until paid in full.

NOTE 13 - PRIOR PERIOD ADJUSTMENT

Net assets at the beginning of fiscal year 2019 have been adjusted for the correction of fixed asset and liability balances. The reclassification has no effect on the results of the current year's activities; however, the cumulative effect decreases net assets by \$133,689.

NOTE 14 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 12, 2021, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.



**BROWN, EWING & CO.**  
P. A.  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of  
Our House, Inc.  
Greenville, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Our House, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 12, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Our House, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Our House, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Our House, Inc.'s internal control.

A *deficiency in internal control exists* when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Our House, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Ridgeland, Mississippi  
July 12, 2021