

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

REPORT ON THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

**(WITH COMPARATIVE TOTALS FOR 2012
AND SUPPLEMENTARY INFORMATION)**

**IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
YEAR ENDED JUNE 30, 2013**

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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, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from Iris House financial statements as of and for the year ended June 30, 2012 and, in our report dated October 29, 2012, we expressed an unqualified opinion on those 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, 2013, 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 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
November 18, 2013

Jackson Friday CPA, LLC

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013
(With comparative figures for 2012)

ASSETS	2013	2012
<i>Current assets:</i>		
Cash and cash equivalents	\$ 536,726	\$ 538,403
Security deposits	95,773	92,216
Prepaid expenses	60,121	66,212
Contract and grant receivable (Note 5)	954,695	875,980
Other receivable	116,252	87,189
<i>Total current assets</i>	1,763,567	1,660,000
<i>Fixed assets - Net: (Note 4)</i>		
Building	1,060,032	1,131,664
Building improvements	74,719	81,247
Vehicles	14,100	18,800
Furniture and equipment	35,390	35,204
<i>Total fixed assets</i>	1,184,241	1,266,915
TOTAL ASSETS	\$ 2,947,808	\$ 2,926,915
LIABILITIES AND NET ASSETS		
<i>Current liabilities:</i>		
Accounts payable and accrued expenses	\$ 193,876	\$ 98,031
Payroll taxes payable	1,435	19,278
Contract advances (Note 10)	25,288	33,596
Due to landlord - client	47,732	39,271
<i>Total current liabilities</i>	268,331	190,176
<i>Net assets:</i>		
Unrestricted	2,623,649	2,655,978
Temporarily restricted (Note 6)	55,828	80,761
<i>Total net assets</i>	2,679,477	2,736,739
TOTAL LIABILITIES AND NET ASSETS	\$ 2,947,808	\$ 2,926,915

"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, 2013
(With comparative totals for 2012)

SUPPORT AND REVENUE:	Unrestricted	Temporarily Restricted	Total	
			2013	2012
Corporations and foundations	\$ 141,953	\$ 90,000	\$ 231,953	\$ 266,427
Contract revenue (Note 7)	4,953,950		4,953,950	4,373,053
Other contributions	26,302		26,302	30,044
Donated services and supplies (Note 3)	66,093		66,093	73,428
Special events	8,804		8,804	42,590
Program fees	192,733		192,733	210,265
Interest income	75		75	65
Other income	37,971		37,971	17,115
<i>Net assets released from restrictions:</i>				
Satisfaction of program restrictions	114,933	(114,933)	-	-
TOTAL SUPPORT AND REVENUE	5,542,814	(24,933)	5,517,881	5,012,987
EXPENSES:				
<i>Program activities:</i>				
Ryan White Food and Nutrition Program	354,769		354,769	234,252
Scatter Site Housing Program	2,148,841		2,148,841	2,082,985
Women Support Services	199,159		199,159	185,789
HIV Prevention Services	2,135,766		2,135,766	1,807,088
Other Programs	34,806		34,806	42,495
Total program expenses	4,873,341	-	4,873,341	4,352,609
<i>Support services:</i>				
General and administration	579,896		579,896	460,481
Fund-raising	121,906		121,906	155,646
TOTAL EXPENSES	5,575,143	-	5,575,143	4,968,736
<i>Change in net assets</i>	(32,329)	(24,933)	(57,262)	44,251
Net assets at beginning of the year	2,655,978	80,761	2,736,739	2,692,488
NET ASSETS AT END OF THE YEAR	\$ 2,623,649	\$ 55,828	\$ 2,679,477	\$ 2,736,739

"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, 2013
(With comparative figures for 2012)

CASH FLOWS FROM OPERATING ACTIVITIES	2013	2012
<i>Cash flows from operating activities:</i>		
<i>Change in net assets</i>	\$ (57,262)	\$ 44,251
Items not requiring cash - Depreciation and amortization	98,000	97,381
Increases in security deposits	(3,557)	(2,104)
(Increase)/Decrease in prepaid expenses	6,091	(7,265)
Increases in contract and grant receivable	(78,715)	58,360
Increases in other receivable	(29,063)	(15,151)
Increase/(Decrease) in accounts payable and accruals	95,845	(29,054)
(Decrease)/Increases in contract advances	(8,308)	(40,304)
Increases in payroll taxes payable	(17,843)	(1,788)
Increase/(Decrease) in due to landlord - client	8,461	-
Net cash provided by operations	13,649	104,326
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to furniture and equipment	(15,326)	(39,589)
Net cash used by investment and financing activities	(15,326)	(39,589)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents	(1,677)	64,737
Cash and cash equivalents at beginning of the year	538,403	473,666
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	\$ 536,726	\$ 538,403

"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, 2013

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 four 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, 2013

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, 2013**

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 2013 and 2012, respectively as follows:

	<u>2013</u>	<u>2012</u>
Food and Program Supplies	<u>\$ 66,093</u>	<u>\$ 73,428</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, 2013

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	\$ 385,732	\$ 76,260	\$2,596,904
Additions	-	-	15,326	-	15,326
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	859,828	62,173	350,528	57,460	1,329,989
Charge for the year	71,632	6,528	15,140	4,700	98,000
Total, End of Year	<u>931,460</u>	<u>68,701</u>	<u>365,668</u>	<u>62,160</u>	<u>1,427,989</u>
Net Properties & Equipment	<u>\$1,060,032</u>	<u>\$ 74,719</u>	<u>\$ 35,390</u>	<u>\$ 14,100</u>	<u>\$1,184,241</u>

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 5. CONTRACT AND GRANT RECEIVABLES

Contract and grant receivables at June 30, 2013 and 2012 respectively, represent primarily, uncollected billings for contract and grant services and consist of the following:

	<u>2013</u>	<u>2012</u>
Ryan White Food and Nutrition Program	\$ 44,565	\$ -
Harm Reduction Program (PHS)	56,374	51,702
Condom Distribution Program (PHS)	-	25,497
New York City Council	24,900	22,500
NYC-Scatter Site Housing Program	398,609	508,720
Center for Disease Control	35,743	-
Women Support Services Program	55,194	47,119
Community of Color (PHS)	7,168	3,584
Capacity Building Initiative	43,297	9,017
Corporate and Foundation	67,000	45,000
Co-Factors of HIV Transmission Program (PHS)	-	19,058
Black Leadership Program	40,000	40,000
SAMHSA Grant Program	50,491	62,429
Social Network Testing (PHS)	8,490	8,156
Office of Women's Health	21,031	-
Women Seeking Women	45,646	33,198
New Jersey Department of Health	56,187	-
Total	<u>\$ 954,695</u>	<u>\$ 875,980</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>2013</u>	<u>2012</u>
Community Prevention Programs	\$ 45,558	\$ 59,929
Food & Nutrition Program	<u>10,270</u>	<u>20,832</u>
Total	<u>\$ 55,828</u>	<u>\$ 80,761</u>

**IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013**

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>2013</u>	<u>2012</u>
Net assets released from restrictions	<u>\$ 114,933</u>	<u>\$ 238,487</u>

NOTE 7. CONTRACT REVENUE

Contract revenue primarily from governmental agencies consists of the following at June 30, 2013 and 2012, respectively:

	<u>2013</u>	<u>2012</u>
Food and Nutrition Services Program	\$ 185,732	\$ -
Hunger Prevention and Nutrition Assistance	2,400	2,500
Condom Distribution Program (PHS)	58,831	160,314
NYC-Scatter Site Housing Program	2,215,914	2,142,132
NYS AIDS Institute-Women Support Services Program	205,238	204,859
Harm Reduction Program (PHS)	390,558	332,088
NYC-DOHMH-Community of Color Program (PHS)	14,336	14,336
Legislative Grants	-	2,328
Co-Factors of HIV Transmission Program (PHS)	69,921	105,991
Capacity Building Initiative	312,077	331,093
New York City Council	24,900	22,500
Black Leadership Grant Program	40,000	40,000
Center for Disease Control	335,113	335,748
SAMHSA Program	367,630	380,724
Office of Women's Health	135,121	143,386
Federal Emergency Food and Shelter Program	7,380	8,352
Social Network Testing (PHS)	98,926	54,014
Women Seeking Women	239,873	92,688
New Jersey Department of Health	<u>250,000</u>	<u>-</u>
Total	<u>\$4,953,950</u>	<u>\$4,373,053</u>

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

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.

**Ryan White HIV/AIDS Treatment Extension Act of 2009
via Public Health Solutions (PHS)**

- Food and Nutrition Services: Provide personal nutritional counseling with a registered dietician, daily cooking classes combined with nutrition education on how to purchase and cook nutritional food, classes for diabetes conducted in English and Spanish for individuals living with HIV/AIDS, and weekly pantry bags of healthy foods and fresh produce.

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, 2013

NOTE 8. PROGRAMS (CONT'D.)

**New York City Department of Health and Mental Hygiene (DOHMH)
via Public Health Solutions (PHS)**

- **Co-Factors of HIV Transmission:** Provide for screening services, referrals and follow-up linkages for assessment and care for two co-factors, depression and substance misuse/abuse including alcohol abuse individuals whose screening results are positive for depression and/or substance abuse and referrals for testing for HIV.
- **Condom Distribution:** Provide condom distribution services on a weekly basis serving the target population of African American and Latino men, women and adolescents through business and outreach activities, HIV/AIDS and condom usage education.

New York State Department of Health AIDS Institute (NYSDOH)

- **Supportive Services for Women and Their Families:** Provide community-based case management and supportive services to women living with HIV/AIDS and their families.
- **Community of Color Initiative:** Provide prevention education services for 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 and New York City Council Legislative Grants

Grants of various sums that severally supplement other Iris House HIV/AIDS prevention and education programs.

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

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>
2014	\$ 448,863
2015	<u>139,288</u>
Total	<u>\$ 588,151</u>

Rental expenses under rental lease obligations for the year ended June 30, 2013 and 2012 were \$1,097,190 and \$1,045,360, respectively.

NOTE 10. CONTRACT ADVANCES

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

	<u>2013</u>	<u>2012</u>
Harm Reduction Program	\$ 19,723	\$ 19,723
Condom Distribution Program	-	3,229
Co-Factors of HIV Transmission Program	-	3,455
Social Network Testing	5,552	-
Women Seeking Women	<u>13</u>	<u>7,189</u>
Total	<u>\$ 25,288</u>	<u>\$ 33,596</u>

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

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, 2013 and 2012.

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, 2013, 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.

Interest expenses for the year ended June 30, 2013 aggregate \$-0-.

NOTE 14. CONTRACT CONTINGENCIES

In current year 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. SUBSEQUENT EVENTS

Iris House evaluated subsequent events through November 18, 2013, which is the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure within the financial statements.

SUPPLEMENTARY SCHEDULE

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2013
(With comparative totals for 2012)

EXPENSE ACCOUNTS:	Program Activities											Total	
	Ryan White					HIV			Support Services			Total	
	Food & Nutrition Services	Scatter Site Housing	Women Support Services	Prevention Services	Government Programs	Other Programs	Programs	General & Admin.	Fund Raising	2013	2012		
Salaries	\$ 150,650	\$ 595,775	\$ 123,955	\$ 1,371,314	\$ 2,241,694	\$ -	\$ 2,241,694	\$ 239,401	\$ 106,050	\$ 2,587,145	\$ 2,281,130		
Fringe benefits	28,923	143,856	25,205	306,437	504,421	-	504,421	35,190	14,453	554,064	460,037		
Liability insurance	468	39,094	-	-	39,562	-	39,562	10,017	-	49,579	40,677		
Consultants	8,514	20,157	19,200	64,698	112,569	3,564	116,133	38,710	-	154,843	177,191		
Printing and duplication	1,750	8,171	1,222	11,298	22,441	3,950	26,391	5,492	31	31,914	22,470		
Telephone	2,064	25,448	1,742	8,727	37,981	-	37,981	14,995	-	52,976	48,180		
Program supplies	6,962	529	7,060	196,979	211,530	15,023	226,553	28,802	142	255,497	176,393		
Furnishings	-	26,447	-	-	26,447	-	26,447	-	-	26,447	24,835		
Food expenses	140,030	-	-	535	140,565	-	140,565	-	-	140,565	119,549		
Recreation and educational supplies	-	11,255	-	760	12,015	-	12,015	-	-	12,015	3,091		
Office supplies	2,746	9,990	2,288	11,421	26,445	1,455	27,900	1,703	482	30,085	26,420		
Payroll processing and bank charges	1,171	4,335	720	3,158	9,384	-	9,384	5,222	-	14,606	16,648		
Parking and gas	-	12,958	-	261	13,219	25	13,244	573	-	13,817	11,600		
Postage and messenger service	684	3,055	342	1,670	5,751	24	5,775	3,701	259	9,735	8,542		
Dues and subscriptions	251	2,701	-	100	3,052	250	3,302	9,010	100	12,412	10,848		
Client travel	5,005	5,086	8,287	58,385	76,763	300	77,063	6,814	-	83,877	62,384		
Staff travel	393	3,305	276	17,646	21,620	905	22,525	2,359	54	24,938	17,501		
Staff training and development	60	1,360	1,479	24,188	27,087	-	27,087	12,387	321	39,795	51,525		
Rent office/storage	-	9,695	3,100	46,384	59,179	8,900	68,079	13,037	-	81,116	74,939		
Rent client apartment	-	1,097,190	-	-	1,097,190	-	1,097,190	-	-	1,097,190	1,045,360		
Utilities office	3,420	14,901	2,682	5,530	26,533	-	26,533	19,745	-	46,278	45,672		
Utilities client apartment	-	33,308	-	-	33,308	-	33,308	-	-	33,308	32,811		
Repairs, cleaning and maintenance	300	25,334	-	-	25,634	-	25,634	1,879	-	27,513	15,878		
Equipment rental and repair	-	1,208	-	1,045	2,253	-	2,253	3,571	-	5,824	5,911		
Incentives and emergency funds	-	-	23	-	23	-	23	-	-	23	-		
Advertising	-	-	-	222	222	-	222	50	-	272	1,975		
Professional fees	1,378	50,087	1,578	2,734	55,777	-	55,777	10,330	-	66,107	47,364		
Bad debts	-	-	-	-	-	-	-	-	-	-	21,125		
Depreciation and amortization	-	-	-	-	-	-	-	98,000	-	98,000	97,381		
Miscellaneous	-	3,596	-	2,274	5,870	410	6,280	18,908	14	25,202	21,299		
TOTAL EXPENSES	\$ 354,769	\$ 2,148,841	\$ 199,159	\$ 2,135,766	\$ 4,838,535	\$ 34,806	\$ 4,873,341	\$ 579,896	\$ 121,906	\$ 5,575,143	\$ 4,968,736		
Capitalized expenditures	-	-	-	-	-	-	-	-	-	-	-		

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