

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

**REPORT ON THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2021**

**(WITH COMPARATIVE TOTALS FOR 2020 AND  
SUPPLEMENTARY INFORMATION)**

**IRIS HOUSE  
A CENTER FOR WOMEN LIVING WITH HIV, INC.  
YEAR ENDED DECEMBER 31, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Iris House: A Center for Women Living with HIV, Inc.

**Opinion**

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 December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Iris House: A Center for Women Living with HIV, Inc. as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Iris House and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Iris House's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Iris House's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Iris House's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Report on Summarized Comparative Information**

We have previously audited Iris House's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

New York, New York  
April 20, 2022

*Jackson Friday CPA, LLC*

IRIS HOUSE  
A CENTER FOR WOMEN LIVING WITH HIV, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021  
(With comparative figures for 2020)

ASSETS	2021	2020
<i>Current assets:</i>		
Cash and cash equivalents	\$ 789,964	\$ 1,051,485
Security deposits	207,939	182,721
Prepaid expenses	27,217	8,342
Contract and grant receivable	1,248,757	1,115,827
Due from AHF	455,174	102,785
Other receivable	251,861	255,766
<i>Total current assets</i>	2,980,912	2,716,926
<i>Property and equipment - net:</i>		
Building	3,075,142	3,250,865
Building improvements	19,231	25,759
Vehicles	30,137	40,573
Furniture and equipment	-	11,946
<i>Total property and equipment</i>	3,124,510	3,329,143
<b>TOTAL ASSETS</b>	<b>\$ 6,105,422</b>	<b>\$ 6,046,069</b>

LIABILITIES AND NET ASSETS		
<i>Current liabilities:</i>		
Accounts payable and accrued expenses	\$ 323,646	\$ 434,728
Payroll taxes payable	3,942	4,213
Loans payable/Due to AHF	172,599	251,728
Contract advances and deferred rent	960,114	906,172
Due to landlord - client	19,829	19,829
<i>Total current liabilities</i>	1,480,130	1,616,670
<i>Net assets:</i>		
Without Donor Restrictions	4,586,177	4,391,415
With Donor Restrictions	39,115	37,984
<i>Total net assets</i>	4,625,292	4,429,399
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 6,105,422</b>	<b>\$ 6,046,069</b>

"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 DECEMBER 31, 2021  
(With comparative totals for 2020)

SUPPORT AND REVENUE:	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2021	2020
Corporations and foundations	\$ 227,163	\$ 45,000	\$ 272,163	\$ 285,677
AHF contributions	976,240		976,240	545,216
Contract and grant revenue	7,472,518		7,472,518	6,800,341
340B pharmacy revenue	-		-	8,679
Other contributions	51,311		51,311	36,957
Donated services and supplies	122,950		122,950	137,959
Special events	2,222		2,222	3,966
Program fees	694,661		694,661	466,888
Other income	34,583		34,583	89,378
<i>Net assets released from restrictions:</i>				
Satisfaction of program restrictions	43,869	(43,869)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>9,625,517</b>	<b>1,131</b>	<b>9,626,648</b>	<b>8,375,061</b>
<b>EXPENSES:</b>				
<i>Program activities:</i>				
Food and Nutrition Program	1,107,582		1,107,582	845,004
Housing Programs	4,866,086		4,866,086	3,877,039
HIV Prevention Services	2,461,725		2,461,725	2,151,786
Other Programs	12,720		12,720	445,969
<b>Total program expenses</b>	<b>8,448,113</b>	<b>-</b>	<b>8,448,113</b>	<b>7,319,798</b>
<i>Support services:</i>				
General and administration	817,997		817,997	687,803
Fund-raising	164,645		164,645	112,602
<b>TOTAL EXPENSES</b>	<b>9,430,755</b>	<b>-</b>	<b>9,430,755</b>	<b>8,120,203</b>
<i>Change in net assets</i>	194,762	1,131	195,893	254,858
Net assets at beginning of the year	4,391,415	37,984	4,429,399	4,174,541
<b>NET ASSETS AT END OF THE YEAR</b>	<b>\$ 4,586,177</b>	<b>\$ 39,115</b>	<b>\$ 4,625,292</b>	<b>\$ 4,429,399</b>

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

IRIS HOUSE  
A CENTER FOR WOMEN LIVING WITH HIV, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2021  
(With comparative totals for 2020)

EXPENSES	Program Activities						Support Services		2021	2020
	Food & Nutrition Services	Housing Programs	HIV Prevention Services	Total Government Programs	Other Programs	Total Programs	General & Admin.	Development & Fundraising		
	Salaries	\$ 255,518	\$ 1,055,839	\$ 1,305,546	\$ 2,616,903	\$ -	\$ 2,616,903	\$ 535,922		
Fringe benefits	60,622	258,132	282,137	600,891	-	600,891	116,582	24,549	742,022	624,055
Liability insurance	21,209	52,516	11,773	85,498	-	85,498	6,011	-	91,509	63,971
Consultants	37,327	52,147	276,493	365,967	4,500	370,467	17,067	8,050	395,584	546,456
Telephone	10,139	71,854	48,131	130,124	2,738	132,862	34,336	3,334	170,532	168,394
Program supplies	20,309	38,193	283,562	342,064	5,358	347,422	-	-	347,422	234,630
Food expenses	644,783	2,000	39,326	686,109	-	686,109	-	-	686,109	449,486
Office expenses and supplies	4,414	20,851	30,741	56,006	124	56,130	21,629	7,704	85,463	70,480
Payroll processing and bank charges	2,324	13,575	4,621	20,520	-	20,520	3,833	65	24,418	20,893
Travel	8,988	25,447	23,931	58,366	-	58,366	5,181	8	63,555	59,550
Rent office/storage expense	-	265,527	17,064	282,591	-	282,591	13,379	-	295,970	71,273
Rent client apartment	-	2,620,477	-	2,620,477	-	2,620,477	-	-	2,620,477	2,339,440
Utilities	5,671	48,602	22,966	77,239	-	77,239	7,292	2,523	87,054	67,589
Advertising and recruiting	-	1,295	-	1,295	-	1,295	628	-	1,923	3,142
Repairs and maintenance	-	16,909	7,530	24,439	-	24,439	1,567	-	26,006	44,204
Professional fees	4,077	32,316	12,250	48,643	-	48,643	6,002	2,100	56,745	82,785
Bad debts	12,393	186,628	-	199,021	-	199,021	-	-	199,021	38,231
Depreciation and amortization	16,225	81,124	81,124	178,473	-	178,473	42,389	13,907	234,769	234,920
Other expenses	3,583	22,654	14,530	40,767	-	40,767	6,179	2,880	49,826	28,518
<b>TOTAL EXPENSES</b>	<b>\$ 1,107,582</b>	<b>\$ 4,866,086</b>	<b>\$ 2,461,725</b>	<b>\$ 8,435,393</b>	<b>\$ 12,720</b>	<b>\$ 8,448,113</b>	<b>\$ 817,997</b>	<b>\$ 164,645</b>	<b>\$ 9,430,755</b>	<b>\$ 8,120,203</b>

"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 DECEMBER 31, 2021  
(With comparative figures for 2020)

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
<i>Cash flows from operating activities:</i>		
<i>Change in net assets</i>	\$ 195,893	\$ 254,858
Items not requiring cash - Depreciation and amortization	234,769	234,920
Decrease/(Increases) in security deposits	(25,218)	(20,217)
(Increase)/Decrease in prepaid expenses	(18,875)	1,754
(Increases)/Decrease in contract and grant receivable	(132,930)	191,574
(Increases)/Decrease in due from AHF	(352,389)	(102,785)
Increases in other receivable	3,905	(67,115)
Increase/(Decrease) in accounts payable and accruals	(111,082)	292,214
Increases/(Decrease) in payroll taxes payable	(271)	892
Increases/(Decrease) in contract advances	53,942	18,383
Increase/(Decrease) in due to landlord - client	-	-
<b>Net cash provided by operations</b>	<b>(152,256)</b>	<b>804,478</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to furniture and equipment	(30,136)	-
<b>Net cash used by investment and financing activities</b>	<b>(30,136)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans payable	-	152,838
(Repayment) of loans payable/ line of credit	(79,129)	(79,305)
<b>Net cash provided by financing activities</b>	<b>(79,129)</b>	<b>73,533</b>
Change in cash and cash equivalents	(261,521)	878,011
Cash and cash equivalents at beginning of the year	1,051,485	173,474
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>\$ 789,964</b>	<b>\$ 1,051,485</b>
Supplemental Information:		
Interest Paid	-	-
Noncash Transactions		
Donated Property and Equipment	-	-

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**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Iris House follows the provisions of ASC 958, *Not-for-Profit Entities, Presentation of Financial Statements*. 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.

**Accounting Pronouncements**

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. This new standard supersedes ASC 840. The primary objective of ASC 842 was to streamline accounting for leases under US GAAP and increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet resulting from all leasing arrangements with a term of more than twelve months. The lease liability is measured as the present value of lease payments while a right of use asset is equal to the lease liability adjusted for certain items such as prepaid rent and lease incentives. ASC 842 also requires quantitative and qualitative disclosures including discussions covering the lease arrangements, descriptions of significant judgements made, details about lease costs reported on the income statement and weighted average analysis of discount rates and remaining lease terms. Topic 842 also retains the distinction between operating and finance leases. After a couple of deferrals, the new standard is now effective for fiscal years beginning after December 15, 2021 with early adoption permitted. Iris House will, however, be implementing ASC 842 during the 2022 fiscal year.

**Grants and Contracts**

Federal, state, city and other grant and contract revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Government grants are subject to audits and reviews by grantor agencies and these could result in the disallowance of expenditures under the terms of grant or reductions of future grant funds. Based on prior experience, the organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the organization. Amounts received in excess of expenditures are reported as contract advances or deferred revenue.

**Paycheck Protection Program (PPP) Loan**

During the year ended December 31, 2020, Iris House received PPP loan in the amount of \$525,164 and in accordance with FASB ASC 958-605, recognized government grant revenue in the amount of \$416,993. The unearned revenue in the amount of \$108,171 was returned to the lending institution during the year ended December 31, 2021.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**Net Assets and Contributions**

The financial statements report net assets and changes in net assets in two classes based upon the existence or absence of restrictions on use that are placed by its donors.

Net assets without donor restrictions are available to support operations. The only limits on the use of these net assets are broad limits resulting from the nature of the organization, the environment in which it operates, the purpose specified in its corporate documents and its application for tax-exempt status.

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature while others are perpetual in nature. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Conditional contributions or promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Iris House reports gifts of land, buildings, and equipment as support without donor restrictions 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 support with donor restrictions.

**Impairment of Long-Lived Assets**

Iris House reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing a review for impairment, Iris House compares the carrying value of the assets with their estimated future undiscounted cash flows. If it is determined that impairment has occurred, the loss would be recognized during that period. The impairment loss is calculated as the difference between the asset's carrying value and the present value of estimated net cash flows or comparable market values, giving consideration to recent operating performance and pricing trends. Iris House does not believe that any material impairment currently exists related to its long-lived assets.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**Cash and Cash Equivalents**

Cash and cash equivalents represent cash in hand and checking accounts as well as 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.

**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.

**Expense Recognition and Functional Allocation of Expenses**

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Occupancy, depreciation, and amortization, and interest are allocated based on the square footage occupied by the programs and supporting activities.
- Telephone and internet services, insurance, and supplies and other expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

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

**Change in Accounting Principles**

The organization has implemented FASB ASU No. 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, applying the changes retrospectively. The new standards change the following aspects of the financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- Unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a disclosure about liquidity and availability of resources (Note 3).

**NOTE 3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2021 are:

Financial assets:	
Cash and cash equivalents	\$ 789,964
Contract and grant receivable	1,248,757
Due from AHF	455,174
Other receivable	<u>251,861</u>
Total financial assets	2,745,756
Less financial assets to meet donor-imposed restrictions:	
Purpose-restricted net assets	(39,115)
Less financial assets not available within one year:	
Contributions receivable	<u>-</u>
Amounts available for general expenditures within one year	<u>\$ 2,706,641</u>

**NOTE 4. 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 2021 as follows:

	<b><u>2021</u></b>
Food and Program Supplies	<u>\$ 122,950</u>

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE 5. 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 \$5,000 or greater.

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

	<u>Years</u>
Buildings and Building Improvements	15-39
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.

Property and equipment consists of the following as of December 31, 2021:

Buildings	\$ 4,875,699
Building Improvements	143,420
Furniture and Equipment	532,460
Vehicles	<u>238,552</u>
	5,790,131
Less Accumulated Depreciation and Amortization	<u>2,665,621</u>
Property and Equipment, Net	<u>\$ 3,124,510</u>

Depreciation and amortization expense on property and equipment was \$234,769 for the year ended December 31, 2021.

**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 fair value (appraised value).

In July 2019, the organization had the building appraised by Metropolitan Appraisal Associates, LLC to determine the current fair value, which was estimated to be approximately \$3,550,000.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE 6. CONTRACT AND GRANT RECEIVABLES**

Contract and grant receivables at December 31, 2021 and 2020, represent primarily, uncollected billings for governmental contract and grant services and consist of the following:

	<u>2021</u>	<u>2020</u>
Food and Nutrition Program (NYS AIDS Institute)	\$ 16,657	\$ 41,423
Legislative Grants	11,211	13,720
NYC-Scatter Site Housing Program	523,197	311,209
DOHMH Housing Programs	438,665	237,122
Center for Disease Control	-	26,000
DHHS-SAMHSA Capacity Building Initiative (CBI)	24,000	-
DHHS-SAMHSA (Elmcor)	52,261	88,532
Women Seeking Women (NYS AIDS Institute)	29,595	123,767
Women of Color (NYS AIDS Institute)	30,109	94,006
Hunger Prevention and Nutrition Assistance	9,744	12,355
NJ Department of Health	26,143	25,147
Federal Emergency Food and Shelter Program	-	39,953
Nourish NY – Food Bank	36,740	33,123
Ryan White Grant – NJ	15,435	24,809
DHHS-SAMHSA (I-Matter Grant)	18,000	25,661
DHHS-SAMHSA (Young Outstanding Unique Grant)	<u>17,000</u>	<u>19,000</u>
Total	<u>\$1,248,757</u>	<u>\$1,115,827</u>

**NOTE 7. RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions consist of grant funds that are available for specific program purposes and are also subject to time restrictions are as follows:

	<u>2021</u>	<u>2020</u>
Community Prevention Programs	\$ 21,817	\$ 18,548
Food & Nutrition Program	<u>17,298</u>	<u>19,436</u>
Total	<u>\$ 39,115</u>	<u>\$ 37,984</u>

**Net Assets Released from Restrictions**

Net assets are 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.

	<u>2021</u>	<u>2020</u>
Net assets released from restrictions	<u>\$ 43,869</u>	<u>\$ 29,909</u>

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE 8. 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, if any, will not have material effect on the financial statements of the organization.

**NOTE 9. CONTRACT REVENUE**

Contract revenue primarily from governmental agencies consists of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
NYS AI - Food and Nutrition Services Program	\$ 248,510	\$ 233,917
Hunger Prevention and Nutrition Assistance	177,461	131,729
HRA NYC-Scatter Site Housing Program	2,508,944	2,403,666
DOHMH Housing Programs	1,885,215	1,121,951
New York City Council (PHS)	270,873	283,676
Center for Disease Control (NY)	449,402	682,638
Center for Disease Control (NJ)	122,412	229,945
Federal Emergency Food and Shelter Program	54,288	59,099
Women Seeking Women (NYS AIDS Institute)	199,957	187,819
Women of Color (NYS AIDS Institute)	202,014	186,219
DHHS-SAMHSA Capacity Building Initiative (CBI)	252,354	266,304
DHHS-SAMHSA (Elmcor)	169,348	175,842
New Jersey Department of Health	92,980	131,044
PPP Grant Revenue COVID-19	-	416,997
Nourish NY – Food Bank	268,548	173,983
Legislative Grants	44,748	13,720
Ryan White Grant – NJ	55,257	32,675
DHHS-SAMHSA (I-Matter Grant)	234,579	36,421
DHHS-SAMHSA (Young Outstanding Unique Grant)	232,404	30,596
Other Grant	3,224	2,100
Total	<u>\$ 7,472,518</u>	<u>\$ 6,800,341</u>

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10. 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.

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**NOTE 10. PROGRAMS (CONT'D.)**

**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 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.

**NOTE 11. FAIR VALUE OF INVESTMENTS**

Iris House's material financial instruments at December 31, 2021 for which disclosure of estimated fair value is required by certain accounting standards consists of cash and cash equivalents, security deposits, prepaid expenses, contracts and grants receivable, other receivable, accounts payable and accrued expenses, payroll taxes payable, loans payable/line of credit and due to landlord-client. The fair values of cash and cash equivalents, security deposits, prepaid expenses, contracts and grants receivable, other receivable, accounts payable and accrued expenses, payroll taxes payable, loans payable/line of credit and due to landlord-client approximates their carrying values because of their liquidity and short-term nature.

**NOTE 12. CONTRACT ADVANCES**

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

	<u>2021</u>	<u>2020</u>
Housing Programs	\$ 863,803	\$ 873,345
Food Pantry Programs	<u>15,871</u>	<u>32,827</u>
Total	<u>\$ 879,674</u>	<u>\$ 906,172</u>

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
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**NOTE 13. LEASE COMMITMENTS**

Effective October 20, 2019, Iris House signed an operating lease agreement for four copy machines with LDI Color ToolBox to replace the lease with Superior Office Systems. In addition, effective March 1, 2021, Iris House entered into a fifteen (15) year lease agreement with Chai 555 LLC for a portion of the 2<sup>nd</sup> floor at 2389 Adam Clayton Powell Jr. Blvd. with an expiration date of May 31, 2035.

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 twenty (20) units in the Bronx with various terms of expiration and rental amounts. In addition, Iris House has also acquired another forty (40) units for the DOHMH program and thirty eight (38) units for the HOPWA program in Brooklyn and 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>Office Leases</u>	<u>Housing Leases</u>
2022	\$ 120,000	\$ 1,530,340
2023	147,600	545,646
2024	151,290	
2025	155,072	
2026	158,949	
Thereafter	<u>1,506,023</u>	
Total	<u>\$ 2,238,934</u>	<u>\$ 2,075,986</u>

Rental expenses incurred on the office space amount to \$80,441 during the year ended December 31, 2021 while the rental expenses under the four housing units rental lease obligations for the years ended December 31, 2021 and 2020 were \$2,620,477 and \$2,339,440, respectively.

**NOTE 14. 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. Employee contributions are voluntary and are made on pre-tax basis. Employer contributions are a percentage of wages, as defined in the Master Agreement, and are discretionary. Iris House made a contribution of \$46,434 to the plan during the year ended December 31, 2021.

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**NOTE 15. CONCENTRATION OF CREDIT RISK**

Iris House maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Iris House regularly monitors the health of the institutions and believes it is not exposed to any significant financial risk on cash.

**NOTE 16. DUE TO/FROM AIDS HEALTHCARE FOUNDATION**

In June 2019 Iris House received the amount of \$162,142 from AHF to pay off the outstanding loan balance due to JP Morgan Chase. Under the terms of the agreement, Iris House will recognize an equal amount of \$4,504 over a thirty-six (36) month period as forgiven by AHF. The balance outstanding and due from Iris House to AHF as of December 31, 2021 was \$22,520.

Effective June 28, 2019 Iris House obtained a \$250,000 interest-free and unsecured line of credit from AHF. The balance outstanding on the line of credit was \$150,079 as of December 31, 2021.

In addition, the amount due from AHF was \$455,174 as of December 31, 2021.

**NOTE 17. RISKS AND UNCERTAINTIES**

In March 2020, the COVID-19 virus was declared a global pandemic, and it unfortunately continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, have been severely impacted as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation. No adjustments have been made to these financial statements as a result of this uncertainty.

**NOTE 18. UNCERTAIN TAX POSITION**

Management has analyzed the tax positions taken and has concluded that as of December 31, 2021, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Iris House is subject to routine audits by taxing jurisdiction up to three years from the extended due date of each return; however, there are currently no ongoing audits.

**NOTE 19. SUBSEQUENT EVENTS**

Iris House evaluated subsequent events through April 20, 2022, which is the date the financial statements were available to be issued, and concluded that no additional disclosures were required.