

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**REPORT ON THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH COMPARATIVE TOTALS FOR 2018**  
**AND SUPPLEMENTARY INFORMATION)**

**IRIS HOUSE  
A CENTER FOR WOMEN LIVING WITH HIV, INC.  
YEAR ENDED JUNE 30, 2019**

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

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, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Iris House as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Report on Summarized Comparative Information***

We have previously audited Iris House's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 7, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2020, on our consideration of Iris House's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Iris House's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Iris House's internal control over financial reporting and compliance.

Jackson Friday CPA, LLC

New York, New York  
January 15, 2020

IRIS HOUSE  
A CENTER FOR WOMEN LIVING WITH HIV, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2019  
(With comparative figures for 2018)

ASSETS	2019	2018
<i>Current assets:</i>		
Cash and cash equivalents	\$ -	\$ -
Security deposits	145,079	135,181
Prepaid expenses	9,920	7,011
Contract and grant receivable	950,324	1,152,607
Medicaid/medicare receivable, net	-	72,455
Other receivable	353,483	454,800
<i>Total current assets</i>	1,458,806	1,822,054
<i>Property and equipment - net:</i>		
Building	630,241	701,873
Building improvements	35,551	42,079
Vehicles	97,376	129,834
Furniture and equipment	30,089	37,909
<i>Total property and equipment</i>	793,257	911,695
<b>TOTAL ASSETS</b>	<b>\$ 2,252,063</b>	<b>\$ 2,733,749</b>
<b>LIABILITIES AND NET ASSETS</b>		
<i>Current liabilities:</i>		
Accounts payable and accrued expenses	\$ 393,799	\$ 907,688
Payroll taxes payable	4,484	3,217
Loans payable/ line of credit	162,142	169,365
Due to landlord - client	19,829	19,829
<i>Total current liabilities</i>	580,254	1,100,099
<i>Net assets:</i>		
Without Donor Restrictions	1,638,094	1,585,164
With Donor Restrictions	33,715	48,486
<i>Total net assets</i>	1,671,809	1,633,650
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,252,063</b>	<b>\$ 2,733,749</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 JUNE 30, 2019  
(With comparative totals for 2018)

SUPPORT AND REVENUE:	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2019	2018
Corporations and foundations	\$ 248,171	\$ 150,000	\$ 398,171	\$ 238,605
Contract and grant revenue	5,618,241		5,618,241	4,674,987
DSRIP revenue - NYC	71,285		71,285	179,417
340B pharmacy revenue	163,062		163,062	123,608
Other contributions	28,683		28,683	43,662
Donated services and supplies	104,141		104,141	157,833
Special events	89,026		89,026	53,329
Program fees	240,737		240,737	190,894
Other income	102,206		102,206	15,858
<i>Net assets released from restrictions:</i>				
Satisfaction of program restrictions	164,771	(164,771)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>6,830,323</b>	<b>(14,771)</b>	<b>6,815,552</b>	<b>5,678,193</b>
<b>EXPENSES:</b>				
<i>Program activities:</i>				
Food and Nutrition Program	608,277		608,277	566,851
Scatter Site Housing Program	3,181,309		3,181,309	2,341,881
HIV Prevention Services	2,035,303		2,035,303	1,828,704
Other Programs	160,216		160,216	78,392
<b>Total program expenses</b>	<b>5,985,105</b>	<b>-</b>	<b>5,985,105</b>	<b>4,815,828</b>
<i>Support services:</i>				
General and administration	623,070		623,070	622,680
Fund-raising	169,218		169,218	205,170
<b>TOTAL EXPENSES</b>	<b>6,777,393</b>	<b>-</b>	<b>6,777,393</b>	<b>5,643,678</b>
<i>Change in net assets</i>	52,930	(14,771)	38,159	34,515
Net assets at beginning of the year	1,585,164	48,486	1,633,650	1,599,135
<b>NET ASSETS AT END OF THE YEAR</b>	<b>\$ 1,638,094</b>	<b>\$ 33,715</b>	<b>\$ 1,671,809</b>	<b>\$ 1,633,650</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 JUNE 30, 2019  
(With comparative totals for 2018)

*Program Activities*

EXPENSES	<i>Program Activities</i>						<i>Support Services</i>		Total	
	Food & Nutrition Services	Scatter Site Housing	HIV Prevention Services	Total Government Programs	Other Programs	Total Programs	General & Admin.	Fund Raising	2019	2018
Salaries	\$ 241,287	\$ 765,630	\$ 1,063,096	\$ 2,070,013	\$ -	\$ 2,070,013	\$ 381,789	\$ 68,572	\$ 2,520,374	\$ 2,341,291
Fringe benefits	55,717	190,807	266,517	513,041	-	513,041	39,995	14,930	567,966	487,936
Liability insurance	5,160	50,205	6,487	61,852	-	61,852	10,619	-	72,471	53,923
Consultants	14,273	101,473	364,576	480,322	17,145	497,467	17,679	54,689	569,835	482,892
Printing and duplication	2,749	9,244	6,877	18,870	340	19,210	2,635	910	22,755	25,692
Telephone	8,445	36,976	23,707	69,128	16,082	85,210	6,203	3,173	94,586	85,804
Program supplies	9,971	2,341	122,609	134,921	25,417	160,338	25,408	5,735	191,481	180,936
Furnishings	-	16,885	-	16,885	-	16,885	4,457	-	21,342	75,196
Food expenses	231,179	-	-	231,179	11,625	242,804	-	-	242,804	245,989
Recreation and educational supplies	-	9	-	9	420	429	4,710	-	5,139	6,395
Office supplies	2,708	7,529	8,611	18,848	55	18,903	2,672	977	22,552	22,099
Payroll processing and bank charges	5,752	18,497	16,907	41,156	-	41,156	5,079	1,924	48,159	39,473
Parking and gas	33	16,589	5,255	21,877	12	21,889	999	-	22,888	16,257
Postage and messenger service	1,065	2,796	2,773	6,634	714	7,348	1,021	449	8,818	8,436
Dues and subscriptions	-	-	250	250	-	250	5,704	95	6,049	11,016
Client travel	6,639	5,715	26,466	38,820	-	38,820	11,858	-	50,678	51,306
Staff travel	-	4,501	8,991	13,492	335	13,827	970	-	14,797	19,071
Staff training and development	-	1,863	20,985	22,848	750	23,598	3,632	-	27,230	11,810
Rent office/storage	1,323	7,393	20,221	28,937	-	28,937	34,758	10,843	74,538	105,792
Rent client apartment	-	1,555,073	-	1,555,073	-	1,555,073	-	-	1,555,073	1,000,485
Utilities office	3,333	18,350	14,988	36,671	4,125	40,796	4,935	1,009	46,740	47,846
Utilities client apartment	-	25,321	-	25,321	-	25,321	-	-	25,321	22,146
Repairs, cleaning and maintenance	-	9,823	82	9,905	-	9,905	1,240	-	11,145	21,478
Equipment rental and repair	293	2,064	496	2,853	-	2,853	3,148	-	6,001	664
Advertising	-	-	85	85	-	85	220	-	305	900
Professional fees	2,541	118,452	4,881	125,874	-	125,874	17,539	-	143,413	118,749
Bad debts	-	152,977	-	152,977	72,455	225,432	-	-	225,432	-
Depreciation and amortization	15,809	43,920	50,281	110,010	-	110,010	15,155	5,706	130,871	128,382
Other expenses	-	16,876	162	17,038	10,741	27,779	20,645	206	48,630	31,714
<b>TOTAL EXPENSES</b>	<b>\$ 608,277</b>	<b>\$ 3,181,309</b>	<b>\$ 2,035,303</b>	<b>\$ 5,824,889</b>	<b>\$ 160,216</b>	<b>\$ 5,985,105</b>	<b>\$ 623,070</b>	<b>\$ 169,218</b>	<b>\$ 6,777,393</b>	<b>\$ 5,643,678</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 JUNE 30, 2019  
(With comparative figures for 2018)

CASH FLOWS FROM OPERATING ACTIVITIES	2019	2018
<i>Cash flows from operating activities:</i>		
<i>Change in net assets</i>	\$ 38,159	\$ 34,515
Items not requiring cash - Depreciation and amortization	130,871	128,382
Decrease/(Increases) in security deposits	(9,898)	(51,015)
(Increase)/Decrease in prepaid expenses	(2,909)	(909)
(Increases)/Decrease in contract and grant receivable	202,283	(320,023)
(Increases)/Decrease in medicaid/medicare receivable	72,455	78,584
Increases in other receivable	101,317	(65,630)
Increase/(Decrease) in accounts payable and accruals	(513,889)	459,885
Increases/(Decrease) in payroll taxes payable	1,267	1,020
Increase/(Decrease) in due to landlord - client	-	-
<b>Net cash provided by operations</b>	<b>19,656</b>	<b>264,809</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to furniture and equipment	(12,433)	(188,627)
<b>Net cash used by investment and financing activities</b>	<b>(12,433)</b>	<b>(188,627)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans payable	162,142	-
(Repayment) of loans payable/ line of credit	(169,365)	(76,182)
<b>Net cash provided by financing activities</b>	<b>(7,223)</b>	<b>(76,182)</b>
Change in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		
	<b>\$ -</b>	<b>\$ -</b>
Supplemental Information:		
Interest Paid	28,730	20,941
Noncash Transactions		
Donated Property and Equipment	-	-

"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, 2019**

**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.

Effective June 28, 2019, Iris House entered into an Affiliation Agreement (“Agreement”) with AIDS Healthcare Foundation (“AHF”), a California non-profit corporation. In accordance with New York State law, Iris House amended its existing Articles of Incorporation and Bylaws pursuant to the terms of the Agreement to adopt AHF as the sole member of Iris House. Iris House and AHF will continue to operate as separate entities, in accordance with the provisions of the Agreement. The missions of Iris House and AHF complement each other and are seeking a unified approach to pursuing their missions within the New York City area. AHF has an irrevocable license to use any Iris House Business Property Rights on a non-exclusive basis free of any royalties or other fees, so long as the Affiliation or a substantially similar affiliation between AHF and Iris House remains in effect.

In accordance with the Agreement, AHF shall make annual grants to Iris House solely for the operation of programs and the expansion of services.

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 locations in Central Harlem and Central Jersey.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**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 in two classes: without donor restrictions or with donor restrictions, depending on the existence or nature of any donor's restriction.

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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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.

**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 net assets without donor restrictions 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 net assets without donor restrictions. Grants and contracts receivable represent amounts due for expenditures incurred or purposes accomplished prior to year end.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**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.

**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 JUNE 30, 2019**

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

**Change in Accounting Principles**

The organization implemented FASB ASU No. 2016-14 in the current year, 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).

The effect that the changes had on net assets at June 30, 2018 was that temporarily restricted net assets was renamed net assets with donor restrictions while unrestricted net assets was renamed net assets without donor restrictions.

**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 June 30, 2019 are:

Financial assets:	
Cash and cash equivalents	\$ -
Contract and grant receivable	950,324
Other receivable	<u>353,483</u>
Total financial assets	1,303,807
Less financial assets to meet donor-imposed restrictions:	
Purpose-restricted net assets	(33,715)
Less financial assets not available within one year:	
Contributions receivable	<u>-</u>
Amounts available for general expenditures within one year	<u>\$ 1,270,092</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 2019 and 2018, respectively as follows:

	<u>2019</u>	<u>2018</u>
Food and Program Supplies	<u>\$ 104,141</u>	<u>\$ 157,833</u>

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**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 \$2,500 or greater.

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 &amp; Equipment</u>	<u>Vehicles</u>	<u>Total</u>
<b>Cost:</b>					
Balance, Beginning of Year	\$1,991,492	\$ 143,420	\$ 489,891	\$ 238,553	\$2,863,356
Additions	-	-	12,432	-	12,432
Total, End of Year	<u>1,991,492</u>	<u>143,420</u>	<u>502,323</u>	<u>238,553</u>	<u>2,875,788</u>
<b>Accumulated Depreciation:</b>					
Balance, Beginning of Year	1,289,619	101,341	451,981	108,719	1,951,660
Charge for the year	71,632	6,528	20,253	32,458	130,871
Total, End of Year	<u>1,361,251</u>	<u>107,869</u>	<u>472,234</u>	<u>141,177</u>	<u>2,082,531</u>
<b>Net Properties &amp; Equipment</b>	<b><u>\$ 630,241</u></b>	<b><u>\$ 35,551</u></b>	<b><u>\$ 30,089</u></b>	<b><u>\$ 97,376</u></b>	<b><u>\$ 793,257</u></b>

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 6. CONTRACT AND GRANT RECEIVABLES**

Contract and grant receivables at June 30, 2019 and 2018 respectively, represent primarily, uncollected billings for governmental contract and grant services and consist of the following:

	<u>2019</u>	<u>2018</u>
Food and Nutrition Program (NYS AIDS Institute)	\$ 17,558	\$ 42,679
New York City Council (PHS)	91,280	56,655
Legislative Grants	30,000	-
NYC-Scatter Site Housing Program	287,475	669,665
DOHMH-Scatter Site Housing Program	279,010	115,295
Center for Disease Control	15,406	15,853
Family and Youth Services (FAYS)	13,225	24,307
DHHS-CDC (Elmcor)	18,997	-
Women Seeking Women (NYS AIDS Institute)	50,309	37,857
Women of Color (NYS AIDS Institute)	38,302	55,118
Hunger Prevention and Nutrition Assistance	32,626	30,191
Other Programs	63,636	90,407
New Jersey Department of Health	<u>12,500</u>	<u>14,580</u>
Total	<u>\$ 950,324</u>	<u>\$1,152,607</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>2019</u>	<u>2018</u>
Community Prevention Programs	\$ 22,470	\$ 48,486
Food & Nutrition Program	<u>11,245</u>	<u>-</u>
Total	<u>\$ 33,715</u>	<u>\$ 48,486</u>

**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.

	<u>2019</u>	<u>2018</u>
Net assets released from restrictions	<u>\$ 164,771</u>	<u>\$ 156,632</u>

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**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 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 June 30, 2019 and 2018, respectively:

	<u>2019</u>	<u>2018</u>
Food and Nutrition Services Program	\$ 244,383	\$ 254,547
Hunger Prevention and Nutrition Assistance	219,346	87,588
NYC-Scatter Site Housing Program	2,119,153	1,932,824
DOHMH-Scatter Site Housing Program	839,693	516,404
Legislative Grants	74,129	20,250
New York City Council (PHS)	270,891	271,423
Center for Disease Control (NY)	697,681	697,681
Center for Disease Control (NJ)	237,363	237,363
Family and Youth Services (FAYS)	69,830	110,000
Federal Emergency Food and Shelter Program	12,858	22,394
Social Network Testing (PHS)	-	37,756
Women Seeking Women (NYS AIDS Institute)	193,790	214,129
Women of Color (NYS AIDS Institute)	207,033	97,628
Capacity Building Initiative (CBI)	167,372	-
DHHS-CDC (Elmcor)	114,719	-
New Jersey Department of Health	<u>150,000</u>	<u>175,000</u>
Total	<u>\$5,618,241</u>	<u>\$4,674,987</u>

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**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.



**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**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 June 30, 2019 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.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 12. LEASE COMMITMENTS**

Effective October 20, 2015, Iris House signed an operating lease agreement for four copy machines with LDI Color ToolBox to replace the lease with Superior Office Systems.

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 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>
2020	\$ 1,008,937
2021	<u>211,922</u>
Total	<u>\$ 1,220,859</u>

Rental expenses under rental lease obligations for the year ended June 30, 2019 and 2018 were \$1,555,073 and \$1,000,485, respectively.

**NOTE 13. 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 did not make any contributions to the plan during the fiscal years ended June 30, 2019 and 2018.

**NOTE 14. 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.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 15. BANK LINE OF CREDIT**

In November 2000, Iris House obtained a \$300,000 line of credit arrangement with 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% above the Banks' Prime Rate and secured by its business assets. The amount borrowed and outstanding at June 30, 2019 and 2018 were \$ 0 and \$169,365 respectively. Interest expense was paid in the amount of \$28,730 and \$20,941 for the years ended June 30, 2019 and 2018 respectively.

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.

Effective June 28, 2019 Iris House obtained a \$250,000 interest-free and unsecured line of credit from AHF. As of June 30, 2019, Iris House has not utilized the line of credit and had a \$0 balance outstanding.

**NOTE 16. RECLASSIFICATION**

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

**NOTE 17. UNCERTAIN TAX POSITION**

Management has analyzed the tax positions taken and has concluded that as of June 30, 2019, 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 18. SUBSEQUENT EVENTS**

Iris House evaluated subsequent events through January 15, 2020, which is the date the financial statements were available to be issued and concluded that no additional disclosures were required.

**THE SINGLE AUDIT UNDER THE  
UNIFORM GUIDANCE**

**SUPPLEMENTARY SCHEDULE**

**Iris House, Inc.**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2019

Grantor / Pass Through Agency	Program Name	Agency Contract No.	Federal CFDA No.	Contract Period	Grant Award Amount	Current Year Expenditures
Department of Housing & Urban Development Housing Opportunities for Persons with AIDS Passed Through the City of New York, Human Resources Administration - Division of AIDS Services & Income Support (DASIS)	Scatter Site Housing Program	20191401398	14.241	07/01/18-06/30/19	\$ 712,715	\$ 602,228
Department of Housing & Urban Development Housing Opportunities for Persons with AIDS Passed Through the City of New York, Human Resources Administration - Division of AIDS Services & Income Support (DASIS)	Scatter Site Housing Program	20171425112	14.241	04/01/17-03/31/20	202,877	185,494
<b>Total Division of AIDS Services and Income Support (DASIS) Scatter Site Housing Program</b>						<b>787,722</b>
Department of Health & Human Services Temporary Assistance for Needy Families (TANF) Passed Through the City of New York Human Resources Administration- Division of Aids Services & Income Support (DASIS)	Scattered Site Housing Program	20191401398	93.558	07/01/18-06/30/19	96,728	81,733
Department of Health & Human Services Temporary Assistance for Needy Families (TANF) Passed Through the City of New York Human Resources Administration- Division of Aids Services & Income Support (DASIS)	Scattered Site Housing Program	20171425112	93.558	04/01/17-03/31/20	29,248	26,742
<b>Total Division of Aids Services and Income Support (DASIS) Scatter Site Housing Program</b>						<b>108,475</b>
Department of Health & Human Services Substance Abuse and Mental Health Services Administration	Capacity building Initiative	1H79SP021805-01	93.243	09/01/18-09/29/19	282,354	167,372
<b>Total Substance Abuse and Mental Health Services_ Projects of Regional and National Significance</b>						<b>167,372</b>
Department of Health and Human Services Center for Disease Control and Prevention	CDC	5NU65PS004931-04-00	93.939	07/01/18-06/30/19	697,681	697,681
<b>Total HIV Prevention Activites_ Non-Governmental Organization Based</b>						<b>697,681</b>
Federal EmergencyManagement Agency (FEMA) XVIII Emergency Food and Shelter Program Passed Through United Way	EFSP EFSP	PHASE 35 PHASE 36	97.024 97.024	02/01/18-01/31/19 10/01/18-03/31/20	12,858 13,615	12,858 13,615
<b>Total Expenditures of Federal Awards</b>						<b>\$ 1,787,723</b>
The State of New Jersey Department of Health	HIV/AIDS Health Eduaction Risk Reduction Program/ Prevention Services	AIDS19HER024	N/A	07/01/18-06/30/19	150,000	150,000
<b>Total State Awards</b>						<b>150,000</b>
<b>Total Expenditures of Federal and State Awards</b>						<b>\$ 1,937,723</b>

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2019**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of Iris House under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because SEFA presents only a selected portion of the operations of Iris House, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Iris House.

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

Expenditures reported on SEFA are presented on the *accrual basis of accounting*. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3. INDIRECT COST RATE**

Iris House has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4. CLUSTER OF PROGRAMS**

Cluster of Programs means Federal programs with different CFDA numbers that are defined as a cluster because they are closely related programs that share common compliance requirements and therefore considered one program for major program determination.

**NOTE 5. MAJOR PROGRAMS**

There were three (3) major federal programs identified or referenced in the financial statements in accordance with the Uniform Guidance.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of 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, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 15, 2020.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

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

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Jackson Friday CPA, LLC*

New York, New York  
January 15, 2020





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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited Iris House: A Center for Women Living with HIV, Inc. (Iris House)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Iris House's major federal programs for the year ended June 30, 2019. Iris House's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Iris House's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Iris House's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Iris House's compliance.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

***Opinion on Each Major Federal Program***

In our opinion, Iris House complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

**Report on Internal Control over Compliance**

Management of Iris House is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Iris House's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iris House's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

New York, New York  
January 15, 2020

*Jackson Friday CPA, LLC*

**IRIS HOUSE  
A CENTER FOR WOMEN LIVING WITH HIV, INC.  
FEDERAL AWARD PROGRAMS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

**SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified \_\_\_\_\_yes  X  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es) \_\_\_\_\_yes  X  none reported

Noncompliance material to financial statements noted. \_\_\_\_\_yes  X  no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified \_\_\_\_\_yes  X  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es) \_\_\_\_\_yes  X  none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance \_\_\_\_\_yes  X  no

**IRIS HOUSE  
A CENTER FOR WOMEN LIVING WITH HIV, INC.  
FEDERAL AWARD PROGRAMS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D.)  
YEAR ENDED JUNE 30, 2019**

**Identification of major programs:**

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.241	Housing Opportunities for Persons with AIDS (Scatter Site Housing Program)
93.558	Temporary Assistance for Needy Families (Scatter Site Housing Program)
93.939	HIV Prevention Activities_Non-Governmental Organization Based

Dollar threshold used to distinguish between  
Type A programs \_\_\_\_\_ \$750,000 \_\_\_\_\_

Auditee qualified as low-risk auditee? \_\_\_\_\_ X \_\_\_\_\_ yes \_\_\_\_\_ no

**1. FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

There were no material findings.

**2. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no material findings or questioned costs.

**IRIS HOUSE  
A CENTER FOR WOMEN LIVING WITH HIV, INC.  
FEDERAL AWARD PROGRAMS  
SCHEDULE OF AUDITOR FOLLOW-UP PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2019**

- There were no material prior year's audit findings that required follow-up action procedures. -

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**REPORT ON THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**  
**(AND SUPPLEMENTARY INFORMATION)**

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**SIX-MONTH PERIOD ENDED DECEMBER 31, 2019**

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**INDEPENDENT AUDITOR'S REPORT**

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

**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 December 31, 2019, and the related statements of activities, functional expenses and cash flows for the six-month period then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 December 31, 2019, and the changes in its net assets and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Jackson Friday CPA, LLC

New York, New York  
March 27, 2020

IRIS HOUSE  
A CENTER FOR WOMEN LIVING WITH HIV, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019

ASSETS	2019
<i>Current assets:</i>	
Cash and cash equivalents	\$ 173,474
Security deposits	162,504
Prepaid expenses	10,096
Contract and grant receivable	1,307,401
Other receivable	188,651
<i>Total current assets</i>	1,842,126
<i>Property and equipment - net:</i>	
Building	3,426,587
Building improvements	32,287
Vehicles	81,147
Furniture and equipment	24,041
<i>Total property and equipment</i>	3,564,062
<b>TOTAL ASSETS</b>	<b>\$ 5,406,188</b>

LIABILITIES AND NET ASSETS	
<i>Current liabilities:</i>	
Accounts payable and accrued expenses	\$ 142,514
Payroll taxes payable	3,321
Loans payable/ line of credit	178,194
Contract advances	887,789
Due to landlord - client	19,829
<i>Total current liabilities</i>	1,231,647
<i>Net assets:</i>	
Without Donor Restrictions	4,151,648
With Donor Restrictions	22,893
<i>Total net assets</i>	4,174,541
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,406,188</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  
SIX-MONTH PERIOD ENDED DECEMBER 31, 2019

SUPPORT AND REVENUE:	Without Donor Restrictions	With Donor Restrictions	Total 2019
Corporations and foundations	\$ 50,368	\$ 25,000	\$ 75,368
AHF contributions	146,202		146,202
Contract and grant revenue	2,840,397		2,840,397
340B pharmacy revenue	85,681		85,681
Other contributions	14,692		14,692
Donated services and supplies	25,783		25,783
Program fees	134,257		134,257
Other income	7,829		7,829
<i>Net assets released from restrictions:</i>			
Satisfaction of program restrictions	35,822	(35,822)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>3,341,031</b>	<b>(10,822)</b>	<b>3,330,209</b>
<b>EXPENSES:</b>			
<i>Program activities:</i>			
Food and Nutrition Program	309,228		309,228
Scatter Site Housing Program	1,876,737		1,876,737
HIV Prevention Services	1,020,511		1,020,511
Other Programs	16,211		16,211
Total program expenses	3,222,687	-	3,222,687
<i>Support services:</i>			
General and administration	404,982		404,982
Fund-raising	84,015		84,015
<b>TOTAL EXPENSES</b>	<b>3,711,684</b>	<b>-</b>	<b>3,711,684</b>
<i>Change in net assets</i>	(370,653)	(10,822)	(381,475)
Net assets at beginning of the year	1,638,094	33,715	1,671,809
Fair Value of Building	2,884,207	-	2,884,207
<b>NET ASSETS AT END OF THE YEAR</b>	<b>\$ 4,151,648</b>	<b>\$ 22,893</b>	<b>\$ 4,174,541</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  
SIX-MONTH PERIOD ENDED DECEMBER 31, 2019

*Program Activities*

EXPENSES	<i>Program Activities</i>						<i>Support Services</i>		2019
	Food & Nutrition Services	Scatter Site Housing	HIV Prevention Services	Total Government Programs	Other Programs	Total Programs	General & Admin.	Fund Raising	
Salaries	\$ 119,584	\$ 413,651	\$ 532,516	\$ 1,065,751	\$ -	\$ 1,065,751	\$ 232,269	\$ 61,515	\$ 1,359,535
Fringe benefits	28,358	100,378	128,770	257,506	-	257,506	22,002	11,937	291,445
Liability insurance	5,604	33,847	5,108	44,559	-	44,559	8,796	-	53,355
Consultants	6,190	14,104	188,203	208,497	-	208,497	15,285	9,000	232,782
Printing and duplication	3,512	3,512	2,342	9,366	-	9,366	2,340	-	11,706
Telephone	7,804	13,730	5,222	26,756	5,953	32,709	7,023	-	39,732
Program supplies	5,926	5,965	73,313	85,204	5,219	90,423	12,906	937	104,266
Furnishings	-	31,923	-	31,923	-	31,923	-	-	31,923
Food expenses	79,317	-	-	79,317	-	79,317	-	-	79,317
Recreation and educational supplies	-	666	-	666	-	666	948	-	1,614
Office supplies	1,483	2,743	3,494	7,720	-	7,720	2,784	-	10,504
Payroll processing and bank charges	2,872	2,872	1,914	7,658	-	7,658	2,290	-	9,948
Parking and gas	432	10,250	3,243	13,925	-	13,925	459	-	14,384
Postage and messenger service	999	999	666	2,664	-	2,664	667	-	3,331
Dues and subscriptions	-	-	85	85	-	85	3,967	384	4,436
Client travel	2,316	2,514	12,694	17,524	-	17,524	4,576	-	22,100
Staff travel	24	2,842	5,093	7,959	-	7,959	1,065	53	9,077
Staff training and development	-	191	4,652	4,843	-	4,843	5,750	183	10,776
Rent office/storage	-	2,804	8,532	11,336	-	11,336	7,610	-	18,946
Rent client apartment	-	923,381	-	923,381	-	923,381	-	-	923,381
Utilities office	6,678	6,678	4,449	17,805	-	17,805	4,442	-	22,247
Utilities client apartment	-	12,110	-	12,110	-	12,110	-	-	12,110
Repairs, cleaning and maintenance	-	4,470	-	4,470	-	4,470	-	-	4,470
Equipment rental and repair	157	1,032	184	1,373	-	1,373	1,628	-	3,001
Advertising	-	-	13,490	13,490	-	13,490	180	-	13,670
Professional fees	3,803	30,492	3,568	37,863	-	37,863	19,368	-	57,231
Bad debts	-	220,854	-	220,854	-	220,854	-	-	220,854
Depreciation and amortization	34,021	34,021	22,680	90,722	-	90,722	22,680	-	113,402
Other expenses	148	708	293	1,149	5,039	6,188	25,947	6	32,141
<b>TOTAL EXPENSES</b>	<b>\$ 309,228</b>	<b>\$ 1,876,737</b>	<b>\$ 1,020,511</b>	<b>\$ 3,206,476</b>	<b>\$ 16,211</b>	<b>\$ 3,222,687</b>	<b>\$ 404,982</b>	<b>\$ 84,015</b>	<b>\$ 3,711,684</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  
SIX-MONTH PERIOD ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	2019
<i>Cash flows from operating activities:</i>	
<i>Change in net assets</i>	\$ (381,475)
Items not requiring cash - Depreciation and amortization	113,402
Decrease/(Increases) in security deposits	(17,425)
(Increase)/Decrease in prepaid expenses	(176)
(Increases)/Decrease in contract and grant receivable	(357,077)
Increases in other receivable	164,832
Increase/(Decrease) in accounts payable and accruals	(251,285)
Increases/(Decrease) in payroll taxes payable	(1,163)
Increases/(Decrease) in contract advances	887,789
Increase/(Decrease) in due to landlord - client	-
<b>Net cash provided by operations</b>	<b>157,422</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Additions to furniture and equipment	-
<b>Net cash used by investment and financing activities</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from loans payable	16,052
(Repayment) of loans payable/ line of credit	-
<b>Net cash provided by financing activities</b>	<b>16,052</b>
Change in cash and cash equivalents	173,474
Cash and cash equivalents at beginning of the year	-
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>\$ 173,474</b>
Supplemental Information:	
Interest Paid	-
Noncash Transactions	
Donated Property and Equipment	-

"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**  
**SIX-MONTH PERIOD ENDED DECEMBER 31, 2019**

**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.

Effective June 28, 2019, Iris House entered into an Affiliation Agreement (“Agreement”) with AIDS Healthcare Foundation (“AHF”), a California non-profit corporation. In accordance with New York State law, Iris House amended its existing Articles of Incorporation and Bylaws pursuant to the terms of the Agreement to adopt AHF as the sole member of Iris House. Iris House and AHF will continue to operate as separate entities, in accordance with the provisions of the Agreement. The missions of Iris House and AHF complement each other and are seeking a unified approach to pursuing their missions within the New York City area. AHF has an irrevocable license to use any Iris House Business Property Rights on a non-exclusive basis free of any royalties or other fees, so long as the Affiliation or a substantially similar affiliation between AHF and Iris House remains in effect.

In accordance with the Agreement, AHF shall make annual grants to Iris House solely for the operation of programs and the expansion of services.

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 locations in Central Harlem and Central Jersey.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SIX-MONTH PERIOD ENDED DECEMBER 31, 2019**

**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 in two classes: without donor restrictions or with donor restrictions, depending on the existence or nature of any donor's restriction.

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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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.

**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 net assets without donor restrictions 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 net assets without donor restrictions. Grants and contracts receivable represent amounts due for expenditures incurred or purposes accomplished prior to period or year end.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SIX-MONTH PERIOD ENDED DECEMBER 31, 2019**

**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.

**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**  
**SIX-MONTH PERIOD ENDED DECEMBER 31, 2019**

**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, 2019 are:

Financial assets:	
Cash and cash equivalents	\$ 173,474
Contract and grant receivable	1,307,401
Other receivable	<u>188,651</u>
Total financial assets	1,669,526
Less financial assets to meet donor-imposed restrictions:	
Purpose-restricted net assets	(22,893)
Less financial assets not available within one year:	
Contributions receivable	<u>-</u>
Amounts available for general expenditures within one year	<u>\$ 1,646,633</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 2019 as follows:

	<b><u>2019</u></b>
Food and Program Supplies	<u>\$ 25,783</u>

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SIX-MONTH PERIOD ENDED DECEMBER 31, 2019**

**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 \$1,000 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, 2019:

Buildings	\$ 4,875,699
Building Improvements	143,420
Furniture and Equipment	502,323
Vehicles	<u>238,552</u>
	5,759,994
Less Accumulated Depreciation and Amortization	<u>2,195,932</u>
Property and Equipment, Net	<u>\$ 3,564,062</u>

Depreciation and amortization expense on property and equipment was \$113,402 for the six-month period ended December 31, 2019.

**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**  
**SIX-MONTH PERIOD ENDED DECEMBER 31, 2019**

**NOTE 6. CONTRACT AND GRANT RECEIVABLES**

Contract and grant receivables at December 31, 2019, represent primarily, uncollected billings for governmental contract and grant services and consist of the following:

	<u><b>2019</b></u>
Food and Nutrition Program (NYS AIDS Institute)	\$ 44,905
New York City Council (PHS)	39,751
NYC-Scatter Site Housing Program	778,482
DOHMH-Scatter Site Housing Program	237,467
Center for Disease Control	18,717
DHHS-SAMHSA (Elmcor)	14,581
Women Seeking Women (NYS AIDS Institute)	29,091
Women of Color (NYS AIDS Institute)	59,254
Hunger Prevention and Nutrition Assistance	26,917
Other Programs	<u>58,236</u>
Total	<u><u>\$1,307,401</u></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><b>2019</b></u>
Community Prevention Programs	\$ 17,378
Food & Nutrition Program	<u>5,515</u>
Total	<u><u>\$ 22,893</u></u>

**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.

	<u><b>2019</b></u>
Net assets released from restrictions	<u><u>\$ 35,822</u></u>

**IRIS HOUSE  
A CENTER FOR WOMEN LIVING WITH HIV, INC.  
NOTES TO FINANCIAL STATEMENTS  
SIX-MONTH PERIOD ENDED DECEMBER 31, 2019**

**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 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, 2019:

	<u>2019</u>
NYS AI - Food and Nutrition Services Program	\$ 126,192
Hunger Prevention and Nutrition Assistance	100,471
HRA NYC-Scatter Site Housing Program	1,196,937
DOHMH-Scatter Site Housing Program	428,595
New York City Council (PHS)	39,751
Center for Disease Control (NY)	263,322
Center for Disease Control (NJ)	122,369
Federal Emergency Food and Shelter Program	13,615
Women Seeking Women (NYS AIDS Institute)	103,279
Women of Color (NYS AIDS Institute)	99,989
DHHS-SAMHSA Capacity Building Initiative (CBI)	169,032
DHHS-SAMHSA (Elmcor)	80,882
Other Programs	18,110
New Jersey Department of Health	77,853
Total	<u>\$2,840,397</u>

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SIX-MONTH PERIOD ENDED DECEMBER 31, 2019**

**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.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SIX-MONTH PERIOD ENDED DECEMBER 31, 2019**

**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, 2019 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.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SIX-MONTH PERIOD ENDED DECEMBER 31, 2019**

**NOTE 12. LEASE COMMITMENTS**

Effective October 20, 2015, Iris House signed an operating lease agreement for four copy machines with LDI Color ToolBox to replace the lease with Superior Office Systems.

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 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>SSH Leases</u>
2020	\$ 939,471
2021	347,580
2022	<u>56,840</u>
Total	<u>\$ 1,343,891</u>

Rental expenses under rental lease obligations for the year ended December 31, 2019 was \$923,381.

**NOTE 13. 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 did not make any contributions to the plan during the six-month period ended December 31, 2019.

**NOTE 14. 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.

**IRIS HOUSE**  
**A CENTER FOR WOMEN LIVING WITH HIV, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SIX-MONTH PERIOD ENDED DECEMBER 31, 2019**

**NOTE 15. DUE TO 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 as of December 31, 2019 was \$130,615.

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 \$47,579 as of December 31, 2019.

**NOTE 16. RECLASSIFICATION**

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

**NOTE 17. UNCERTAIN TAX POSITION**

Management has analyzed the tax positions taken and has concluded that as of December 31, 2019, 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 18. SUBSEQUENT EVENTS**

Iris House evaluated subsequent events through March 27, 2020, which is the date the financial statements were available to be issued, noting that the following subsequent event warranted disclosure in these statements.

A judgement was entered in the amount of \$119,526 plus interest in the Supreme Court of the State of New York, County of Bronx on behalf of BPS 5 LLC against Iris House for clients' rents due and unpaid during the period 2017/2018. On March 11th, 2020 the amount of \$102,500 was rendered in full satisfaction of the judgement to the Bronx County Clerk and deemed wholly paid for this judgement.