

**IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.**

REPORT ON THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

**(WITH COMPARATIVE TOTALS FOR 2013
AND SUPPLEMENTARY INFORMATION)**

**IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
YEAR ENDED JUNE 30, 2014**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Iris House: A Center for Women Living with HIV, Inc.
2348 Adam Clayton Powell Jr. Blvd.
New York, NY 10030

Report on the Financial Statement

We have audited the accompanying financial statements of Iris House: A Center for Women Living with HIV, Inc. (Iris House) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities 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 audit. 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 Iris House as of June 30, 2014, 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.

Report on Summarized Comparative Information

We have previously audited Iris House's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 18, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 15 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.

New York, New York
January 22, 2015

Jackson Friday CPA, LLC

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014
(With comparative figures for 2013)

ASSETS	2014	2013
<i>Current assets:</i>		
Cash and cash equivalents	\$ 302,766	\$ 536,726
Security deposits	95,168	95,773
Prepaid expenses	63,610	60,121
Contract and grant receivable (Note 5)	774,712	887,695
Medicaid/medicare receivable, net	442,292	-
Other receivable	209,355	183,252
<i>Total current assets</i>	1,887,903	1,763,567
<i>Fixed assets - Net: (Note 4)</i>		
Building	988,401	1,060,032
Building improvements	68,191	74,719
Vehicles	9,400	14,100
Furniture and equipment	21,933	35,390
<i>Total fixed assets</i>	1,087,925	1,184,241
TOTAL ASSETS	\$ 2,975,828	\$ 2,947,808
LIABILITIES AND NET ASSETS		
<i>Current liabilities:</i>		
Accounts payable and accrued expenses	\$ 170,372	\$ 193,876
Payroll taxes payable	1,971	1,435
Contract advances (Note 10)	20,878	25,288
Due to landlord - client	46,018	47,732
<i>Total current liabilities</i>	239,239	268,331
<i>Net assets:</i>		
Unrestricted	2,563,661	2,623,649
Temporarily restricted (Note 6)	172,928	55,828
<i>Total net assets</i>	2,736,589	2,679,477
TOTAL LIABILITIES AND NET ASSETS	\$ 2,975,828	\$ 2,947,808

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

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014
(With comparative totals for 2013)

SUPPORT AND REVENUE:	Unrestricted	Temporarily Restricted	Total	
			2014	2013
Corporations and foundations	\$ 159,392	\$ 211,000	\$ 370,392	\$ 231,953
Contract and grant revenue (Note 7)	4,312,695		4,312,695	4,953,950
Medicaid/medicare revenue	560,042		560,042	-
Other contributions	57,769		57,769	26,302
Donated services and supplies (Note 3)	111,914		111,914	66,093
Special events	29,957		29,957	8,804
Program fees	219,844		219,844	192,733
Interest income	73		73	75
Other income	8,184		8,184	37,971
<i>Net assets released from restrictions:</i>				
Satisfaction of program restrictions	93,900	(93,900)	-	-
TOTAL SUPPORT AND REVENUE	5,553,770	117,100	5,670,870	5,517,881
EXPENSES:				
<i>Program activities:</i>				
Food and Nutrition Program	417,971		417,971	354,769
Scatter Site Housing Program	2,150,801		2,150,801	2,148,841
Women Support Services	198,073		198,073	199,159
HIV Prevention Services	1,536,275		1,536,275	2,135,766
Other Programs	240,947		240,947	34,806
Total program expenses	4,544,067	-	4,544,067	4,873,341
<i>Support services:</i>				
General and administration	929,513		929,513	579,896
Fund-raising	140,178		140,178	121,906
TOTAL EXPENSES	5,613,758	-	5,613,758	5,575,143
<i>Change in net assets</i>	<i>(59,988)</i>	<i>117,100</i>	<i>57,112</i>	<i>(57,262)</i>
Net assets at beginning of the year	2,623,649	55,828	2,679,477	2,736,739
NET ASSETS AT END OF THE YEAR	\$ 2,563,661	\$ 172,928	\$ 2,736,589	\$ 2,679,477

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

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2014
(With comparative figures for 2013)

CASH FLOWS FROM OPERATING ACTIVITIES	2014	2013
<i>Cash flows from operating activities:</i>		
<i>Change in net assets</i>	\$ 57,112	\$ (57,262)
Items not requiring cash - Depreciation and amortization	96,316	98,000
Decrease/(Increases) in security deposits	605	(3,557)
(Increase)/Decrease in prepaid expenses	(3,489)	6,091
Increases in contract and grant receivable	112,983	(78,715)
Increases in medicaid/medicare receivable	(442,292)	-
Increases in other receivable	(26,103)	(29,063)
Increase/(Decrease) in accounts payable and accruals	(23,504)	95,845
(Decrease)/Increases in contract advances	(4,410)	(8,308)
Increases/(Decrease) in payroll taxes payable	536	(17,843)
Increase/(Decrease) in due to landlord - client	(1,714)	8,461
Net cash provided by operations	(233,960)	13,649
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to furniture and equipment	-	(15,326)
Net cash used by investment and financing activities	-	(15,326)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents	(233,960)	(1,677)
Cash and cash equivalents at beginning of the year	536,726	538,403
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	\$ 302,766	\$ 536,726

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

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 1. ORGANIZATION AND OPERATIONS

Iris House: A Center for Women Living with HIV, Inc. (Iris House) is a community based organization incorporated on September 28, 1992, under the laws of the State of New York and thereafter, exempt from taxes under Section 501 (c) (3) of the Internal Revenue Code. Its primary mission is to provide social services for women, men and their families infected and affected by HIV/AIDS in a supportive and respectful environment.

Iris House provides a holistic approach to social services for persons with HIV/AIDS by offering:

- Food and nutrition services including nutritional counseling, food pantry bags and meals
- Prevention education, prevention case management and behavioral interventions
- Intense and less-intense case management including client advocacy, escorts, referrals to care, legal assistance and child case management
- Housing through apartments in NYC with case management services
- Supportive services including psychological therapy, support groups and health education

These services are provided through three locations in East Harlem, Central Harlem and Central Jersey.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Iris House have been prepared on the accrual basis of accounting and conform to generally accepted accounting principles as applicable to nonprofit organizations. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor's restriction.

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Iris House reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

Iris House reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Contributions Receivable

Unconditional contributions receivable are recognized as revenues in the period the pledge is received. Contributions receivable represent amounts committed by donors that have not been received by the organization.

Cash and Cash Equivalents

Cash equivalents represent money market funds and short-term instruments with maturity at the date of purchase of three months or less and are carried at cost, which approximates market value.

Contract Revenues

Support received under contracts with government and private foundations is recorded as public support in the unrestricted fund when the related direct costs are incurred or purpose accomplished. Reimbursement of indirect costs relating to such contributions and contracts is recorded as public support in the current unrestricted funds. Grants and contracts receivable represent amounts due for expenditures incurred or purposes accomplished prior to year end.

Functional Allocation of Expenses

Expenses are charged to each program based on direct expenditures. However, certain indirect costs, primarily, administrative salaries and related general overhead expenses are allocated to various programs based on percentage of direct payroll hours.

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Liquidity Information

In order to provide information about liquidity, assets have been sequenced according to their convertibility to cash and liabilities according to their estimated maturity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. DONATED GOODS AND SERVICES

Volunteers from the community have donated a significant number of hours in assisting Iris House in achieving the goals of its various service programs. Some organizations have also donated food to Iris House. Both donated services and goods are recognized as revenues and expenses in the statement of activities at estimated fair value at the date the services and goods were donated. The value of certain professional time and food supplies contributed by organizations and foundations are reflected in the financial statements in 2014 and 2013, respectively as follows:

	<u>2014</u>	<u>2013</u>
Food and Program Supplies	<u>\$ 111,914</u>	<u>\$ 66,093</u>

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment acquired by specific grants for use by Iris House are considered to be owned by Iris House while used in the program or in future authorized programs. Property, furniture, fixtures and equipment are stated at cost. The organization follows the policy of capitalizing property and equipment purchases with a cost of \$2,500 or greater.

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 4. PROPERTY AND EQUIPMENT (CONT'D.)

Depreciation is provided on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings and Building Improvements	15-28
Vehicles, Furniture and Equipment	5

Fully depreciated assets are retained in the accounts until such assets are physically retired. Maintenance and repairs are charged to expenses as incurred.

Buildings and Building Improvements

Buildings and building improvements comprise of renovated building located at 2348 Adam Clayton Powell Jr. Boulevard, New York City that were acquired primarily through donation from the City of New York and currently occupied by Iris House. The property is recorded at full cost of renovation.

Below is the asset and depreciation cost summary:

	<u>Buildings</u>	<u>Building Improvements</u>	<u>Furniture & Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost:					
Balance, Beginning of Year	\$1,991,492	\$ 143,420	\$ 401,058	\$ 76,260	\$2,612,230
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total, End of Year	<u>1,991,492</u>	<u>143,420</u>	<u>401,058</u>	<u>76,260</u>	<u>2,612,230</u>
Accumulated Depreciation:					
Balance, Beginning of Year	931,460	68,701	365,668	62,160	1,427,989
Charge for the year	<u>71,632</u>	<u>6,528</u>	<u>13,457</u>	<u>4,700</u>	<u>96,316</u>
Total, End of Year	<u>1,003,091</u>	<u>75,229</u>	<u>379,125</u>	<u>66,860</u>	<u>1,524,305</u>
Net Properties & Equipment	<u>\$ 988,401</u>	<u>\$ 68,191</u>	<u>\$ 21,933</u>	<u>\$ 9,400</u>	<u>\$1,087,925</u>

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 5. CONTRACT AND GRANT RECEIVABLES

Contract and grant receivables at June 30, 2014 and 2013 respectively, represent primarily, uncollected billings for contract and grant services and consist of the following:

	<u>2014</u>	<u>2013</u>
Food and Nutrition Program (NYS AIDS Institute)	\$ 42,395	\$ 44,565
Harm Reduction Program (PHS)	32,546	56,374
New York City Council	14,450	24,900
NYC-Scatter Site Housing Program	460,847	398,609
Center for Disease Control	-	35,743
Women Support Services Program	45,425	55,194
Community of Color (PHS)	3,584	7,168
Capacity Building Initiative	7,174	43,297
Black Leadership Program	40,000	40,000
SAMHSA Grant Program	-	50,491
Social Network Testing (PHS)	9,175	8,490
Office of Women's Health	-	21,031
Women Seeking Women	44,202	45,646
New Jersey Department of Health	73,698	56,187
Love Your Life	1,216	-
Total	<u>\$ 774,712</u>	<u>\$ 887,695</u>

NOTE 6. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets consist of grant funds that are available for specific program purposes and are as follows:

	<u>2014</u>	<u>2013</u>
Community Prevention Programs	\$ 117,589	\$ 45,558
Food & Nutrition Program	<u>55,339</u>	<u>10,270</u>
Total	<u>\$ 172,928</u>	<u>\$ 55,828</u>

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 6. RESTRICTIONS ON NET ASSETS (CONT'D.)

Permanently Restricted Net Assets

Permanently restricted net assets consist of grant and funds that must be preserved in perpetuity to provide income for a restricted purpose.

Net Assets Released from Restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors or by passage of time.

Operating	<u>2014</u>	<u>2013</u>
Net assets released from restrictions	\$ <u>93,900</u>	\$ <u>114,933</u>

NOTE 7. CONTRACT REVENUE

Contract revenue primarily from governmental agencies consists of the following at June 30, 2014 and 2013, respectively:

	<u>2014</u>	<u>2013</u>
Food and Nutrition Services Program	\$ 242,492	\$ 185,732
Hunger Prevention and Nutrition Assistance	2,240	2,400
Condom Distribution Program (PHS)	-	58,831
NYC-Scatter Site Housing Program	2,217,797	2,215,914
Women Support Services Program (NYS AIDS Institute)	201,931	205,238
Harm Reduction Program (PHS)	252,304	390,558
NYC-DOHMH-Community of Color Program (PHS)	14,336	14,336
Legislative Grants	34,500	-
Co-Factors of HIV Transmission Program (PHS)	-	69,921
Capacity Building Initiative	296,350	312,077
New York City Council (PHS)	24,450	24,900
Black Leadership Grant Program	40,000	40,000
Center for Disease Control	308,675	335,113
SAMHSA Program	72,069	367,630
Office of Women's Health	21,305	135,121
Federal Emergency Food and Shelter Program	-	7,380
Social Network Testing (PHS)	74,029	98,926
Women Seeking Women (NYS AIDS Institute)	185,132	239,873
New Jersey Department of Health	250,000	250,000
Love Your Life Program	75,085	-
Total	<u>\$4,312,695</u>	<u>\$4,953,950</u>

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 8. PROGRAMS

Iris House's principal programs and their acronyms comprise of and are captioned according to funding sources as follows:

Department of Housing and Urban Development Housing Opportunities for Persons Living With AIDS

Passed through New York City Department of Human Resources Administration via HIV/AIDS Services Administration (HASA)

- Scattered Site Housing Program: Provide comprehensive services for housing placement, case management, maintenance support, substance abuse services, educational counseling (housing-enhancement) and administrative support to eligible homeless individuals living with HIV/AIDS who are clients of HASA and their families with children, intensive case management services, referrals to employment programs for training and job placement, and assistance in applying and securing financial entitlements.

NYS Department of Health and Mental Hygiene (NYSDOHMH) via AIDS Institute Component B: Nutrition Health Education and Food and Meal Services for Person Living With HIV/AIDS

- Food and Nutrition Services: Provide Nutrition Health Education through group workshops and providing individual Nutrition Health Education on an ongoing basis. Workshops include cooking classes, making healthier food choices, budgeting, lessons on how to prepare foods provided in the pantry and the importance of physical activity. Nutrition Health Education also includes visiting local green markets, screening food films and touring food-related museum exhibits. The program also provides nutrient dense pantry bags to clients and the community and offers hot meals 4 days a week. To support stress reduction, yoga classes are offered, (free of charge), on a biweekly basis to clients and members of the community.

Ryan White HIV/AIDS Treatment Extension Act of 2009

- Harm Reduction, Recovery Readiness, and Relapse Prevention Services (HR/RR/RP): Provide rapid testing to high risk individuals, training workshops and linkages to treatment adherence education, skills building and support services, and information on drug use and issues facing the Alcohol and Other Drug Abuse population (AOD) and referrals to care.

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 8. PROGRAMS (CONT'D.)

NYC DOHMH via Public Health Solutions (PHS)

- Community of Color Initiative: Provide prevention education services to the high risk population in the Central and East Harlem, workshops on the underlying risk factors contributing to HIV infection and strategies for adopting safe behavior for HIV infection prevention for families, prevention workshops for high-risk and HIV infected teens and young adults to educate the population on HIV risk factors, prevention techniques and resource availability.

New York State Department of Health AIDS Institute (NYSDOH)

- Provide comprehensive HIV/STI/Hepatitis C (HCV) prevention services to African American and Hispanic Lesbian/WSW HIV-positive and or at high-risk adolescents ages 13+ to prevent new HIV/STI/HCV infections. Improve the target population's knowledge of their HIV, STI and HCV status, awareness of transmission risks and reduce the number of new HIV/STI/HCV infections. Participant recruitment/engagement through on-going targeted outreach at high-risk venues, collaboration with LGBT providers and provide supportive services through an array of services.

Department of Health and Human Services Substance Abuse and Mental Health Services Administration

- Educate young black heterosexual men and young men who are having sex with men (YMSM), between ages 18-24, in Substance Abuse (SA) and HIV prevention interventions. Reduce substance abuse and the transmission of HIV/AIDS among at-risk racial/ethnic minority young adults. Engage various key leaders and members of the East/ Harlem and South Bronx communities in barber shops, community based organizations, colleges, and other community centers.

Department of Health and Human Services Center for Disease Control And Prevention

- Engage high-risk African American and Latina women, high-risk individuals and those who are unaware of their HIV status. Conduct outreach in high-risk areas where HIV is prevalent in Central and East Harlem, the South Bronx, and in hot-spot areas of high HIV incidence in New York City. Offer HIV testing, navigation services, referrals and on-going supportive services to high-risk negative individuals.

**IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 9. LEASE COMMITMENTS

On December 28, 1993, Iris House entered into an initial two year non-cancelable lease agreement and is currently on month to month rental basis, for the ground floor space at 250-252- East 117th Street New York, NY 10034. The base monthly rental (excluding escalation) under this lease is \$2,983.

Effective September 9, 2010, Iris House signed operating lease agreement for three copy machines with Superior Office Systems to replace the lease with Canon Business Solution.

In addition, under its Scatter Site Housing program providing residential shelter for its clients, Iris House entered into sixty six (66) apartment lease agreements and acquired an additional 20 units in the Bronx with various terms of expiration and rental amounts.

The minimum annual rental commitments under each group of these leases are as follows:

<u>Year</u>	<u>SSH Leases</u>
2015	\$ 398,086
2016	<u>41,512</u>
Total	<u>\$ 439,598</u>

Rental expenses under rental lease obligations for the year ended June 30, 2014 and 2013 were \$1,093,824 and \$1,097,190, respectively.

NOTE 10. CONTRACT ADVANCES

Contract advances consist of unexpended grant awards for the following program activities:

	<u>2014</u>	<u>2013</u>
Harm Reduction Program	\$ 16,437	\$ 19,723
Social Network Testing	4,441	5,552
Women Seeking Women	<u>-</u>	<u>13</u>
Total	<u>\$ 20,878</u>	<u>\$ 25,288</u>

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 11. PENSION PLAN

On July 1, 1993, Iris House adopted a noncontributory, trustee, and defined contribution pension plan which covers substantially all employees who become eligible after one-half year of service. Annual contribution is based on stipulated rate of 5% of actual compensation. Iris House did not make any contributions to the plan during the fiscal years ended June 30, 2014 and 2013.

NOTE 12. CONCENTRATION OF CREDIT RISK

Iris House maintains its cash in bank deposit accounts in a single financial institution which, at times, exceed federally insured limits. Although the amounts exceed the FDIC insured limit at June 30, 2014, Iris House regularly monitors the health of the institution and has not experienced any losses in such accounts.

NOTE 13. BANK LINE OF CREDIT

In November 2000, Iris House obtained a \$300,000 line of credit arrangement with the JP Morgan Chase to provide for seasonal working capital requirements. Amount borrowed on this line of credit bear interest at a fluctuating rate per annum equal to 2.00% above the Bank's Prime Rate and is secured by its business assets. No amount was borrowed and outstanding at the balance sheet date. There were no interest expenses for the year ended June 30, 2014.

NOTE 14. CONTRACT CONTINGENCIES

A substantial portion of the organization's total revenue is derived pursuant to contracts with Federal, State and City government agencies. The ultimate determination of income recognizable and reimbursable under these contracts generally is based upon allowable costs as audited by the various agencies. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount claimed and received in excess of allowable costs. However, in management's opinion, such audits will not have material effect on the financial statements of the organization.

NOTE 15. RECLASSIFICATION

Certain 2013 amounts have been reclassified to conform to current year's presentation.

NOTE 16. SUBSEQUENT EVENTS

Iris House evaluated subsequent events through January 22, 2015, which is the date the financial statements were available to be issued and concluded that no additional disclosures were required.

SUPPLEMENTARY SCHEDULE

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2014
(With comparative totals for 2013)

EXPENSE ACCOUNTS:	Program Activities											Total	
	Food & Nutrition Services	Scatter Site Housing	Women Support Services	HIV Prevention Services	Total Government Programs	Other Programs	Total Programs	Support Services		Total	2014	2013	
								General & Admin.	Fund Raising				
Salaries	\$ 174,622	\$ 605,825	\$ 124,060	\$ 1,010,204	\$ 1,914,711	\$ 68,246	\$ 1,982,957	\$ 387,757	\$ 103,147	\$ 2,473,861	\$ 2,587,145		
Fringe benefits	33,795	148,706	24,394	219,001	425,896	10,667	436,563	99,069	15,756	551,388	554,064		
Liability insurance	3,003	43,443	-	-	46,446	-	46,446	8,307	-	54,753	49,579		
Consultants	12,742	20,664	23,899	48,982	106,287	20,134	126,421	89,094	851	216,366	154,843		
Printing and duplication	2,223	6,052	1,509	6,843	16,627	8,060	24,687	7,776	678	33,141	31,914		
Telephone	3,161	28,106	1,648	7,121	40,036	1,646	41,682	39,907	-	81,589	52,976		
Program supplies	9,254	-	6,101	140,413	155,768	8,899	164,667	51,260	5,281	221,208	255,497		
Furnishings	-	17,206	-	-	17,206	-	17,206	-	-	17,206	26,447		
Food expenses	157,328	-	-	-	157,328	16,904	174,232	-	-	174,232	140,565		
Recreation and educational supplies	-	3,361	-	1,013	4,374	-	4,374	1,895	-	6,269	12,015		
Office supplies	2,655	7,127	1,965	5,045	16,792	7,582	24,374	5,650	772	30,796	30,085		
Payroll processing and bank charges	1,168	3,922	795	1,231	7,116	-	7,116	5,922	-	13,038	14,606		
Parking and gas	-	18,670	-	352	19,022	53	19,075	2,077	197	21,349	13,817		
Postage and messenger service	725	2,698	424	585	4,432	132	4,564	4,419	220	9,203	9,735		
Dues and subscriptions	230	1,550	-	90	1,870	-	1,870	9,994	4,438	16,302	12,412		
Client travel	7,290	7,409	6,335	43,255	64,289	2,085	66,374	10,570	-	76,944	83,877		
Staff travel	257	2,249	95	13,384	15,985	2,478	18,463	3,035	39	21,537	24,938		
Staff training and development	300	3,084	-	6,133	9,517	-	9,517	7,760	1,680	18,957	39,795		
Rent office/storage	2,500	10,824	2,500	26,871	42,695	7,876	50,571	34,613	1,700	86,884	81,116		
Rent client apartment	-	1,093,824	-	-	1,093,824	-	1,093,824	-	-	1,093,824	1,097,190		
Utilities office	4,153	13,921	2,682	3,821	24,577	-	24,577	18,963	-	43,540	46,278		
Utilities client apartment	-	33,024	-	-	33,024	-	33,024	-	-	33,024	33,308		
Repairs, cleaning and maintenance	-	20,936	-	33	20,969	-	20,969	1,512	-	22,481	27,513		
Equipment rental and repair	-	-	-	-	-	-	-	2,700	-	2,700	5,824		
Incentives and emergency funds	-	-	-	-	-	-	-	-	-	-	23		
Advertising	225	30	-	75	330	105	435	151	382	968	272		
Professional fees	2,340	39,997	1,637	1,660	45,634	-	45,634	14,154	-	59,788	66,107		
Bad debts	-	-	-	-	-	84,006	84,006	-	-	84,006	-		
Depreciation and amortization	-	-	-	-	-	-	-	96,316	-	96,316	98,000		
Miscellaneous	-	18,173	29	163	18,365	2,074	20,439	26,612	5,037	52,088	25,202		
TOTAL EXPENSES	\$ 417,971	\$ 2,150,801	\$ 198,073	\$ 1,536,275	\$ 4,303,120	\$ 240,947	\$ 4,544,067	\$ 929,513	\$ 140,178	\$ 5,613,758	\$ 5,575,143		

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